

GENERAL PURCHASING TERMS AND CONDITIONS

1. General Provisions

1.1. Definitions:

- VAT** means VAT Romania SRL, Zona Industrială de Vest, Str. I Nr. 9, 310491 Arad, Romania who is the buyer of Goods and/or Services under the Contract
- Supplier** means a person or entity who is the seller and supplier of Goods and/or Services under the Contract
- Party** means either VAT or Supplier (together "Parties")
- Goods** means all goods covered by the Contract
- Services** means all services covered by the Contract; Services may include delivery of Goods as work product
- Supplies** means Goods and/or Services as applicable
- Contract** means an agreement between VAT and Supplier for the sale and supply of Goods and Services incorporating the GPTC
- Intellectual Property Rights/IPR** (a) patents, utility models, copyrights, database rights and rights in trademarks, trade names, designs, knowhow, and invention disclosures (whether registered or unregistered); (b) applications, reissues, confirmations, renewals, extensions, divisions or continuations for any of these rights; and (c) all other intellectual property rights and similar forms of worldwide protection
- GPTC** means these General Purchasing Terms and Conditions

1.2. These GPTC govern the conclusion and content of and performance under a Contract. For purposes of Supplies hereunder, the GPTC shall apply to respective offers and purchase orders, irrespective of their express incorporation by reference. With conclusion of a Contract, be it by acceptance of a purchase order or otherwise, the Supplier assents to the GPTC. The most recent version of the GPTC governs, controls, and supersedes any terms and conditions submitted or referred to by Supplier or on behalf of Supplier, regardless of the time and form of such submission or reference. Deviations from the GPTC shall not bind VAT absent VAT's express written consent.

2. Offer and Purchase Order

- 2.1. Upon request for quotation, Supplier shall submit to VAT an offer, free of charge, based on VAT requirements and specifications, with any deviation from VAT requirements or specifications clearly marked, and all incidental cost (incl. taxes, fees, charges, packaging, transport) separately listed. All offers shall be valid for ninety (90) days from the day of receipt by VAT.
- 2.2. VAT purchase orders and any amendments thereto are binding solely (i) in written form (incl. facsimile or portable document format (.pdf)), or placed via (ii) the VAT Supplier Portal, or (iii) a direct link between the ERP systems of VAT and Supplier. VAT is entitled to reject Supplies and/or deny payments thereof in case of disrespect of the form requirements hereunder.
- 2.3. VAT may amend and/or modify and/or cancel a purchase order or withdraw from a contract offer until receipt of Supplier's acceptance of such purchase order or contract offer.

3. Delivery and Acceptance

- 3.1. Delivery of Goods
- 3.1.1. Goods shall be delivered at the place of delivery and the time specified by VAT. If there are no specified delivery terms stated in the Contract then Delivered Duty Paid (DDP, Arad, Incoterms® 2020) shall apply.
- 3.1.2. Benefit, risk and title of the Goods shall transfer to VAT upon delivery and acceptance of the Goods at the place of delivery. Title to Goods will transfer to VAT free and clear of any liens, claims, encumbrances, interests or other rights.
- 3.1.3. Partial, excess and/or advance deliveries are not accepted without VAT's prior written approval.
- 3.1.4. VAT may change the rate of scheduled shipments, the quantity of shipments or direct temporary suspension of scheduled shipments. Where quantities and/or delivery schedules are not specified, Supplier shall deliver Goods in such quantities and times as VAT may direct in subsequent delivery schedules.
- 3.1.5. Supplier shall provide a delivery note stating order number, recipient, and all other information required by the Contract. Supplier shall include in the delivery note and invoice a certificate of origin and the custom tariff number of the Goods. Supplier bears any additional customs, duties and related costs that may arise due to lack of or faults in such documentation. Supplies subject to export restrictions/control must include the relevant national export control numbers and, whenever applicable, the U.S. Export Control Classification Numbers (ECCN) or classification numbers of the International Traffic in Arms Regulations (ITAR).
- 3.2. Delivery of Services
- 3.2.1. Services are rendered at the place specified by VAT and delivered upon VAT's unconditional acceptance.
- 3.3. Acceptance
- 3.3.1. Delivery of Goods or provision of Services shall not be deemed to be acceptance of such Goods or Services by VAT. Supplier shall inform VAT in writing within a reasonable time period in advance when the Supplies are ready for acceptance.
- 3.3.2. VAT shall have reasonable time to inspect or test the Supplies and to report any defects to Supplier. If a defect in the Supplies was not reasonably detectable during the inspection, VAT shall have reasonable time to provide notice of such defect after it has become apparent and/or to reject the Supplies.

