

# General Terms and Conditions of Purchase of SICK (GTCP SICK)

Effective as of March 1, 2011

## 1. General Provisions

These General Terms and Conditions of Purchase shall govern and apply to all orders placed by SICK Pte. Ltd. (hereinafter referred to as "Purchaser"). Any deviating or additional General Terms and Conditions of Supplier shall only apply insofar as they have been expressly approved in writing by Purchaser. These General Terms and Conditions of Purchase shall also apply to all future supply and service agreements with Supplier (hereinafter referred to as "Agreement").

## 2. Orders

All orders shall be placed in writing in order to be deemed binding. The same shall apply to any future modifications and amendments.

## 3. Date of Delivery, Packaging

Delivery dates specified in orders shall be deemed binding. Supplier is obliged to notify Purchaser in writing without delay in case circumstances occur, or become evident, from which it results that the stipulated delivery date may not be observed. Supplier is obliged to use environmentally friendly packaging in conformity with valid packaging regulations. Purchaser reserves the right to return packaging at Supplier's cost.

## 4. Delivery

Unless explicitly agreed otherwise, the goods shall be delivered DDP (according to Incoterms 2010) site Purchaser. Each delivery shall be accompanied by a delivery note listing all order details and in particular the correct order reference number.

## 5. Documentation, Tools

Orders shall be carried out according to the instructions, drawings, standards, delivery and test specifications, drawings, etc. of Purchaser. In respect of copies, diagrams, drawings, calculations and any other material and data provided by Purchaser, Purchaser reserves its proprietary rights and copyrights; such documents may not be made available to any third party without express written approval. They may exclusively be used for production purposes based on the order. Upon completion of order processing, Supplier shall return them to Purchaser at its own initiative.

## 6. Models and Tools

Models and tools produced by Supplier at Purchaser's cost shall become the sole and exclusive property of Purchaser upon payment. Supplier undertakes to use all models and tools solely and exclusively for the purpose of producing the goods ordered by Purchaser. Supplier further undertakes to insure Purchaser's models and tools against damages caused by fire, water, and theft at its own cost and at reinstatement value.

## 7. Confidentiality

Any and all information provided by or on behalf of Purchaser shall be treated as confidential and shall only be used by Supplier for the purpose of the Agreement. Disclosing information is only allowed to any of its employees or a third party on a strict need-to-know basis, except in case Supplier is required to disclose the information by virtue of a court order or statutory duty, provided that Supplier shall immediately inform Purchaser. Supplier shall upon demand promptly return to Purchaser all such information. Supplier shall not retain a copy thereof. Supplier shall treat the existence of the Agreement as confidential. Supplier or its employees will sign a confidentiality agreement at request.

## 8. Prices, Invoicing and Payment

Prices quoted in the order shall be deemed binding. All quoted prices shall comprise delivery DDP including packaging. Invoices shall be submitted in duplicate upon delivery.

The order reference number must be stated on the invoice as quoted in the according order.

Unless otherwise agreed in writing, payments shall be made within a period of sixty (60) days net. The payment period shall be upon receipt of the goods and verified by the Purchaser to be in good condition. Supplier shall, upon request, provide to Purchaser certificates of origin, Supplier's declarations as well as any other documents in accordance with the legal requirements.

## 9. Force Majeure

In the event of force majeure, industrial disputes, operational breakdowns through no fault of Purchaser, riots, official measures or other inevitable occurrences, Purchaser is – without prejudice to its other rights – entitled to withdraw from the contract, in whole or in part, provided that such occurrences are not only of insubstantial duration and entail a substantial reduction in Purchaser's demand.

## 10. Delivery and Warranty

Supplier warrants the proper functioning of the goods and warrants that the goods will be in conformity with the specifications and requirements, be unused, of good materials and workmanship, free from any and all defects and from any and all liens and encumbrances, pledge or right of retention and suitable for the intended purpose. These warranties shall not be deemed to exclude warranties and/or rights that Purchaser may have or obtain and shall extend to Purchaser and its customers.

Supplier shall promptly repair or replace any and all goods within a period of two (2) years after the date of acceptance or the date of first operational use, whichever date is later. Repaired or replaced goods or parts will be warranted for another period of two (2) years from the repair or replacement date. If requested, Supplier shall as far as possible leave these goods in free use with its user until Supplier has delivered goods in replacement. The warranty period shall be extended by any period(s) during which the goods have been out of operation.

Purchaser is entitled to reject any goods, which are delivered (i) not at the agreed time, (ii) not in the agreed volume and/or quantity, (iii) in inappropriate or damaged packaging or (iv) with other defect(s), for risk and account of Supplier and without prejudice to Purchaser's right to compensation for the losses and damages suffered as a result of Supplier's non-compliance.

Inspection, testing, acceptance or payment does not release Supplier from its obligations and warranties.

## 11. Performance and Acceptance of Services

Supplier warrants the quality and the results of the services. Supplier shall perform the services in accordance with the requirements and specifications of the Agreement, observing due skill and care, using proper and well maintained materials and employing sufficiently qualified staff.

Supplier shall properly and timely instruct Purchaser of any special use or treatment regarding the services.

Only written confirmation of acceptance shall constitute acceptance of the services performed.

