

GENERAL CONDITIONS OF PURCHASE

01 Applicability

Present general purchase conditions of ELCOS BVBA (hereinafter "ELCOS") are applicable to all requests for quote and purchase orders issued by ELCOS. Additions, alterations or amendments to these general purchase conditions, even if recorded in documents originating from the supplier, can only be imposed on ELCOS if confirmed by ELCOS through prior written notice. Even in such a case, the remaining points of these general conditions of purchase remain in force. Throughout present general purchase conditions, wherever the term "product" occurs, it can also mean "service".

These general conditions of purchase replace all previous general conditions of purchase of ELCOS.

02 Acknowledgement of purchase order

Agreement by the supplier to provide the products ordered shall constitute acknowledgement and acceptance by the supplier of the terms set forth in the purchase order and in the present general purchase conditions.

Purchase orders shall be acknowledged by the supplier in writing within seven (7) calendar days. Failure to do so shall imply the acceptance of the purchase order by the supplier or shall entitle ELCOS to cancel the purchase order without any compensation.

03 Delivery and lead time

Delivery and lead time are and shall remain of the essence of any purchase order placed by ELCOS. The supplier shall therefore immediately notify ELCOS in writing of any delay in the timely execution of the purchase order. ELCOS shall not be obliged to accept early or partial deliveries that have not been agreed.

04 Delivery Instructions

Delivery will be made in accordance with the Incoterms 2000 published by the International Chamber of Commerce as mentioned in the purchase order. The supplier shall be responsible for ensuring proper packaging of purchased products. Sensible electronic products shall be packed in accordance with the latest revisions of EN 61340-5-1 (Protection of Electronic Devices from Electrostatic Phenomena) and MIL-STD-1686 (Electronic Discharge Control Program for Protection of Electronic Devices). The supplier 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.

05 Warranties

The supplier warrants the products delivered to be free from defects and to be in accordance with all applicable drawings, samples and/or specifications.

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

06 Inspection and acceptance

All products provided by supplier shall be subject to inspection by ELCOS or by the customer of ELCOS during product realization as well as before and after delivery. Inspection after delivery shall be done within a reasonable period of time. Any non-conformity will be confirmed in writing by ELCOS to the supplier.

ELCOS may require the supplier to repair or replace rejected material upon discovery of non-conformity. Cost and risk of repair, replacement, inspection, shipping, repacking and/or re-inspection by ELCOS shall be at the expense of the supplier.

07 Changes and conflicts

ELCOS reserves the right to occasionally make changes to the products to be delivered by the supplier or to the delivery date. If such 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.

In the event of conflict in the specifications, drawings or any other requirements of the purchase order, the supplier shall consult ELCOS before proceeding. ELCOS written interpretation shall be final in carrying out the purchase order accordingly.

08 Confidentiality

The supplier undertakes to maintain confidential and not to disclose any and all information concerning the activities, programs, purchase orders and requests for quote of ELCOS and ELCOS' customers. All commercial and technical information disclosed to the supplier during the quote, service or supply stage will be kept in confidence by the supplier.

All data and information obtained from ELCOS shall be applied by the supplier for the execution of the request for quote or purchase order only. All such data and information shall remain ELCOS' property and shall be kept in confidence by the supplier, who shall not refer thereto without ELCOS' approval.

09 Termination for convenience

ELCOS may terminate any purchase order in whole or in part at any time by written notice to the supplier. In that event an equitable adjustment shall be negotiated promptly and the purchase order shall be modified in writing accordingly. In case of termination by convenience ELCOS will not be held liable for any amount over the linear pro rata temporis value of the purchase order.

10 Termination for default

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

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

The supplier's obligations under the confidentiality and warranties provisions of the purchase order shall survive such termination.

11 Specifications

All products will be delivered in strict accordance with the specifications, drawings or any other requirements set forth in the purchase order.

12 Invoicing

Unless otherwise agreed, invoices issued by the supplier should be sent by regular mail to ELCOS BVBA, Zagerijstraat 24, 2240 Massenhoven, BE, EU.

13 Payments

In the event the supplier fails to fulfil any of its obligations under the purchase order, ELCOS will be entitled to suspend payment(s) to the supplier.

The making of a payment shall not prejudice ELCOS' right of rejection in case the products should not be in accordance with the purchase order.

14 Remedies

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

15 Export Control

The supplier is responsible for obtaining any export license for products and related documentation that are subject to export regulations. ELCOS will make every possible effort to provide the supplier with any information or documentation that will allow the supplier to obtain an export license by the competent authorities.

16 Applicable law and jurisdiction

These general conditions of purchase as well as all requests for quote and purchase orders issued by ELCOS are governed by Belgian law and are excluding the application of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

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 supplier's expense.