4. Late Delivery

- 4.1. Supplier shall deliver Supplies in accordance with any date or time, and at least in accordance with any lead times, specified in the Contract. In case of call-off orders, the Supplier must deliver Goods within five (5) days after having received the request, unless otherwise stated in the Contract. Failure to meet agreed deadlines results in Supplier's immediate default without any notice of default being required.
- 4.2. If the Delivery of Goods or the provision of Services does not comply with the agreed date(s), VAT may
- (i) terminate the Contract in whole or in part;
 - (ii) refuse any subsequent delivery of the Goods or provision of the Services;
 - (iii) recover from Supplier any expenses reasonably incurred by VAT in obtaining the Goods and/or Services in substitution from another supplier;
 - (iv) claim damages for any cost, loss, expenses and liquidated damages incurred by VAT which are attributable to Supplier's delay;
 - (v) claim liquidated damages, payable from the first day of delay, based on the net price per delayed purchase order position: (a) flat rate of 5% of the net price in case of a delay between one (1) and five (5) days; (b) flat rate of 10% of the net price in case of a delay between six (6) and ten (10) days; (c) flat rate of 15% of the net price in case of a delay of longer than ten (10) days; (d) for delays in the scope of Kanban deliveries, the flat rate damages shall be 10% of the net price of the delayed purchase order position;
- and it is agreed that VAT may select one or more such remedies. Recovering costs or damages under any of Sub-clauses (iii) to (v) shall not exclude VAT from recovering other costs or damages under the other parts of this Clause 4.2.

5. Payment and Invoicing

- 5.1. Payment
- 5.1.1. In consideration of the Supplies delivered and/or provided by Supplier in accordance with the Contract, VAT will pay to Supplier the purchase price in the currency specified in the Contract and following receipt of an invoice that meets the requirements defined by VAT. Payment shall be effected on the 14th day following receipt of such invoice less 3% discount or on the 30th day following receipt of such invoice less 2% or within sixty (60) days, net.
- 5.1.2. The price is inclusive of all fees and taxes (other than value added tax or equivalent) and of all costs of manufacturing, processing, warehousing and packaging (including returning any returnable packaging) of any Goods.
- 5.1.3. Services charged on the basis of hourly/daily/unit rates require VAT's written confirmation of Supplier's time sheets with reference to the respective project. Supplier shall submit to VAT such time sheets as VAT may direct, but always before issuing any related invoice. Confirmation of time sheets cannot be construed as acknowledgement of any claims. VAT is not obliged to pay invoices based on time sheets that are not confirmed by VAT in writing.
- 5.1.4. VAT may withhold payment pending receipt of evidence, as reasonably required by VAT, that such Supplies provided by Supplier under this Contract are free of any defects, liens, claims and encumbrances.
- 5.1.5. All amounts due to Supplier will be considered net of indebtedness of Supplier to VAT. VAT will have the right to set off against or to recoup from any amounts due to Supplier from VAT.
- 5.2. Invoicing
- 5.2.1. Invoices must be sent to the billing address specified in the Contract. Each invoice must comply with applicable laws and specific VAT requirements, containing the following minimum information: Supplier name, address and reference person including contact details; invoice date; invoice number; purchase order number and Supplier number; VAT address; quantity; specification of Goods and/or Services; price (total amount invoiced); currency; sales tax amount and number, if applicable; Authorized Economic Operator and/or Approved Exporter Authorization number and/or other customs identification number, if applicable; payment terms as agreed.
- 5.2.2. VAT may reject any invoice that is inaccurate or does not conform to the requirements, and Supplier will promptly reissue any such rejected invoice. VAT's failure to reject an invoice does not constitute VAT's acceptance of the invoice or the Supplies to which such invoice pertains.

