

1. Preliminary remark

These Purchase Conditions aim to standardise all procurement activities conducted with suppliers. The agreement helps to optimise the process chain in terms of fair cooperation.

2. General information / scope

2.1 The Purchase Conditions of Vectron shall apply exclusively. Any terms and conditions of the Supplier which contradict or deviate from the Purchase Conditions of Vectron shall not be accepted, unless Vectron has given explicit written consent to accept them. The Purchase Conditions of Vectron shall also apply if Vectron accepts deliveries from the Supplier without reservations in the knowledge of the fact that terms and conditions of the Supplier contradict or deviate from the Purchase conditions of Vectron.

2.2 All agreements concluded between Vectron and the Supplier for the fulfilment of delivery orders shall be placed in writing.

3. Scope of services, transfer of orders

3.1 The scope of services for each delivery is based on Vectron's order. Relevant product guidelines specified by Vectron (such as approval documentation, construction data, circuit diagrams, material quality, component diagrams, data sheets, product requirement documents, requirements, CE labels, Machinery Directive 2006/42/EC, RoHS Directive 2011/65/EU) shall form an integral part of the agreement. The Supplier shall clearly state any deviations / product changes from the order placed by Vectron in its order confirmation in writing and highlight the relevant text. Any significant changes highlighted in the Supplier's respective order confirmation shall require explicit written consent from Vectron to commence with the conclusion of the contract. The principles of order confirmation as applied in ordinary business shall not apply in this event.

3.2 The Supplier shall accept Vectron's order by issuing a written order confirmation within two weeks from receipt of order.

3.3 The transfer of the order to third parties and/or engagement of subcontractors shall require prior written consent from Vectron. The Supplier shall check Vectron's request or order, particularly for its plausibility, feasibility, completeness, etc. and shall agree to notify Vectron immediately and in writing of any deficiencies.

3.4 If Vectron grants the Supplier access to its networks and/or data processing systems, such access may only be used for the fulfilment of the respective individual order. The non-disclosure requirements (Section 5) shall apply in this respect.

3.5 Any changes to the products delivered to Vectron which deviate from the agreed specifications shall require prior consent from Vectron. The Supplier shall notify Vectron of such changes in good time to ensure that the on-time delivery to Vectron is not compromised.

4. Special agreements, notification obligation, documents, quality assurance

4.1 The Supplier shall strictly comply with and adhere to any special agreements concluded with Vectron in addition to the respective order. This shall apply, in particular, to specific contents of service specifications, delivery dates and/or notification obligations.

4.2 The Supplier shall notify Vectron immediately and in writing of any problems which may jeopardise its delivery and/or ability to deliver, such as technical issues, late deliveries from subcontractors, non-conclusion of covering purchases, etc. The Supplier shall notify Vectron immediately of any process disruptions and/or quality deviations during its production processes and point out any potential risks resulting thereof.

4.3 The Supplier shall guarantee that all materials tests, test certificates, quality documents and/or other documents to be provided by the Supplier are complete and accurate and meet the relevant legal requirements.

4.4 The Supplier shall undertake to Vectron to implement state-of-the-art quality assurance measures that are suitable for the type and scope of delivery and provide Vectron with proof thereof upon request. The quality assurance measures shall include, in particular, continuous production monitoring and an outgoing goods inspection which covers all of Vectron's interests.

5. Non-disclosure

5.1 Vectron reserves the property rights and copyright in all images, calculations, drawings, computations and other documents prepared and submitted by Vectron. These documents shall not be made available to third parties without prior written consent from Vectron. They shall be used exclusively for the production and/or order process based on Vectron's order and returned to Vectron unprompted once the order has been concluded. They shall not be disclosed to third parties.

5.2 For new projects, Vectron generally expects the Supplier to sign a separate, project-related non-disclosure agreement, regardless of any existing and justified non-disclosure agreements previously signed by the Supplier. The non-disclosure agreement shall continue to remain in effect after this contract has been concluded. It shall expire if and insofar as the production knowledge contained in the transferred images, drawings, computations and other documents has become public knowledge.

