

General Conditions of Purchase

1. Definitions in Conditions of Purchase

- 1.1 "Contract" means a legally binding agreement, according to which Supplier provides Deliverables to Purchaser.
- 1.2 "Quotation" means a document in which Supplier offers to supply Deliverables at a certain Delivery Date against a certain price. Referenced documents, drawings, attachments, exhibits, supplementary agreements and Scopes are part of the Quotation. Services are quoted in hours at certain hourly rates and a Scope.
- 1.3 "Order" means the Contract document.
- 1.4 "Conditions" means these General Conditions of Purchase.
- 1.5 "Deliverables" means the products, services or the output of services specified in the Order. Products may be hardware, raw or processed materials. Services may be all sorts of work. Output of services may be software, reports, written text, renderings, repaired products, calibrated products, etc.
- 1.6 "Project" means a process resulting in Deliverables. Services may be part of a Project.
- 1.7 "Delivery Date" means the date specified in Purchaser's Order by which the Deliverables should be physically present at a specified location (according to applicable Incoterm) or the date by which services are finalised.
- 1.8 "Purchaser" means the customer, the party receiving the Deliverables, Hukseflux Thermal Sensors B.V., a Limited Liability Company, registered and holding office in Delftechpark 31, Delft, The Netherlands, registered with the trade register under file number: 27234324.
- 1.9 "Supplier" means the legal entity or natural person, supplying Deliverables, being party to the Contract with Purchaser.
- 1.10 "Party" means Supplier or Purchaser.
- 1.11 "Third party" means a legal entity or natural person, however not the Supplier or the Purchaser.
- 1.12 "Supplier Personnel" means Supplier employees, the company owner(s), and Subcontractors.
- 1.13 "Subcontractor" means a Third Party supplying Deliverables under a contract with Supplier.
- 1.14 "Scope of Supply" or "Scope" is a document specifying the services that Supplier will perform for Purchaser, including Deliverables and Delivery dates.
- 1.15 "Confidential Information" means any and all information that is marked as confidential or may reasonably be understood to be confidential.
- 1.16 "Intellectual Property Rights" mean (I) patents, designs, trademarks and trade names (whether registered or unregistered), copyright, rights of reproduction and related rights, design rights, maker's rights, database rights, rights to inventions, right to source code, right to models for rendering, know-how and Confidential Information, including rights to exhibit, rights to modify and change and rights to be mentioned as a author, designer, maker etc; (II) all other rights of a similar nature or having an equivalent effect which currently exists anywhere in the world, or is recognized in the future; and (III) applications, extensions and renewals in relation to any of these rights.
- 1.19 "Third Party Intellectual Property" means the Intellectual Property Rights of a Third Party.
- 1.20 "Document" means information and its supporting medium (the medium may be paper, but may also be a digital information carrier).
- 1.21 "Written Information" , "In Writing" and "Written", means information transmitted on paper or over a digital information channel, for example using as e-mail, using addresses normally used for communication between Parties. Any later message sent by the receiving Party over the same channel shall be considered proof that the Written information has been received.

