

General

These General Terms and Conditions of Purchase ("terms") shall apply to any agreements concluded by VALX under which VALX undertakes to purchase goods and/or services. VALX and the SUPPLIER agree that once a contract is concluded subject to the applicability of the following terms, these shall fully apply to subsequent transactions as well. Any terms, however named or described, stipulated by the SUPPLIER shall not apply and are expressly rejected by VALX. Deviations from these terms are only valid if they have been expressly agreed upon in writing.

Trade terms, used in these terms, quotations, order confirmations or otherwise must be interpreted in accordance with the International Rules for the Interpretation of Trade Terms produced by the International Chamber of Commerce (Incoterms 2000) in force at the time when the agreement is concluded. If any provision of this terms is or becomes void, the other provisions will remain in force.

Warranty

SUPPLIER warrants to VALX that:

A product shall be, at the time of delivery to VALX's customer and for a period of 60 months thereafter, conform to the specifications mutually agreed upon, and will be free from defects in design, materials and/or workmanship. With regard to the determination of whether or not any products are in compliance with this warranty, SUPPLIER shall accept any reasonable evidence showing non-compliance.

SUPPLIER shall fully comply with the quality requirements of VALX:

- the products are free and clear of all liens, encumbrances, restrictions, and other claims against title of ownership;

- the products shall be fit for the purpose of use for which they are bought to the extend such purpose or use is known or reasonable should be known to SUPPLIER.

- the packaging, components, products and/or spare parts shall not contain banned substances.

- SUPPLIER and SUPPLIER's subcontractors shall conduct its operations in accordance with the sustainability requirements and shall duly report any non compliance to VALX without delay;

- SUPPLIER and SUPPLIER's subcontractors shall comply with all rules, regulations and laws applicable to the manufacturing and sale of the products, including but not limited to such matters as environmental, export control and safety laws. If requested, SUPPLIER will assist VALX or VALX's customer(s), if applicable, by providing evidence of its compliance or such information necessary to assist VALX or VALX's customer(s) to comply with such laws, rules and regulations;

- SUPPLIER has carried out all testing, examination and other work necessary to eliminate any risk to health and safety resulting from use of the products or any part thereof for the purpose for which it is designed;

- the products comply with all applicable regulations and stipulations of any nature whatsoever, in Europe, in addition to the prevailing EC regulations or stipulations.

- where conditions exist under which there will or may be any risk to health and safety, such conditions will be brought to the attention of VALX in writing, provided that SUPPLIER knows or reasonably could have known such conditions;

- SUPPLIER has executed a written safety risk assessment prior to the commercial release of a product and prior to the re-release after any modification that may affect product safety and such written risk assessments have to be held in a technical file containing all relevant information which must be readily available for VALX;

- SUPPLIER has taken such measures as are necessary to enable the monitoring of the safety of the products and to deal promptly with any emergent risks. The measures to be adopted by SUPPLIER, its employees, its affiliated companies and its sub-contractors shall include at least: (a) a structured and documented quality control system which is audited regularly; (b) an indication on the product of the batch/serial number to which a particular product belongs; (c) carrying out of sample testing of marketed products; (d) investigation of complaints; and (e) registration of complaints;

- the products shall remain safe notwithstanding any faults likely to occur during normal use by the customer.

SUPPLIER shall not engage in subcontracting to fulfill its obligations under the agreement and/or attachments and/or VALX purchase orders and/or conditions with third parties which SUPPLIER knows or should reasonably suspect to be operating in violation of the sustainability requirements set forth in this agreement and/or attachments and/or VALX purchase orders and/or conditions

Liability, product-warranty, insurance

If the supplied goods do not correspond to the guaranteed or agreed quality standard, or if the supplied goods show other defects, VALX is entitled, at its election, to dissolve the contract, reduce the purchase price, request a replacement delivery, demand rectification of the delivery. The foregoing is without any prejudice to VALX's right to compensation for the damage suffered due to the faulty performance of the contract. VALX is also entitled to repair defects itself and to charge SUPPLIER for the costs of such repair.

In any case, SUPPLIER shall be liable for direct loss or damage caused by breach of contract, non-conforming products or otherwise and for any consequential or indirect loss or damage, such as but not limited to, loss of product, loss of production, costs of recall, loss of use, loss of revenues or profit, loss of interest, costs of additional inspection, customs duties, transportation costs, cost of delays or any loss or damage resulting there from.

SUPPLIER represents and warrants that, as of the effective date it has obtained and will maintain, at its expense, occurrence-based insurance for any cost or damages caused by or in connection with the manufacturing, use, distribution or (offer for) sale of the product with an aggregate limit of not less than five million dollars (€ 5,000,000) per event for liability.

