

MASTER PURCHASE AGREEMENT

DATE OF AGREEMENT :

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- Hereafter called the "Supplier"

And

ORTADOĞU RULMAN SANAYİ VE TİCARET A.Ş.
ESKİŞEHİR YOLU NO: 294
06800 LODUMLU
ANKARA / TÜRKİYE

- Hereafter called the "Buyer"

PURPOSE

ORTADOĞU RULMAN SANAYİ grants to -----, who hereby accepts, the supply of the Product under the terms and conditions of this agreement.

1 VALIDITY PERIOD, ALTERATIONS AND PARTIAL INVALIDITY OF THIS AGREEMENT

- 1.1 This agreement shall apply to all future business with the supplier. The agreement will be revised from time to time and shall apply exclusively as revised at the time a purchase order is issued.
- 1.2 Orders and product acceptance shall only be made in accordance with the terms of this Agreement. All alterations and additions shall be notified in writing.
- 1.3 In the event that invalid matters arise, then both parties will draw up again the invalid matter (s) under the same commercial terms. The remainder of this Agreement shall not be affected hereby and shall remain valid.

2 PURCHASE ORDER

- 2.1 Deliveries shall conform to order or delivery requirements. Validity of orders made orally or by telephone shall be confirmed in writing. All verbal agreements and alterations shall be made in the same manner. The Buyer must receive delivery and accept only in accordance to quantity of products ordered. Reducing and increasing of quantity shall only be accepted to prior negotiation.
- 2.2 Following determination of special delivery dates, the Supplier shall deliver on time requested products defined in the delivery plan. Increasing or reducing of delivery requirements shall always be possible.
- 2.3 Each purchase order from the Buyer shall be made in writing and include at least the following information:
 - product type (s)

- price
- quantity
- delivery dates
- payment terms
- delivery terms

- 2.4 By processing or fulfilling a purchase order or by acknowledging a purchase order without objection, the supplier accepts the purchase order subject to the agreement.
- 2.5 If the supplier fails to accept an order within two days of receipt in written form, the Buyer shall have the right to withdraw the order at any time.

3 PRICES, DELIVERY, PACKAGING

- 3.1 Prices agreed are firm prices. Packing charges are included to the price(s). Prices are exclusive to VAT. If the Buyer receives and accepts a delivery at an earlier date than the date agreed upon, the payment period begins with the agreed delivery date.
- 3.2 The Supplier shall deliver products in conformance to current specification numbers if necessary and technical drawings if available. Delivery documents, waybills, invoices, packing lists and all type of correspondence shall definitely have purchase order no. and relative drawing number. Material certificate and/or inspection certificate shall be placed with every delivery and sent by email to kalite@ors.com.tr. Until products reach the Buyer's factory (if transportation is arranged by the Supplier), loading or unloading port (if transportation is arranged by the Buyer) all responsibility of quality level and outcome or coincidental loss shall be on the Supplier.
- 3.3 Products shall be packaged in an adequate manner to preserve and protect against damage during transportation. Only sufficient packaging material in accordance with the Buyer's specification shall be consumed for this purpose. Only environmentally not hazardous packaging material shall be used. If wooden packaging material is used then pallets must be disinfected by heat treatment and marked in accordance with International Trade Organizations ISPM 15 standard.

4 INVOICING AND PAYMENT

- 4.1 Invoices, all relevant data and documents shall be handed over to the Buyer immediately after delivery. Part number, order number, country of origin, number of pieces and price per pieces shall be indicated on the invoice. Payment for invoices with incomplete data shall not be made.
- 4.2 If separate agreement does not exist then payment will be made within the common trade methods. Invoices of sample products and production moulds shall only be paid after approval of the Buyers quality department. Settling of test, trial and sample production requires a separate agreement. In the event that samples are not approved and if required conditions of the specifications are not achieved then obligation of invoice payment is eliminated. In the event of prepayment, then the Supplier is obliged to transfer the necessary payment to Buyers bank account.

5 TOOLING

- 5.1 The Product is a specific product that has been designed in accordance with the Buyers specifications, drawings, plans, instructions or technical requirements and more generally, the Buyers know-how. The

Supplier agrees not to sell the Product to third parties other than the Buyer, for the entire duration of this Contract, and for ten years after its termination.

- 5.2 All tools, die, test or inspection equipment belonging to ORS must be permanently identified with the owner's name and other information as required by ORS or it's the Buyer. Maintenance and refurbishing of the tooling required to meet requirements defined, shall be the sole financial responsibility of the supplier, without liens being attached for any reason.