6. Warranty and Remedies

- 6.1. Warranty
- 6.1.1. Seller warrants and guarantees that the Supplies covered by this Contract (i) comply with applicable laws and regulations; and (ii) are in accordance with the Contract, all VAT instructions, and all specifications, drawings, samples, descriptions and quality standards either furnished by VAT, or furnished by Supplier and approved by VAT in writing; and (iii) are merchantable, of high-quality material and workmanship and free from defect and third party claims; and (iv) are fit and sufficient for the particular purposes intended by VAT; and (v) are new and unused at the date of delivery and remain free from defects.
- 6.1.2. The warranty period is thirty six (36) months from acceptance of Supplies, or as otherwise set out in the Contract.
- 6.2. Remedies
- 6.2.1. In case of breach of any warranty which is not remedied within forty-eight (48) hours from VAT's notification, or in case of any other breach of the Contract, VAT is entitled to enforce any or all of the following remedies at its discretion and at Supplier's expense:
- (i) to give Supplier an opportunity to carry out any additional work necessary to ensure that the Contract is fulfilled;
 - (ii) to require Supplier promptly to repair or replace the defective Supplies;
 - (iii) to carry out (or to instruct a third party to carry out) any additional work necessary to make the Supplies comply with the Contract;
 - (iv) to refuse any further Supplies;
 - (v) to require Supplier to indemnify and hold harmless VAT for such damages as may have been sustained by VAT as a result of Supplier's breach of the Contract;
 - (vi) to terminate the Contract, and in such event VAT has no obligation to compensate Supplier (including paying for the Goods and/or Services which have been rejected); and at VAT's option, Supplier shall pay back to VAT any remuneration received from VAT for the Goods and/or Services and take back the Goods at Supplier's own cost and risk; and Customer may source equivalent replacement goods and/or services from an alternative supplier (with any incremental costs incurred in doing so being for Supplier's account).
- 6.3. In case of a breach of any warranty, the entire warranty period shall be restarted for the defective Supplies from the date the remediation is completed to VAT's satisfaction.
- 6.4. The rights and remedies available to VAT under the Contract are cumulative and are not exclusive of any rights or remedies available at law or in equity.

7. Intellectual Property Rights

- 7.1. Supplier herewith assigns to VAT full ownership in any IPR in Goods resulting from the Services. Supplier further agrees, upon VAT's request and at its cost, to take all steps necessary to perfect VAT's ownership to the IPR.
- 7.2. Subject to Clause 7.1, Supplier hereby grants VAT and its affiliates, or undertakes to procure that VAT and its affiliates are granted, a worldwide, irrevocable, transferable, sub-licensable, non-exclusive, royalty-free license to use the IPR in the Supplies (including in embedded soft-ware), whether vested in Supplier or a third party owner.
- 7.3. If any claim is made against VAT that the Supplies infringe a third party's IPR, Supplier shall at its cost, but at VAT's discretion: (i) procure for VAT, VAT affiliates and VAT's clients, as the case may be, the right to continue using the Supplies; (ii) modify the Supplies so they cease to be infringing; or (iii) replace the Supplies with non-infringing equivalents. Otherwise, VAT is entitled to terminate the Contract and to reclaim all sums which it has paid to Supplier thereunder. This Clause 7.3 shall be in addition to any and all rights and remedies available to a VAT at law or in equity.

8. Compliance

- 8.1. Supplier shall provide any Supplies in compliance with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country(ies) of destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the Supplies, including, without limitation, those relating to environmental matters, the handling and transportation of dangerous goods or hazardous materials, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination and occupational health/safety.
- 8.2. Supplier represents that neither it nor any of its subcontractors, vendors, agents or other associated third parties will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of goods or provision of services under this Contract. Seller agrees to comply with all applicable anti-corruption laws, including, without limitation, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, and that neither it nor any of its subcontractors, vendors, agents or other associated third parties will engage in any form of commercial bribery, nor directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority or of any government-owned, government-controlled or government-affiliated entity to obtain or retain any contract, business opportunity or other business benefit, or to influence any act or decision of that person in his/her official capacity.

