

MORS SMITT BV

TERMS AND CONDITIONS OF PURCHASE

09 February 2017

DEFINITIONS

Purchase Order means this Purchase Order and all its attachments (such as these Terms and Conditions) and exhibits.

Materials/Work means any goods, materials, equipment and works/services covered by this Purchase Order.

Seller means the person or entity to whom this Purchase Order is issued.

Purchaser means Mors Smitt entity identified in the Purchase Order issued.

1. ACCEPTANCE OF ORDER

By accepting this Purchase Order or any part thereof, the Seller agrees to and accepts the terms and conditions hereof. This Purchase Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Purchase Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Purchase Order. Any additional or conflicting terms provided by Seller are hereby objected to, and the parties agree Purchaser only agrees to this Purchase Order on the terms herein. Acknowledgement on a form other than the Purchase Order provided herein, or start of any, or completion of the execution of the Work or shipment or invoicing shall constitute acceptance of this Purchase Order in its entirety on the terms herein. Purchaser is not obligated to any minimum purchase or future purchase obligations under this Purchase Order.

2. QUANTITY

Seller shall provide the quantity indicated, and in no case may Seller provide substitute products or products complying with alternative specifications without express written approval (and agreement upon change in price) from Purchaser. Seller shall not consider delivery complete until delivery of the stated quantity. Purchaser may reject all or any excess Materials. Any such rejected Materials shall be returned to Seller at Seller's risk and expense.

3. PRICES

Prices are firm, not subject to escalation or additional charges unless otherwise specifically agreed in writing. Any agreed-upon discounts will be computed from the date of receipt of correct invoices and acceptance of Materials, whichever occurs last. The Seller agrees to credit, or reimburse at Purchaser's option, the Purchaser for any taxes, customs, duties or other levies that are included in the price(s) (per the front of this Purchase Order) but are not required to be paid.

4. QUALITY MANAGEMENT

All Products shall comply with Purchaser. specifications and requirements.
The Purchaser. has an expectation of ZERO DEFECTS on all Products delivered from the Supplier.
In line with our zero defects goal, the Supplier (including its sub-tier suppliers) is required to:

- a. Demonstrate compliance with:
 - a. Design, performance, reliability, and applicable legal requirements,
 - b. Process controls and capability requirements,
 - c. All provided specifications and requirements.
- b. Explicitly review and understand all requirements provided to the Supplier related to the Products. Ensure resources are available to participate in product quality planning, as requested.
- c. Establish a change control system that reacts to changes in a timely and accurate fashion. In all cases, acquires written approval from the Purchaser. prior to implementing any change that may impact form, fit, function, quality, reliability, safety, delivery, service or its compliance with regulatory and statutory requirements. This shall include, but not limited to, manufacturing processes, quality standards for acceptance, and testing requirements.
- d. Have a documented and recognized quality management system in place, including continual quality system development with the goal of Supplier's conformity with ISO 9001, and continuous improvement in Product quality.
- e. Measure own performance on all given KPI's from the Purchaser
- f. Maintain process, product and service capabilities to fulfill Purchaser requirements.
- g. Deploy Purchaser. requirements, expectations and controls throughout the Supplier's entire supply chain for the respective Products.
- h. Possess expertise and resources to perform effective root cause analysis, and to take corrective and preventive actions.
- i. Notify the Purchaser of any potential or actual Non-conformance in Products supplied to the Purchaser. that may affect its form, fit, function, quality, reliability, safety, delivery, service or its compliance with regulatory and statutory requirements.
- j. Be responsible and accountable for the impact of poor Supplier Product quality on the Purchaser and its customers.

