

Terms and Conditions for Purchase of Goods and/or Services
Pepperl + Fuchs (Vietnam) Co., Ltd.

1. General

Our purchase orders are placed on the following terms:

The supplier acknowledges these Terms and Conditions for purchase of Goods and/or Services ("**Terms**") as binding for all contracts ("**Contracts**") resulting from the issuance of a written purchase order ("**Purchase Order**") by Pepperl + Fuchs (Vietnam) Co., Ltd. ("**us**", "**our**", "**we**") to a supplier for the purchase of goods and/or services. These Terms shall have the same force and effect as if expressly set in the body of the Purchase Order and any reference to Contract shall include these Terms. The supplier's general business terms and conditions, if such exist, shall apply only when specifically acknowledged by us in writing for each individual case, even where they do not contradict these Terms. The Purchase Order and these Terms, and any attachments thereto, shall be considered the complete agreement between us and the supplier with respect to the subject matter hereof. Any other possible agreements deviating from these Terms shall be valid only if expressly confirmed by us in writing.

Purchase Orders, contracts and Purchase Order releases must be placed and made in writing. Changes to any Purchase Order and/or any oral agreements must be confirmed by us in writing to become effective.

We shall be entitled to cancel or postpone our Purchase Order without cost to ourselves (i) if we have not received the copy of our Purchase Order signed as confirmation within two weeks of its receipt by the supplier; or (ii) latest one week prior to delivery; or (iii) with immediate effect in case of any material breach by the supplier or its winding up or inability to pay its debts in general.

When accepted, a Purchase Order supersedes all prior agreements, purchase orders, quotations, proposals and other communications regarding the goods and/or services covered by the Purchase Order. Supplier accepts a Purchase Order, including these Terms, and forms a Contract by doing any of the following: (i) commencing any work under the Purchase Order; (ii) accepting the Purchase Order in writing; or (iii) any other conduct that recognizes the existence of a Contract with respect to the subject matter of the Purchase Order.

2. Time of delivery

The time of delivery of the goods and/or services (together hereinafter referred to as "goods", where the context allows) is of the essence of the contract. We are not obligated to accept early deliveries, late deliveries, partial deliveries or excess deliveries of goods. The supplier acknowledges that any delay in delivery may lead, inter alia, to us being exposed to liability to our customers. If the supplier is in default of delivery and if a reasonable period of grace granted by us has elapsed without result, we shall be entitled to cancel the Contract and require the repayment of any part of the price which has been paid and/or to claim payment of damages for non-fulfilment without further formalities, in particular without previous warning of rejection. However, we may at our sole option instead continue to insist upon fulfilment of the Contract even after expiry of the period of grace granted by us, and also claim compensation for the damage caused to us by the supplier's undue delay.

Notwithstanding and without prejudice to any right, remedy compensation available to us by law or under the Contract, we shall be entitled to obtain liquidated damages as a reasonable pre-estimate of our losses incurred in an amount of 1% of the purchase price of the specific Purchase Order for each week of delay or part thereof, which shall be capped at a maximum of 5% of the value of such Purchase Order. If the supplier remains in default by the time such liquidated damages reach 5% of the value of such Purchase Order, we shall, without prejudice to any right or remedy available to us, be entitled to reject the goods and/or terminate the Contract immediately. If the goods are to be delivered by instalments, the Contract will be treated as a single contract and not severable. Should the supplier be in default with a part of the consignment only,

we shall have the right to cancel either this part of the Contract or the entire Contract, or to claim damages for non-fulfilment of this part or of the whole of the Contract at our discretion. Should it become foreseeable that the agreed delivery period or date will be exceeded, the supplier shall, notwithstanding his other obligations, inform us at once in writing indicating the reasons for the delay and its expected duration.

3. Transport and passing of the risk and title

Delivery shall be carried out in accordance with the delivery terms (per Incoterms as applicable on the date of the Purchase Order) specified by us. The risk of the goods shall pass according to the applicable Incoterms agreed in the Purchase Order. Unless otherwise agreed in writing, packaging costs shall be paid by the supplier. Any additional costs arising from non-compliance with instructions for packaging and transport shall be borne by the supplier. Any additional costs for faster conveyance which may have become necessary to ensure compliance with a delivery date shall likewise be paid by the supplier. The goods supplied shall be delivered packed if their nature requires packing for transport. The packaging must be safe for transport and comply both with the terms of carriage for the means of transport chosen and with any packaging instructions given in our order. The goods shall travel at the supplier's risk until they are considered delivered according to the applicable delivery term. Should the delivery reach its destinations in damaged packaging we shall be entitled to reject the consignment without checking the contents. Should it be necessary to return the consignment, the supplier shall bear all risks and the ensuing cost. Every consignment shall be accompanied by a delivery note showing the designations of the products stated in our order as well as the order numbers and product numbers.