IPR

SUPPLIER shall not sell, deliver, distribute or otherwise make available to third parties anywhere in the world, except to VALX, the product or any other products or articles having any of the typical characteristics specified in the specifications, such as, without limitation, VALX's branding and trademarks and trade-names.

All IPR in the product or otherwise created by SUPPLIER pursuant to this agreement shall vest in VALX (VALX Proprietary Rights) and are herewith transferred to VALX (and to the extent required by law shall continue to be transferred to VALX from time to time as they accrue) to no additional costs. It is, however, explicitly understood that VALX Proprietary Rights do not include industrial and intellectual property rights that belong to or to which SUPPLIER is entitled prior to the date of this agreement, and/or attachments and/or VALX purchase orders and/or conditions and/or prior to the start of any design and development works executed by SUPPLIER hereunder (SUPPLIER Proprietary Rights).

SUPPLIER guarantees that VALX, by offering, selling or supplying the goods is not infringing any - national or international - third party rights, such as design rights, trade mark rights, international patents, or legislation of a national or supranational nature. SUPPLIER indemnifies VALX in this respect.

Epidemic failure or recall

In the event of an epidemic failure and/or if a recall is required, at VALX's discretion, as a result of a threatened failure in or of the products, SUPPLIER shall, in addition to its warranty obligations and remedies set forth in these conditions have the following obligations:

- Upon notification by VALX of such epidemic failure or recall, SUPPLIER shall propose within 5 working days or within a period which may be mutually agreed upon (whichever is shorter) a containment action plan to prevent further failures to be approved by VALX (such approval not to be understood as an acceptance by VALX of the accuracy of the proposed actions);

- SUPPLIER shall implement the approved corrective actions within 15 days from approval date or within a period that may be mutually agreed upon (whichever is shorter). SUPPLIER shall assume all costs of executing the containment action, including costs associated with any changes in its production operations (such as redundancy of stocks, rework, labor time, engineering changes);

- SUPPLIER shall accept all products delivered in the period over which the epidemic failure occurs, without VALX being obliged to provide any further evidence than the evidence of existence of an epidemic failure, and SUPPLIER shall at VALX's option either repair or replace those products at its sole costs in accordance with this provisions.

In case of a recall, SUPPLIER shall at its sole costs provide full cooperation to VALX and/or VALX's customers in order to achieve an efficient and effective recall, regardless of whether VALX, and/or VALX's customers initiate or perform such recall. To the extent the recall is caused by a breach of the warranties by SUPPLIER or by reason of an epidemic failure, SUPPLIER shall be liable for all out of pocket costs of recalling of the parties involved, including but not limited to VALX and/or VALX's customers and shall at its costs and at VALX's option provide either free of charge replacement products or arrange at its costs for repair.

SUPPLIER agrees to provide services in the manner to be subsequently agreed between VALX and SUPPLIER. SUPPLIER warrants that all services to be provided by SUPPLIER hereunder shall be performed in a workmanlike manner, in accordance with the standards of care and diligence and the level which is equal or exceeds to the level of skill and knowledge normally practiced by recognized firms in providing services of a similar nature.

Discontinued products and spare parts

SUPPLIER represents and warrants that the products will be available for sale to VALX for a period of at least 5 years as from the date of first delivery.

Parties acknowledge that the agreement, and/or attachments and/or VALX purchase orders and/or conditions shall be supplemented and adapted in mutual agreement from time to time during the term of this agreement, and/or attachments and/or VALX purchase orders and/or conditions.

At such occasion also the periods of availability of the product may be subject to adaptation, it being understood, however, that the period of availability of a product shall not be shorter than warranted before.

If SUPPLIER wants to discontinue production of any product or spare part after the period mentioned hereof, SUPPLIER shall notify VALX in writing at least twelve (12) months prior to the date of envisaged production stop. In such notification, SUPPLIER shall indicate whether or not it intends to offer to VALX a replacement with at least a product with equal form, fit and function. If so intended, VALX shall indicate its requirements for replacement product with respect to technical specifications, costs and testing procedures and VALX may at its sole discretion decide whether or not to enter into negotiations on the replacement products.

During the period of the agreement, and/or attachments and/or VALX purchase orders and/or conditions and for a period of ten (10) years thereafter, SUPPLIER shall supply VALX with spare parts and at prices as mutually agreed upon. Notwithstanding the foregoing, Parties agree that in the event SUPPLIER wishes to stop production and/or if a vendor or subcontractor of SUPPLIER stops production of one or more spare parts, SUPPLIER shall immediately inform VALX thereof in writing, but at least twelve (12) months prior to the date of envisaged production stop and VALX shall then have the opportunity to place a last time buy purchase order for such spare parts in such quantity as VALX may reasonably require and SUPPLIER shall accept such purchase order at the then prevailing price.