- k. Comply with all its obligations towards Mors Smitt B.V., including, but not limited to:
- Recognized and certified Quality Management System (QMS)
 - Non-Disclosure obligations
 - Purchasers' Customer Specific Requirements (CSR)
 - Warranties
- l. Purchaser may require a process audit at the Supplier's manufacturing facility. This audit focuses on the specific process quality controls that the Supplier has put in place for the Products being manufactured for Purchaser, as well as Product/ commodity specific process requirements. In addition, Purchaser reserves the right to conduct such an audit on the Supplier's sub-tier suppliers. Such audits shall not relieve the Supplier's responsibility to produce and deliver Zero Defect Products to Purchaser
- m. The Supplier, or a qualified independent third party, shall provide specific material, performance and/or durability test results. Actual results must be compared against agreed upon specifications. For certain parts, Purchaser may require third party testing, as necessary. All independent laboratories used for inspection, test, or calibration services by Supplier, shall be approved in writing by Purchaser and shall be accredited to ISO/IEC 17025, or equivalent national requirements, subject to verification by Purchaser

Any exception or deviation to the requirements, terms and conditions of these terms and conditions, including, but not limited to exceptions or deviations to the Purchaser. expectations, requires Purchaser' prior written approval.

5. INSPECTION

All Materials and Work covered by this Purchase Order shall be subject to inspection by the Purchaser and to rejection if not satisfactory. In addition to Purchaser's other remedies (including without limitation pursuant to breach of warranty herein), Materials so rejected will be held by the Purchaser at the Seller's risk pending directions from the Seller as to disposal at Seller's expense. If Seller does not promptly remove such rejected Materials, Purchaser, at its discretion, may do so at Seller's expense. Any expenses, including any test required to validate compliance, incurred by the Purchaser in respect of rejected material or work will be for the Seller's account. Neither inspection nor failure to inspect shall relieve Seller of responsibility or warranties with respect to items supplied hereunder or imply acceptance thereof. Without limiting the foregoing, risk of loss or damage to Materials shall not pass to Purchaser until delivery to and acceptance by Purchaser.

6. DEFAULT

Time is of the essence with regard to this Purchase Order. The Purchaser reserves the right to terminate all or any part of this Purchase Order, without prejudice to any other rights and remedies it may have, in the event of failure by the Seller to perform as expressly specified in this Purchase Order, including without limitation by sending materials, performing work or delivering not in strict compliance with the terms herein. In the event of failure to deliver as specified, the Purchaser may return part or all of any shipment, receive a refund / not owe for such materials, and costs incurred by the Purchaser as a result of such default will be for the Seller's account. Upon Seller's breach, Purchaser may also (in addition to any other remedies it may have) expressly use the remedy of "cover" at Seller's expense (and Seller shall promptly pay Purchaser any amounts owed from such cover).

7. CANCELLATION

Until notice of Seller's acceptance of the Purchase Order is received the Purchaser reserves the right to cancel the Purchase Order in whole or in part, with or without cause, at no cost to the Purchaser. In the event of cancellation of this Purchase Order by Purchaser after notice of Seller's acceptance is received by the Purchaser (except where such cancellation is due to the default of the Seller or otherwise permitted by the terms herein) the Seller shall be entitled to reimbursement for proven direct costs properly incurred to date of such cancellation without claim for loss of any other nature. Upon Seller's receipt of any notice of cancellation, Seller, unless otherwise directed, shall immediately discontinue all Work in process and otherwise mediate its costs and damages as much as possible.

8. FORCE MAJEURE

Should either the Purchaser or the Seller be precluded from or delayed in performing its obligations hereunder by reason of Act of God or any other cause beyond its reasonable control, then such party shall be entitled to a reasonable extension of time, to be negotiated and agreed by both parties, for the performance of its obligations. In the event, however, that either party is precluded from or delayed in the performance of its obligations to an extent that any extension or time for performance would cause damage to the other party, then the other party may cancel this Purchase Order without further recourse. Seller's economic hardship or changes in market conditions are not considered Force Majeure Events. Seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under the Purchase Order.

