

Eurotech USA, Inc.
PURCHASE ORDER
(TERMS AND CONDITIONS)

This Purchase Order is neither an expression of acceptance of any offer made to Eurotech USA, Inc. ("EUI"), the Buyer under this Purchase Order, by Your Company, the Seller under this Purchase Order, nor a confirmation of any contract between EUI and Your Company. This purchase order is an offer to Your Company to contract on the terms set forth herein, and such offer expressly limits acceptance by Your Company to the terms set forth herein without deviation. **Any additional or different terms proposed by Your Company are specifically rejected, unless otherwise expressly agreed to in a writing signed by an authorized representative of EUI.**

TERMS AND CONDITIONS OF PURCHASE ORDER
- THREE PAGES - READ CAREFULLY

1. Acceptance.

Commencement of performance pursuant to this Purchase Order constitutes acceptance hereof by Your Company. If specified delivery dates cannot be met, Your Company shall notify EUI promptly of Your Company's best proposed alternative delivery date, which EUI may accept or reject. The terms of this Purchase Order may not be modified, superseded or amended except in a writing signed by an authorized representative of EUI. Any amendment of the Order, even if minor, must first be approved by the EUI in writing. Each shipment received by EUI shall only be upon the terms of this Purchase Order, notwithstanding any terms contained in any quotation, acknowledgment, invoice or other form of Your Company, or EUI's acceptance of, or payment for, any shipment or any other act. EUI will issue an order for all purchases, which its duly authorized representative must sign. Unless the parties agree otherwise, a Supplier shall not begin to fulfil any order unless it has been duly accepted in accordance with the following terms. The Supplier shall accept the Order by sending to the EUI a copy of the Purchase Order called Acknowledgement of receipt by letter, e-mail or fax, within seven (5) calendar days as from the date mentioned on the Purchase Order. By virtue of its acceptance of the order, the Supplier acknowledges that it has received all the information, needed to fulfil same. It is responsible for requesting any additional information that it deems to be necessary.

2. Deliveries, Time.

Time is of the essence of this Purchase Order. If delivery of the Goods is delayed beyond the time indicated herein for any reason including, without limitation, Your Company's insolvency, bankruptcy or assignment for the benefit of creditors, EUI reserves the right without liability (in addition to its other rights and remedies) to cancel this order by written or facsimile notice, or verbal notice confirmed in writing (which notice shall be effective when received by or communicated to Your Company) as to any of the Goods not shipped, to purchase substitute Goods elsewhere, and to charge Your Company with any loss incurred. Unless otherwise provided, delivery schedules are mentioned on the Order. The delivery and/or performance schedules are binding and constitute an essential clause of the Order. The Supplier must notify to the EUI, as soon as it has knowledge thereof, of any incident that is liable to jeopardize compliance with said time limits. Unless otherwise specifically agreed to by EUI, any provision for delivery of the Goods in installments shall not be construed as making the obligations of Your Company severable. Shipment shall be properly packed and shipped only by licensed carrier over the least expensive route, unless otherwise instructed. Shipments F.O.B. Your Company's plant shall be released at a declared valuation of the true replacement value, and in no event shall such declared valuation

exceed the maximum permitted under the carrier's least expensive rate schedule applicable to Goods constituting such shipment. Your Company shall notify EUI at the time of shipping of the Goods, together with a copy of the bill of lading or shipping document and the packing list applicable hereto. All such documents and correspondence shall refer to EUI's Purchase Order number. Packing lists must bear a complete description of the Goods shipped. The Supplier undertakes to promptly inform the EUI of any event that is liable to cause a delay in delivery, and to take all necessary measures to avoid or limit such delay. EUI is entitled to refuse delivery of Products or acceptance of Services if the Supplies are not in compliance with the terms defined in the Order, by ordinary letter, by e-mail or fax, describing the reasons for said refusal. EUI shall not owe the Supplier any payment for any Supplies refused. The Supplier may check non-compliances and propose remedial measures during a seven (7) day period as from EUI's notice of refusal. After said period and unless the EUI accepts the remedial measures, the Supplier must take back the Product of which delivery was refused at its expense and risks within the next seven (7) days. EUI may check the progress of Order fulfillment prior to the acceptance of Supplies, without however said right decreasing the Supplier's warranties. Unless otherwise provided, the acceptance shall always be made upon the full completion of the Services ordered on the date specified in the Order.

