

**KELLENBERGER**  
**TERMS AND CONDITIONS OF PURCHASE**

1. This purchase order (“order“, “purchase order“ and/or “Agreement“) may be accepted only in strict accordance with its terms, which proscription includes but is not limited to variation in kind or amount. Any terms and conditions originating with the Seller are hereby expressly rejected. The terms “you” and “your” refer to Seller. The terms “we”, “Buyer“ and “our” refer to KB Machines US Holdings, LLC, including its North America subsidiaries (hereafter, collectively “Kellenberger” or “Buyer”).
2. An itemized list of the contents must be placed in each package noting the purchase order number, Kellenberger part number, description of material, quantity shipped and unit of measure.
3. Seller warrants that it shall transfer clear title to Product, and Buyer shall accept risk of loss or damage upon receipt and acceptance of Product by Buyer. In the event that deliveries are not made in accordance with the exact quantities, ship date, amount of Kan-ban and/or consignment product(s) specified in this Order, Buyer shall be entitled to recover all related costs, losses, penalties and expenses from Seller that Buyer incurs as a result of Seller’s failure to perform as scheduled including, but not limited to, line or production slowdowns or stoppages for either the Buyer or its customers. Acceptance of all or any part of this Order by Buyer after the specified delivery date shall not constitute a waiver of any claims that Buyer may have for delays in delivery. Seller retains all risk of loss during shipment and shall be responsible for all damage to the Products that occurs during shipment.
4. All Seller price increase proposals should be sent in writing to Buyer, and its regional leaders listed on **North America Sourcing Contacts List** (attached hereto as **Exhibit “A” and incorporated herein**), with a mandatory ninety (90) day notice period from Seller to Buyer.
5. Routing: All material must be forwarded per our requested carrier; otherwise, the difference in freight rates and extra cost of cartage will be deducted from your invoice. On all non-truck shipments, please use UPS. Air shipments are not authorized unless approved in advance. On all truck shipments for which Kellenberger will incur freight charges, please call Echo 866-672-0322. All other trucking must be approved by the Buyer in writing.
6. Payment terms will be Net 90 days unless Kellenberger elects to take cash discounts offered by the Seller. Other payment terms must be approved in writing by the Kellenberger purchasing manager in advance and a copy of the approval must be on file in Kellenberger Accounts Payable.
7. Buyer shall pay Seller for undisputed amounts due net ninety (90) days after the latter of: (i) the date of an undisputed invoice is received at Buyer’s “bill to” address, or (ii) receipt of the Product. Buyer shall be entitled at any time to set off any and all amounts owed by Seller to Buyer.
8. Cash discount period and payment dates will be computed either from the date of delivery and acceptance of the goods ordered or the date of receipt of correct and proper invoices, prepared in accordance with the terms of Buyer’s order, whichever date is later.
9. Unless otherwise indicated in this Order, prices are firm for the term of this Order and include all applicable taxes including, but not limited to, all federal, state, country and local sales, use, excise, privilege, payroll, occupational, import and export duties, inbound freight, packaging, insurance, handling and all applicable charges. Seller shall indemnify Buyer against any liability and expense by reason of Seller’s failure to remit the same to the proper taxing authority. Outbound freight charges, if specifically allowed in this Order, shall be itemized separately on any Seller invoice. All prices are in U.S. dollars and all payment shall be made in U.S. dollars, unless buyer chooses to pay in local currency of the seller.

