
Terms and Conditions for the Delivery of Hardware and Driver Software

I. Delivery of Hardware and Driver Software

§ 1 Scope of Deliveries

- 1.1 The hardware and driver software shall operate as described in their product description and more detailed in their user documentation.

In respect of such hardware or softwares defined in the contract as third party products, Vector only warrants and represents that they fulfill these requirements, so that the entire system can be used productively. Vector does not warrant nor represent that these third party products comply with the product description of their manufacturers, nor that they are free of other errors.

The products shall embody all legal and other provisions related to their use.

- 1.2 The programs shall be delivered in a machine-readable format(object code).If Vector's programs have interfaces for interoperability with other programs, Vector shall, at Client's request, provide required information to use such interfaces, subject to reimbursement of expenses. Client may disclose such information to other contractors as necessary.
- 1.3 The user documentation for the corresponding programs shall be delivered stored on machine-readable media. The user documentation for hardware and system software, if not delivered by the respective manufacturer, shall only be delivered at Client's request, subject to additional payment. The format will be determined by the respective manufacturer (stored on machine-readable media or printed).
- 1.4 Until payment has been made in full, the hardware and the media containing the programs shall remain Vector's property and shall not be pledged nor assigned as a collateral security.

§ 2 Right to Use the Programs

- 2.1 Vector grants to Client the right to use the acquired programs to the extent agreed on in the contract. Client may use the programs for its own purposes and for the purposes of Client's group of companies.
- 2.2 Client agrees to use the corresponding software only on IT-equipment that Vector has declared to be compatible with these programs.
- 2.3 Client may transfer the right to use the programs in machine-readable format (object code, not source code) to another user, if Client confirms to discontinue the use of the programs and the new user, before receiving the media, accepts in writing towards Vector to take over all obligations to protect the programs and to comply with the agreed restrictions of the right to use.

§ 3 Performance

- 3.1 At Client's request, Vector shall install all products at Client's premises. In this case, Client shall timely establish the conditions for the installation of the products, in particular install the local network as needed. In case it is agreed in the contract that Vector shall install the programs, Client shall ensure that its personnel is capable of handling the programs at the moment of installation at the latest. Vector recommends that Client's personnel shall have received extended training before the installation of the programs.

Vector shall check, before starting the installation of the products, whether or not the network works properly. Client shall confirm the successful installation of the programs in writing.

Client shall follow the instructions for installation of the hardware as defined by the manufacturer. At Client's request, Vector shall consult Client how to prepare the conditions for installation.

- 3.2 Client shall be responsible for the implementation of the programs. Client shall also be responsible for testing the programs under the conditions they shall be used under, before using them productively. At Client's request, Vector shall provide support (i.e. consultancy, installation support, demonstration of proper installation, brief or extended training) on the basis of time consumed.
- 3.3 Client shall test Vector's deliveries for defects without delay in the ordinary course of business.
- 3.4 All support (including specifically installation, consultancy, brief or extended training, acceptance test support) shall be reimbursed separately on the basis of time consumed, unless otherwise agreed.
- 3.5 Vector shall name a consultant, Client shall name a representative. Both shall have the authority to make the necessary decisions or shall obtain authorization for them in a timely manner. Vector's consultant shall put decisions in writing. Client's representative shall provide all required information. Vector's consultant shall contact Client's representative as is required to ensure the proper performance of the mutual obligations.

§ 4 Client's Responsibilities for Software Protection

- 4.1 Client acknowledges that the programs and the related documentation – including future versions – are copyrighted, and represent confidential information and trade secrets, proprietary to Vector or to Vector's supplier. Client shall take all necessary steps to prevent the misuse of the programs and their related documentation.

If programs are delivered in source-code, Client shall make them available to any third party only with Vector's prior written permission. Client's obligation shall be permanent. The permission may not be unreasonably withheld, but it need not be given to enable Client to obtain maintenance from a third party.

- 4.2 Client may copy the programs only for back-up purposes, for replacement or – if source-code has been delivered – in order to search for defects. Client shall attach to every media containing a copy of a program the same copyright and proprietary notices as are attached to the media delivered by Vector. Client may make copies of the user documentation for internal purposes only and only to the extent which is admissible in accordance with Client's right of use.

II. General Terms and Conditions

§ 5 Charges and Payments

- 5.1 Prices for hardware are ex-factory. Accessories, such as media, signal amplifier, data cables or power supply cables, are only included in the price, if so stated in the contract. If Vector installs and implements such equipment, this work shall be charged on the basis of time consumed.
- 5.2 If one of Vector's suppliers increases or decreases his list price with effect to Vector, Vector is entitled to pass such change on to Client. Increases are not allowed for deliveries, which shall take place within four months after the conclusion of the contract. If the increase exceeds 10 %, Client is entitled to rescind the contract within thirty days after the receipt of the demand for the increase.
- 5.3 In as far as it is agreed to remunerate Vector on the basis of time consumed, hourly rates, travel expenses and incidental expenses shall be paid in accordance with Vector's current standard rates (price list), unless other rates are agreed on.
- 5.4 Payments for the products shall be billed after the installation, if carried out by Vector, otherwise after delivery.
- 5.5 Payments shall be effected without deductions within 30 days after invoicing.