2. Applicability & Agreement

- 2.1 These Conditions, and no other, apply to all acts in law and Contracts between Purchaser and Supplier in which they act respectively as Purchaser and as Supplier.
- 2.2 Supplier accepts responsibility for compliance of Supplier Personnel with these Conditions.
- 2.3 Purchaser hereby explicitly rejects Supplier's conditions of sale and any additional or different terms or provisions. Supplier accepts this rejection and accepts these Conditions.
- 2.4 Deviations from these Conditions can only be made by Purchaser and In Writing.
- 2.5 A Contract is concluded only after acceptance of a Quotation by Purchaser In Writing by means of an Order from Purchaser.
- 2.6 Legally valid Orders or Quotations specify the supply of Deliverables at a certain Delivery Date against a certain price. Referenced documents, drawings, attachments, exhibits, supplementary agreements and Scopes are part of the Order.
- 2.7 In case a Quotation is budgetary (see below under Quotations) Supplier shall monitor budget and Delivery Date on a weekly basis. In case Supplier notices that the budget will be exceeded or that the Delivery date can no longer be met, Supplier shall inform Purchaser. In such case, the budget and Delivery Dates may be adapted by Purchaser. In case a budget or Delivery Date is adapted, this adaptation is valid only after confirmation by Purchaser In Writing. It is good practice to update the Order accordingly.
- 2.8 In case a Project is divided in phases (see below under Quotations), or a Contract is expected to be repeatedly extended for a certain period (typically yearly), Purchaser's Order is valid for one phase or one period only. The Order for any of the following phases is conditional and must per phase be confirmed In Writing. It is good practice to update the Order to confirm that a phase has been ordered. Purchaser is under no condition obliged to pay any higher amount than that of the last phase ordered.
- 2.9 Supplier shall acknowledge Orders within a week by returning a signed copy of the Order, in default of which Purchaser is entitled to cancel the order.
- 2.10 Supplier shall not, without Purchaser's prior Written consent, publicly make any reference to Purchaser or Contract, whether in press releases, advertisements, sales literature, expressions on the internet, blogs or otherwise.
- 2.11 Supplier shall treat as Confidential Information all information provided by -or on behalf of Purchaser or generated by Supplier or Purchaser under the Contract or during the process of preparing the Contract. Supplier shall not use this Confidential Information for Supplier's own commercial benefit. The information supplied by Purchaser remains the property of Purchaser. Where Supplier during the execution of the order works with Confidential Information originating from the Purchaser, for instance personal data of Purchaser's employees, strategic plans, marketing - and sales information, Supplier shall comply with applicable privacy laws, take appropriate security measures to protect the data against loss, unauthorized or unlawful processing and promptly inform Purchaser of any actual or suspected security incident.
- 2.12 Supplier may not transfer, either in full or in part, its rights or obligations under Contract with Purchaser.
- 2.13 In case Supplier provides services, Supplier Personnel works on assignment; an Order never constitutes an employment contract under The Netherlands law (reference 7:610 BW).

3. Quotations

- 3.1 Supplier quotes prices of Deliverables based on the latest Incoterms as issued by the International Chamber of Commerce at the date of Order. Unless otherwise specified the delivery term is DDU (Delivered Duty Unpaid).
- 3.2 Quotations are binding and irrevocable during a term of at least 30 days or as indicated otherwise in the Quotation.
- 3.3 In case of recurring Orders, any price changes must be communicated well in advance, and should be accepted In Writing.
- 3.4 Services are quoted by Supplier including a Scope.
- 3.5 As exception to 3.2, Purchaser and Supplier may mutually agree that a Quotation for services or for work on assignment is budgetary only and that the hours quoted and the time schedule are best estimates.
- 3.6 To mitigate risks and/or create a clear process flow, Purchaser and Supplier may mutually agree to divide a Project into phases with different Deliverables and/or Different Delivery Dates. Purchaser then has the right to cancel the Project after completion of every phase. In such case, unless otherwise agreed, invoicing is done monthly and/or after completion of each phase and based on actual hours spent plus actual costs "as made" with a customary surcharge.
- 3.7 Supplier quotes prices of Deliverables excluding VAT.
- 3.8 Supplier quotes prices of Deliverables including all associated costs; Cost of packing, duties, subscription fees, surcharges due to variable raw material price are include in the price. Any license fees, tooling charges etc. shall be included in the price. Surcharges for unusual labour hours shall be included in the price. Any traveling and lodging costs shall be included in the price. Transfer of all Intellectual Property rights is included in the price. Transfer of all computer code is included in the price. Associated costs are either included in hourly rates or by adding separate posts in the Quotation.
- 3.9 Supplier quotes in Euro currency (EUR). If quoted in another currency and prices are subject to change in exchange rate, Supplier's losses due to changes in exchange rate may not be passed on to Purchaser.
- 3.10 Supplier is not authorised to demand security in advance.
- 3.11 Supplier is not authorised to engage Subcontractors to execute the Contract.
- 3.12 All costs incurred by Supplier in preparing and submitting Quotations are for the account of Supplier.
- 3.13 When requested by Purchaser, Supplier will issue separate declarations confirming compliance with specific clauses of these Conditions of Purchase.

