

PURCHASE TERMS AND CONDITIONS

The following Terms and Conditions will govern the order and purchase by Stratasys, Inc. (“Buyer”) of any goods and/or services from the designated seller (“Seller”). This offer expressly limits Seller’s acceptance to the terms and conditions stated herein or on the face of any Stratasys, Inc. Purchase Order and in any attachments. All additional, inconsistent or conflicting terms proposed by the Seller in acknowledging and accepting Buyer’s order or in any invoice, acknowledgement, delivery receipt or other communication submitted to Buyer are hereby rejected and will be of no force or effect, unless such conditions or terms are accepted in writing by the Buyer. Seller’s acknowledgement of Buyer’s order, or the shipment of goods or other commencement of performance constitutes Seller’s unqualified acceptance of the applicable order and these Terms and Conditions. Buyer’s Purchase Order, any attachments and applicable modifications, constitutes the entire agreement of the parties for the applicable transactions identified therein, and is binding on the Buyer and the Seller and its successors or assigns.

- 1. CHANGES.** Buyer may by written order, make Purchase Order changes or additions only by written notice to Seller, and Seller will make no modifications of any kind unless so ordered. If any changes will cause an increase or decrease in the time required for performance and/or the cost of the performance of any part of this Purchase Order, Seller will propose and the parties will negotiate and agree to an appropriate, equitable adjustment in writing within ten days from the date such change is ordered; provided, however, that nothing in this provision shall excuse the Seller from proceeding with the order as changed. Seller will also obtain Buyer’s written permission prior to making any changes in the applicable specifications, compositions, processes, tooling or other assets used in the production and delivery of Buyer’s orders.
- 2. PRODUCTION EQUIPMENT AND FURNISHED PROPERTY.** Unless otherwise specified in writing by Buyer, all special dies, tools, gauges, jigs, fixtures, equipment and patterns used in the performance of Buyer’s order and furnished or paid for by Buyer, are and will remain Buyer’s sole property; will be kept in good condition and repair; will be used exclusively for Buyer’s orders; will not be removed or disposed of without Buyer’s written consent, and will be delivered to Buyer on demand. Any raw materials, components or other supplies furnished by Buyer in connection with any order shall be deemed to be held by Seller on consignment and Seller agrees to keep such supplies free from liens and to pay for all such goods spoiled by it or not otherwise satisfactorily accounted for.
- 3. PERFORMANCE STANDARDS.** Seller will comply with all regulations, laws and governmental rules applicable to the goods delivered and/or services rendered under any Buyer Purchase Order, including, but not limited to, obtaining all necessary licenses and permits. In addition to the minimum warranties to be provided under Section 4 below, all goods and services will be provided by Seller in a thorough and professional manner, equal or superior to any applicable industry standards for Seller. Sellers who supply or use hazardous materials on site shall provide applicable Material Safety Data Sheets to Buyer upon receipt of any Purchase Order.
- 4. WARRANTIES.** Seller expressly warrants that: (a) Seller will convey clear title to all goods to be purchased hereunder to Buyer; free of any liens, claims or other encumbrances; (b) goods or services furnished will conform to all applicable specifications, drawings, samples, or other descriptions furnished, specified or adopted by Buyer and to all other requirements of the Purchase Order; (c) goods will be merchantable, produced using reliable material and workmanship and will be free from defect for at least one year from delivery to Buyer, or such longer limited warranty period as Buyer may specify in the Purchase Order; (d) all goods covered by any Purchase Order have been selected, designed manufactured or assembled by Seller based upon Buyer’s intended use and will be fit and sufficient for such purposes. Such warranties, together with Seller’s service performance warranties above and other guarantees, if any, will survive inspection, test, acceptance of, and payment for the goods or services and will run to Buyer, its successors, assigns, customers at any tier, and all end users.
Seller further warrants that all products produced and sold and services provided to Buyer will be free from any third party claims or liability for alleged misuse, misappropriation or infringement of any patent, trademark, copyright or other right.
Seller agrees that it will, at its own expense, including payment of costs and attorney fees and disbursements, defend any claims, charges or lawsuits instituted by any party against Buyer or its customers arising out of, in connection with or related to any breach of the above warranties, and agrees to indemnify and hold harmless Buyer and all persons claiming under Buyer in respect of any claims, demands, liabilities, losses, judgments, awards, fines, settlements, court costs, attorney fees, and expenses incurred by reason of such claims, charges or lawsuits. Seller will notify Buyer in writing of each such notice or claim of which Seller has knowledge. If the alleged breach relates to a third party claim based on its intellectual property rights, Seller will, at its own expense, either procure for Buyer the right to continue using the article, apparatus, material, part, device, process or method or, if the performance thereof will not be adversely affected, replace same with a non-infringing substitute or modify it so it becomes non-infringing, or remove it and refund the purchase price, transportation and installation costs thereof.
- 5. TITLE; RISK OF LOSS.** Where Buyer has designated a required shipper, title and risk of loss will pass to Buyer when such goods have been cleared for export if and as required, and tendered to Buyer’s carrier at the designated location(s). In all other cases, Seller agrees to bear all risk of loss, injury, or destruction of goods and materials herein occurring at all times prior to receipt and acceptance by Buyer, and no such loss, injury, or destruction will release Seller from any obligations hereunder. The agreed upon Incoterms[®] 2010 will noted on each Purchase Order.
- 6. DELIVERY AND SHIPPING REQUIREMENTS.** TIME IS OF THE ESSENCE FOR ALL GOODS OR SERVICES PROVIDED BY SELLER, and Seller acknowledges that Buyer may, at its option and without any liability to Seller, cancel any Purchase Order where goods have not been delivered or services provided as specified herein, and on or before the date(s) specified, as well as to replace such cancelled goods or services at Seller’s expense. Buyer’s right to cancel hereunder will be in addition to all other rights and remedies available to Buyer under this Purchase Order or otherwise.

