

Terms and Conditions for the Delivery of Hardware and Driver Software

1. Deliveries

- 1.1 The hardware and driver software shall operate as described in their product description and more detailed in their user documentation. The products shall embody all legal and other provisions related to their use.
- 1.2 The software shall be delivered in machine-readable format (object code). Vector shall deliver the user documentation for Vector's software on machine-readable media. The user documentation for products of pre-suppliers shall only be delivered by Vector, if so requested by the customer and only subject to additional payment, unless it is provided by the pre-supplier in any event. The format is determined by the respective manufacturer (stored on machine-readable media or printed).
- 1.3 If Vector's software has interfaces for interoperability with other programs, Vector shall, at the customer's request, provide required information to use such interfaces, subject to reimbursement of Vector's expenses. The customer may disclose such information to other contractors of the customer as necessary.
- 1.4 In respect of such hardware or software defined in the contract as third party products, Vector only warrants and represents that they fulfill the requirements necessary for Vector's deliveries to function properly. Notwithstanding the aforementioned, Vector does not warrant or represent that third party products comply with their product description as provided by their manufacturers, nor that they are free of any other errors.
- 1.5 Until payment has been made in full by the customer, the hardware and the media with the software shall remain Vector's property and shall not be pledged nor assigned as security to a third party.

2. Right to Use the Software

- 2.1 The customer agrees to use the software only on hardware Vector has declared to be compatible with the software.
- 2.2 The customer may transfer the right to use the software (only in object code, not source code) to another user, if the customer confirms to discontinue the use of the software and the new user agrees, in writing, to take over the customer's obligations to protect the programs.

3. Performances

- 3.1 At the customer's request, Vector shall install the hard- and software at the customer's premises. In this event, the customer shall timely establish the conditions for the installation of the products, in particular install the local network, as needed, and the customer shall ensure that its personnel is capable of handling the deliveries at the moment of installation. Incidentally, the preconditions for installation are determined by the guidelines of the respective manufacturer of the hardware. If so requested by the customer, Vector shall consult the customer regarding the preparation of the preconditions for installation subject to remuneration of Vector's expenses. The customer shall confirm the successful installation in writing.
- 3.2 The customer shall be responsible for the bringing the products into operation including testing Vector's deliveries before using them productively. Vector agrees to provide support regarding the implementation, if so requested by the customer, subject to remuneration of Vector's expenses.
- 3.3 The customer shall test Vector's deliveries for defects without delay in the ordinary course of business.

- 3.4 All support services by Vector, i.e. consultancy, installation, demonstration of proper installation, brief or extended training, shall be charged separately, on the basis of time consumed, unless otherwise agreed.
- 3.5 Vector shall name a customer consultant, the customer a representative. Both shall promptly have the authority to make the necessary decisions or shall obtain authorization for them in a timely manner. Vector's consultant shall keep records of decisions in writing. The customer's representative shall provide all required information. Vector's consultant shall contact the customer's representative as necessary to ensure the proper performance of the mutual obligations.

4. The Customer's Responsibilities for Product Protection

- 4.1 The customer acknowledges that the products and related documentation are copyrighted, and represent confidential information and trade secrets proprietary to Vector. The customer shall take all necessary steps to prevent the misuse of the programs and their related documentation.
- 4.2 The customer may make copies of the software only for back-up purposes, for replacement or – if source code is delivered – in order to search for defects. The customer shall attach to every media containing a copy of the software the same copyright and proprietary notices as attached to the media delivered by Vector.
- 4.3 The customer may make copies of the user documentation for internal purposes to the extent permitted pursuant to the customer's right of use.

5. Charges and Payments

- 5.1 Prices for hardware are ex factory. Accessories, such as media, signal amplifier, data cables or power supply cables, shall only be delivered if so stated in the contract. If a pre-supplier of Vector increases its list price with effect to Vector, Vector may pass the increase on to the customer.
- 5.2 Vector may request payment for the products after the installation, if performed by Vector, otherwise after delivery.
- 5.3 In case of remuneration on the basis of time consumed, hourly rates, travel expenses and incidental expenses by Vector shall be paid in accordance with Vector's current standard rates (price list), unless otherwise agreed. Vector may submit monthly invoices.
- 5.4 Payments shall be due without deductions 30 days after invoicing.
- 5.5 Duties, taxes and levies, including V.A.T. – if applicable –, shall be paid by the customer on all prices.
- 5.6 The customer shall have no right of retention. The customer may set off only such sums uncontested by Vector.