4. Compliance with Law and Regulations

- 4.1 Supplier shall take responsibility for compliance with customs - and export regulations.
- 4.2 Supplier shall mark every product (or the Deliverable's container if there is no room on the Deliverable itself) with the country of origin. Supplier shall comply with the requirements of the relevant customs authorities in marking the Deliverables and packaging and in supply of additional documentation.
- 4.3 Supplier shall take responsibility for compliance with export control regulations and inform Purchaser in the Quotation when Deliverables, products, software and / or technology is EU / US controlled and / or controlled under the export control laws of any other country.
- 4.4 Supplier shall at all times comply with all laws, rules, regulations, and ordinances applicable to the Contract, including all fair labour -, equal opportunity -, and environmental compliance regulations as well as regulations to limit use of "conflict minerals". Supplier guarantees that Subcontractors comply with the same.

- 4.5 Supplier guarantees that Deliverables are in compliance with all applicable laws, health -, toxicity-, environmental - and safety regulations, and EC Directive 2001/95 on General Product Safety.
- 4.6 Supplier shall whenever applicable to Deliverables or future Deliverables, issue at Purchaser's request a "Long-term supplier's declaration for products having preferential origin status according to the regulation (EG) 1207/2001" and issue a formal statement concerning the verification of compliance to regulations as mentioned in 4.4.
- 4.7 Supplier shall take responsibility for compliance with local regulations in its country of residence and wherever work is carried out, for proper insurance, (including those for employers liability, public liability, contractor all-risk and professional indemnity) and payment of local taxes.
- 4.8 Supplier shall take responsibility for proper working permits and insurance of its Personnel as well as that of Subcontractors, when working under Contract.
- 4.9 Supplier shall take responsibility to comply with local regulations and those of The Netherlands to prevent false self-employment (reference: DBA legislation).

5. Delivery

- 5.1 All dates referred to in the order by Purchaser shall be firm and binding. In the event that Supplier anticipates any difficulty in complying with a Delivery Date or any of its other obligations, Supplier shall notify Purchaser immediately In Writing.
- 5.2 Any design -, programming -, manufacturing -, installation - or other work to be performed shall be executed with good workmanship and using proper materials.
- 5.3 Supplier shall, concurrently with the supply of the Deliverables, provide Purchaser with copies of all applicable licenses. Each delivery of shall include a packing list which contains at least the order number, the Purchaser part number, the Deliverables shipped with quantities, and the date of shipment.
- 5.4 Supplier shall pack, clearly mark and ship the Deliverables in accordance with sound commercial practices and in such manner as to prevent damage during transport and storage, and to facilitate efficient unloading, handling and storage. Notwithstanding the provisions of the applicable Incoterms and transfer of ownership, Supplier shall be responsible for any loss or damage due to its failure to properly preserve and package the Deliverables.
- 5.5 Supplier shall not, without prior Written consent of Purchaser, make any changes affecting Deliverables, or make changes that could have significant impact upon Supplier's or Purchaser's quality control. This includes process or design changes, changes to manufacturing processes (including geographic location) changes affecting electrical performance, mechanical form or fit, function, environmental compatibility, chemical characteristics, life, reliability or quality of Deliverables.
- 5.6 In case of acceptance of above mentioned changes this will be confirmed by Purchaser by providing an Order with an updated higher revision number.
- 5.7 Supplier is responsible for disposal of any packaging material that has not been mentioned in the quotation.

6. Supply of services

- 6.1 Supplier shall perform any services with due skill and care, using the proper materials and employing sufficiently qualified staff.
- 6.2 Supplier shall be fully liable for the acts and omissions of -, and for guarantees associated with output of services carried out under Contract or by Supplier Personnel.
- 6.3 Supplier assumes responsibility for disposal of any waste material and cleaning the workplace after any providing services.