Seller agrees to keep Buyer advised of any actual or potential condition that could delay timely performance or delivery hereunder, and to use its commercially reasonable best efforts to mitigate or eliminate any potential shipping delays. Seller also agrees to give Buyer notice in the event any goods are available for delivery more than five days prior to the scheduled delivery date, and Buyer reserves the right to return at Seller’s expense all goods received more than five days ahead of the required delivery date, unless Buyer has authorized such early delivery. Seller will also cooperate as requested by Buyer to coordinate deliveries with Buyer’s Just in Time inventory delivery and management practices.

Seller will properly and adequately package box, crate or prepare all goods to be purchased hereunder for shipment so as to prevent damage in transit,

and will use its best efforts to comply with Buyer's shipping instructions and/or routings. Buyer's purchase order number must appear on all invoices, packing slips, bills of lading, etc. Buyer assumes no obligation for nonconforming goods, including, without limitation, any goods shipped in excess of quantity as shown on the order.

7. INSPECTION. Seller will inspect and test all goods and monitor all services furnished to insure compliance with the specifications and other requirements of each Purchase Order. Materials and workmanship relating to this order may also be inspected and tested during normal working hours at any place and without additional charge to Buyer, either before, during, or after manufacture, by inspectors designated by the Buyer at the Buyer's discretion, without relieving the Seller of its obligations to furnish all goods in strict accordance with these Terms and Conditions.

If a special brand is specified, the goods being purchased must be of such brand, or, with Buyer's prior written consent, may be replaced with a comparable or superior substitute that meets or exceeds the standard for quality, performance, and use of the specified brand or Buyer may reject as nonconforming goods. Seller will provide any Certificates of Compliance and/or Certificates of Conformance as required by Buyer at Seller's expense. Records of all inspection work by Seller will be kept complete and available to Buyer at all times during and for a three year period after completion and final payment of each Purchase Order.

All goods will be received subject to Buyer's final post-delivery inspection and acceptance or rejection. Inspection or testing of, or acceptance and payment for, any goods or services will not relieve Seller of any liability for any nonconformity or other breach, latent defects, fraud, or such gross mistakes as amount to fraud, and such goods may be rejected by Buyer and returned at Seller's expense (including transportation, insurance, and handling costs), or replaced by Buyer at Seller's expense.