## 12. Liability, Insurance

Supplier shall be liable and hold Purchaser and its directors and employees ("Indemnified Parties") harmless from and indemnify them against any and all actual or contingent damage, loss, injury/death, costs and claims suffered by or brought against Indemnified Parties, resulting from or connected with the Agreement, the use and/or sale of Supplier's goods by Indemnified Parties or any third party, the performance of the services and the deployment of Supplier's services by Indemnified Parties or any third party, except to the extent that this is caused by Purchaser's willful misconduct or gross negligence.

Supplier is fully liable for the correct and timely payment of all taxes and levies owed in connection with the performance of the Agreement and will indemnify Indemnified Parties against all claims and damages relating to its obligations concerning taxes, contributions and any claims of third parties, including the Government.

Unless otherwise agreed in writing, Supplier undertakes to maintain a product liability insurance with a lump sum coverage of SGD 8 million for each personal injury/property damage; any further claims for damages of Purchaser shall remain unaffected thereby.

## 13. Termination

Purchaser is entitled to terminate the contract without notice period if Supplier discontinues its business operations or an application for commencing insolvency proceedings exists. Purchaser shall pay an amount equal to the respective part of performed works and shall reimburse any possible expenses not covered by such payment. If Supplier is responsible for the termination, Purchaser reserves the right to offset such payment against any claims for damages.

## 14. Assignment of Rights

The contract for delivery or individual rights and/or duties resulting therefrom may not be transferred, in whole or in part, to any third party without express written approval of Purchaser.

## 15. Compliance with Restriction of Hazardous Substances

Supplier undertakes to adhere to all delivery requirements and observe all prohibitions of substances in conformity with the statutory provisions which are in force in Germany and the European Union (for Germany in particular: the German chemicals prohibition ordinance [Chemikalienverbotsordnung], the German ordinance on hazardous substances [Gefahrstoffverordnung], the German chemical ozone layer ordinance [Chemikalien-Ozonschicht-Verordnung] and the German battery ordinance [Batterieverordnung]; for the European Union in particular: Regulation (EC) No. 2037/2000 on substances that deplete the ozone layer, Regulation (EC) No. 842/2006 on certain fluorinated greenhouse gases and Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)). A list of the most important prohibited substances for Purchaser may be requested from Purchaser; however, such list does not claim to be exhaustive.

## 16. Ownership and Intellectual Property

Any and all information, property or materials disclosed to Supplier remains the property of Purchaser. Supplier is not entitled to make use of or refer to any trademark, trade name, domain name, patent, design, copyright, or other intellectual property right of Purchaser or any of its affiliates, unless prior obtained written consent of Purchaser. Any authorized use shall be strictly in accordance with the instructions and for the purposes specified.

Supplier warrants that the goods and/or services, alone or in combination, will not result in or give rise to any infringement or misappropriation of any intellectual property right of a third party.

Supplier hereby assigns by way of present and future assignment all intellectual property rights, know-how, copyrights and other rights developed by or on behalf of Supplier explicitly for or on instructions of Purchaser.

All intellectual property rights to software, including source code, sub-software and documentation, developed explicitly for Purchaser or on Purchaser's instructions shall rest with or be transferred to Purchaser. Intellectual property rights to other software shall remain with Supplier and Supplier shall grant Purchaser a non-exclusive, non-transferable, irrevocable, perpetual license not limited to specific equipment or location. Purchaser is allowed to provide sub-licenses to affiliates.

## 17. Miscellaneous

If any provision(s) of these General Terms and Conditions of Purchase should be or become ineffective or invalid the other provisions will not be affected thereby. The parties agree to replace the ineffective or invalid provision(s) by a provision of similar import, which reflects as closely as possible the intent of the original clause.

Failure by either party to require strict performance by the other party of any obligation hereunder shall in no way affect its right thereafter to enforce any obligation, nor shall a waiver by either party of any breach be held to be a waiver of any previous or later breach. No waiver will have any effect unless specific, irrevocable and in writing.

Supplier shall not assign the Agreement in whole or in part without Purchaser's written consent. Such consent shall not relieve Supplier from, and shall be subject to compliance with, any of the obligations under the Agreement. Purchaser is entitled to assign the Agreement or any part thereof to any affiliate on prompt notice to Supplier.

Nothing in the Agreement shall be deemed to constitute either party as the agent of the other or create a partnership, joint venture or employment relation between the parties.

The Agreement shall be governed exclusively by the laws of Singapore with the exception of its conflict of laws principles. The United Nations Convention on contracts for the International Sale of Goods, concluded in Vienna on 11th of April 1980, shall not be applicable. Any transport of goods to or from a warehouse which may be part of the services is subject to the provisions of the treaty governing the transport mode at matter.

Any dispute arising from the purchase order which the parties are unable to amicably resolve shall be submitted to the competent courts of Singapore, without restricting any rights of appeal. Pending a dispute neither party shall be excused from performing any of its obligations under the Agreement, except for obligations directly affected by the dispute.

Expiry, termination or cancellation of the Agreement shall not affect any right or obligation, which expressly or by its nature survives such expiry, termination or cancellation, including but not limited to representations, warranties, confidentiality obligations, intellectual property rights and accrued rights.