7. Guarantee

- 7.1 Supplier guarantees that Deliverables are validated; meaning proven to be fit for the intended purpose, and that they comply with their agreed requirements.
- 7.2 Supplier guarantees the supplied Deliverables to be new, free from defects related to bad performance of materials and free from faults that are related to production, manufacturing, servicing or installation until 24 months after delivery.
- 7.3 Supplier guarantees that services are scheduled in such a way that the agreed Delivery Date can reasonably be met.
- 7.4 Supplier guarantees that all associated Intellectual Property Rights are part of the Deliverables and shall be transferred and assigned at the same time to Purchaser with the Deliverables.
- 7.5 Supplier guarantees that required licenses in relation to the Deliverables are and shall remain valid and in place, that the scope of such licenses shall cover the intended use of the Deliverables and all such licenses shall be perpetual, irrevocable, transferable, royalty free, nonexclusive and include the right to transfer and the right to grant sublicenses.
- 7.6 Supplier guarantees that Deliverables include licences which confirm the right of Purchaser to modify and post-process Deliverables . In case products are modified or post-processed, the guarantee of 7.2 is no longer applicable.
- 7.7 Supplier guarantees that Deliverables do not violate or infringe any Third Party Intellectual Property rights.
- 7.8 Supplier guarantees that Deliverables are free from any and all liens and encumbrances.
- 7.9 Supplier guarantees that Deliverables are provided with all information, markings and instructions necessary for proper and safe use. This includes Written and detailed specifications of the composition and characteristics of the Deliverables to enable Purchaser to transport, store, process, use and dispose of such Deliverables safely and in compliance with law.
- 7.10 In case repeated orders with the same Deliverables have been negotiated or can reasonably be expected, Supplier guarantees it shall provide Purchaser Written notice of all product discontinuances twelve (12) months prior to the last order date, including Purchaser part numbers, substitutions, and last order and shipment dates. Supplier will offer Purchaser the opportunity to place a last order according to usual conditions.

8. Ownership and Right of Use

- 8.1 In case products are ordered, ownership and right of use shall pass to Purchaser at the time at which "risk" is transferred to Purchaser according to the applicable Incoterm.
- 8.2 In case services are ordered, ownership and right of use of all output, including Intellectual Property Rights and custom-made computer code generated by Supplier, shall pass to Purchaser at the moment this output is generated. This transfer of ownership and rights may be cancelled only in case Purchaser later refuses payment for providing the services as part of which the output was generated.
- 8.3 All machinery, tools, drawings, specifications, raw materials and any other property or materials furnished to Supplier by or for Purchaser, or paid for by Purchaser, for use in the execution of the order, shall be and remain the sole exclusive property of Purchaser. In addition, all of the foregoing shall be used solely for the purpose of fulfilling orders from Purchaser, shall be marked as owned by Purchaser, shall be held at Supplier's risk, shall be kept in good condition and shall be returned upon Purchaser's request.

9. Inspection, Testing, Rejection and Acceptance of Deliverables

- 9.1 Purchaser may, at any time, inspect the Deliverables and audit the provision of services.
- 9.2 Purchaser has the right to decide not to accept (reject) the Deliverables. The reason may be non-conformity to the Order, to the Scope, to these Conditions, as well as nonconformity to agreed requirements of the Deliverable. If Purchaser rejects the Deliverables, Purchaser shall notify Supplier of the cause of rejection. Deliverables rejected but already paid by Purchaser shall be reimbursed by Supplier. Purchaser shall have no payment obligation for any Deliverable not accepted by Purchaser.
- 9.3 If, as a result of inspection, a portion of Deliverables is found not to conform to requirements, Purchaser may reject and return the entire set of similar Deliverables without further inspection.
- 9.4 If any Deliverables are rejected, Purchaser may claim a full refund of the price paid to Supplier or require Supplier to remedy the non-conformity.
- 9.5 Supplier shall bear all cost of repair, replacement and transportation of the non-conforming Deliverables, and shall reimburse Purchaser in respect of costs and expenses (including, without limitation, inspection, handling, installation and storage costs) reasonably incurred by Purchaser.
- 9.6 Purchaser and Supplier may include a report to act as "proof of correct supply" as Deliverable in Project Scopes. When signed by Purchaser such report shall constitute acceptance of Deliverables.
- 9.7 Only Written confirmation by Purchaser shall constitute acceptance of Deliverables and of previously rejected Deliverables.

