
Terms and Conditions for the Repair of Hardware

§ 1 Scope of Contract

- 1.1 Client shall send the defective hardware to Vector, using the original packaging, if so requested by Vector. Client shall re-implement the hardware itself after the repair. Vector shall name a parcel service to Client, in case Client requests Vector to do so.
- 1.2 Vector shall name a consultant manager in case problems arise; Client shall name a representative. Both shall promptly make the necessary decisions on their own authority or shall provide for them. The representative shall provide all information required. Vector shall contact the representative as is required to ensure the proper performance of the mutual obligations.

§ 2 Vector's Claims, Vector's Delay

- 2.1 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 is entitled to an appropriate adaptation of the terms of the contract, in particular to an appropriate extension of the delivery date. If the cause is attributable to Client and if it results in additional efforts to Vector, Vector is also entitled to additional compensation.
- 2.2 If Vector's delay exceeds 30 days, Client is entitled for every subsequent week to a penalty of 0,5 % of the value of that part of the works that cannot be used according to the purposes of the contract, but the penalty shall be limited to 5 % of the total contract value.

§ 3 Charges and Payments

- 3.1 Unless otherwise agreed, all support (including specifically pre-installation support, further installations, brief or extended training or consultancy) and additional expenses including freight charges shall be reimbursed separately. If it is agreed to remunerate Vector on the basis of time consumed, hourly rates, traveling expenses and incidental expenses shall be paid in accordance with Vector's respective current standard rates (price list). Vector may submit invoices on a monthly basis.
- 3.2 Payments shall be due without deductions within 30 days after invoicing. After this period Client shall be in default without any further notice by Vector.
- 3.3 Duties, taxes and levies including V.A.T. – if applicable – shall be separately calculated on top of all the payable prices and paid by Client.

§ 4 Correction of Defects

- 4.1 Client shall test Vector's deliveries for defects without delay in the ordinary course of business.
- 4.2 If Client finds, in the course of correct use of the hardware, what Client believes to be a defect, Client 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.

Client is only entitled to raise claims if Client can reproduce the defect or demonstrate it by using computer output.

- 4.3 Vector shall, within a reasonable period of time and at no cost to Client, effect subsequent performance, i.e. at its discretion replace the defective hardware or correct any defects.
- 4.4 The obligation to effect subsequent performance shall be expressly excluded if Client modifies the hardware or manipulates it in any other way, unless Client proves, when reporting a defect, that the defect did not result from any such modification or manipulation.
- 4.4 Vector is entitled to reimbursement of costs if Client reports what Client believes to be a defect without being able to prove it to be so.

§ 5 Vector's Liability

- 5.1 If Vector is in delay with the primary performance (delivery) or with the subsequent performance, Client is entitled to ask for the performance within an adequate period of time. If Vector definitely fails to effect the primary or the subsequent performance, in particular to cure the breach of contract within the notified period, Client may exercise its statutory rights, claims for damages, however, only within the limitations of § 5.3. Vector may set a period, within which Client must declare whether or not Client still requests primary or subsequent performance. If Client does not request primary or subsequent performance timely, Client cannot claim any longer for it save those compulsory subsequent performance stipulated by applicable laws.
- 5.2 The period of warranty (the limitation period for claims based on defects) shall be 24 months.
- 5.3 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, whose breach puts the contract goal at risk (cardinal obligation), under this contract. In this event Vector's liability shall be restricted to EUR 100,000.00 or the contract value whichever amount is higher. The customer may claim for a higher maximum, but Vector may then require a surcharge for the aggravated risk.

The restrictions shall not apply to the extent the damages are covered under Vector's business liability insurance, provided the insurance company has paid. Vector agrees to maintain the coverage of the business liability insurance as provided at the time of the execution of the contract.

Claims for personal injury shall remain unaffected.

§ 6 Confidentiality

- 6.1 Vector shall keep confidential Client's trade and business secrets, and all other information designated in writing as confidential by Client, obtained under or in connection with this contract. This obligation shall survive the termination of the contract. Vector shall have no obligation, however, with respect to any information that is already in its possession, is independently developed or becomes publicly known through no wrongful act of Vector.
- 6.2 Vector shall oblige its employees to adhere to the confidentiality obligations.
- 6.3 Vector is not obliged to keep confidential any ideas, concepts, know-how or techniques related to the development of software or information that Vector knew of before the signing of the contract or that Vector gets knowledge of outside the contract.
- 6.4 Vector may enter Client's name and a short description of the delivered work into its list of customers. All other references that Client is Vector's customer are subject to Client's prior approval.

§ 7 Miscellaneous

- 7.1 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.
- 7.2 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.