Buyer's count will be accepted as conclusive on all shipments not accompanied by a packing slip, and no quantity in excess of the Order quantity may be shipped without consent of the Buyer prior to shipment.

Buyer reserves the right to reject and return at Seller's expense early deliveries or excess shipments, and to defer payment for early deliveries until the specified delivery date.

8. PAYMENT TERMS, INVOICES. Unless otherwise specifically agreed to herein, payment will be due no earlier than thirty (30) days after Buyer's acceptance of the goods or services, which are the subject of this order. Any discount or payment period will be calculated from the date each correct invoice reaches Buyer's accounts payable department. Rejections, delays in delivery or delivery in advance of required delivery date, and/or invoices and/or shipping documentation, errors and/or omissions will be considered just cause for withholding payment without loss of cash discount privilege(s). Except and to the extent otherwise agreed to in writing by Buyer, all charges for shipments made by Seller will be paid by the Seller and invoiced to the Buyer. Unless otherwise specified in a Purchase Order or other written authorization of Buyer, the price set forth in each Order will include all charges for Seller's packing, crating and storage. Except as otherwise expressly provided in any Purchase Order or other agreement by the parties, the stated price shall include all applicable Federal, State and local taxes of any kind, as well as any applicable import duties or like charges.

9. PRODUCT RECALLS. If any goods sold to Buyer hereunder are determined by Seller, Buyer or any governmental agency or court to contain a defect or a quality or performance deficiency, or not be in compliance with any standard or requirement so as to make it advisable that such goods be reworked or recalled, Seller or Buyer will promptly communicate relevant facts to each other and will undertake corrective action, provided that Buyer will cooperate with and assist Seller in any necessary filings and corrective action, and provided that nothing contained in this Section will preclude Buyer from taking such action as may be required of it under any such law or regulation. Seller will pay all reasonable expenses associated with determining whether a recall or rework is necessary, and will perform all necessary repairs or modifications at its sole expense, except to any extent Seller and Buyer agree to the performance of such repairs by Buyer upon other, mutually acceptable terms. The parties recognize that it is possible that other Seller-manufactured products might contain the same defect or noncompliance condition, as do goods manufactured for Buyer. Buyer and Seller agree that any recall involving goods for Buyer will be treated separately and distinctly from similar recalls of other products of Seller; provided that such separate and distinct treatment is lawful and Seller will in no event fail to provide at least the same protection to Buyer on its goods as Seller provides to its other customers in connection with such similar recalls. Each party will consult the other before making any statements to the public or a governmental agency relating to potential safety hazards for goods purchased hereunder, except where such consultation would prevent timely notification required by law.

10. PRE-DISCONTINUANCE RIGHTS. At least one hundred eighty (180) days prior to the proposed discontinuance of production of any Obsolete Products (those that have previously been sold to Buyer, but are not subject to any current Purchase Order and have not been produced by Seller for the preceding 12 months) will be offered to Buyer or its affiliates for a lifetime buy at the most recent production prices before Seller will discontinue the ability to produce such goods. Seller will also notify Buyer or its affiliates and receive written approval before scrapping any tooling, specialty equipment or other property used to make Obsolete Products.

11. CONFIDENTIALITY. No knowledge or information disclosed to Buyer by Seller which in any way relates to Products or services covered by any Purchase Order, will, unless otherwise specifically agreed in writing by Buyer, be deemed to be confidential or proprietary information, and Buyer will acquire all such knowledge and information free from any restrictions (other than a claim for patent infringement), as part of the consideration for the Purchase Order.

All technical and other information obtained or learned by Seller as a result of any Buyer order or its relationship with Seller, is and will remain the valuable, confidential and proprietary information of Buyer, including, but not limited to, drawings, data, specifications, components, concepts, designs, or tooling. To the extent the parties have entered into a nondisclosure agreement ("NDA") to protect such information, the provisions of such NDA shall control any conflicting or inconsistent terms herein.