10. All Seller invoices will mirror the Kellenberger purchase order. Each invoice will reference the appropriate Kellenberger purchase order number. Invoices that do not contain the proper information will not be paid. Only one purchase order may be listed on your invoice. Do not bill multiple purchase orders on the same invoice.
11. Where material is made to blueprints furnished by Kellenberger Inc., the design shall be considered as ours and the Seller will not furnish anyone else the same articles or parts thereof without written permission of Kellenberger Inc.
12. The Equal Employment Opportunity clause in Section 202 of Executive Order No. 11246, as amended, relative to Equal Employment Opportunity and the implementing rules and regulations of the office of Federal Contract Compliance are incorporated herein by specific reference.
13. The purchase order is not valid unless you can and do certify as follows on your invoice to us: "Labor Standards Act of 1938, as amended, has been complied with."
14. Seller agrees to comply with the provisions of the Occupational Safety and Health Act of 1970 and the standards and regulations issued thereunder. Seller certifies that all items furnished and all work performed hereunder will comply with said standards and regulations.
15. Seller is expected to cover under warranty all material supplied to Kellenberger Inc. for at least 2 years from the installation date at our customer's facility.
16. As required, Seller will provide Kellenberger Inc. with applicable Material Safety Data Sheets ("MSDS"). No chemicals are to be brought into our facility until the applicable MSDS is approved.
17. All expenses incurred by the Seller's failure to furnish necessary documents shall be charged to the Seller.
18. Buyer may cancel any order arising out of this Agreement in whole or in part, without liability if, (i) Products have not been shipped as of date of receipt of notice of cancellation, (ii) Product deliveries are not made at the time and in the quantities specified; (iii) Products infringe or are alleged to infringe any patent, trademark, copyright or trade secret right or (iv) Products fail to comply with any applicable law or regulation. To cancel, Buyer shall give notice to the Vendor in writing, and to the extent specified therein, Vendor shall immediately terminate deliveries under the order.
19. On-Time Delivery is considered as no more than three (3) business days early and zero (0) days late. Deliveries made more than three (3) business days prior to the designated delivery date will be considered early and may be returned at the Seller's expense for delivery on the designated delivery date. Early delivery may also affect timely payment of any related invoice(s). Any request for extension of time of delivery from that confirmed by the Seller on the original order must be approved by Buyer and Kellenberger purchasing manager with such extension applying only to the particular item or shipment affected.
20. All material and equipment which may be furnished by Seller pursuant to the purchase order and any services or installations relating thereto shall be guaranteed to be of the best quality and free of defects in design, workmanship or material and suitable for their intended purposes. All defective material will be returned at the Seller's expense. If approved by the Seller, material may be reworked by Kellenberger and the rework costs billed back to the Seller.
21. Patterns, dies, molds, jigs and fixtures furnished to Seller by Kellenberger Inc. or paid for by Kellenberger Inc. shall be the property of Kellenberger Inc.

22. Seller is expected to maintain in good working order all patterns, dies, molds, jigs and fixtures which have been paid for by Kellenberger Inc.
23. In the event that any specified delivery date is not met, Supplier shall be liable for any loss, expense, or damage resulting from delay in delivery or failure to deliver products or provide services which is due to any cause except as set forth in Force Majeure. In the event of delay due to any such cause, Kellenberger may obtain substitute products or services from another source and bill all additional costs directly to Supplier who shall remain financially liable for all additional acquisition costs.
24. Supplier will pay any additional freight expenses incurred in connection with an expedited shipment arising from a shipment delay or other cause attributable to Supplier. The supplier shall notify the customer in the event of expedited / premium freight. In case of a disagreement on causes attributable to Supplier, Buyer can use expedited shipping and bill back Supplier, pending resolution on the attributable cause.
25. By accepting the purchase order, Seller agrees to indemnify and hold harmless Kellenberger Inc., its officers, employees, agents, or any customer buying goods specified on the purchase order from loss, damage, expense, or injury arising out of a claim of alleged infringement of patents or other intellectual property, which claims arise by reason of the alleged purchase, sale, or use of the goods supplied under the purchase order. Seller will assume the defense of any and all suits and will pay all costs and expenses incidental thereto.
26. Notwithstanding anything in this Agreement to the contrary, the prices of Product sold to Buyer will not exceed the lowest price at which Seller is then selling substantially similar Product to any other customer (Original Equipment Manufacturer "OEM" or after-market). If Seller reduces its prices to others for the same or similar Product, during the term of this Agreement, Seller will reduce the prices to Buyer for such Products accordingly.
27. Seller will provide Buyer, as may be requested, financial information or documentation that will assist Buyer in verifying that Seller is in good financial condition and able to fulfill its obligations pursuant to this Agreement.
28. Should Seller provide the Products to a third party for incorporation into an assembly which is sold to Buyer, the price for such Product shall be the same or less than the price provided in this Agreement.
29. In the event Seller's Product(s) are found to be in breach or in non-compliance with any of the terms of this Agreement, then Buyer has the right to immediately terminate this Agreement in its entirety and to unilaterally debit Seller's account accordingly for any amounts owed or paid by Buyer for such Product(s).
30. All purchase orders shall be governed by and construed in accordance with the laws of the State of New York without regard to its conflict of laws rules.

**EXHIBIT A**

Kellenberger North America Contacts List:

- Jeremy Michael – Sales & Marketing: [jeremy.michael@kellenberger.com](mailto:jeremy.michael@kellenberger.com)
- Peter Whitson – Operations: [peter.whitson@kellenberger.com](mailto:peter.whitson@kellenberger.com)
- Reddy Gundala – Procurement: [reddy.gundala@kellenberger.com](mailto:reddy.gundala@kellenberger.com)

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Purchasing Terms & Conditions