

Vincotech General Terms and Conditions of Purchase

1. Scope

1.1 Any sale and delivery of goods and services by the Supplier to Vincotech Hungary Ltd. or to Vincotech GmbH (together "Vincotech") shall be subject to the Terms and Conditions set forth herein to the extent no other particular agreements have been made explicitly. In case of sale and delivery of investment goods, equipment and special machinery special Terms and Conditions apply in addition to the following terms.

1.2 Any of Supplier's general terms and conditions are rejected by Vincotech and do not apply to any of Vincotech's orders.

2. Orders

2.1 Orders and any changes or additions to orders must be made in writing or in text form.

2.2 All purchase orders issued by Vincotech shall be either accepted or rejected by Supplier upon receipt of purchase order by Supplier. If Supplier fails to reply in writing to any purchase order within four (4) business days from the receipt, then such purchase order of Vincotech shall be deemed to be accepted by Supplier.

3. Time-limits, consequences of delay

3.1 Time is of the essence. Agreed time-limits for deliveries of goods and services shall be strictly binding. Supplier shall provide in advance notice to Vincotech of any possible delays in delivery/handover. In the event of such a delay, Supplier shall take all reasonable actions to avoid or mitigate such delays.

3.2 If Supplier fails to deliver or perform within an additional reasonable grace period set by Vincotech, then Vincotech shall be entitled to refuse acceptance, rescind the contract and/or demand compensation. Vincotech shall be entitled to rescind the contract even if the delay was not the fault of Supplier. Supplier shall bear any additional costs incurred by Vincotech because of Supplier's default, especially those resulting from the necessity to purchase from third parties instead.

4. Prices

Prices shall be fixed prices and shall include all expenses in connection with the goods and services provided by Supplier.

5. Performance, delivery, risk, title

5.1 Supplier may engage subcontractors only with the prior written consent of Vincotech, unless such contracts are merely for the supply of standard parts. Delivery call orders shall be binding with regard to the nature and quantity of the goods ordered and the delivery time. Part-deliveries shall require the prior written consent of Vincotech.

5.2 All deliveries of goods must be accompanied by a delivery note stating Vincotech's order number as well as details of the nature and quantity of the contents.

5.3 Deliveries shall generally include customary one-way standard packaging. If reusable packaging is used, it shall be provided on loan. Return of the reusable packaging shall be carried out on Supplier's account and risk. If as an exception Vincotech takes over packaging costs, these costs shall be calculated on basis of verifiable net costs. The economical use of resources and energy shall be respected at any time.

5.4 In the event equipment is delivered, a technical description and instructions for use shall be included free of charge. If applicable, technical data sheets regarding the energy efficiency shall be included. In case of software products, the delivery obligation shall only be met once all the (systems and user) documentation has also been delivered. For software that is specifically developed for Vincotech, the source code shall also be delivered.

5.5 When Supplier is delivering goods or providing services on Vincotech's premises Supplier shall obey the directions for non-employees concerning security, environmental- and fire protection and efficient use of energy currently in force.

5.6 The risk of damage or loss passes to Vincotech (i) in the event of delivery without installation or assembly upon receipt at the delivery address, and (ii) in the event of delivery including installation or assembly upon successful completion of the acceptance by Vincotech. Commissioning or use shall not replace the declaration of acceptance by Vincotech.

5.7 Title to the goods shall pass to Vincotech when delivery is made at the designated facility.

6. Invoices, payments

6.1 Invoices shall be sent by Supplier to Vincotech separately and shall state Vincotech's order number and the numbers of each item. Invoices shall be submitted to Vincotech electronically by mail to supplierinvoiceshu@vincotech.com.

6.2 Payments by Vincotech shall be made 60 days after receipt of the goods and receipt of Supplier's invoice. Payments will be made by bank transfer to a bank account designated by Supplier.

6.3 Payments shall not be deemed as acknowledgement that the good or service is in accordance with the contract. In the event that a good or service is defective or incomplete, Vincotech shall be entitled, without prejudice to Vincotech's other rights, to withhold an reasonable amount of payments with regards to debts based on the business relationship until Supplier has performed in accordance with its contractual obligations.

6.4 The assignment of Supplier's rights to third parties shall be excluded.

7. Compliance with applicable European laws and certain US-laws

7.1 Supplier hereby irrevocably and unconditionally warrants and represents that all goods, including any component, part, sub-assembly, assembly, raw material or other commodity sold or otherwise transferred to Vincotech shall comply with all existing product safety, emissions, environmental and other laws applicable thereto and with any requirement included in the product Specifications/Technical Terms of Delivers or provided by Vincotech. Supplier shall obtain and maintain all certifications related to such requirements to the extent such certification is required by any applicable law or is reasonably requested by Vincotech.