6 DELIVERY TIME, SPECIAL DELIVERY, DELIVERY DELAY

- 6.1 Delivery time agreed between the Buyer and the Supplier shall be in force. If the Supplier anticipates difficulties concerning manufacture, procurement of primary material, compliance with the date of delivery or similar circumstances that might prevent the Supplier from delivering the products timely and in the agreed quality, the supplier must inform ORS' Purchasing Department without any delay.
- 6.2 If the supplier exceeds a deadline, ORS may withdraw from the contract without any notification. If ORS accepts a late supply, this does not include a waiver of its claim for compensation for the late supply.
- 6.3 In the event of delivery deviation caused on behalf of the Supplier, The Buyer may claim 2 % penalty of the order quantity for each week of the delay without considering any disadvantage evidence. The maximum penalty amount is 10 % of the total order value.
- 6.4 ORS has the right to refuse acceptance of early supplies. If ORS does accept an early supply, it reserves the right to require the supplier to pay the handling and storage costs.

7 EXTRAORDINARY SITUATION (FORCE MAJEURE)

- 7.1 Any condition or circumstances such as Act of God, civil strikes, changes in governmental laws and regulations and exceptional circumstances that are unseen and underestimated beforehand, the Supplier (only) for that period shall not be responsible. The party claiming that force majeure has occurred shall notify the other party in writing. This matter may also apply in the case of delivery delays. In the event of such matter, then the Buyer has the right to totally cancel the total order.

8 TECHNICAL AMENDMENTS

- 8.1. The Buyer, even after signing the contract may make technical amendments at drawing or specification. The Buyer shall enquire technical amendment with a drawing or specification. The Supplier shall immediately (within 1 week after receipt of drawing or specification) examine drawing and/or specification and send their reply. Supplier shall implement such technical amendment within a reasonable time. Mutually satisfactory agreements shall be concluded concerning the consequences of such technical amendment, in particular with regard to delivery dates, extra and reduced costs. The Buyer will determine such consequences within its reasonable discretion if agreement (regarding the matters outlined in the previous sentence) cannot be reached within a reasonable period of time.
- 8.2. Supplier shall notify The Buyer as soon as possible of any planned changes in the manufacturing process and the place of manufacture of Supplier or any subsupplier, as well as any changes in the materials used by Supplier or any subsupplier. Such changes may not be undertaken until its receipt of The Buyer's written consent. Supplier shall bear all costs incurred in connection with such changes.

- 8.3. Supplier is obliged to propose to The Buyer any changes to the Contract Products that Supplier deems necessary or advisable. Supplier shall not implement changes until its receipt of The Buyer's written approval.

9 AUDITING AND INFORMATION

- 9.1 The Supplier is obliged to show the place of where the products are produced, controlled and tested, in the condition of prior notification from the Buyer. If necessary, the Buyer and it's the Buyer together may also audit Suppliers premises.
- 9.2 Upon request from the Buyer, the Supplier shall put forth information regarding all material used in production. Alterations are notified to the Buyer beforehand, approval is received, and then production process is performed. The Supplier shall also include with dispatchments relevant instructions regarding all types of risk warnings and product handling (transport, application and process).

10 SUB-CONTRACTING

Sub-contracting of orders to another supplier is not possible without getting written approval from the Buyer, upon determination of such an instance, contract shall be partially or totally dissolved and the other party is entitled without prejudice to any claim for damages.

11 TERMINATION OF CAUSE

- 11.1 In addition to the statutory termination rights, The Buyer shall have the right to terminate in writing for cause this Master Agreement, and/or any agreements made by the Parties with respect to the supply of Contract Products, without being required to provide any advance notice. Termination for cause shall include any of the following:
- 11.2 Supplier's failure, despite The Buyer's notice, on two or more occasions to deliver the Contract Products in compliance with the agreement of the Parties;
- 11.3 Supplier's failure, as detected during an audit, to produce the Contract Products in accordance with the quality norms specified by The Buyer;
- 11.4 Supplier's failure to meet its payment obligations in a timely manner, or the filing of a petition for the initiation of insolvency proceedings or comparable proceedings with respect to Supplier;
- 11.5 Substantial change in the ownership structure or management of Supplier or;
- 11.6 Supplier's serious breach of a material contractual obligation, including but not limited to the duty of confidentiality.

12 QUALITY, DOCUMENTATION

The Supplier has her own quality system. The Supplier notifies the Buyer of all types of audit and certification results and always provides the Buyer the opportunity to perform system, process and product audits. The Supplier agrees to

apply all recognized technical rules, safety instructions and technical specifications with all deliveries. Furthermore the Supplier performs final controls before each delivery.

13 CONFIDENTIALITY, PUBLICITY

13.1 Documents, drawings, technical information considered to be confidential by one party, shall be kept confidentially by the other party and only used in carrying out conditions and terms of this Agreement. Confidential agreement is not effective for the following:

- Information generally known by the community,
- Information used as evidence by one party, which is previously known,
- Information requested by Government Offices.

