

# GENERAL TERMS AND CONDITIONS OF PURCHASE

These terms and conditions shall apply to the purchase order ("PO") by Districts B.V. ("Districts") to the supplier ("Supplier"), for the rendering of professional services ("Services"), or for supply of equipment, tools - including software - or hardware ("Goods"). When the Supplier accepts Districts' order included in the PO, either by acknowledgment, or actual performance of any Services and/or delivery of any Goods, a binding agreement is formed ("Agreement"), of which these terms and conditions shall be an integral part. Districts does not agree to any proposed amendment, alteration or addition by the Supplier to these terms unless explicitly agreed upon in writing. Standard terms and conditions of the Supplier, whether hosted on Supplier's website, referred to on its offer or quote, order confirmation, invoice or otherwise, are explicitly rejected and shall not apply.

**1. Additional Definitions** In addition to the terms defined elsewhere in these terms and conditions, the following definition shall apply: **Work Products:** shall mean all deliverables and other data, reports, works, inventions, drafts, prototypes, products and intermediate versions produced or acquired by the Supplier for Districts in the performance of the Services for Districts.

**2. Delivery of Goods** All Goods shall be delivered Delivery Duty Paid ("DDP"), Eindhoven, NL (Incoterms 2010) at the agreed delivery time. Time is of the essence in relation to Supplier's obligations to deliver the Goods and Services on the agreed delivery time, or within the agreed delivery period. **1)** Delivery shall not constitute acceptance of the Goods by Districts. **2)** The Supplier shall pack, mark and ship the Goods in accordance with sound commercial practice and all Goods shall be clearly marked as destined for Districts. The Supplier shall be responsible for any loss or damage due to its failure to properly package, handle or pack the Goods. **3)** Each delivery shall include a Districts order reference number and the number of parts, as well as the correct name and address details of the delivery address. The outside of the package shall have a packing list attached listing the contents of the shipment. Districts may reject Goods that do not comply with these requirements. **4)** Packaging that is to be returned to the Supplier shall be marked as such. The packaging, shipping, storage and processing of the Goods shall comply with the prevailing legislation and regulations concerning safety, the environment and working conditions. Where safety information sheets exist for a shipment or the packaging, the Supplier shall always supply these sheets together with the Goods. **5)** The Supplier shall make no partial deliveries without prior written consent of Districts to do so. **6)** The Supplier shall, with each delivery of Goods, provide Districts with copies of any applicable licenses.

**3. Performance of Services** **1)** The Supplier shall perform the Services with due skill and care, in conformity with good industry practice, using proper materials and employing sufficiently qualified staff. **2)** The Supplier shall not subcontract performance of the Services, unless with the prior written consent of Districts. Even if such consent is granted by Districts, the Supplier shall be and remain liable for the acts and omissions of any third party involved by the Supplier in the performance of the Services. **3)** Districts shall confirm acceptance of the Services and any Work Products in writing. If the Services are rejected by Districts, Districts shall inform the Supplier of its reasons for rejection in writing and the Supplier shall at its own expense, carry out the necessary corrections, additions, or modifications within 30 (thirty) days of Districts' notice to the Supplier of its rejection.

**4. Quality Inspection** Districts warrants that the information provided in the purchase order is correct and true. The Supplier is only permitted to use such information for performance of the Agreement, and is not permitted to use it in any other way for itself or for the benefit of a third party. The information so provided is confidential information of Districts. **1)** If the Agreement refers to technical, safety, quality, environmental or other regulations and/or to documents not attached to the Agreement, the Supplier shall be deemed to have knowledge of these unless it informs Districts to the contrary in writing immediately. Districts shall then provide the Supplier with further information on these regulations and documents. **2)** Districts has the right to inspect the Goods at all times, both during production, processing and storage, and after the delivery, or have them inspected. To enable Districts to execute its right of inspection, the Supplier shall, upon request, grant Districts or his representative access to the place of production, processing or storage. The Supplier shall cooperate with the inspection free of charge. **3)** If an inspection as referred to in this Clause cannot take place at the proposed time because of reasons attributable to the Supplier, or if an inspection has to be repeated, the costs arising from this for Districts will be at the Supplier's expense. **4)** If the delivery of Goods is rejected, Districts shall inform the Supplier accordingly within a reasonable term from discovery and Districts shall be entitled to replacement or repair, at Districts' discretion, or may proceed to terminate or annul the Agreement.