4. Taking of delivery, inspection and acceptance

We shall be entitled to reject any goods delivered which are not in accordance with the Contract, and shall not be deemed to have accepted any goods until we have had a reasonable time to inspect them following delivery or, if later, within a reasonable time after any latent defect in the goods has become apparent. If the delivered goods are defective, supplier shall, at our option, either (i) repair, (ii) replace or (iii) refund the purchase price for any non-conforming goods. We shall, in urgent cases, be entitled to rectify the defect ourselves or to have it rectified by a third party or to cover our requirements from a third party at the supplier's expense. For the purpose of rework, the defective goods shall be made available to the supplier either at the place where they are located at the time the defect is discovered or at the place of delivery, at our discretion. The supplier undertakes to collect the goods if rework is not possible on site and, subsequently, to return them there. The costs of rework and the costs and risk of all the transportation undertaken for the purposes of rework shall be borne by the supplier. The remedies detailed above are without prejudice to any other remedies available under applicable laws.

Services delivered by supplier are not accepted by us until the delivery of the services are verified and accepted in writing by us. We are not required to pay to the supplier any amount in respect of any services performed which are rejected. If services are not provided in accordance with the relevant Purchase Order, we may elect to: (i) require the services to be re-performed by the supplier; (ii) procure a third party engaged by us to re-perform the services at the supplier's cost; (iii) terminate the Purchase Order; (iv) demand a reduction in the service fee; or (v) require the Supplier to return the service fee without assuming any liability.

The supplier shall, upon first demand, fully indemnify us from any and all consequences, including (i) indirect, special or consequential losses; (ii) loss of profits, goodwill or production, (iii) third party claims and (iv) any other losses and costs, including without limitation, legal costs on an indemnity basis) arising out of or in relation to any goods delivered, which are not in accordance with the Contract.

In all cases delivery of goods shall be taken without prejudice to our rights, especially those arising from defective or late consignments. Our payment of any invoice shall not be deemed to be acceptance of the goods, and our acceptance of the goods shall not be construed as evidence that the goods do, in fact, conform in all respects with the requirements set forth in the Contract.

If, through circumstances beyond our control, it should become impossible or impractical to take delivery, we shall be entitled to postpone taking delivery for as long as these circumstances prevail. In particular, the following events affecting the course of our operations or the processing, sale or other use of the goods shall be deemed to constitute circumstances of the above nature: interventions by authorities such as import and export restrictions; natural events such as damage by fire or water; the interruptions to our business such as strikes and walkouts. Should these circumstances prevail for longer than four weeks the supplier shall be entitled to cancel the Contract if we continue to refuse to accept delivery of the goods. Any claims beyond this shall be excluded.

5. Price and Payment

The price of the goods, unless otherwise so stated, shall be fixed and shall be inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery of the goods according to the applicable delivery term and any sales, use, excise, value-added, business, and other taxes, duties, imposts or levies. We shall not be liable for any (local or foreign) sales, use, excise, value-added, business and other taxes, duties, imposts or levies unless separately stated in the Purchase Order and billed as a separate line item. Our obligation to pay the price is conditional upon receipt of completed, non-defective and conforming goods. We are authorized to deduct or withhold from each payment to supplier all taxes which we are required by law to deduct or withhold.

On the date of dispatch the invoice detailing our order number, an exact list of the contents and their weights and any other information required by law, together with all other requested statements are to be sent to us in duplicate. Invoices with false/incorrect or missing statements will in general not be accepted and for corrections or additions returned to the sender. The time/grace period for a claim of any discount deductions will not start until the receipt of a complete invoice. Unless otherwise agreed, payment of non-disputed invoices shall be made thirty days after receipt of the goods and invoice. In no case shall the term of payment commence before the agreed delivery date. Claims arising from contracts concluded with us shall only be assigned with our written consent.

6. Right of set-off

We shall be entitled to set off against the price claimed by the supplier against us: (a) all sums owed to us by the supplier or claimed by us against the supplier (b) all sums owed by the supplier to or claims by our Group Companies against the supplier. We shall further be entitled to assign our claims against the supplier to any of our Group Companies, to enable such Group Company to set-off such assigned claim against any sums owed by such Group Company to the supplier. For the purpose of this clause "Group Company" shall mean any company which is controlled by Pepperl+Fuchs SE, Germany, whereby "control" shall mean the ability to exercise at least 50% of the voting rights. Any security that may have been provided for our claims shall also be considered, without special agreement, as security for claims of our Group Companies.

