

# TERMS AND CONDITIONS OF PURCHASING

## 1. DEFINITION

"The Buyer" is CICOR VIETNAM COMPANY LIMITED and "the Seller" is the person, firm, or company to whom this order is addressed.

## 2. DELIVERY SCHEDULE

The Seller shall deliver the goods and/or services according to the specifications, quantities and delivery dates scheduled in this order. The Seller shall airfreight / ship / deliver the required goods at their own expense for any loss / damage the Buyer may suffer as a result of non-compliance to the delivery schedule. The Buyer may, at their option alternatively approve a revised delivery schedule by normal shipment or may terminate this order without liability to the Seller on account thereof except for goods previously delivered and accepted. Over / Under supply shall not be accepted by the Buyer, unless otherwise agreed with the Seller.

## 3. TRANSPORTATION

Unless stated otherwise transportation of goods purchased shall be FOB as indicated on the front face of this order. In the country of origin where the Buyer's appointed forwarders exist, shipment shall be made via such forwarder as mentioned in this order unless otherwise agreed to in writing by the Buyer.

## 4. PRICES

The prices, terms and other items specified on this order shall not be changed except upon the written authority of duly authorized officials of the Buyer.

## 5. PATENT

- a. The Seller shall warrant that there has been no violation on their part of copyrights or patent rights on manufacturing, producing, or selling the goods shipped or ordered under this order and shall indemnify the Buyer against any or all liabilities, losses or expenses incurred by such violation.
- b. Where the Seller have been supplied with Illustration, catalogues, Manuals, colors, drawings, dimension, statements of weight and measurement etc. by the Buyer, such materials and ideas cannot be utilized or copied, reproduced, transmitted, or communicated to third parties without the Buyer's written consent.

## 6. CHANGES

The Buyer shall have the right to make changes to this order. If any of the changes cannot be complied with, the Seller must notify the Buyer immediately and negotiate for adjustments. Unless agreed by the Buyer in writing, all prices, discounts, and conditions of purchase shall be changed.

## 7. CANCELLATION

The Buyer reserves the right to cancel all or any part of the undelivered portion of this order if the Seller does not make deliveries as specified in the schedules as promised, or if the Seller breaches any of the terms hereof, including the warranties of the Seller, said rights of cancellation to be exercised by the Buyer without penalty.

## 8. EXCLUSIVE MANUFACTURE

The Seller will not either during the period of this Contract or at any time thereafter:

- a. Manufacture or procure to be manufactured otherwise than for the Buyer any goods or materials to designs or specifications provided by the Buyer.
- b. Disclose to any person, firm, or company any manufacturing process or trade secret in connection therewith or any information relating thereto.

## 9. VERIFICATION OF PURCHASED PRODUCTS

The Buyer or his representative or his customer's representative shall have the right to verify at source or upon receipt that purchased product conforms to specified requirements. Verification by the Buyer shall not absolve the Seller of his responsibility to provide acceptable product, nor shall it preclude subsequent rejection. When the Buyer or his representative elects to carry out verification at the sub-contractor's plant, such verification shall not be used by the Seller as evidence of effective control of quality by the sub-contractor.

## 10. REGULATORY ASPECTS

### 10.1 Conflict Minerals according to U.S. Dodd-Frank Act Section 1502

The supplier is obligated to follow the principles of the "Wall Street Reform and Consumer Protection Act", section 1502. This requires the supplier to review its supply chain regarding the use of "Conflict Minerals" and to inform the customer if such minerals are used in the delivered items.

Detailed information for "Conflict Minerals":

(<http://www.sec.gov/about/laws/wallstreereform-cpa.pdf>)

### 10.2 Supplier information duty according to Art. 33 of the REACH Regulation (EG) No. 1907/2006

The supplier is required to provide information if the delivered articles do

contain one or more of the substances listed in the candidate list of substances of very high concern (SVHC) by more than 0,1W%.

The information duly refers always to the actual version of the candidate list. (<http://echa.europa.eu>)

## 10.3 RoHS

All the items and part numbers have to be compliant with ROHS 2 (Directive 2011/65/EU) and must be marked even on the smallest packing unit by symbols or plain language.

You are requested to deliver only the articles for which you are franchised distributor; any exception from this rule shall be announced and previously approved in written by CICOR VIETNAM.

All items supplied to CICOR VIETNAM must be accompanied by the appropriate Certificate of Conformance (CoC) for each shipment.

## 11. REJECT

If in the opinion of the Buyer, any of the goods delivered under the order is found to be defective or otherwise not in conformity with the requirements of this order, the Buyer shall have the right to reject such goods. Rejected goods not collected from the Buyer's premises within the period specified in the Buyer's Rejected Note will be returned, disposed of or destroyed (at the Buyer's discretion) at the Seller's cost. In such case, the Buyer reserves the right to order the goods from other sources and any additional costs and expenses shall be borne by the Seller.

## 12. SELLER'S OBLIGATION

The Seller shall have the obligation to inform The Buyer and seek re-qualification for major deviations from approved samples.

## 13. REWORK

If rework or sorting is necessary due to non-conformity of specification by the Seller and / or other faults of the Seller, at the Buyer's discretion, the Seller must rework or sort the goods delivered. In such an event the Seller is liable for any additional expenditure incurred.

## 14. SUB-CONTRACT AND ASSIGNMENT

Unless specifically agreed to in writing by the Buyer, the Seller is not permitted to sub-contract or assign part or whole of the order. The Seller shall not make payments or given benefits in kind to employees of the Buyer.

Work shall not be sub-contracted to employees of the Buyer without the prior consent of the Buyer.

## 15. EXTRA CHARGES

No charges of any kind including charges for packaging or documentation will be allowed unless specifically agreed to by the Buyer in writing.

## 16. TOOLS, ETC.

All patterns, drawings, dies, tools, and jigs, etc. supplied or paid for by the Buyer shall remain the Buyer's property and be returned to the Buyer in good condition upon demand. Such patterns, drawings, dies, tools, and jigs, etc. shall not be used in production, manufacture or design of any goods or materials other than those contracted for herein or pursuant hereto.

## 17. INSOLVENCY

The Buyer reserves the right to cancel any contracts resulting from the acceptance of this order if the Seller commits an act of bankruptcy or has a petition in bankruptcy presented against him which is not withdrawn within 30 days or makes any arrangement with his creditors or being a company goes into liquidation either voluntary or compulsory.

## 18. COMPLIANCE WITH LAW

The Seller shall comply with all laws, rules, and regulations applicable in VIETNAM.

## 19. APPLICABLE LAW

This purchase order shall be interpreted in accordance with laws in VIETNAM.

**20. AGREEMENT**

This Purchase order when accepted by the Seller in the manner required constitutes the entire and only agreement between the parties hereto and no waiver, alteration, or modification of any of the provisions hereto shall be binding unless it is agreed in writing and signed by the authorized representatives of the Buyer. Upon agree alteration of contract details, the revised purchase order shall be acknowledged by Supplier before it becomes validity.

**21. RELEASING OF INITIAL FIRST ARTICLE SANPLES**

In the following cases, before the Buyer can accept any delivery, sample have to be submitted in good lime by the Seller.

- Change of quality features, including basic materials.
- New parts and products.
- Use of new or different tools, machine, production methods or location.

The samples must be representative of volume production and have all quality features thoroughly tested. The Seller has to submit the test results in form of test reports and materials certificates / specifications, together with the samples. The Buyer will test the sample and inform the Seller of the results. If the results are positive, they will be released, and production can start.