General Purchasing Conditions of V-ZUG Group

(version of 23 December 2016)

1 Scope and Validity

These general purchasing conditions (“GPC”) shall govern the purchase of goods, deliverables provided under a contract for Work and Services and software (“Deliveries”) as well as services (“Services”) and additional deliverables (together “Deliverables”) from a supplier ("Supplier") by companies of the V-ZUG Group (“V-ZUG”). Should V-ZUG acquire Deliverables from a Supplier to which these GPC apply, these shall also apply to all future Deliverables that V-ZUG receives from the Supplier.

2 Conclusion of Contract and Parts of the Contract

Offers from the Supplier shall be made free of charge.

A contract shall be concluded if V-ZUG places an order with the Supplier or if the parties sign a written contract. The specifications referred to in such documents shall be binding. Variations of these GPC shall only be valid if they are expressly referred to as such in the order or the contract. General terms and conditions of the Supplier shall be expressly excluded, even if they are submitted by the Supplier with an order confirmation. Acceptance of Deliverables, engaging in further orders, or any other further actions by V-ZUG within the scope of the commercial relationship shall not constitute tacit or implied acceptance of the Supplier's general terms and conditions.

The Supplier's contractual partner is V-ZUG AG, domiciled in Zug (Switzerland), or the company affiliated with the V-ZUG AG group that placed the order.

3 Conditions of Delivery, Transfer of Risk and Additional Obligations

The Incoterms 2010 conditions referred to in the order shall apply to Deliveries. Absent any special agreement such conditions shall be DDP at the respective premises of V-ZUG. V-ZUG shall assume ownership at the time that the benefit and risk are transferred pursuant to the applicable Incoterms conditions.

Deliveries shall be packaged properly and in accordance with the applicable regulations, and shipping documents (including order number, release number and V-ZUG article number where applicable) shall be affixed to each Delivery.

The Supplier shall inform V-ZUG of any export restrictions and import regulations for the delivery from the place of origin to the premises of V-ZUG and shall guarantee that they are in compliance with them.

Services shall be documented in the common form. If Services are to be calculated on a time and material basis, such services shall be reported with detailed information as to the persons involved, dates, content and duration of services.

4 Employees, Subcontractors and Sub-suppliers

The Supplier shall employ only qualified employees and observe the legal provisions concerning the protection of employees as well as social insurance law, tax law and immigration law.

The involvement of subcontractors shall require the prior written consent of V-ZUG. The Supplier shall be responsible for Deliveries rendered by such subcontractor as it is for its own.

Where V-ZUG and the Supplier agree to specific sub-suppliers for Deliveries, these shall only be replaced by the Supplier with the prior written consent of V-ZUG.

5 Deadlines and Default

The Supplier shall provide the Deliverables pursuant to the agreed deadlines. It shall notify V-ZUG without delay about potential delays. Should the Supplier fail to comply with a stipulated deadline, it shall without notice be in default. Independent of the agreed Incoterms, the delivery deadline shall be the date of arrival at the V-ZUG premises. Should the Supplier be in default, V-ZUG may assert the statutory rights of default.

6 Cooperation of V-ZUG

V-ZUG shall create the conditions necessary for the Supplier to provide the Deliverables. Should V-ZUG fail to fulfil its cooperation obligations, the Supplier shall notify V-ZUG in writing without delay. V-Zug shall be in default as obligee only after expiry of an appropriate time limit for subsequent performance of the obligation to cooperate.

7 Tools and Documentation

Tools (including samples and models) as well as other documentation (e.g. plans and calculations) which V-ZUG makes available to the Supplier shall remain the property of V-ZUG and shall be clearly identified as such by the Supplier. The same shall apply to tools and documentation that the Supplier manufactured or had manufactured on behalf of V-ZUG and which V-ZUG had paid for directly or indirectly (factored into the price for the Deliveries). All intellectual properties rights shall belong exclusively to V-ZUG. Tools and documentation may only be used by the Supplier to carry out V-ZUG orders. They are to be returned to V-ZUG upon first request.