6. Disruptions in the Performance, Delay

- 6.1 In the event of any circumstances for which Vector is not responsible, and which adversely affect the performance of the contractual obligations, including strike and lock-out, Vector may request an appropriate adaptation of the terms of the contract, in particular an appropriate extension of the delivery date. If the cause is attributable to the customer and results in additional efforts to Vector, Vector is also entitled to additional compensation.
- 6.2 If Vector's delay exceeds 30 days, the customer is entitled, for every subsequent week, to a penalty of 0.5 % of the value of the performances that cannot be used according to the contract, but the penalty shall be limited to 5 % of the total contract value.

7. Remedy of Defects

- 7.1 If the customer finds, in the course of correct use of the products, what the customer believes to be a defect in a product, the customer shall provide Vector with reasonably specific information as to the nature of the defect and the conditions under which it occurs, in writing, if so requested by Vector.
- 7.2 The customer may only raise claims if the customer can reproduce the defect or demonstrate it by using computer output.
- 7.3 Upon request, the customer shall provide all necessary support to Vector, in particular provide the product to Vector and/or testing time on the customer's IT system and install corrections delivered by Vector.
- 7.4 Vector shall, within a reasonable period of time and at no cost to the customer, remove the defect, at Vector's choice, either by replacing the defective product or by correcting the defect. If a defect substantially restricts the use of Vector's deliveries, Vector shall provide a workaround solution prior to the final remedy of the defect so that the defect is not substantial any longer. With respect to third party products Vector may only provide such corrective measures as Vector itself receives from the pre-supplier.
- 7.5 All claims against Vector shall expire, if the customer modifies or intervenes with the products, unless the customer proves when reporting a defect that the defect did not result from the modification or intervention.
- 7.6 Vector is entitled to reimbursement of its expenses if the customer reports what the customer believes to be a defect without being able to prove it to be one.

8. Vector's Liability

- 8.1 In the event Vector defaults on its performances, the customer may set a reasonable period for performance or supplementary performance. If the period expires without result, or if the performance or supplementary performance ultimately fails in any other manner, the customer may assert its statutory claims, damage claims within the framework of Section 8.3. Vector may request a period for the customer to declare whether the customer still requests primary or supplementary performance. If the customer does not request primary or supplementary performance within this period, the customer shall no longer be entitled to claim it.
- 8.2 The limitation period for claims based on defects shall be 24 months.
- 8.3 Vector – including any person engaged in performing any obligation under this contract – shall be liable for damages under any claim based on normal negligence only if Vector breaches a basic obligation of the contract which jeopardizes the contract goal (cardinal obligation). In this event, Vector's liability shall be restricted to € 100,000.00 or the contract value, whichever amount is higher. The customer may claim a higher maximum, but Vector may then require a surcharge for the aggravated risk.
- 8.4 The restrictions shall not apply to the extent the damages are covered under Vector's business liability insurance and the insurance company has paid Vector. Vector agrees to maintain the insurance coverage in effect at the time of the execution of the contract.
- 8.5 Claims for bodily injuries and claims based on the German Product Liability Act shall remain unaffected.

9. Confidentiality

- 9.1 Vector shall keep the customer's trade and business secrets confidential as well as all other information designated in writing as confidential. Vector shall have no obligation with respect to information that is already in its possession, is independently developed or becomes publicly known through no wrongful act of Vector.
- 9.2 Vector is not obliged to keep confidential any ideas, concepts, know-how or techniques related to hard- and/or software services.
- 9.3 Vector shall oblige its employees to adhere to the confidentiality obligations.
- 9.4 Vector may enter the customer's name into Vector's list of customers, together with a short description of Vector's performances. All other references that the customer is Vector's customer are subject to the customer's prior approval.

10. Miscellaneous

- 10.1 The contract shall constitute the entire agreement between the parties and shall not be altered, amended or cancelled, except in writing and with the consent and signature of all parties concerned.
- 10.2 The contract shall conform with and be governed by the laws of the People's Republic of China without regard to its choice of law rules and excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods. Exclusive venue shall be Vector's main place of business.