- 8.3. Supplier herewith acknowledges and confirms that Supplier has received a copy of VAT's Supplier Code of Conduct or has been provided information on how to access VAT's Supplier Code of Conduct online under <https://www.vatvalve.com/page/supplier-downloads-vat-romania>. Supplier agrees to perform its contractual obligations in accordance with VAT's Supplier Code of Conduct.
- 8.4. Supplier must comply with the reporting and other requirements regarding Conflict Minerals made available at <https://www.vatvalve.com/page/supplier-downloads-vat-romania> or otherwise and shall provide VAT with documents, certificates and statements as requested.
- 8.5. Supplier shall comply with all applicable export control and sanctions laws and regulations of the United States of America, of member States of the European Union, and any other relevant country. Supplier will not violate, and will not cause VAT to violate, any such export control and sanctions laws and regulations. Licenses or other authorizations required for the export of Supplies will be the responsibility of Supplier unless otherwise indicated in the Contract, in which event Supplier will provide such information as may be requested by VAT to enable VAT to obtain such licenses or authorizations.
- 8.6. Supplier shall notify VAT of all "hazardous materials" (as that term is defined in applicable laws and regulations) and such other identification of materials used in the provision of Services or contained in the Goods as may be required by VAT from time to time, and provide any appropriate special handling instructions. Supplier shall furnish VAT with copies of all applicable "material safety data sheets" for such materials no later than the shipment date under the Contract.
- 8.7. At VAT's request, Supplier will certify in writing its compliance with the foregoing. Supplier will indemnify and hold VAT harmless from and against any liability, claims, demands or expenses (including, without limitation, legal or other professional fees) arising from or relating to Supplier's noncompliance.
- 9. Confidentiality; Data Protection; No Advertising**
- 9.1. Supplier shall maintain the confidentiality of any information provided by VAT or its representatives, and any materials or information that contain, or are based on, any such information. Supplier may only use such information in connection with its performance under this Contract and shall not provide such information to any third party (including, without limitation, Supplier's subcontractors) without VAT's advance written consent.
- 9.2. Supplier shall restrict disclosure of such confidential material to such of its employees, agents or subcontractors or other third parties as need to know the same for the purpose of the provision of the Supplies to VAT. Supplier shall ensure that such employees, agents, subcontractors or other third parties are subject to and comply with the same obligations of confidentiality as applicable to Supplier and will be liable for any unauthorized disclosures.
- 9.3. If VAT discloses any data or information of an identified or identifiable natural person to Supplier, Supplier shall comply with all applicable data protection laws and regulations. Supplier shall apply appropriate physical, technical and organizational measures to ensure a level of security of such data or information appropriate to the respective risk and the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services.
- 9.4. Supplier shall not, without first obtaining the written consent of VAT, in any manner (i) advertise or publish the fact that Supplier has contracted to furnish VAT the Supplies covered by the Contract; (ii) use VAT's trademarks, trade names or confidential information in Supplier's advertising or promotional materials; or (iii) use VAT's trademarks, trade names or confidential information in any form of electronic communication such as web sites (internal or external), blogs or other types of postings.
- 10. Liability and Indemnification**
- 10.1. Without prejudice to applicable law and any other provision in these GPTC, Supplier shall, without any limitations, indemnify and hold harmless VAT for all liabilities, damages, cost, losses or expenses incurred by VAT as a result of Supplier's breach of the Contract. Supplier shall, without any limitations, indemnify and hold harmless VAT for any claim made by a third party against VAT in connection with the Supplies, including, without limitation, to claims that such Supplies infringe a third party's Intellectual Property Rights. Upon VAT's request Supplier shall defend VAT against any third party claims.
- 10.2. Supplier is responsible for the control and management of all of its employees, suppliers and/or subcontractors, and it is responsible for their acts or omissions as if they were the acts or omissions of Supplier.
- 10.3. Supplier shall maintain in force, and upon request provide evidence of, adequate liability insurance (including, as applicable, statutory worker's compensation/employer's liability insurance) with reputable and financially sound insurers, which however will not relieve Supplier from any liability towards VAT. The insured amount cannot be considered as limitation of liability.
- 10.4. VAT reserves the right to set off any claims under a Contract against any amounts owed to Supplier.
- 11. Termination**
- 11.1. VAT may terminate the Contract for convenience in whole or in part by giving Supplier thirty (30) days written notice. In such event VAT shall pay to Supplier (i) the value of the delivered but unpaid Supplies, provided that such Supplies otherwise comply with the Contract, and (ii) proven direct costs reasonably incurred by Supplier for undelivered and not otherwise usable Supplies, however in no event more than the price for the Supplies agreed under the Contract. No further compensation will be due to Supplier and the payment specified hereunder is Supplier's sole remedy for termination of the Contract.
- 11.2. In the event of Supplier's breach of the Contract, VAT is entitled to terminate the Contract in accordance with Clause 6.2.
- 11.3. VAT may terminate the Contract with immediate effect by written notice in the event that: (i) an interim order is applied for or made, or a voluntary arrangement approved, or a petition for a bankruptcy order is presented or a bankruptcy order is made against Supplier; or (ii) any circumstances arise which entitle the court or a creditor to appoint a receiver or administrator or to make a winding-up order; or (iii) other similar action is taken against or by Supplier by reason of its insolvency or in consequence of debt; or (iv) there is a change of control of Supplier.
- 11.4. Upon termination Supplier shall immediately and at Supplier's expense return to VAT all VAT property (including any VAT data, documentation, and transfer of Intellectual Property Rights) then under Supplier's control and provide VAT with the complete documentation about the Supplies.
- 12. Force Majeure**
- 12.1. Neither Party shall be liable for a failure to perform any of its obligations under the Contract insofar as that Party proves that the failure was due to an impediment beyond its reasonable control, without such Party's fault or negligence, including, if applicable, actions by any governmental authority, fires, floods, windstorms, explosions, riots, natural disasters, wars and sabotage (a "Force Majeure Event"), provided that such Party cannot overcome such event despite all reasonable efforts, and that it provides notice (including the anticipated duration of the delay) to the other Party within five (5) days from occurrence of the Force Majeure Event. Fire, strikes and lockouts, excluding national or regional strikes or lockouts, at Supplier's site do not constitute a Force Majeure Event.
- 12.2. During any Force Majeure Event affecting Supplier's performance, VAT may, at its option, purchase goods or services from other sources and reduce its delivery schedules to Supplier by such quantities, without liability to Supplier, or require Supplier to provide goods or services from other sources in quantities and at times requested by VAT at the price set forth in this Contract.
- 12.3. Supplier will use all diligent efforts to ensure that the effects of any Force Majeure Event are minimized and, as promptly as possible, resume full performance under the Contract. If requested by VAT in writing, Supplier will, within five (5) days after VAT's request, provide adequate assurances that the delay in Supplier's performance resulting from such event will not exceed thirty (30) days. If the delay lasts more than sixty (60) days or Supplier does not provide such adequate assurances, VAT may immediately terminate the Contract without liability to Seller.