In order to enable VALX to perform its after sales service of the products, SUPPLIER shall provide VALX before first commercial delivery of the product with a technical product documentation of each product, which shall indicate, among others, the service bill of materials and the service manual of the product. The service bill of materials shall in any event indicate the components used in the product, the specifications of such components and the prices of such components, together with such other information VALX may request to service the products.

Documentation and intellectual property rights

At its expense, SUPPLIER shall develop and provide VALX with all documentation in English necessary for testing, configuration, maintenance, operation and use of the products, in both print and machine readable format.

SUPPLIER hereby grants VALX a non-exclusive, perpetual, irrevocable and royalty-free right and license to reproduce, translate, modify, make derivative works and re-distribute for internal use all or any part of SUPPLIER documentation.

If requested by VALX, SUPPLIER shall send one or more experts for temporary visits to the site in order to support free of charge the starting-up of the production activities of the equipment, including training on the spot of the VALX relevant personnel.

SUPPLIER shall provide supplementary training services, if any, against such terms and conditions as mutually agreed upon.

Prices and currency

Unless otherwise agreed, all prices shall be in Euros.

Packaging; Marking; Special warnings or instructions; Labelling; Certificates

SUPPLIER will properly pack, mark, label and ship the products in order to prevent damage in transit. SUPPLIER will provide VALX with the necessary documentation thereof. Only environmentally acceptable packaging must be used. Before and at the time products are shipped, SUPPLIER will give VALX sufficient warning in writing of any hazardous or restricted material that is an ingredient or part of the products, together with any special handling instructions that are needed to advise carriers or VALX and their employees how to take appropriate measures while handling, transporting, processing, using or disposing of the products, containers, and packaging.

Products must be labeled, mentioning the size, gross weight, net weight, VALX's order number, SUPPLIER's product number. It must be possible for VALX to attach a barcode.

Quality management and reliability

SUPPLIER shall maintain a quality assurance system.

Prior to delivery, the products have to be carefully examined by SUPPLIER to the extent that VALX can fully rely on their quality and fitness for purpose. If SUPPLIER performs any work on VALX's or VALX's customer's premises or utilizes the property of VALX or VALX's customers, SUPPLIER will examine the premises to determine whether they are safe for the requested services and will advise VALX promptly of any situation it deems to be unsafe. Furthermore, SUPPLIER's employees, contractors, and agents will comply with all regulations that apply to the premises and may be removed from VALX's premises at VALX's discretion.

If requested by VALX, SUPPLIER shall enter into a separate quality management agreement which may contain more stringent provisions in respect to the quality assurance system that SUPPLIER may maintain. SUPPLIER will deliver the goods with a reliability of $\rightarrow 95\%$, measured over a period of six (6) months. The formula for this reliability figure is: amount of orderliness on time / total amount of orderliness * 100%. If these reliability requirements in a given period are not met by SUPPLIER, SUPPLIER shall immediately undertake corrective measures, to have the reliability requirements met in the successive period of six (6) months. If reliability requirements are still not met in this successive period, VALX shall be compensated in the amount of 0,5% of the total sales volume over the period in which SUPPLIER has not met the reliability requirements. All other rights of VALX shall not be prejudiced by this compensation.

Delivery method

Delivery terms will be agreed upon. (Incoterms 2000) In any way, agreed delivery dates and quantities are fully binding. If agreed delivery dates are not met, the delivery will be considered as being delayed. SUPPLIER will pay any damages incurred by VALX, including costs charged by VALX's customer(s) to VALX, as a result of SUPPLIER's failure to comply with agreed delivery dates. SUPPLIER will also pay all premium freight costs over normal freight costs if SUPPLIER needs to use an expedited shipping method to meet agreed delivery dates due to its own acts or omissions. VALX may reasonably change the rate of scheduled shipments or direct temporary suspension of scheduled shipments. VALX is not obligated to accept early deliveries, late deliveries, partial deliveries or excess deliveries.

Payment, Taxes

Payment shall be made net within 60 days after receipt of invoice. For payment within 14 days there is a discount of 2.25%.

All taxes arising out of the order shall be borne by SUPPLIER. SUPPLIER warrants that the purchase price is in accordance with applicable government pricing regulations and is exclusive of import tariffs and other taxes not levied on export orders.