Tools shall be maintained by the Supplier at its own expense. The Supplier bears the risk of loss or damage until they are returned to V-ZUG,

8 Remuneration and Invoicing

V-ZUG shall pay the Supplier the remuneration as specified in the order. The remuneration covers all delivery costs covered by the applicable Incoterms clause (e.g. freight costs, duties, insurance costs) and, in the absence of any other agreement, all other ancillary costs, packaging costs, expenses, social benefits for employees, and taxes and levies associated with the service. VAT shall be exempted and recorded separately.

In the absence of any other agreement, the Supplier shall be remunerated by V-ZUG after the delivery or the provision of the service within a period of 30 days from the date of receipt of the Supplier's invoice.

9 Changes to Services and Additional Services

Changes to services or ordering additional services shall require an additional order or a change order by V-ZUG. The Supplier is obliged to notify V-ZUG in writing of this requirement prior to performing the service. If the Supplier fails to do so, no claim for remuneration may arise.

10 Intellectual Property Rights

All intellectual property rights that arise as a result of the performance of the Services and which were created by the Supplier alone or in cooperation with V-ZUG shall be the sole property of V-ZUG. The Supplier shall ensure that the employees and subcontractors employs have agreed to this assignment of rights.

11 Compliance and Regulatory Matters

The Supplier shall guarantee compliance with all applicable or agreed as applicable legal provisions, directives, norms and other regulations. V-ZUG may request written documentation that it is in compliance of such provisions, directives, norms and other regulations.

This may include in particular the areas of environmental law; health, safety and employee safety regulations; provisions against child labour; import and export restrictions; competition and anti-trust law; and anti-corruption and bribery provisions (including provisions in accordance with the Swiss Criminal Code, US FCPA and UK Bribery Act).

The Supplier has knowledge of all technical standards and regulations applicable to the Deliverables. The Supplier notes that regulatory compliance may include but is not limited to the following regulations: Low Voltage Directive (2014/35/EU), Electromagnetic Compatibility Directive (2014/30/EU), Directive on the Indication by Labelling and Standard Product Information of the Consumption of Energy and Other Resources by Energy-Related Products (2010/30/EU), EU Ecodesign Directives (2009/125/EG and 2005/32/EG), RoHS Directive (2011/65/EU), WEEE Directive (2012/19/EU), REACH regulation (EC No 1907/2006), Regulation on Materials and Articles Intended to Come into Contact with Food (EC No 1935/2004), EU Directive on Packaging and Packaging Waste (EG 94/62/EG)

In the event of non-observance of this GPC provision by the Supplier, V-ZUG reserves the right to terminate the contractual relationship without notice.

12 Quality

Deliveries and Deliverables shall comply with the quality required by V-ZUG and all applicable standards. The Supplier shall comply with the agreed or customary regulations for quality assurance, maintain an appropriate quality management system (including traceability on batch level. from raw materials through to delivery) and examine the quantity and quality prior to delivery to V-ZUG. V-ZUG as well as any supervisory bodies shall be entitled to inspect production and quality assurance on site at any time.

The supplier shall keep all quality-relevant documentation (including any test results) for a period of at least 15 years in a manner that is in compliance with the legal provisions on records management. V-ZUG shall have unrestricted access to this documentation during this period.

V-ZUG may carry out its own quality control upon receipt of the goods. In the event this should lead to a valid notification of defect (or a negative test report), V-ZUG shall be entitled to demand from the Supplier a flat-rate compensation of CHF 250.00 per notification of defect and the Supplier shall bear all of V-ZUG's substantiated additional internal and external costs. Internal expenses shall be offset at a standard market rate. V-ZUG reserves the right to claim further damages.

13 Warranty

Complaints of defects may be asserted for the duration of the entire warranty period. Acceptance of Deliveries and Services, failure to carry out a quality control or provide notification or a defect, or paying remuneration do not constitute an acceptance of defects or waiver of the warranty rights.

The Supplier guarantees that all Deliveries have the agreed, warranted and required properties. The warranty period shall be 3 years or, in the case of Deliveries that are integrated into an immovable work, 5 years. V-ZUG reserves the legal provisions concerning fraud. The warranty period shall begin with the transfer of benefit and risk to V-ZUG or, for Deliverables provided under a contract for Work and Services, with acceptance.