7. Representations and Warranties

The supplier represents and warrants that all goods supplied shall be:

- (a) new, unused and in good condition,
- (b) be of satisfactory quality,
- (c) comply with the relevant statutory provisions, laws, industry codes and quality standard,
- (d) conform with the description and specifications notified to the supplier,
- (e) of accepted technical standards,
- (f) be free from any defects in manufacturing, design, material and workmanship, and
- (g) be consistent and strictly compliant with any demonstration or samples performed or provided by the supplier.

The supplier further represents and warrants that it has good and marketable title to all goods and that the goods are, upon delivery, free from any liens, claims, encumbrances and other rights of third parties.

The supplier also represents and warrants that the goods shall be of the agreed quality and, if no quality has been agreed, that the item shall be suitable for the use assumed according to the Contract and, otherwise, that it shall be suitable for its customary use and shall be of a quality which is usually found in items of the same kind and which we can expect from that kind of item. Such quality shall also include properties which we can expect on the basis of the public statements made by the supplier, the manufacturer or its vicarious agent, particularly in advertising or in the labelling of the item to indicate particular properties, unless it had been corrected in an appropriate way at the time of conclusion of the Contract or was not capable of influencing the decision to purchase. The supplier further represents and warrants that the design and composition of the delivered goods have not been changed compared with earlier identical deliveries which were without defect, unless such changes have been agreed with us before conclusion of the Contract.

The supplier and warrants that all services supplied shall:

- (a) be supplied with due care, diligence and skill that would be expected of a skilled professional experienced in providing the same or similar services;
- (b) be compliant with all relevant industry codes, laws and standards;
- (c) be fit for the purpose for which services of that kind are commonly supplied and for the purpose made known by us;
- (d) strictly comply with our reasonable directions and with any specifications notified to the supplier;
- (e) be performed by the supplier's employees, agents and/or subcontractors who are suitably licensed, qualified and experienced in a manner that does not prejudice safe work practices, the environment, our property or the performance of work at our premise/s (if relevant); and
- (f) be supplied without breach of any obligation of confidence.

The foregoing warranties are cumulative and in addition to any other warranty provided by law or equity and shall survive any delivery, inspection, acceptance or payment of or for the goods by us.

8. Insurance

The supplier undertakes to maintain a product liability insurance from a worldwide known insurance, which shall cover the whole period in which claims can be raised by us. The insured amount shall be in line with industry standards of well-established suppliers for the respective goods. We shall be entitled to request a copy of certificate of such insurance from the supplier at any time.

9. Intellectual property rights

It shall be the responsibility of the supplier to ensure that the goods supplied and/or their use do not infringe any intellectual property rights or other rights of third parties. Where such rights do exist the supplier shall, irrespective of his or our cognizance, compensate us for any damage arising therefrom. The supplier shall moreover be bound to indemnify us and any Group Companies, and their respective officers, directors, agents, employees, successors and assigns against any and all claims, liabilities, actions, demands, damages, loss, costs and expenses (including without limitation, legal costs on an indemnity basis) by third parties arising from any alleged or actual infringement of intellectual property rights.

Without prejudice to any of the foregoing, if any of the goods is held or claimed to be infringing third party intellectual property rights, supplier shall at its own costs and expense use its best efforts to procure the right for us to continue using or receiving the infringing goods.

All claims out of or in connection with any infringement of the before mentioned rights are subject to a limitation period of 10 years from the day of the passing of the risk (and the supplier hereby

waives its rights to raise any defenses under any otherwise applicable statute of limitation which would derogate from the foregoing).

All intellectual property rights used or encompassed in or supplied with the goods (including without limitation, any technical specifications, models, designs, drawings, prints or other similar documentation) or prepared by the supplier for use or intended use in relation to the supply of goods to us (together, the “**Supplier Materials**”) shall be deemed to be included in the price of the goods supplied (whether or not separately itemized). In particular, we shall have an irrevocable, perpetual, non-exclusive, royalty-free (save for such deemed royalty as aforesaid), sub-licensable right to use all such Supplier Materials (including trademarks, logos and tradename of the supplier), to disclose the same to third parties, and to use and reproduce the same for the purpose of manufacturing or improving the goods supplied (either by ourselves or by engaging third parties to do so) and to modify or improve the same. All rights, interests and title to any such modification or improvements shall be our sole property. If any of the Supplier Materials are subject to any third party intellectual property rights, the supplier warrants that it has secured for our benefit, the irrevocable, perpetual, non-exclusive, royalty-free, sub-licensable right for us to use such third party intellectual property right.

If any goods supplied are manufactured according to our specifications, as between supplier and us, we will own all right, title and interest in such specifications. If and to the extent there are any drawings, models, patterns, samples, tools, dies, equipment and similar items provided to the supplier by us or paid for by us, they shall remain our property and must not be handed over or made available in any other way to third parties and may only be used for goods or services supplied to us or otherwise with our prior written consent. Such items must be returned to us on completion or termination of the Purchase Order or upon our request.