**5. Non-conformity** If any Goods, Services or Work Products are or become defective or otherwise do not conform to the requirements in the Agreement, Districts shall notify the Supplier and may, without prejudice to any other right or remedy available in contract or at law, at its sole discretion: a) require correct performance by the Supplier; or, b) require delivery of substitute Goods or Work Products; or, c) demand repair of the lack of non-conformity or d) rescind the Agreement; or e) terminate the Agreement.

**6. Intellectual property rights** All machinery, tools, drawings, specifications, raw materials and other items furnished by Districts to the Supplier or paid for by Districts, for use in the performance of the Agreement, shall be and remain the sole property of Districts. All information so provided shall be considered Districts' confidential information and all intellectual property rights in any samples, data, raw materials and other items provided by Districts to the Supplier as well as all intellectual property rights in the Work Products created under the Agreement, shall remain vested in and belong absolutely to Districts. The Supplier warrants to Districts that the Goods and Services do not and shall not, alone or in any combination, infringe or violate any third party intellectual property rights. The purchase by Districts of the Goods and/or Services shall confer on Districts an irrevocable, fully paid up and royalty free, non-exclusive, worldwide, perpetual license on any elements in those Goods and/or Services for which the Supplier is unable to transfer full title to Districts.

**7. Transfer of ownership and risk** The ownership of the Goods shall transfer to Districts at the moment of payment by Districts of the invoice. Where necessary, these conditions of purchase shall function as a deed of transfer of title. If materials, such as raw materials, auxiliary materials and software of Districts are processed in the Goods, the Supplier acknowledges that the main elements of such Goods are the property of Districts and that this concerns a new object which is owned by Districts.

**8. Price, invoicing, tax and payment** The agreed price is fixed in euros, exclusive of VAT and inclusive of all costs and any license fees. Invoices shall be submitted bearing the

PO-number, as per the order placed, and itemized stating the item numbers. Districts shall be entitled to suspend payment as long as these details remain outstanding. Duplicates of an invoice shall be identified as such. Districts shall make payment within 30 days of acceptance of the Goods or Services and receipt of correct invoice. The Supplier shall ensure that all taxes and/or social security premiums are paid correctly, in good time and in full for personnel deployed by it, and shall indemnify Districts for any claims to that respect.

**9. Contract variations increasing or decreasing the scope of supply** Districts is entitled to amend the scope of the Agreement. If in the Supplier's opinion the amendment has an effect on the agreed price or delivery period, the Supplier shall inform Districts immediately in writing about the effect this additional work will have on its performance of the Agreement and propose a new price and delivery time. In the event of an increase of work Districts shall issue an additional PO stating the new price and delivery and Clause 2 applies. The Supplier shall not begin additional work before Districts has issued the additional PO. If the parties cannot agree on a new price after Districts has requested an amendment of the scope of the Agreement, then Districts can revoke (part of) the PO or terminate the Agreement, and Districts will then be obliged to reimburse the Supplier for the costs reasonably made by the Supplier up to rescission of the PO or termination of the Agreement.

**10. Liability** The Supplier is liable for breach of any provision of the Agreement by anyone acting under its direction or control or on its behalf, including subcontractors. The Supplier is not liable for non-conformity of the Goods or Services directly resulting from the specifications, direct instructions, or data, provided or required by Districts. Each Party's total liability shall be limited to 200% of the fees to be paid by Districts with a minimum of 50.000 Euro. Both parties accept liability for personal injury and death arising from their respective negligence, fraud or for any liability that cannot by law be excluded or limited. In no event shall Districts be liable under any theory of liability (in contract or tort) for indirect, special, incidental, consequential or punitive damages which includes without limitation damages for loss of profits, revenues, business opportunities, goodwill, anticipated savings, or data, even if Districts has been advised of the possibility of such damages.