Inspection and audit

VALX shall have the right to inspect the products, test or witness SUPPLIER tests of the products and otherwise review SUPPLIER's performance prior to delivery and acceptance of the products. VALX shall exercise such right at reasonable times and in a manner, which does not unreasonably interfere with SUPPLIER's operations. Such inspections shall only take place during normal working hours at normal working days. VALX shall notify SUPPLIER timely prior to such an inspection.

Upon request, SUPPLIER will inform VALX of the cost structures. VALX shall consider and treat such information as confidential.

Export license, risk of loss from non-importability and export quota

SUPPLIER shall – if necessary - apply for and obtain any license required to export the products from the country of origin. VALX shall have the right to immediately cancel the order without liability to SUPPLIER if the export license application is disapproved or unreasonably delayed in VALX's sole judgment.

SUPPLIER shall reimburse VALX for any loss, VALX may sustain in the event that the products delivered or to be delivered hereunder are not permitted by customs or other governmental authorities to be imported into Europe in consequence of its laws or administrative practices or in case that SUPPLIER – due to applicable export quota – is not able to obtain export licenses or is no longer permitted to export the products.

Force majeure

In the event of force majeure the party effected thereby shall inform the other party as soon as possible but in any event within seven (7) days after the start of such force majeure specifying the nature of the force majeure, the beginning thereof as well as the estimated duration thereof. The party affected by force majeure shall use its best efforts:

- to avoid or remove cause of force majeure with the utmost despatch, and

- to mitigate the consequences of force majeure for the other party and

- to resume performance at the end of the force majeure situation, unless otherwise agreed as per this article or unless this agreement has been terminated. In the event the force majeure situation continues for more than thirty (30) days or is expected to last longer than thirty (30) days then either party is entitled to terminate this agreement by simple notice in writing and without either party being entitled to any claim for damages. Otherwise both party's rights and obligations will be suspended for the period of prevention or delay caused by force majeure and new time schedules and supply data shall be agreed between the parties hereto.

Force majeure shall be understood to mean and include damage or delay caused by acts or regulations or decrees of any Government (de facto or de jure), natural phenomena such as earthquakes and floods, fires, riot, wars, shipwrecks, freight embargoes or other causes, whether similar or dissimilar to those enumerated above, unforeseeable and beyond the reasonable control of the parties hereto and which prevent the total or partial carrying out of this agreement.

Confidentiality of information

Both parties undertake to keep data as confidential and shall not, without the other party's prior consent in writing, disclose to any third party other than its employees, agents or professional advisors the terms of this agreement and/or any information of a confidential character concerning the other party.

Suspension or cancellation

If SUPPLIER shall at any time commit any substantial breach in connection with this agreement, a covenant, a warranty, and/or purchase order and shall fail to remedy such breach within fourteen (14) working days after written notice thereof, VALX may at its convenience, and in addition to any other remedies that it may be entitled to, cancel and/or terminate the agreement by notice in writing to such effect.

If SUPPLIER becomes bankrupt, insolvent, or unable to meet its financial obligations VALX may at its convenience, and in addition to any other remedies that it may be entitled to, cancel and/or terminate the agreement, and/or attachments and/or VALX purchase orders and/or conditions without any liability to SUPPLIER.

Extra conditions

SUPPLIER guarantees that the goods supplied were not manufactured by means of any form of child exploitation, which may be detrimental to the health of children, nor by means of any other form of forced labor, sweat shop labor, or prison labor, which may affect the human dignity of those, involved.

SUPPLIER undertakes to do the utmost to ensure that environmentally friendly methods are employed from the product development stage, through the labor organization and production process up to and including distribution. Whatever the circumstances, SUPPLIER guarantees that the goods supplied, including their packaging, comply with all regulations applicable in the Benelux and the European Union.

Non-assignment

SUPPLIER may not assign or delegate its obligations under the contract without VALX prior written consent. In the event of any approved assignment or delegation authorized by VALX, SUPPLIER retains all responsibility for products, including all related warranties and claims.

Sovereign immunity

Each Party hereby irrevocably waives any rights of sovereign immunity which it may now or which it may subsequently acquire in respect of its position or any property and/or assets (present or subsequently acquired and wherever located) belonging to it.

Governing law and Jurisdiction

All agreements concluded by VALX shall be governed by the laws of the Netherlands. The provisions of the UN Convention on Contracts for the International Sale of Goods (Vienna Sales Convention) shall not apply, nor shall any existing or future international regulation for the sale of goods be applicable for both parties.

Any disputes arising between the parties shall be subject to the jurisdiction of the competent court in the Netherlands in whose area of jurisdiction VALX domicile is located, unless another court is competent under mandatory statutory rules.

In so far as these terms are also available in a language other than English, the English version shall prevail at all times in the event of any discrepancy.