Seller agrees not to disclose to third parties or use for its own pecuniary benefit or advantage any Buyer confidential and proprietary information. Seller further agrees that any improvement, modification, refinement, or product developed by Seller or jointly by Seller and Buyer as a result of knowledge of Buyer confidential and proprietary information shall be the property of Buyer, and shall be treated as Buyer confidential and proprietary information. Seller will provide such assignments or other conveyances to the extent such assets require separate documentation from these Terms and Conditions. Accordingly, the Seller agrees that the Buyer will, in addition to any other remedies available to it at law or in equity, be entitled to seek injunctive relief to enforce these Terms and Conditions.

Upon cancellation or termination of any Purchase Order or the parties' working relationship, or otherwise upon request of Buyer, Seller shall turn over to Buyer any and all Buyer confidential information, including all copies, excerpts or other reproductions thereof. The confidentiality provisions of this Paragraph will apply to and be binding upon Seller's officers, directors, employees, advisers, consultants and other representatives, and the protection of Buyer's confidential information and materials will expressly survive any expiration or termination of any relationships between the parties indefinitely and for as long as such information remains confidential or proprietary, unless and only to the extent otherwise consented to in a writing signed by Buyer.

12. PRESERVATION OF INTELLECTUAL PROPERTY RIGHTS. The names and trademarks of each party and its respective affiliates are and will remain the sole and exclusive property of that party or its affiliates and will not be advertised, publicized or otherwise used by the other party for any commercial purposes unless expressly authorized in writing by the owner thereof.

13. ASSIGNMENT. Seller has been selected by Buyer for its unique qualifications, and Seller will not assign, subcontract or delegate any duties or the performance of any Buyer Purchase Order without the prior written consent of Buyer. Proceeds due or to become due under this order may be assigned by Seller only with the written consent of the Buyer and provided that payment to an assignee of any claim related to this order shall be subject to reduction or set-off by Buyer.

14. TERMINATION, CANCELLATION AND SETTLEMENT.

a) **TERMINATION FOR CONVENIENCE.**

(1) Buyer, in addition to all other rights and remedies it may have under a Purchase Order or otherwise, will have the right to terminate any Purchase Order in whole or in part, without cause, upon notice in writing to the Seller, and Seller agrees to stop work immediately as to the terminated portion, and to protect and preserve property in its possession in which Buyer has, or may acquire, an interest as hereinafter set forth. Buyer will pay Seller the following, which in no event will exceed the total price provided for herein: (a) the price provided in the Purchase Order for all goods which have been completed prior to termination and which are accepted by Buyer and (b) to the extent that such completed items, or the work in process, including materials, are unusable in connection with Seller's other business, the actual expenditures on the uncompleted portion of the order, including cancellation charges paid by the Seller on account of commitments made under a Purchase Order.

(2) In no event shall the aggregate of all payments made hereunder, plus all other payments made for the items included in this order, exceed the total sum due under the order if performed.

(3) In order to entitle the Seller to any Purchase Order termination payment, Seller shall within 30 days after delivery of Buyer's notice, advise the Buyer in writing whether or not any termination charges will be submitted in connection therewith, and to furnish a detailed claim within 45 days from the date of the termination notice for consideration by Buyer. If such claim is not submitted within said period, Buyer shall determine on the basis of information available to it the amount of such charges, if any, owing to Seller in respect to the termination. Seller agrees that such determination by Buyer shall be binding upon Seller.

(4) Seller further agrees, if requested by Buyer, and whether or not the amount of the termination payments above set forth have been determined or paid, to transfer title and deliver to Buyer in the manner and to the extent and at times directed by Buyer, all or any part of the fabricated or unfabricated parts, work in process, completed work and other material produced as a part of or acquired in connection with the performance of the order terminated, together with the plans, drawings, jigs, fixtures, equipment, patterns, designs, information or other property used or acquired in connection with this order that the Seller has specifically produced or specifically acquired for the performance of such part of this order that has been terminated.

(5) Subject only to its obligations to make any payments due as provided in this Section, Buyer is not liable for and Seller will make no claims for liability hereunder, including but not limited to payments for unrealized profits, or to carry out other undertakings. Additionally, the terminated portion of such Purchase Order(s) shall cease and terminate forever.