13.2 The Supplier shall keep signing of this Agreement confidential. It's only possible to use this Agreement as publicity material with written approval from the Buyer.

14 GUARANTEE, RESPONSIBILITY

14.1 The Supplier guarantees that delivered products are in accordance with Agreement specifications, products will remain fit for their ordinary purpose or for some particular purpose or will retain specified qualities or characteristics. The Supplier also guarantees that delivered products are in accordance with Agreement terms and conditions, latest techniques, Government Office laws and rules, Chamber of Commerce and Professional Associations instructions. If in exceptional conditions changes are required in existing specifications, then the Supplier must have written approval from the Buyer beforehand. This situation shall not even constrict the scope of the Supplier's responsibility.

14.2 The Supplier must immediately notify the Buyer in writing of any inappropriateness in the Buyer's requirement.

14.3 The Supplier must use technical and economic material and processes environmentally protected for deliveries and also material obtained from sub-suppliers. The Supplier is bound to assure that material of products and packaging is environmentally protected and performs legal recycling responsibilities. The Supplier must present certificate for all products delivered upon the Buyer's requirement.

14.4 In the case of products with damage, guarantee period is 36 months after delivery to the Buyer. Products are only inspected for product type, quantity and transport damages at the Buyer's entry warehouse according to the Buyer's incoming control procedure. The Buyer is not obliged for a more detailed entry control. The Supplier shall be immediately informed of all defects determined at the entry control.

14.5 In the event that the Buyer determines defect before beginning production (production and assembly), then opportunity is given by the Supplier to first select products, correct defect or exchange with faultless products. The Supplier must cover all costs of corrective process or exchange of faultless products. In this case especially, transport, labor, material, general expense, disassembly and assembly, selection and return of defected products, costs can be considered. In most urgent situations the Buyer, by informing the Supplier of defected products may have products corrected by a third party and invoice the Supplier. This type of intervention is principally made to prevent the Buyer's loss or reduce the Buyer's loss and to avoid claim.

14.6 If the Supplier repeats delivery of defected products and if repetition occurs despite the Buyer's warning letter, the Agreement shall be dissolved.

14.7 The Buyer shall immediately submit defected products that the Supplier must exchange.

14.8 In case of any possible shortfalls at the Suppliers premises then the Buyer must be informed immediately.

14.9 If a claim is made against the Buyer based on product liability, the supplier is obliged to hold the Buyer free and harmless against the claim if and insofar as the damage has been caused by a defect of the product delivered by the supplier under the contract. In events of liability based on fault, the supplier is only obliged to hold the Buyer free and harmless if fault can be attributed to the supplier. If the cause of the damage is within the supplier's sphere of responsibility, the supplier has the burden of proof in this respect.

14.10 Events under Clause 14.9, the supplier must pay all costs and expenses including the costs of any legal enforcement or recall campaign.

14.11 In addition, the statutory provisions apply.

14.12 Before starting a recall campaign that wholly or partly results from a defect of the products delivered by the supplier under the contract, the Buyer will notify the supplier and allow him to be involved and to exchange views on the efficient implementation of the campaign, unless such notification or involvement of the supplier is impossible on the grounds of particular urgency. Insofar as a recall campaign results from a defect of the products delivered by the supplier under the contract, the supplier must pay the recall costs.

15 REDUCTION OF RISK, THIRD PARTY RIGHTS

15.1 The Supplier is responsible for the loss, damage and legal problems of products related to this Agreement.

15.2 The Buyer and the Supplier agree to submit to each other information regarding risks and defects. Parties guarantee a smooth process by working in cooperation to avoid any danger.

15.3 The Supplier must have sufficient insurance regarding products responsibility and return of products, costs of installation and removal, inspection and sorting costs, and motor vehicle recall costs. Upon the Buyers demand the Supplier shall provide the customer with the proof of insurance coverage.

16 ARBITRATION

Exclusive jurisdiction for all and any disputes arising out of or in connection with this Agreement is Ankara / TURKEY. All and any disputes arising out of or in connection with this Agreement will be solved in Ankara / TURKEY Arbitration. If the parties are unable to agree on the site of arbitration, within two weeks of a party giving the other party notice of arbitration, the place of arbitration shall be in Geneva, Switzerland. Any arbitration shall be conducted in Turkish / English language. The findings of the arbitrators shall be final and binding on both parties.

IN WITNESS WHEREOF this Agreement has been executed by the parties in duplicate, each party taking one copy, on the date mentioned below.

[place, date]

[place, date]

Signature

Signature

ORS

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