For the purposes of these Terms, “intellectual property rights” means all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

10. Our trademarks

If requested by us or provided for in any design or drawing provided by us, supplier shall affix to the goods our trademarks, trade names or part numbers. The goods so marked may only be delivered to us. Rejected goods bearing our trademarks, trade names or part numbers have to be destroyed.

11. Reservations of title

No reservation of title by the supplier shall be effective except with our prior written consent; save as aforesaid, property in the goods shall pass to us upon delivery as provided in Clause 3 (unless payment for the goods is made prior to delivery, in which case it shall pass to us once payment has been made and the goods have been appropriated to the contract).

12. Subcontracting

The subcontracting or assignment of an order or any part thereof requires our prior written approval. Should the supplier use a sub-contractor, the supplier agrees to be liable for the sub-contractor’s acts, negligence and omissions (including its performance or lack thereof) as if they were the acts, negligence or omissions of the supplier.

13. Confidentiality

The supplier shall treat as confidential all of the business and technical information (hereinafter “information”) stemming from us and may not make such information available to third parties

without our prior written consent and may not use such information for purposes other than as determined by us. This duty of confidentiality shall survive the termination of the contractual relationship between the supplier and us. The confidentiality obligations do not apply to information (i) that the supplier had already obtained legitimately at the time of disclosure provided such information was not subject to a confidentiality obligation, (ii) that the supplier later obtains legitimately without being obligated to keep such information confidential, (iii) that is or becomes generally known without any breach of contract by the supplier or (iv) for the disclosure or the independent use of which the supplier has received permission. The supplier may use our name in publications towards third parties only upon receipt of our prior written approval. We retain and reserve all rights to the information, including copyright and the right to file for industrial property rights such as patents.

At our request, all information including any copies or records made must be returned to us or destroyed without undue delay,

14. Export Control and Declaration of Origin

The supplier hereby represents and warrants that no import and/or export restrictions exist, neither in whole nor in part, with respect to the delivery of the goods under any applicable laws and regulations, including but not limited to the U.S. Export Administration Regulations. Otherwise the supplier shall advise us in writing within two weeks of receipt of the order of any restrictions and shall provide us with all information required for to comply with all foreign trade regulations in cases of export and import as well as re-export, including without limitation all applicable export list numbers, including the Export Control Classification Number according to the U.S. Commerce Control List (ECCN).

Upon our request the supplier shall make any declaration on the origin of the goods and shall enable the customs authorities to verify the certificates of origin and provide any necessary information. The supplier shall be liable for any damage or loss resulting from the non-approval by the relevant authorities of the declared origin due to any defective certification or lack of verifiability.

The supplier shall be liable to fully indemnify us against any expenses, costs and/or damages (including solicitors' costs on an indemnity basis), which may be incurred by us as a consequence of supplier's non-compliance of this Clause.

15. Compliance with EC RULES No 2011/65/EU (ROHS2) and No 1907/2006 (REACH)

The supplier guarantee that all the delivered goods comply with the requirements of the EC rules No 2011/65/EU (ROHS2) and No 1907/2006 (REACH) (in their respective valid version) even if the supplier is outside of the scope of applicability of these rules.

The supplier shall complete for the delivered, goods our standard declaration in respect of ROHS and REACH compliance and undertake to duly and immediately inform us of any changes affecting ROHS and/or REACH compliance.

The supplier shall be liable to fully indemnify us against any expenses, costs and/or damages (including solicitors' costs on an indemnity basis), which may be incurred by us as a consequence of supplier's non-compliance of this Clause.

16. Governing law

The Contract shall be governed by the laws of Vietnam. However, the UN-Convention on Contracts for the International Sale of Goods (CISG) shall not be applicable.

17. Place of jurisdiction

Any dispute, controversy or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally

resolved by arbitration at the Vietnam International Arbitration Centre at the Vietnam Chamber of Commerce and Industry (VIAC) in accordance with its Rules of Arbitration. The seat of arbitration shall be Ho Chi Minh City. The number of arbitrators shall be one. The arbitration proceedings shall be conducted in English.

The preceding statement is for our benefit and shall not prevent us from bringing an action against the supplier before any court of competent jurisdiction.

18. Compliance

The supplier undertakes and warrants to adhere to all applicable rules and regulations especially concerning environment, health and safety (EHS), child-labor, anti-corruption, bribery and competition law compliance. See also our SCoC www.pepperl-fuchs.com/supplier-code-of-conduct

19. Miscellaneous

Should any provision of these Terms or part thereof be held to be void, invalid or unenforceable, this shall not affect the validity or enforceability of the other provisions.

Our waiver of any breach of any provision of these Terms by the supplier shall not be considered as a waiver of any subsequent breach of the same or any other provision.