6. Offers, samples, order documents, information

6.1 All offers shall be submitted to Vectron free of charge, unless explicitly and otherwise agreed. Samples provided to Vectron shall comply with Vectron's specifications, including all technical documentation. The Supplier shall notify Vectron explicitly, in writing and in good time before delivery of any product which deviate from the approved sample. Vectron is prepared to return any samples no longer required to the Supplier upon request, if this is still possible and the samples are still available.

6.2 In the event of the Supplier's offer containing a development activity, the Supplier shall comply with Vectron's specifications, such as service description and product requirements document, for this purpose. Unless otherwise stated, Vectron shall be entitled to claim any industrial property rights resulting from such development activity.

6.3 In the event of Vectron providing an initial sample which the Supplier is obliged to use as a template, the Supplier shall undertake to provide Vectron with an agreed quantity of the initial sample produced under series conditions in good time before commencing series production. Vectron shall be granted sufficient time and opportunity to test the sample. Series production may only commence upon written approval by Vectron.

6.4 In the event of disputes, the samples specifically approved

and archived by Vectron shall be decisive regarding the quality specifications that are binding for the Supplier, notwithstanding any further warranty obligations of the Supplier.

6.5 Any release certificates and/or approvals issued by Vectron always exclusively relate to the qualities of the sample provided by the Supplier explicitly stated by Vectron. The details are included in the declarations issued by Vectron in orders, minutes of negotiations and other documents.

7. Tools / materials procurement

7.1 Regarding tool production, the Supplier shall guarantee that the tools have the proper functions and stability that comply with specifications and are suitable for the expected output. The same shall apply to tools procured from third parties by the Supplier. In the event of a tool that has been procured by the Supplier as part of an order placed by Vectron not meeting the above specifications, particularly if its functions and use are not and/or insufficiently suitable for the intended purpose, the Supplier shall compensate Vectron for the resulting disadvantages, particularly damages, and any expenses incurred. This rule shall not apply if the disadvantages resulting from the quality and/or use of the tool evidently fall within the scope of responsibility of Vectron.

7.2 Vectron always reserves the title in the tools procured for Vectron and/or procured by Vectron and stored with the Supplier. The Supplier shall use the tools exclusively for producing the goods ordered by Vectron. The Supplier shall, at its own cost, insure the tools owned by Vectron for their recoverable amount against fire, water damage and theft. At the same time, the Supplier shall herewith already assign all compensation claims arising from this insurance to Vectron. Vectron shall herewith accept this assignment. The Supplier shall, at its own cost and in good time, conduct any servicing and inspection work and maintenance and repair work required on Vectron's tools. The Supplier shall notify Vectron immediately of any defects. Failure of the Supplier to do so shall not affect any compensation claims.

7.3 The production of a tool ordered by Vectron always requires the order and written approval from Vectron prior to starting the production of the tool. The tool shall only be approved if the product and tolerance specifications have been complied with and all of the tool components are complete and function properly and in accordance with Vectron's specifications contained in the order.

7.4 The Supplier shall provide Vectron with a security for advance payments and other advance services provided by Vectron for the benefit of the Supplier, particularly in connection with tool procurement in excess of EUR 10,000, in the form of an absolute, indefinite and irrevocable guarantee issued by a major German bank or credit institution under public law in the amount of the advance payment made. Such guarantee shall be issued for each payment made by Vectron.

7.5 Vectron generally supplies the construction data for prototypes and tool construction as STP files or similar data formats. Vectron shall not be charged any fees for their conversion.

7.6 All subsequent construction modifications required for the tool construction and/or series productions that meets requirements shall be modified by the Supplier in the 3D construction data and provided to Vectron in STP or similar 3D format for testing and approval.

8. Prices

8.1 The price stated in Vectron's order shall be binding. The price does not include statutory VAT. The prices shall not be increased for legally binding orders.