9. INDEMNIFICATION AND INSURANCE

Seller shall indemnify, defend and hold harmless the Purchaser, its affiliates, agents, employees and customers from and against any and all liabilities, losses, damages, suits, claims, demands, costs and expenses (including reasonable attorneys' fees) of any nature arising out of any of the following: (i) the Materials or Work provided by or on behalf of Seller, (ii) performance by or on behalf of Seller hereunder, including in each case claims made or damages sustained in respect of property damage and personal injury (including death) except to the extent that such injury or damage is attributable to the gross negligence or willful misconduct of Purchaser, its affiliates, agents or employees, and/or (iii) any action or omission of Seller or its agents. Seller shall not enter into any settlement without Purchaser's prior written consent. Seller shall maintain in effect at all times, with insurers of adequate size and standing for such risks, insurance policies and coverages commensurate with the risks associated with its obligations under this Purchase Order. Upon request, Seller shall furnish Purchaser with an insurance certificate and other evidence requested by Purchaser evidencing that such insurance policies and coverages are in effect.

10. INFRINGEMENT

Seller shall indemnify, defend and hold harmless the Purchaser from and against any and all costs, damages, suits, claims and demands of any nature arising out of any claims of infringement or misappropriation of any patent, trademark, copyright, industrial design or other intellectual property right of a third party related to any Materials or Work (or parts thereof) purchased hereunder or otherwise related hereto.

11. ENCUMBRANCES

Seller agrees to deliver the Materials and Work to be supplied hereunder free and clear of all liens and encumbrances, including without limitation claims of laborers or materialmen, and Purchaser may withhold payment pending receipt of evidence in form and substance satisfactory to it of the absence of such liens and encumbrances. In any case, in the event any lien or encumbrance on any Materials or Work is claimed related to this Purchase Order, Seller shall immediately have such lien or encumbrance removed.

12. NON-DISCLOSURE

Seller agrees that it will not disclose any secret or confidential information that it may obtain or that may be developed in connection with this Purchase Order, including without limitation the price and quantity of the Materials and Work, designs and specifications, Purchaser's intended use for the Materials or Work, and any other information regarding Purchaser, its affiliates, business, prospects, parts, customers or plans. In addition, Seller shall only use such information as necessary to perform its obligations pursuant to this Purchase Order. Without limiting any of the foregoing and for the avoidance of doubt, Seller may not disclose for advertising purposes any business conducted with Purchaser or related information.

13. TOOLING, WORK PRODUCT AND OTHER PROPERTY

Drawings, tools, dies, designs, specifications and otherwise issued to the Seller by or on behalf of the Purchaser, or paid for by Purchaser, pertaining to Materials or Work covered by this Purchase Order: (i) remain the sole property of Purchaser (including without limitation all intellectual property), (ii) may be used by Seller solely to perform Work for Purchaser hereunder, (iii) shall be marked as property of Purchaser, (iv) may not be moved from Seller's premises without Purchaser's written consent, (v) shall be kept free of liens and encumbrances, (vi) may not be modified, and (vii) shall be returned to Purchaser upon the earlier of its request or completion of this Purchase Order. In addition, Seller shall ensure and be responsible for the safety and good condition of such property. No charge will be accepted by the Purchaser for patterns, pattern equipment, dies, jigs, fixtures, special apparatus or otherwise used in the manufacture of Material or Work shown in this Purchase Order unless otherwise specifically agreed in writing.

All materials, discoveries, ideas and otherwise developed by Seller in performing under this Purchase Order (i.e. work product) shall be owned by Purchaser and shall be considered work made for hire by Seller for Purchaser. Purchaser shall own all United States and international copyrights, patent and other intellectual property rights in work product. Seller agrees to assign, and upon creation of each work product automatically assigns, to Purchaser, its successors and assigns, ownership of all United States and international rights in each and every work product, insofar as any ownership and rights in such work product, by operation of law, are not automatically with Purchaser. From time to time upon Purchaser's request, Seller and/or its personnel shall confirm such assignment by execution and delivery of such assignments, confirmations or other written instruments as Purchaser may request. Purchaser, its successors and assigns, shall have the right to obtain and hold in its or their own names all copyright registrations, patents, and other evidence of rights that may be available for work product.