During the warranty period, V-ZUG shall be entitled to remedy of defects free of charge or, at the discretion of V-ZUG, a replacement delivery free of charge. If more than 10% of a delivery is damaged, V-ZUG may refuse acceptance of the entire delivery and demand a replacement delivery. The costs of return shipment and subsequent delivery shall be borne by the Supplier. A new warranty period shall be triggered when the defect is remedied (or with replacement delivery).

After a notification of defect has been made, the Supplier shall, within a maximum of 5 business days, provide V-ZUG with a proposal to limit the damages, an initial root cause analysis and an action plan to remedy the defect. After the defect has been remedied, the Supplier shall confirm the effectiveness of the measures taken as well as measures to prevent a recurrence.

Where the Supplier is unable to remedy a defect, V-ZUG shall, upon setting a reasonable deadline, be entitled to remedy the defect at the expense of the Supplier and without the authorization of a court either by itself or by a third party ("substitute performance"), a reduction of the price corresponding to the impact in value or to withdraw from the order. The claim for damages shall be reserved in all cases.

Should a defect exist in several products of the same type (series defect, epidemic defect), the warranty claim of V-ZUG shall extend to all measures (including possible replacement of all products of the same type, service and travel costs, costs related to recall or confidential refurbishment, costs incurred by downtime or unused production capacities) that are necessary or reasonable in accordance with the applicable quality assurance regulations, and the Supplier shall bear all costs resulting from the defect.

14 Third Party Intellectual Property Rights

The Supplier guarantees that the Deliverables do not violate third party intellectual property rights. If a claim is brought against V-ZUG by third parties, the Supplier shall be obliged to restore a lawful state of affairs within a period specified by V-ZUG. If it does not succeed or there is no prospect of success, V-ZUG may, under reimbursement of payments already made, withdraw from the contract and claim damages. V-ZUG shall also be entitled to demand from the Supplier that it enter into the dispute at its own expense. The warranty period for such claims resulting from an infringement of intellectual property rights is 10 years.

15 Liability, Damages and Insurance

The Supplier's liability shall be governed by the statutory provisions. If a claim is brought against V-ZUG by third parties or government authorities in connection to the Supplier's Deliverables, the Supplier shall be obliged to indemnify V-ZUG. Independent of any shorter warranty periods, claims for damages fall under the statute of limitations 10 years after the claim arises.

The Supplier shall be obliged to maintain an appropriate liability insurance. V-ZUG may at any time request proof of this.

16 Non-Disclosure and Data Protection

The Supplier undertakes to maintain confidentiality of all of V-ZUG's information and data that becomes known to it during the performance of Services. The duty of confidentiality shall also include the prohibition of use for non-contractual purposes and shall survive the termination of the contract as long as an interest in confidentiality exists. Information that is generally known or lawfully acquired by the Supplier independently of the contractual relationship shall not be deemed confidential. Statutory disclosure requirements are reserved. The Supplier shall ensure that its employees, associates and subcontractors are obligated to comply with these confidentiality obligations.

The Supplier undertakes to process personal data in accordance with the applicable data protection legislation.

17 Final Provisions

Amendments to the contract must be in written form in order to be valid.

The invalidity or contestability of one or more provisions of a contract shall not void the validity of the remaining provisions. The parties shall endeavour in such a case to replace the invalid or contestable provision with another valid and legally enforceable provision that reflects in its legal and commercial content as close as possible to the repealed provision. The same applies if the contract is incomplete.

Transfer of a contractual relationship or the assignment of claims by the Supplier requires the written consent of V-ZUG.

The contract shall be subject exclusively to the material laws of Switzerland under the exclusion of the Convention of the United Nations Convention dated 11 April 1980 on the International Sale of Goods and the Swiss Federal Statute on Private International Law.

The ordinary courts at the place of domicile of V-ZUG shall have jurisdiction with respect to any and all disputes arising from or in connection with a contractual relationship. Moreover, V-ZUG shall be entitled to assert its own claims at the Supplier's place of domicile.