

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Acceptance of Purchase Order

Agreement by Seller to furnish the materials or services hereby ordered shall constitute acceptance by Seller of this purchase order subject to these terms and conditions. Any terms or conditions by Seller inconsistent with or in addition to the terms and conditions of purchase herein contained shall be void and of no effect unless specifically agreed to the Buyer.

Seller shall confirm this purchase order to Buyer in writing within seven (7) calendar days. Failure to do so shall imply the acceptance of this purchase order by Seller or shall entitle Buyer to cancel the order without any compensation.

2. Shipping Instructions

Delivery will be made in accordance with the Incoterms 2000 published by the International Chamber of Commerce as mentioned in the purchase order. Seller shall be responsible for ensuring proper packaging of purchased materials. For sensible products, the products supplied shall be packed in accordance with the latest revisions of MIL-STD-1686 (Electronic Discharge Control Program for Protection of Electronic Devices) and MIL-HDBK-623 (ESD Control Handbook for Protection Parts, Assemblies and Equipment). Seller shall take necessary precautions to ensure that static susceptible devices are adequately protected from electrostatic discharge (ESD) damage during manufacturing, test, inspection, packaging and shipping.

3. Delivery

Delivery time is and shall remain of the essence of this purchase order. Seller shall therefore immediately notify Buyer in writing of any delay in the timely execution of this purchase order.

Buyer shall not be obliged to accept early deliveries or partial deliveries that have not been agreed.

4. Price

Unless otherwise agreed in writing the price(s) of this purchase order will be firm and fixed for all deliveries.

5. Warranty

Seller warrants the materials delivered to be free from defects and to be in accordance with Buyer's specifications, drawings and/or samples in all respects.

Unless otherwise agreed in writing, the minimum warranty period will be twelve (12) calendar months as from the date of delivery. This warranty covers both Buyer and Buyer's customers.

6. Inspection

All material shall be subject to inspection by Buyer or Buyer's customer before, during performance and after delivery. The Buyer may require Seller to repair or replace rejected material upon discovery of non-conformance. Cost of repair, replacement, inspection, transportation, repackaging and/or re-inspection by Buyer shall be at Seller's expense.

7. Acceptance

Buyer is entitled to inspect the goods upon their arrival at the ultimate place of destination within a reasonable period.

In the event of rejection or non-acceptance Buyer will inform the Seller immediately in writing. At the risk and expense of the Seller, Buyer is entitled either at any time to return the rejected goods or to retain the same until the Seller has given instructions as to their disposal.

8. Changes

Buyer shall have the right to make changes from time to time in the materials to be furnished by Seller hereunder or the delivery date. If such suspension or changes cause an increase or decrease in the cost of performance, an equitable adjustment shall be negotiated promptly and the purchase order shall be modified in writing accordingly.

Any claim by Seller for adjustment under this clause must be asserted in writing within fourteen (14) calendar days from the date of receipt by Seller of notification of the change or suspension and shall be followed as soon as practicable with specification of the amount claimed and supporting cost figures. However, nothing shall excuse the seller from proceeding with this purchase order as changed pending resolution of the claim.

9. Conflicts

In the event of conflict in the specifications, drawings or any other requirements of this purchase order, Seller must, before proceeding, consult the Buyer, whose written interpretation shall be final.

10. Confidentiality

Supplier undertakes to maintain confidential and not to disclose any and all information concerning the activities, purchase orders and requests for quotation of the Buyer and all commercial and technical information which may come to the Supplier's knowledge during the performance of the quotation, service or supply of the goods.

All data and information obtained from Buyer shall be applied by the Supplier for the execution of the request for quotation or this purchase order only. All such data and information shall remain Buyer's property and shall be kept in strictest confidence by the Supplier, who shall not refer thereto without Buyer's approval.

11. Termination for Convenience

Buyer may terminate this purchase order in whole or in part at any time by written notice to Seller. Seller shall be reimbursed for actual, reasonable and substantiated costs plus a reasonable profit for work performed to date of termination. In case of termination by convenience Buyer will not be held liable for any amount over the linear pro rata temporis value of the purchase order.

12. Termination for Default

Buyer may terminate this purchase order in whole or in part at any time by written notice to Seller for breach of any or more of its terms. Further, the insolvency of the Seller or adjudication of bankruptcy of the Seller, or the filing of a voluntary or involuntary petition of bankruptcy by the Seller or the making of an assignment for the benefit of creditors by the Seller shall also be a breach hereof.

In the event of Seller's default hereunder, the Buyer may exercise any or all rights accruing to it, both at law or in equity.

Seller's obligations under the confidentiality and warranty provisions of this purchase order shall survive such termination.

13. Payments

If Supplier fails to fulfil any of its obligations under the purchase order Buyer will be entitled to suspend payment(s) to Supplier.

The making of a payment shall not prejudice Buyer's right of rejection should the goods not be in accordance with the purchase order.

14. Remedies

The rights of both parties hereunder shall be in addition to their rights and remedies at law or in equity. Failure of Buyer to enforce any of its rights shall not constitute a waiver of such rights or of any other rights.

15. Disputes

These general terms and conditions of purchase as well as all purchase orders issued by ELCOS are governed by Belgian law.

The courts of Antwerp have exclusive jurisdiction for all disputes and disagreements. All costs associated with recovery via legal action, including the costs of legal proceedings, will be recovered at the Seller's expense.

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