7.2. If any product involve technologies in terms of technical knowledge, which are subject to US (re-) export regulations (EAE, ITAR), the European Dual Use regulation or to the German Export Control List, Supplier shall inform Vincotech in writing.

7.3 Supplier warrants and agrees that it will review and observe the requirements applicable to the U.S. Customs-Trade Partnership Against Terrorism (CTPAT) certification program as validated by U.S. Customs and Border Protection to Vincotech and/or applicable on the basis of Article 5a of Council Regulation No 2913/92 (Community Customs Code) as amended by Regulation (EC) No. 648/2005 of the European Parliament and of the Council and stemming from the Authorized Economic Operator (AEO) status of Vincotech.

7.4 Supplier must provide Vincotech with export control information, the country of origin and export classification codes for every good supplied pursuant to this Order. This information may be provided in the commercial invoice and packing slip, or other method as agreed upon by the parties in writing. The export classification codes shall include, as applicable, the Export Control Classification Number (ECN), the Harmonized System (HS) Tariff Codes, and the country under which each provided export code is assigned. Supplier shall notify Vincotech of any changes promptly in writing. Supplier shall provide a standard certificate of origin, and other possible product and/or shipping elements to comply with specific export, import, and security laws and regulations, within a reasonable period, upon written request from the Vincotech.

7.5 RoHS: Supplier warrants and agrees that the goods sold to Vincotech and specified to be "RoHS Compliant" shall be fully compliant with the European Union Directive 2011/65/EU of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment ("RoHS"). Upon Vincotech's request, Supplier shall promptly provide Vincotech with access to all necessary information and records evidencing the goods' RoHS compliance. Additionally, Supplier shall promptly provide material declarations upon request with respect to the goods provided to Vincotech hereunder.

7.6 REACH: Supplier warrants and agrees that each chemical substance or its preparations on their own or contained in goods sold or otherwise transferred to Vincotech is pre-registered if required, and registered if required, under Regulation (EC) No 1907/2006 of 18 December 2006 ("REACH"), is not restricted under Annex XVII of REACH and if subject to authorization under REACH, is authorized for Vincotech's use. Supplier shall notify Vincotech if it decides not to pre-register or register substances that will be subject to registration under REACH and that are contained in goods supplied to Vincotech or supplied to Vincotech on their own at least 12 months before their registration deadline. Upon Vincotech's request, Supplier shall provide Vincotech with access to all relevant information on substances meeting the criteria under REACH Annex XIV (the "candidate list") including the name of the substance, where the substance is used, and sufficient information to allow Vincotech to safely use the goods or fulfill its own obligations under REACH.

7.7 Dodd-Franck Act: Supplier warrants and agrees to deliver "DRC Conflict Free" products only. In any case of deviation, Vincotech must be informed in writing.

7.8 Supplier warrants and agrees that it shall take the necessary steps to ensure the security of Vincotech's supply chain.

7.9 Supplier agrees to defend, hold harmless, and indemnify Vincotech from any claim arising out of or related to Supplier's failure to comply with the warranties and representations as stated in this Section 7.

8. Warranty



8.1 Supplier warrants to Vincotech that the goods purchased and delivered: (i) will comply with the Specifications and the quality requirements of Vincotech; (ii) will be fit for the intended purposes; (iii) will be free from defects in design, materials and workmanship; and (iv) will be free and clear of all liens and encumbrances.

8.2 Provided Vincotech notifies Supplier of any defective or non-conforming goods, Supplier shall, at Supplier's expense and at Vincotech's option, and without limitation to Vincotech's further remedies existing

under applicable law, take all reasonable steps to replace the defective or non-conforming goods in accordance with the following procedure:

(a) Supplier will inspect the defective and/or non-conforming goods, if so required by Vincotech, and will provide Vincotech with a failure analysis report, stating the defect and/or non-conformity and the estimated time for replacement of the defective and/or non-conforming goods by Supplier;

(b) Supplier will, if so required by Vincotech, promptly replace and accept the return of the defective and/or non-conforming goods within a reasonable time as specified by Vincotech, or at Vincotech's discretion, and credit Vincotech for any such returned, non-conforming goods.

8.3 Supplier agrees that the warranty period for all goods delivered under this Agreement shall be two (2) years from the date of handover of the goods.

8.4 Upon arrival of the goods at the delivery point, Vincotech shall examine within a reasonable time whether the goods correspond to the ordered quantity and type and whether there is any apparent damage resulting from their transport or any other visible defect. If during such examination or later, Vincotech discovers any damage or defect or lack of conformity, he shall notify the Supplier thereof within a reasonable time. Vincotech's acceptance of goods at the time and point of delivery shall in no case relieve Supplier of his warranty obligations set forth in this Section 8.