Client is entitled to question invoices on the basis of costs incurred only within 1 month after receipt. Vector shall remind Client thereof in the invoices.

- 5.6 Duties, taxes and levies including V.A.T. – if applicable – shall be separately calculated on top of all the payable charges and paid by Client.
- 5.7 Client has no right of retention, in particular no right to withhold payment. Client may, upon prior written notice to Vector, set off only those sums due and owed by Client which are unappealable or uncontested against sums due and owed by Vector.

§ 6 Vector's Claims, Vector's Delay

- 6.1 In the event of any circumstances for which Vector is not responsible, and which adversely affect the performance of the contractual obligations, including strike and lock-out, Vector is entitled to an appropriate adaptation of the terms of the contract, in particular to an appropriate extension of the delivery date. If the cause is attributable to Client and results in additional efforts to Vector, Vector is also entitled to additional compensation.
- 6.2 If Vector's delay exceeds 30 days, Client is entitled, for every subsequent week, to a penalty of 0.5 % of the value of such part(s) of the works that cannot be used according to the purposes of the contract, but the penalty shall be limited to 5 % of the total contract value.

§ 7 Removal of Defects

- 7.1 If Client finds, in the course of correct use of the programs, what Client believes to be a defect in a product, Client shall provide Vector with reasonably specific information as to the nature of the defect and the conditions under which it occurs, in writing, if so requested by Vector.

Client is only entitled to raise claims if Client can reproduce the defect or demonstrate it by using computer output.

Upon request, Client shall give all necessary support to Vector, and in particular provide a copy of the relevant program being used when the defect appeared. Client shall provide testing time on Client's IT-system and install corrections delivered by Vector.

- 7.2 Vector shall, within a reasonable period of time and at no cost to Client, remove the defect, at Vector's choice, either by replacing the defective product or by correction of defects (subsequent performance). If a defect substantially restricts the use of an application program, Vector shall provide a workaround (temporary solution), if needed, so that the defect is not substantial any longer.

Vector may deliver the correction of other defects by delivering a new version as soon as is adequate subject to a reasonable policy of further development. Vector shall develop workarounds insofar as these are technically and at acceptable costs to Vector feasible. With respect to programs, which are defined as third party programs, Vector can only use its best endeavors to obtain and transfer corrective measures and, if appropriate, provide workarounds.

- 7.3 All claims against Vector shall be expressly excluded for those products, which Client modifies or manipulates in any other way, unless Client proves, when reporting a defect that the defect did not result from any such modification or manipulation.
- 7.4 Vector is entitled to reimbursement of costs if Client reports what Client believes to be a defect without being able to prove it to be so.

§ 8 Vector's Liability

The legal provisions shall apply with the following amendments:

- 8.1 Defects shall be removed in accordance with § 7.
- 8.2 Vector – including any person engaged in performing any obligation under this contract – shall

be liable for damages under any claim based on normal negligence only if Vector breaches a basic obligation of the contract which jeopardizes the contract goal (cardinal obligation). In this event Vector's liability shall be restricted to EUR 100,000.00 or the contract value whichever amount is higher. The customer may claim for a higher maximum, but Vector may then require a surcharge for the aggravated risk.

The restrictions shall not apply to the extent the damages are covered under Vector's business liability insurance provided the insurance company has paid. Vector agrees to maintain the coverage of this insurance as given at the time of the execution of the contract.

Claims for personal injury and claims based on the PRC Product Quality Law and other PRC applicable law shall remain unaffected.

- 8.3 If Client is entitled to rescind the contract and/or claim for damages, Vector may set a period within which Client must declare whether or not Client still requests primary or subsequent performance. If Client does not request primary or subsequent performance timely, Client cannot claim any longer for it save those compulsory subsequent performance stipulated by applicable laws.
- 8.4 The period of warranty (the limitation period for claims based on defects) shall be 24 months. It shall commence with installation, if carried out by Vector, otherwise 1 month after delivery.

§ 9 Confidentiality

- 9.1 Vector shall keep confidential Client's trade and business secrets, and all other information designated in writing as confidential by Client, obtained under or in connection with this contract. Vector shall have no obligation with respect to any information that is already in its possession, is independently developed or becomes publicly known through no wrongful act of Vector. This obligation shall survive the contract in the case of its rescission.
- 9.2 Vector is not obligated to keep confidential any ideas, concepts, know-how or techniques related to the development of software.
- 9.3 Vector shall oblige its employees to adhere to the confidentiality obligations.
- 9.4 Vector may enter Client's name into its list of customers together with a short description of the Vector's performance.

All other references that Client is Vector's customer are subject to Client's prior approval.

§ 10 Miscellaneous

- 10.1 The contract shall constitute the entire agreement between the parties and shall not be altered, amended or cancelled, except in writing and with the consent and signature of all parties concerned.
- 10.2 The contract shall conform with and be governed by the laws of the People's Republic of China without regard to its choice of law rules and excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods. Exclusive venue shall be Vector's main place of business.