8.2 Unless otherwise agreed, shipping to a destination in Germany shall always be paid for by the Supplier.

8.3 The Supplier shall carry any currency risk that may be incurred.

9. Risk transfer / packaging

9.1 Unless agreed otherwise and in writing, deliveries shall be free. The Supplier shall state Vectron's order number in shipping documents and delivery notes. The Supplier shall take out standard transport insurance to cover the risk of accidental destruction or deterioration of the ordered raw materials, consumables and supplies. The Supplier shall herewith assign all compensation claims against the transport insurance company to Vectron in advance. Vectron shall herewith accept such assignment.

9.2 Unless otherwise stated in the order, the Supplier shall carry the freight costs all the way to the destination and the transport packaging shall be suitable, i.e. protect the goods against damage, weather, etc. The Supplier shall obtain relevant information in this respect. The goods shall be delivered to Vectron free from any further costs and levies, particularly customs duties.

9.3 The Supplier shall carry the liability for the goods until they have been accepted by Vectron or Vectron's authorised representative at the contractually agreed destination.

10. Orders and offers

The Supplier shall accept or reject Vectron's order within two weeks. The Supplier shall explicitly point out any deviating order confirmations. Deviations shall only form an integral part of the contract if explicitly approved in writing by Vectron. The same shall apply to deviations regarding quantity, dates, quality of goods, etc.

11. Delivery documentation

Deliveries shall contain delivery notes that shall be handed over to Vectron's incoming goods department together with the transport documents. The delivery note shall contain the standard commercial information as well as the nine-digit Vectron order number and eight-digit Vectron item number. Goods shall be accepted Monday to Friday from 8.30 am to 4.30 pm. The Supplier shall undertake to Vectron to label products, parts and packaging as agreed with Vectron. The Supplier shall ensure, in particular, that the labelling on the packaging remains legible during transport and storage. The Supplier shall further undertake to ensure the traceability of all products delivered by the Supplier. In the event of a defect being found, the traceability and limitation of the defective parts / products / batches must be ensured.

12. Delivery dates

12.1 Preliminary and partial quantities may only be delivered if approved in writing by Vectron. In all other cases, Vectron shall not accept any partial quantities that deviate from the order. The Supplier shall base all deliveries on the quantities called by Vectron in order to fulfil the contract.

12.2 The delivery period stated in Vectron's order shall be binding. Compliance with the delivery date or period shall be

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based on the receipt of goods at the delivery address stated. The Supplier shall notify Vectron immediately and in writing of any circumstances that may occur or become discernible that would result in non-compliance with the agreed delivery period.

12.3 In the event of a delivery being delayed, Vectron may enforce compensation for damages caused by delay at a fixed 1% of the delivery value per full week, but no more than 5%. Further legal claims (withdrawal and compensation instead of service) shall be reserved. The Supplier may provide Vectron with proof that the delay has caused no or much less damage.

13. Invoices

Original copies of invoices shall be sent to Vectron. Invoices shall contain the nine-digit Vectron order number, eight-digit Vectron item number, Supplier delivery note number, service date, tax number and VAT number. The invoice address is always Vectron Systems AG, Willy-Brandt-Weg 41, 48155 Münster, Germany. The delivery address may differ from the invoice address if specified in the order.

14. Payment

14.1 Payments shall only be made subject to non-defective delivery. Payment shall be made at the terms and conditions agreed between Vectron and the Supplier in the order. The payment period shall start on the date the goods are received.

14.2 Amounts payable to Vectron from credit notes, charges, returns, bonus settlements and consideration shall be credited in the next possible invoice. Vectron may offset and retain payments within the scope permitted by law.

14.3 Vectron can only process invoices that contain the order number stated in Vectron's order specifications. Unless agreed otherwise and in writing, Vectron shall pay the purchase price within 10 days from receipt of goods in Münster and receipt of invoice less 2% discount, or within 30 days from receipt of invoice in full. Vectron may offset and retain payments within the scope permitted by law.

15. Notice of defects / warranty / product liability

15.1 Vectron shall check the goods for potential quality and quantity deviations within a reasonable period. Notices of defect shall always be sent to the Supplier in a timely manner, within a period of 10 working days from receipt of goods or from discovery of hidden defects by Vectron, unless a longer period applies on legal grounds. The minimum period for international procurements shall be 21 days.