3. Price and Payment.

Prices or billing amounts shall not exceed the prices stated on the Purchase Order without the prior written consent of EUI. The prices stated include packing, crating and transportation F.O.B. point shown. Your Company agrees that any price reduction applicable to the ordered Goods subsequent to the order date but prior to delivery will be applicable to this Purchase Order. Your Company shall mail or email to accounting@eurotech-us.com the invoice for the Goods to EUI. The cash discount period (if any) will date from EUI's receipt of the ordered goods or from the date of the invoice, whichever is later. EUI reserves the right to refuse any shipments sent C.O.D. and to dishonor any draft, and all Goods therewith are at Your Company's risk. Except for charges to taxes as provided herein below, EUI will not be responsible for any charge not shown on the face of this Purchase Order without EUI's prior written consent to such charges in advance. In the event of non-compliance with the requirements of the Order, EUI shall be entitled to refuse an invoice. In such cases, the invoice may be returned to the Supplier with a description of the non-compliances. In this case, the Supplier shall issue a new invoice. Payment shall begin as from the issue date of the new invoice.

4. Termination.

EUI may, at any time, terminate this Purchase Order for its convenience, in whole or in part, by written notice or verbal notice confirmed in writing to Your Company. If so terminated, any claim of Your Company shall be settled based on and limited to the reasonable costs incurred by Your Company, plus a reasonable profit thereon not to exceed ten percent, prior to EUI's notice.

5. Intellectual Property Rights.

Your Company warrants that the Goods do not infringe upon or constitute an unauthorized use of any patent, trade secret, copyright or other intellectual property right, and Your Company agrees to defend at Your Company's expense, all claims, suits, actions or proceedings, in law or equity, against EUI, its successors, assigns, customers and users of any of the Goods or actual or alleged infringement or unauthorized use of any such patent, copyright, trade secret or other intellectual property right resulting from or arising out of the sale of the Goods. EUI further agrees to pay and discharge all judgments, decrees, penalties and settlements which may be rendered or reached in all such claims, suits, actions or proceedings against the EUI, its successors, assigns, customers and users. The Order, its purpose and its conditions shall be considered by the Supplier as Customer's confidential information.

6. Quality Assurance.

6.1 Your Company warrants that the Goods delivered pursuant to this Purchase Order shall be of good materials and workmanship, free from defects, and shall conform to the specifications, drawings or samples specified or furnished to EUI. This warranty shall survive any inspection, delivery, acceptance or payment by EUI. Your Company also warrants that all Goods delivered hereunder shall be merchantable and fit for their intended purpose. Your Company further represents and warrants that to the extent this Purchase Order specifies particular Quality Assurance or Inspection standards (e.g. MIL Standards), Your Company's performance under this Purchase Order and the Goods delivered hereunder comply with said requirements.

6.2 Upon EUI request the supplier will accept a quality audit and right of access by EUI, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records (all applicable records must be retained for 10 years) within an acceptable timeframe. The supplier will authorize, based on an agreement between the parties (buyer, supplier) the auditor to conduct controls, test of material related to this purchase order. This audit will be of a maximum of 7 days and then 7 days to give its conclusions.

6.3 The supplier will keep EUI informed of any recall, upgrade, modification, production transfer or end of production for each item on this order and this during a period of one year after the delivery of the purchase order. Without exemption the supplier will inform the buyer at least 12 months in advance if he will cease production for the items purchased, otherwise the supplier is responsible and will repair the whole prejudice imposed to the buyer.

6.4 Your Company needs implement a quality management system, Use providers designated by the customer, Prevent the use of unapproved or suspected parts, to provide suppliers with the applicable requirements, Ensure that staff are aware of their contribution to the conformity of products and services, product safety, the importance of ethical behavior.