14. GUARANTIES AND WARRANTIES

Seller guaranties and warrants that the Materials will be suitable for the specified purpose for which they are purchased for a period of two years after acceptance by Purchaser. In addition, the Seller expressly guaranties and warrants that for a period of two years after acceptance by Purchaser: (i) all Materials and Work shall conform to the strict requirements and specifications of this Purchase Order; (ii) all design, workmanship and otherwise regarding all Materials and Work shall be free of defects and failures; (iii) all Work shall be performed in accordance with no less than industry standards by qualified personnel; (iv) none of the Materials or Work infringe the intellectual property of any third party, and no Materials or Work are subject to restrictions on use; and (v) all Materials and Work, and all actions, practices and operations by Seller related hereto, comply with all applicable law.

In the event of failure to adhere to any of the foregoing, in addition to any other remedies Purchaser may have, all Materials and Work shall be replaced or repaired at Purchaser's or its customer's site by the Seller immediately at no additional cost. In the event that the Seller is unable or unwilling to effect immediately such repair or replacement the Purchaser shall have the right to effect or have effected such repair or replacement at the Seller's expense. If Purchaser approves sending any Materials back to Seller for repair, Seller shall also be responsible for and promptly pay all repackaging, handling and transportation charges (both ways). In all cases, Seller shall be expressly responsible for and promptly pay all labor costs, customer chargebacks and all other damages and costs of Purchaser and its customer. Any attempt by Seller to disclaim any of the warranties or guaranties herein shall be void and of no effect.

15. ASSIGNMENT AND SUBCONTRACTING

Seller shall not assign, transfer, delegate or subcontract this Purchase Order or work related hereto (in whole or in part) without the Purchaser's prior written approval. Any such assignment or subcontract without such written approval shall render this Purchase Order voidable at the Purchaser's option. In all cases, Seller shall remain liable for this Purchase Order as the primary obligor and Seller shall ensure that any assignee or subcontractor complies with all of the terms herein. "Subcontract" is to be broadly interpreted and includes the use of any non-employee agent.

16. GOVERNING LAW

This Purchase Order and the underlying transactions shall be governed by and construed in accordance with Dutch law without regard to conflict of law principles; provided, however, the UN Convention on Contracts for the International Sale of Goods is expressly excluded / disclaimed and not applicable to this Purchase Order or the underlying transactions. The Seller agrees to personal jurisdiction and venue in any Dutch court regarding any disputes related to this Purchase Order.

17. CONFLICTS

In case of a conflict between these "Terms and Conditions of Purchase" and any other terms on the front page(s) of the Purchase Order, the text of the front page(s) of the Purchase Order shall control. Furthermore, the Purchaser shall not be bound by any agreement modifying in any way the Terms and Conditions or the terms on the front page(s) of the Purchase Order, and/or any attachments unless said amendment is subsequent to the date of the Purchase Order, is in writing, and is signed by a duly authorized representative or the Purchaser.

18. INVOICING

Invoices will be rendered by the Seller after all Materials have been received by Purchaser or the Work/services performed. A separate invoice must be issued for each Purchase Order. Each invoice will contain a complete description of the Materials delivered or Work/services rendered and show the Purchase Order number. Any sales taxes, duties and transportation charges which are the responsibility of Purchaser pursuant to the front of this Purchase Order will be shown separately on each invoice. Invoices must be mailed to the Purchaser at the address indicated on the front page and must not be left

with an employee of the Purchaser at the time of delivery of material or performance of Work/services. Notwithstanding any provision contained in any invoice, in no event shall there be any interest or other charges on overdue invoices, and any such purported amounts will not be owed or paid.