15.2 Vectron shall be entitled to enforce legal claims for defects. In any case, Vectron may choose to request for the Supplier to rectify the defect or deliver new goods. The right to claim compensation, particularly the right to claim compensation instead of the service, remains reserved at all times.

15.3 Vectron may rectify defects itself at the cost of the Supplier should there be a risk of delay or an urgent reason for fulfilment. In such event, third parties may be engaged as well.

15.4 Any regulations agreed between Vectron and the Supplier regarding any defect inspections and matters relating to notices of defects to be complied with by the Supplier, e.g. within the scope of a quality assurance agreement, that are to be taken into consideration shall take precedence.

15.5 The Supplier shall undertake to maintain general product liability insurance with adequate cover of EUR 1 million per

person / material damage as well as extended product liability insurance with corresponding cover. This shall not affect any further compensation claims due to Vectron.

15.6 The warranty period shall be 36 months as from the risk transfer date, unless other statutes of limitation have been stipulated in the contract or law.

16. Certifications

Components from the electronics, high voltage, display and casing parts product groups approved by Vectron shall be subject to certification and licensing obligations. The Supplier shall assure Vectron that the components delivered to Vectron meet all standard and legally stipulated certification and licensing requirements.

17. Retention of title / supply

17.1 All documents / information provided by Vectron and/or provided by instruction of Vectron for the fulfilment of the contract shall remain the property of Vectron. Please also refer to the provision regarding Section 5 "Confidentiality" above.

17.2 In the event of Vectron's security entitlement exceeding the purchase price of all unpaid goods subject to retention of title by more than 10% when the order is placed, the Supplier may request for Vectron to release securities of its choosing in the excess amount.

17.3 Vectron shall reserve the title to all parts stored with the Supplier. The Supplier shall process or remodel the parts for Vectron. In the event of the goods subject to retention of title being processed together with items not belonging to Vectron, Vectron shall acquire proportionate co-ownership to the new items in relation of the value of Vectron's item (purchase price plus VAT) to the other items processed at the time of processing.

17.4 In the event of the item provided by Vectron being mixed with other items not belonging to Vectron so that it can no longer be separated, Vectron shall acquire proportionate co-ownership in the new item in relation of the value of the item subject to retention of title and the other mixed items at the time of mixing. If the items are mixed so that the Supplier's item may be regarded as the main item, it shall herewith be agreed for the Supplier to transfer proportionate co-ownership to Vectron. The Supplier shall store the solely-owned item as a co-owned item for Vectron.

18. End of life

The Supplier shall notify Vectron immediately and in writing about the discontinuation of components by its suppliers of which it obtains knowledge.

19. Property rights

19.1 The Supplier shall assure that its services do not violate any third-party rights. In the event of the Supplier violating such rights, it shall undertake to indemnify Vectron of third-party compensation claims upon first request.

19.2 The Supplier shall comply with Vectron's trademark rights and ensure that these rights are not violated within its own scope of control.

19.3 In the event of the Supplier violating the obligations arising from Sections 19.1 and 19.2 above, Vectron may, in particular, terminate the contractual relationship for good cause and without notice if such violation does not cease after a period of

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grace and/or warning. Warning does not have to be given in the cases specified in Section 323 paragraph 2 of the German Civil Code (Bürgerliches Gesetzbuch – BGB). The termination shall not exclude Vectron's right to claim compensation. Further claims on the part of Vectron shall remain unaffected.

20. Additional provisions for software

In the event of Vectron's order, in whole or part thereof, relating to the delivery, development and/or licensing of software, the current version of the "Additional provisions for software" issued by Vectron shall apply. Vectron shall send these additional provisions to the Supplier upon request.

21. Place of jurisdiction / place of fulfilment / choice of law and jurisdiction

21.1 In the event of the Supplier being a business person, the place of jurisdiction shall be the location of Vectron's head office. However, Vectron may also start proceedings against the Supplier before the courts responsible for their place of residence.

21.2 Unless otherwise stated in the order, the place of fulfilment shall be Vectron's head office.

German law shall apply under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) but always in accordance with the contents of these Purchase Conditions.