(b) **TERMINATION FOR DEFAULT.**

(1) The Buyer may, subject to the provisions below, by written notice of default to the Seller, cancel the whole or any part of a Purchase Order in any one of the following circumstances:

- (i) if the Seller fails to make delivery of goods or to perform the services within the time specified herein or any extension thereof agreed to by the parties;
- (ii) if Seller fails to deliver the goods or services in compliance with the warranty provisions, the specifications and other requirements of a Purchase Order;
- (iii) if Seller fails to perform any of the other provisions of the Purchase Order or so fails to make progress as to endanger performance of this order in accordance with its terms and conditions; or
- (iv) if Seller becomes insolvent or makes a general assignment for creditors, or files or has filed against it a petition of bankruptcy or reorganization or pursues any other remedy under any law relating to the relief for debtors, or in the event a receiver is appointed for Seller's property or business.

(2) In the event of cancellation under this subparagraph (b) Buyer shall have no further obligation to Seller under the cancelled portion of this order and may procure on such terms and in such manner as Buyer may deem appropriate, goods or services similar to those so cancelled and Seller shall be liable to the Buyer for any excess costs for such similar deliverable items or services and damages incurred by Buyer as a consequence of Seller's failure. The Seller shall continue the performance of this order to the extent not cancelled under the provisions of this clause.

(c) As an alternative to cancellation, Buyer may require Seller to correct any goods or services that are defective in material and workmanship or otherwise not in conformity with Buyer's Purchase Order. Correction shall be at Seller's sole expenses, including shipment from and to Buyer and damages incurred as a consequence of Seller's failure to perform in conformity with this order.

(d) The rights and remedies of the Buyer provided in this Section 14 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this order, and any termination or cancellation hereunder will not relieve Seller of any obligations and liabilities which may have arisen prior to such termination or cancellation, including, without limitation, those provisions of a separate NDA or Paragraph 11 for Buyer's confidential or proprietary information.

15. EXCUSABLE DELAYS. In the event of any fire, flood, strike, epidemic, accident, raw material shortage or similar causes that are beyond the reasonable control of Seller and which prevents Seller from delivering, or Buyer from receiving, any of the goods or services covered by this Agreement (an "Excusable Delay"), such delivery shall be suspended until the applicable Excusable Delay cause is removed, provided Seller informs Buyer in writing of the cause of the Excusable Delay and the estimated duration thereof. If Buyer does not elect to terminate as set forth below, the goods or services will be promptly delivered when the cause is removed. If the cause for an Excusable Delay is a failure on a part of Seller's production facilities or a source of supply for Seller, Seller must apportion its available production or supplies to provide goods and services required hereunder to Buyer on an equitable basis comparable to that provided to its best customers, and Seller must expedite and use its commercially reasonable best efforts to obtain an alternate source of supply. No failure of Seller's internal business systems related to the proper processing of information that results in any defect or failure in goods or services, deliveries, or any other aspect of performance by Seller or its subcontractors in connection with any Purchase Order shall constitute Excusable Delay or otherwise excuse or delay Seller's performance hereunder.

If an Excusable Delay continues for longer than five calendar days, then Buyer, at its sole option and in addition to any other available legal or equitable remedies, may terminate any Purchase Order affected thereby in whole or in part without any obligation or liability except that Buyer is still responsible for payment for goods or services which have been delivered to and accepted by Buyer prior to receipt of such Excusable Delay notice.

Additionally, Buyer may cancel any Purchase Order or portion thereof at any time prior to delivery or performance if its business is interrupted for reasons beyond Buyer's control. Buyer will give prompt notice of such cancellation to Seller.

16. EQUAL EMPLOYMENT OPPORTUNITY. The parties hereby incorporate the requirements of 41 C.F.R. §§ 60-1.4(a)(7), 60-250.4 and 60-741.1, if applicable.

17. APPLICABLE LAW; JURISDICTION AND VENUE. This order will be governed by the internal laws of the state of Minnesota, without regard to applicable conflict of law provisions. The parties hereby also expressly exclude the application of the Convention on Contracts for the International Sale of Goods. The parties agree that, at Buyer's option, any controversy between the parties and arising under or relating to a Purchase Order or otherwise relating to the Seller's provision of goods or services to Buyer, shall be determined by the applicable federal or state courts located in Hennepin County, Minnesota, and Seller hereby irrevocably submits and consents to the jurisdiction and venue of such courts.