**11. Dissolution and termination** Without a notice of default being required, Districts has the right to dissolve or terminate an Agreement in whole or in part, by means of written notice to that effect, without prejudice to any of its other rights, in the event that: a) the Supplier defaults on one or more of its obligations; b) the Supplier is declared bankrupt, suspension of payment is requested, its business has been shut down or liquidated, a substantial part of its assets have been attached, or c) the Supplier's business has been transferred to a third party.

**12. Warranties and remedies** The Supplier warrants that for a period of 12 months after acceptance of the Goods: a) the Goods are of good quality and free from defects in design and workmanship, b) the Goods are manufactured with only new and unused materials; c) the Goods correspond exactly with the requirements of the Agreement and the reasonable expectations of Districts regarding the characteristics, quality and reliability of the Goods. In the event of a breach of warranty the Supplier shall, during the warranty period, repair or replace, at Districts' discretion, the defective Goods free of charge. Districts shall notify the Supplier of a warranty issue as soon as possible, and at least within 14 calendar days of discovery of the defect, in writing. Goods repaired or replaced within the warranty period, assume the remainder of the original warranty period, or are warranted for a 6 months' period, whichever period is longer. Defects caused by unauthorized modifications, use or improper installation of the Goods by, or on behalf of Districts shall not be considered a breach of warranty. The Supplier warrants that it performs Services using the duty of care as set out in article 3 and according to the description (including any completion criteria) stated in the PO. The remedy for breach of the warranty for Services shall be re-performance by the Supplier, without charge, of the defective part of the Services. The Supplier warrants it shall comply with all privacy and data protection laws and regulations applicable to its Services or Goods.

**13. Force Majeure** Neither party shall be liable for any failure or delay in fulfilling the terms of the Agreement due to fire, strike, war, civil unrest, terrorist action, government regulations and act of nature or other causes which are unavoidable and beyond the reasonable control of the party claiming force majeure. This provision shall not be construed as relieving either party from its obligation to pay any sum due to the other party.

**14. Confidentiality** The Supplier shall treat all information provided by or on behalf of Districts under the Agreement as confidential information. The Supplier shall protect Districts' confidential information with the same level of care with which it protects its own confidential information, but at least a reasonable level of care. The Supplier shall not be entitled to use the 'Districts' name and logo, and/or the names of Districts' customers in advertisements and other commercial publications without prior written permission of Districts.

**15. Export control** If the delivery of a Service or Good is subject to the granting of an export or import license by a government and/or any governmental authority under any applicable law or regulation, or is otherwise restricted or prohibited due to export or import control laws or regulations, the Supplier shall inform Districts as soon as reasonably possible (including but not limited to export control classifications numbers, export control licenses and/or commodity classification automated tracking system as applicable). The Supplier shall execute all required efforts to have such a license granted and may suspend only those of its obligations that are dependent upon the granting of such license, and only for the duration of such restriction or prohibition. Districts at its option may terminate the Agreement, without incurring any liability towards the Supplier, if such license is not granted within a reasonable time.

**16. Applicable law, disputes** Dutch law shall govern all agreements between Districts and the Supplier. The competent forum at the court of Oost-Brabant shall have sole jurisdiction in the first instance over disputes between Districts and the Supplier.

**17. Entire Agreement** The Agreement, including these terms and conditions, shall constitute the complete agreement between the parties with respect to the subject matter. The Agreement supersedes all previous agreements between Districts and the Supplier, whether oral or written, regarding the subject matter hereof. There are no intended third party beneficiaries to the Agreement. Each Agreement may be executed in one or more counterparts (including scanned copies), all of which when signed and taken together constitute a single agreement between the parties.