9. Indemnification

Supplier will indemnify, hold harmless, and at Vincotech's request, defend Vincotech and Vincotech's subsidiaries, affiliates, directors, officers, employees, and/or agents from and against any loss, cost, liability, fine, penalty or expense (including court costs and reasonable fees of attorneys and other professionals) arising out of or in connection with any claim or action, whether based on contract or tort (including negligence and strict liability), concerning or asserting any injury or damage to person or property caused, in whole or in part, by the goods or by non-compliance with applicable laws and regulations.

10. Technical documentation, tools, means of production

10.1 All technical documents, tools, in-house standard sheets, means of production, etc. (hereinafter: "utilities"), provided by Vincotech shall remain the exclusive property of Vincotech. All trademark, copyright or other property rights shall remain with Vincotech. Supplier shall keep the utilities safe for Vincotech free of charge. All utilities, together with all duplicates/copies that Supplier may have produced, have to be returned to Vincotech as soon as the order has been executed. Supplier shall not be entitled to assert a right of retention in this respect. Supplier may only use the utilities for the execution of the order. Supplier may not pass the utilities on, or make them otherwise accessible to unauthorized third parties. The utilities may only be duplicated in so far as it is necessary for the execution of the order.

10.2 In the event Supplier produces, in whole or in part, any of the utilities mentioned in sentence 1 of section 10.1 for Vincotech, section 10.1 shall apply accordingly and Vincotech shall be the exclusive owner of the utilities.

10.3 Supplier shall be obliged to service and maintain the utilities as well as to mend defects caused by normal wear and tear at its expense. If Supplier, in order to execute the order, after prior consultation with Vincotech at the cost of Vincotech subcontracts the production of samples and tools to a third party Supplier shall assign to Vincotech Supplier's claims for title of property against the subcontractor.

11. Provision of materials

11.1 Materials that Vincotech provides shall remain the exclusive property of Vincotech. Supplier shall store these materials free of charge with due care and diligence. Supplier shall keep them separate from its property and mark them as the property of Vincotech. They may only be used to implement the order for Vincotech.

11.2 In the event that Supplier processes or transforms the materials provided, this shall be done for Vincotech. Vincotech shall become the direct owner of the resulting new objects. If the materials provided only constitute a part of the new objects Vincotech shall be entitled to ownership of the new objects on a pro rata basis according to the value of the materials provided and contained therein.

12. Confidentiality



Vincotech and Supplier acknowledge that, during the performance of the contract, either party may acquire Confidential Information. Vincotech and Supplier agree to maintain in confidence for the disclosing party any Information that is identified as "Confidential" at the time of its disclosure. The receiving party shall not disclose Confidential Information to any other person or organization without the prior written consent of the disclosing party. Vincotech and Supplier shall protect Confidential Information of the other party against unauthorized disclosure with at least the same degree of care as that party exercises to protect its own information of like character and importance, but in no event less than reasonable care.

13. Miscellaneous

13.1 Force Majeure. Neither Party shall be liable for any failure or delay in its performance under this Agreement due to any causes which are beyond its reasonable control, including, but not limited to, acts of civil or military authority, fires, epidemics, floods, earthquakes, strikes, lockouts, riots, wars, sabotages, and governmental actions, provided that the delayed Party: (i) gives the other Party written notice of such cause promptly; and (ii) uses its reasonable efforts to correct such failure or delay in its performance. The delayed Party's time for performance or cure under this Section shall be extended for a period equal to the duration of the Force Majeure cause or thirty (3) days, whichever is less.

13.2 Amendment. No provision of these General Terms and Conditions shall be amended, modified, waived, discharged or terminated (other than is provided in this Agreement), otherwise than by the consent of both parties to be expressed in text form.

13.3 Governing Law. The legal relationship between Vincotech and Supplier shall be governed by and construed in accordance with the laws of Germany, without reference to its conflicts of law principles.

13.4 Dispute Resolution. 13.3.1. If the Supplier has its principal office inside the European Union (EU), any disputes relating to any purchase order will be submitted to the exclusive jurisdiction of the courts at the place where purchasing party has its principal place of business. 13.3.2. If the Supplier has its principal office outside the European Union (EU), any disputes relating to any purchase order will be submitted for arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce ("ICC Rules") then in effect. Unless the PARTIES agree otherwise, the arbitration will be conducted before three (3) arbitrators. The arbitration shall take place in Munich, Germany, and shall be held in English language.