- 13. Assignment**
- 13.1. Supplier may neither assign, nor transfer, encumber nor subcontract the Contract, nor any parts thereof (including any monetary receivables from VAT) without prior written approval of VAT.
- 13.2. VAT may assign, transfer, encumber, subcontract or deal in any other manner with the Contract, in whole or in part, at any time, and on more than one occasion thereof to its affiliates, or to any successor-in-interest or title which acquires that part of VAT's group of companies' business to which the relevant Contract relates (and such transferee may do the same).
- 14. Amendment**
- 14.1. No amendments to or modifications of the Contract shall be effective, and no provision contained in the Contract may be waived unless reduced to writing and executed by the Parties.
- 15. Severability**
- 15.1. The invalidity or unenforceability of any term of the Contract will not adversely affect the validity or enforceability of the remaining terms. The Contract will be given effect as if the invalid or unenforceable term had been replaced by a term with a similar economic effect.
- 16. Governing Law and Jurisdiction**
- 16.1. The Contract and any claims relating to the Supplies provided under the Contract will be governed by and construed in accordance with the laws of Romania, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980), as amended, and any conflict of law provisions that would require application of another choice of law.
- 16.2. Any action or proceedings by VAT against Supplier may be brought by VAT in any court(s) having jurisdiction over Supplier or, at VAT's option, in the court(s) having jurisdiction over VAT's Location, in which event Supplier consents to such jurisdiction and service of process in accordance with applicable procedures. Any actions or proceedings by Supplier against VAT may be brought by Supplier only in the court(s) having jurisdiction over VAT's Location.

Effective as of October 1, 2021