19. DELIVERY AND SHIPPING

Seller must comply with the stated schedule and delivery date(s) which are meant to be the Delivery Date at the Purchaser's facility. Seller shall ensure that the quantities and delivery schedules herein are effected ON TIME. Subject to Section 14 and unless otherwise specified on the face of the Purchase Order, Purchaser shall pay for freight charges, which shall be included as a separate line item on the invoice. The invoice on which these charges are shown (as a separate item) must be accompanied by a signed original and copies of bills of lading or express receipts and receipted freight or express bills to substantiate such charges. In case of delays, the Seller will be responsible for all associated costs related with such delays including special transport in order to ensure prompt delivery. Even if Purchaser is responsible for shipping, the Seller shall be responsible for any excess transportation charges incurred by making partial shipments not specifically authorized in writing by the Purchaser. Materials shipped to Purchaser in advance of schedule may be returned to Seller at Seller's expense.

The Purchase Order number must appear on all shipping manifests, bills of lading, invoices and correspondence and must be marked on or tagged to all Material shipped. A packing list must accompany each shipment showing Purchase Order number, item number and quantity of each product packaged (all other documentation should also include such information).

20. PACKING

Seller shall properly pack all Materials prior to shipping, including without limitation that Seller shall package the Materials supplied to ensure protection against environmental changes and damage during handling and transportation. No charge will be accepted by the Purchaser for packing, boxing, containers, reels or cartage unless otherwise specifically agreed in writing. All Material and packaging must be clearly marked and identified in accordance with Purchaser's instructions and as required by law.

21. CHANGES

Notwithstanding anything else herein, Purchaser reserves the right to adjust quantities, specifications, shipment schedule and otherwise from time to time upon written notice to Seller (and upon any material change, the parties shall in good faith negotiate and agree upon an equitable adjustment in price).

22. RIGHT TO SET OFF

Notwithstanding the foregoing, in the event that Seller is in breach of any obligation under this Agreement, Purchaser shall be entitled to withhold payments, deemed by Purchaser to be proportionate to the actual impact of the breach, which would otherwise be due to Seller under any Purchase Order. All costs, losses, charges, damages or expense incurred by Purchaser, for which Purchaser determines Seller is liable under this Agreement or otherwise, may be deducted by Purchaser from any monies due or becoming due from Purchaser to Seller without notice.

23. OTHERS

Seller agrees to allow access to its, and its subcontractors and sub-suppliers, premises and to provide technical or equipment assistance to Purchaser and/or (as requested by Purchaser) its customer to carry out audits or verifications of the quality, products and/or processes. Records pertaining to the Material or Work being verified shall be made available by Seller to Purchaser and/or (as requested by Purchaser) its customer.

This Purchase Order (including these Terms and Conditions) represent the entire agreement of the parties related to the subject matter hereof, and supersedes any and all prior or contemporaneous understandings, agreements or communications related thereto. The failure of Purchaser to insist on performance of any provision herein (or part thereof) shall not be construed as a waiver of such provision (or part thereof). In the event that any provision of this Purchase Order is held invalid or unenforceable, the affected provision shall be modified to make it valid and enforceable as close to the intent of the provision as possible (and such invalidity shall not affect the enforceability of the remaining terms of this Purchase Order).

24. RELATIONSHIP OF THE PARTIES

The relationship between the parties is that of independent contractors. Nothing contained in the Purchase Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from this Purchase Order.

25. NO THIRD-PARTY BENEFICIARIES

This Purchase Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these terms.

26. CONFIDENTIALITY

All non-public, confidential or proprietary information of the Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Purchaser to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form of media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Purchase Order is confidential, solely for the use of performing the Purchase Order and may not be disclosed or copied unless authorized by the Purchaser in writing. Upon Purchaser's request, Seller shall promptly return all documents and other materials received from Purchaser. Purchaser shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Seller at the time of disclosure; or (c) rightfully obtained by the Seller on a non-confidential basis from a third party.

27. TITLE AND RISK OF LOSS

Title passes to the Purchaser upon delivery of goods to the Purchaser's facility on the Delivery Date. Seller bears all risk of loss or damage to the Materials until delivery of goods to the Purchaser's facility on the Delivery Date.

28. CUMULATIVE REMEDIES

The rights and remedies under this Purchase Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

29. COMPLIANCE WITH LAW

Seller is in compliance with all applicable laws, regulations and ordinances. Seller has and shall maintain in effect all licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Purchase Order.