18. AUDIT- Buyer shall have the right to inspect and audit all of Seller's and Seller's subcontractor's (if any) books, records, correspondence, receipts, vouchers, memoranda etc. relating to or affecting this Purchase Order, and Seller and Seller's subcontractors (if any) shall preserve all such records for a period of one (1) year after final payment hereunder. Seller shall provide for such right to audit by Buyer in all contracts with subcontractors relating to this Purchase Order. Seller shall notify all subcontractors (if any) and flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

19. COMPLIANCE WITH LAWS. Seller shall comply with all applicable statutes and government rules, regulations and orders, including those pertaining to the United States Export controls, including the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 through 130, Export Administration Regulations (EAR), 15 CFR Parts 730 through 774, in the performance of this Purchase Order. In the absence of available license exemptions or exceptions, the Seller must obtain the appropriate licenses or other approvals, if required, for exports of hardware, technical data, and software, or for the provision of technical assistance. The Seller must obtain export licenses, if required, before using foreign persons in the

performance of this Purchase Order, where the foreign person will have access to export-controlled technical data or software. The Seller is responsible for all regulatory record-keeping requirements associated with the use of licenses and license exemptions and exceptions.

20. PRIORITY RATING. If so identified on the Purchase Order as a 'Rated Order' certified for national defense use, such Purchase Order shall be deemed a Rated Order and Seller shall follow all the requirements of the *Defense Priorities and Allocation System Regulation* (15 C.F.R. Part 700).

21. ANTI-BRIBERY – Seller understands and agrees to comply with the United States Foreign Corrupt Practices Act, which prohibits Buyer and Seller from providing anything of value to a foreign public official in order to obtain or retain business. Seller agrees not to give anything of value, including but not limited to business gratuities and reimbursement of travel, to any foreign government officials. Seller agrees to ensure that it complies with all requirements relevant to its business arrangement with Buyer, including any registration requirements, and warrants that this Purchase Order is in compliance with all applicable laws and regulations of the country or countries in which it performs any service for the Buyer.

22. GRATUITIES. Seller warrants that neither it nor any of its employees, agents or representatives have offered or given, or will offer or give, any gratuities to Buyer's employees, agents or representatives for the purpose of securing this Purchase Order or securing favorable treatment under this Purchase Order.

23. ENTIRE AGREEMENT; INTERPRETATION; ORDER OF PREFERENCE. The terms and conditions of Buyer's Purchase Order, and any attachment or other communication permitted and referenced herein, and any separate written agreements between the parties on the subject matter, as applicable, are the only terms and conditions governing Buyer's Purchase Order and the provision of goods or services by Seller thereunder.

THIS PURCHASE ORDER EXPRESSLY LIMITS ACCEPTANCE TO TERMS HEREIN. ANY ADDITIONAL OR DIFFERENT TERMS PROPOSED BY SELLER ARE OBJECTED TO AND SHALL BE OF NO EFFECT. The headings of Sections hereof are for purposes of reference only, and shall not limit or otherwise affect any of the items or provisions hereof. Except as provided herein, Purchase Orders can only be modified by written agreement signed by Buyer and Seller.

In the event of any inconsistency among provisions contained in any Purchase Order and any other documents or agreements referenced herein or separately agreed between the parties, the inconsistency will be resolved by giving precedence in the following order: (i) separate, written contract; (ii) the Purchase Order on which these Terms and Conditions are referenced or to which these Terms and Conditions are attached; (iii) these Terms and Conditions; (iv) drawings; (v) specifications; and (vi) any other documents incorporated by reference.

If any provision of the Purchase Order, including these Terms and Conditions, shall be declared illegal, void or otherwise unenforceable, the remaining provisions shall not be affected, and will remain in full force and effect.

The rights and obligations under Sections 2, 4, 7, 10-12, and 18 are expressly intended to and will expressly survive the cancellation, termination, expiration or completion of each Purchase Order, and/or any completion or cessation of the parties' business relationship as appropriate.

Buyer reserves the right to amend or replace these Terms and Conditions from time to time and without prior written notice by posting any new or replacement Terms and Conditions on www.stratasys.com.