10. Termination

- 10.1 Purchaser may terminate the Contract immediately and at any time, in the event that:
 - (I) Supplier breaches or defaults in the performance of any of the requirements of the Contract or the requirements of these Conditions and Supplier does not cure or remedy the breach within 10 days after receipt of Written notice, or
 - (II) Supplier is filed under bankruptcy or insolvency, adopts or arrangements with creditors, is dissolved or enters into liquidation; under such conditions Purchaser keeps the right to claim compensation of losses resulting from termination.
 - (III) a Project is divided in phases, after finalising a phase.
 - (IV) if Supplier Personnel performs work under assignment for an undefined number of hours and undefined time, at the end of every month.
- 10.2 After termination according to 10.1, Supplier is obliged to immediately refund to Purchaser any payments for Deliverables that have not been supplied.

11. Payment

- 11.1 Payment of the Supplier's invoice is made by Purchaser to Supplier according to the payment conditions specified in the Order.
- 11.2 Payment of the invoice is subject to acceptance of the Deliverables by Purchaser and may be postponed in case of non-acceptance.
- 11.3 In exceptional cases Purchaser may decide to pay directly the legally binding taxes and insurances associated with employment of Supplier Personnel. In such cases these amounts will be subtracted from the invoice amount.
- 11.4 Unless otherwise agreed payment is due within 30 days after Supplier's invoice date, provided that the invoice date is not earlier than the date of transfer of ownership.
- 11.5 Payment of the invoice does not constitute acceptance of the Deliverables.

12. Force Majeure

- 12.1 If due to non-attributable circumstances (force majeure), including fire, natural disaster, civil and military action, Purchaser cannot comply with Contractual obligations, such obligations may either be suspended for the duration of the circumstances or Purchaser may unilaterally cancel the Contract. In case of force majeure Purchaser is not liable for consequential damage.
- 12.2 If an event constituting force majeure on the side of Supplier exceeds a period of thirty days, Purchaser is entitled to dissolve the Contract by Written notice of termination.

13. Liability & Indemnification

- 13.1 Supplier agrees to hold Purchaser harmless and safeguard Purchaser from any claims and liabilities associated to Contract and Deliverables and, if so directed by Purchaser, organise defence against claims at Supplier's own expense.
- 13.2 Supplier agrees to financially compensate Purchaser for direct and indirect damages and consequential losses if these losses can clearly be traced to the Contract or Deliverables and Suppliers non-conformance to these Conditions, in particular the guarantees as described in clause 7. A substantiated claim to such losses will be paid by Supplier within 30 days upon receipt of such claim.
- 13.3 Purchaser is not liable for damages of Supplier, whatever the cause, except to the extent of intent or gross negligence.
- 13.4 Supplier agrees to hold Purchaser harmless and safeguard Purchaser from any claims and liabilities associated to false self-employment (reference: wet inleneraansprakelijkheid).

14. Applicable Law and Choice of Forum

- 14.1 The legal relations between Supplier and Purchaser will be governed by The Netherlands law only.
- 14.2 The Vienna Sales Convention (United Nations Convention on Contracts for the International Sale of Goods, Vienna 11 April 1980, Trb. 1981, 184 and 1986, 61), does not apply to the Contract and does not apply to the legal relation between Supplier and Purchaser.
- 14.3 All disputes which may arise between the parties as a result of their agreement or further agreements and other acts in connection with this Contract, such as, e.g., though not exclusively, wrongful acts, undue payments and unjust enrichment, shall be settled by the District Court in The Hague, except in so far as mandatory rules of jurisdiction would prevent this choice.