7. Defective Goods.

If any of the Goods fail to comply with any term of this Purchase Order, Your Company shall promptly correct such discrepancy or replace such Goods at Your Company's expense (including but not limited to freight charges) following notice of such discrepancy from EUI. If Your Company shall fail to so act within five (5) days of such notice, EUI may cancel this Purchase Order as to all such Goods by giving Your Company notice, and in addition to its rights and remedies hereunder and at law and equity, EUI may, at its option, cancel the then remaining balance of this Purchase Order by notice and as to all or any part of the Goods, purchase substitute Goods elsewhere ("cover") and charge Your Company with any loss incurred. After notice to Your Company of a discrepancy, all such Goods will be held at Your Company's risk until the discrepancy is corrected or such Goods are returned to Your Company. EUI may, and at Your Company's direction shall, return such Goods to Your Company at Your Company's risk, and all transportation charges, both to and from the original destination, shall be paid by Your Company. Any payment made by EUI for such Goods shall be refunded by Your Company, unless Your Company promptly corrects the discrepancy or replaces the Goods at Your Company's expense.

8. Warranty

The Supplier warrants that the Supplies are compliant with the specifications and terms of the Order. The Supplier's acceptance of the Order implies a contractual warranty applicable to all Supplies that are partly or completely defective. The contractual warranty period is eighteen (18) months as from the delivery date. The contractual warranty consists at Customer' discretion in the replacement or free repair of the Supplies (parts and labor). The Supplier shall bear all the relevant costs as well as the transport costs (round trip). The Supplier undertakes to replace or repair within seven (7) days as from the defect being reported. If the Supplier breaches its obligations in this regard, the EUI reserves the right to carry out or have a third party carry out its

obligations at the Supplier's expense and risks. The aforementioned warranties shall apply again to any repaired or replaced Supply for a twelve (12) month period. The Supplier shall be liable for any loss related to defective Supply that the EUI and/or its customers sustain.

9. Excess Goods; Shortages.

Except for quantities of Goods more than those ordered constituting customary quantity variations common to the trade or industry, any quantity of Goods in excess of the amount ordered need not be accepted, and such excess goods may be received, held and returned to Your Company by EUI at Your Company's risk and expense. Shortages: In the event there is a shortage in the shipment by Your Company to EUI (for example, a shipment sent "by weight" but with quantities less than contractually called-for), EUI reserves the right to require Your Company to furnish the quantity of goods representing the shortage, or to cover by purchasing from another source and charging back the price thereof to Your Company.

10. Inspection and Acceptance.

All Goods are subject to EUI's inspection, testing and approval (including that of its end user customer), both at Your Company's plant and at EUI's point of destination. EUI reserves the right to reject and refuse acceptance of any Goods which do not comply with all the terms of this Purchase Order. Acceptance, payment, use or resale of the Goods by EUI shall not release Your Company of any Your Company's obligations, representations or warranties hereunder. Payment for any Goods shall not be deemed an acceptance thereof.

11. Fabrication and Material Commitment.

EUI shall not be responsible for any of Your Company's commitments for materials or fabrication in advance of the time necessary to meet delivery dates specified herein unless agreed to by EUI in writing in advance.

12. Compliance with Law.

Your Company shall comply with the provisions of all applicable federal, state and local laws, regulations, rules and ordinances applicable to this Purchase Order and purchased Goods including, without limitation, any fair labor standards or statutes and any statute or regulation regulating occupational safety and health. Your Company shall, following EUI's reasonable request, certify such compliance to EUI in writing.

13. EUI's Property.

Unless otherwise agreed in writing, all drawings, specifications, tools, dies, molds, jigs, patterns, machinery, fixtures, equipment, software and any other property furnished to Your Company by EUI or paid for by EUI for use in the performance of this Purchase Order shall be and remain the sole property of EUI, subject to removal upon EUI's instruction, used only in filling orders from EUI, held at Your Company's risk, and kept insured by Your Company while in Your Company's custody or control. The insurance shall be in an amount equal to the replacement cost thereof, the loss payable to EUI.

14. Taxes.

Except as otherwise provided, the prices stated do not include sales, use, excise or similar taxes applicable to the sale of Goods. All such taxes and charges shall be shown separately on Your Company's invoice. In the event the transaction is exempt from any sales or other taxes, this Purchase Order shall so specify.

15. Assignment.

Your Company shall not delegate any duties nor assign any rights or claims under this Purchase Order without the express prior written consent of EUI. Any assignment or delegation made without EUI's consent shall be null and void.