30. FUNDING AGENCIES; FLOW DOWNS

This Purchase Order may be considered a lower tier subcontract to a prime contract that is, in whole or in part, funded by government entities and/or agencies (a "Funding Agency"). In such circumstances, any provisions that are required by a Funding Agency, whether or not expressly set forth in this Purchase Order, shall be incorporated by reference. Anything to the contrary notwithstanding, all terms mandated by a Funding Agency shall be deemed to control in the event of a conflict with other provisions contained in this Purchase Order. Seller shall not perform any act, fail to perform any act, or refuse to comply with any Purchaser requests, which would cause Purchaser to be in violation of terms and conditions of a Funding Agency. For the avoidance of doubt, any enumeration in a Purchase Order of terms and conditions that are required by a Funding Agency shall not be construed as a limitation upon this Section 30. If any domestic content requirements, such as Buy America, are part of the terms incorporated by this Section, Seller agrees to supply a domestic content certificate as requested by Purchaser and in a form satisfactory to Purchaser. Seller shall permit and facilitate the conduct of audits by the Purchaser, the Purchaser's customer, the applicable government agency or their designee. These audits will require Seller to supply the Purchaser, Purchaser customer, the applicable government agency or their designee a list of components and subcomponents (if necessary), the cost of such item, total material cost, final assembly cost and other information as necessary to comply with the requirements of the audits. If a Prime Contract is referenced on the face of the Purchase Order, the terms and conditions of such Prime Contract are incorporated herein by reference.

31. TRADE COMPLIANCE

Seller will not export or transfer information, technical data, or materials provided by Purchaser, whether directly or indirectly, to any person or entity, even if such disclosure or transfer is otherwise permitted under this Purchase Order, without first complying strictly and fully with all export controls (including, but not limited to the International Traffic and Arms Regulations) which may be imposed on such information, technical data or materials by the United States Government or any country or organization of nations within whose jurisdiction the transaction takes place or the Seller operates or does business. Seller further acknowledges and agrees that Purchaser may unilaterally terminate any obligations under this Purchase Order without damages, penalties or liabilities of any kind, if at any time, Purchaser become aware that any aspect of this Purchase Order or related transaction may violate any applicable export control laws and regulations. Notwithstanding any term or condition herein to the contrary, for any international deliveries, Seller shall be exporter of record and shall be responsible for obtaining any and all required export licenses or other authorizations and carrying out all customs formalities associated with export of the Materials, at Seller's cost and expense. Seller shall review the eligibility of Materials provided by Seller hereunder, for any free, preferential, or other trade agreement, program, or benefit (collectively "Trade Agreement") and where the items qualify for such Trade Agreement, shall provide Purchaser, any requested documentation for duty free preference, reduced, duty or other benefit under such Trade Agreement. Seller agrees that it will promptly supply such information, requested by Purchaser for compliance with the U.S Security and Exchange Commission's rules to implement provisions of the U.S Dodd-Frank Wall Street Reform and Consumer Protection Act relating to the disclosure and reporting of "conflict minerals" or similar laws/regulations. For any international deliveries, Seller shall include the following documents with each shipment: packing list, copy of airway or truck bill of lading, Seller's commercial invoice, and any other documents which may be requested by Purchaser, unless such delivery location is Purchaser's customer location, in which case, Seller shall include only a packing list and any other such documents which may be requested by Purchaser. Notwithstanding any term or condition herein to the contrary, for any Materials returned to Seller from a foreign location, Seller shall be responsible for the import of such returned Materials, act as importer of record of such Materials and shall be responsible for all fees, taxes, costs and expenses of any kind, associated therewith. Notwithstanding any term or condition herein to the contrary, Purchaser may include additional language in the face of this Purchase Order related to export control and shipping and other documentation. Notwithstanding the foregoing, it is still the Seller's responsibility to comply with all laws, statutes, orders and regulations, including, but not limited to, those related to export control, regardless of whether referenced by this Purchase Order.