16. Remedies.

No remedy provided herein shall be deemed exclusive of any other remedy available at law or equity. All claims for monies due or to become due from EUI shall be subject to deduction by EUI for set off or counterclaim arising out of this or any other of EUI's Purchase Orders to Your Company.

17. Governing Law; Disputes..

This Purchase Order and the acceptance of it shall, as provided herein, constitute a contract made in, and to be governed in all respects by the laws of the [Commonwealth of Virginia](#). All disputes not settled by negotiation between the parties shall be subject exclusively to the jurisdiction of the courts of the Commonwealth of Virginia, or in the appropriate Federal District Court located in the Commonwealth of Virginia (Eastern District)

18. Force Majeure.

The Supplier shall inform EUI in writing, with supporting evidence, of any force majeure event that makes it impossible to fulfil the Order within five (5) working days as from the occurrence of the force majeure event and specify the foreseeable duration thereof. In particular, industrial conflicts (apart from general strikes), increases in the prices of raw materials shall not be deemed to constitute force majeure events. In the event all or part of the Supplies is delayed on account of a force majeure event, for a period of over thirty (30) days, EUI shall be entitled to automatically terminate the Order by sending a registered letter.

19. Export Control

Before each Order takes effect, the Supplier shall notify EUI if all or part of the Supplies are governed or not by any export control regulations whatsoever. The Supplier undertakes to inform, as soon as the information is available, the Customer of all terms and limitations of authorizations that could have an impact on Customer' right to use, re-transfer or export Supplies and check that said information clearly appears on the delivery documents. In the event of a change in rules for the application of authorization or classification after the Order comes into effect and which affects the use, re-transfer or exportability of Supplies, the Supplier undertakes to immediately notify, as soon as the information is available, all information needed to assess the new and re-export restrictions. The parties undertake to open negotiations in order to determine the consequences of these changes on the order. The Supplier undertakes to pass a set of its obligations on to its own subcontractors and Suppliers

20. Compliance with environmental provisions.

The Supply must inform EUI if the product being supplied does not comply with international, European and national Regulations and standards applicable to health, safety and environment matters, inter alia in relation to hazardous substances and preparations (REACH, RoHs, asbestos, non-radioactivity, CMR substances, radiation sources, etc.), including the transport of hazardous substances, waste (packaging, WEE, etc.) energy consumption and natural resources, carbon footprint, noise, electrical protection, fire, electromagnetic, ionising, optic radiation, vibrations, any personal safety rules, as well as any other pollution or nuisances. The same applies for the performance of the Supplier's activities. The Supplier undertakes to inform the EUI of any breach of the regulations as mentioned above

and shall hold EUI harmless in relation to any consequences resulting from the Supplier's breach of the obligation described in this article. Specific recommendations/instructions related to these eventual breaches will need to be provided to the EUI in order to ensure the safety of use and scrapping of Supply throughout its life cycle, including end of life. The Supplier undertakes to require that its own suppliers and subcontractors comply with the same obligations as those described above.

21. Notices.

Any notice required or otherwise given pursuant to this Purchase Order shall be in writing and shall be hand delivered, mailed certified mail, return receipt requested, postage prepaid or by recognized delivery service, or facsimile sent by telecopier (fax). Any notice to EUI shall be addressed as follows:

[Eurotech USA, Inc.](#)
[8809 Virginia Meadows drive, Manassas, VA 20109](#)
[TELEPHONE \(703\) 365-0375;](#)
[TELEFAX \(703\) 365-0376.](#)

Any notices to Your Company shall be directed to the address and telephone/facsimile numbers of Your Company shown on the first page of this Purchase Order.

22. Miscellaneous.

The Supplier must provide EUI with all the information and advice essential for use of the Supplies covered by the Order. It must check that the specifications are sufficient and relevant for it, inform EUI of any non-compliance of specifications with current regulations.

If one of the terms of the Order were for any reason whatsoever invalid or inapplicable, the other terms shall not be affected by said invalid or inapplicable term. The parties then undertake to renegotiate said invalid or inapplicable term so as to find a term that is as close as possible to the original intent of the parties and is in compliance with the applicable laws.

The fact that a party has not applied at any time a term of the Order or has not requested that the other party apply such term may not under any circumstances be deemed to constitute a waiver of said term or any other term, even affect the validity of the Order or the right of each party to subsequently claim the application of said term or the Order itself.