

GSM GENERAL PURCHASE TERMS AND CONDITIONS

These General Purchase Terms and Conditions shall apply between GSM and Seller and constitute the conditions upon which GSM is prepared to deal with the Seller, unless otherwise separately and explicitly agreed in writing between the Parties. The general terms and conditions of Seller shall not apply. Each Purchase Order must be signed by a GSM authorized representative to be valid.

1. PRICES AND TERMS OF PAYMENT

- 1.1 GSM shall pay Seller the price as set forth in the Purchase Order upon the date of receipt of a correctly prepared and undisputed invoice and from date of complete or from the successful delivery of Products, whichever is later. In the event that GSM has informed the Seller that an invoice or particular amount is under dispute, any monies paid by GSM to the Seller shall not be applied against any invoice or amount under dispute.
- 1.2 The prices stated are fixed and include all taxes, charges and duties payable, unless otherwise stated in the Purchase Order.
- 1.3 In case of delayed payment, Seller shall notify GSM thereof and GSM shall thereafter expedite the payment, subject to any claim interest, and in accordance with applicable law or as otherwise agreed to in the Purchase Order.
- 1.4 Payment will neither constitute acceptance of goods delivered by Seller, nor will it be construed as acknowledgement or agreement that the Products are as agreed between the Parties.
- 1.5 GSM reserves the right to audit any invoice prior to payment thereof.
- 1.6 Without prejudice to any agreed discounts, if at any time within three (3) months after receipt at destination GSM has justifiable grounds to believe that the invoice is incorrect, GSM is entitled to offset and withhold payments, and Seller shall not suspend performance of its obligations, to the extent permitted by applicable law.

2. PURCHASE ORDER

- 2.1 Seller shall within five (5) days after having received the Purchase Order either confirm the Purchase Order, and thus accept these General Purchase Terms and Conditions, or reject it. If Seller has neither confirmed nor rejected the Purchase Order within the time period, Seller is deemed to have accepted the Purchase Order, and thereby these General Purchase Terms and Conditions. Changes or additions to a Purchase Order shall only be valid if duly executed in writing by GSM and Seller.
- 2.2 In case of bankruptcy of Seller, moratorium of payments, and/or in the event the control over Seller is being transferred to a third party without the prior written approval of GSM, GSM shall have the right to terminate any Purchase Order without notice, legally and without prior default letter and without prior judicial recourse, by means of a notification to the Seller in which reference is made to the present clause.

3. TERMS OF DELIVERY – PASSAGE OF OWNERSHIP – TRANSFER OF RISK

- 3.1 All prices for any Products are quoted, and the term of delivery shall be, in accordance with Ex-Works Incoterms 2000 (location named by GSM), unless otherwise stated. Ownership of the Products shall be transferred to GSM when delivery has taken place.
- 3.2 Deliveries shall be strictly in accordance with GSM's delivery schedule. If Seller fails to meet such schedule, GSM, without limiting its other remedies, may direct expedited routing, the costs of which shall be paid by Seller.
- 3.3 For deliveries, risk shall transfer upon GSM's receipt of the delivery at the location specified by GSM. For any delivery to be made to a third party specified by GSM, Seller shall notify GSM's purchasing department responsible for placing the Purchase Order by means of a delivery note signed by a clearly identifiable authorized representative of Seller.

4. DEFAULT

- 4.1 GSM may, by written notice of default to the Seller, terminate a Purchase Order in whole or in part if the Seller fails to

deliver the Products within the time specified or any extension or comply with any other provision of the Purchase Order.

- 4.2 In the event GSM terminates the Purchase Order in whole or in part, GSM may procure, upon such terms and in such manner as GSM deems appropriate, material work similar to that terminated, and Seller shall be liable to GSM for all excess re-procurement costs (including administrative costs) that GSM may incur for such re-procurement. Seller shall continue performance of the non-terminated portion of the Purchase Order as directed by GSM.
- 4.3 If after notice of termination of the Purchase Order it is determined that Seller was not in default, the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to Article 16.

5. OBLIGATION TO NOTIFY

- 5.1 Should Seller become aware of reasons to believe that the agreed delivery date cannot be met or should Seller anticipate making a change that may impact their delivered quality or on time delivery to GSM, Seller shall immediately provide written notification, stating the anticipated cause of the delay or change and an estimated delivery date. Seller shall seek GSM approval prior to making any such change.
- 5.2 Such notification shall not limit Seller's liability for delay according to this Purchase Order or applicable law. Notwithstanding any other rights and remedies set forth herein, if Seller fails to give such notice in due time, GSM shall be entitled to compensation for all additional costs and expenses incurred as a result thereof which GSM could have avoided if the notice had been duly given.

6. DELAY

- 6.1 For the avoidance of doubt, all delivery dates contained in a Purchase Order or otherwise agreed upon shall be considered essential to GSM.
- 6.2 In the event of delay, GSM shall always be entitled to terminate any Purchase Order or parts thereof without notice, legally and without prior default letter and without prior judicial recourse, by means of a written notification to the Seller in which reference is made to the present Article.
- 6.3 The criterion for deciding whether a delivery has been delivered on time is the time at which the delivery is received by GSM at the location specified by GSM; the criterion for deciding whether Products are delivered on time shall be acceptance by GSM of such Products.
- 6.4 GSM shall, for each commenced week of delay, be entitled to claim penalties amounting to five percent (5%) of the relevant Purchase Order price. Penalties shall not, however, exceed a total of twenty percent (20%) of the said price.
- 6.5 If Products are not delivered within the time agreed and any damage exceeding the amount of the penalties is incurred, GSM shall be entitled to all statutory relief including, in particular and without limitation, the right to claim compensation for such damages resulting from Seller's non-performance.
- 6.6 For the avoidance of doubt, strikes and/or other forms of labor dispute shall not excuse Seller from delivery/performance by the agreed upon date.

7. INSPECTION AND QUALITY STANDARDS

- 7.1 GSM reserves the right to inspect and/or test any Products and the production thereof, including the relevant quality assurance system. Neither inspection nor testing of the Products by GSM shall be deemed as acceptance of the Products.
- 7.2 Wherever a Purchase Order provides for submittal of designs, components, or other items for approval of GSM, such approvals shall not be construed as a complete check as to the adequacy of said design, component, or item, nor as an agreement of acknowledgment that the design, component, or item will meet requirements of the statement of work under this Purchase Order. Such approvals are solely for the purpose of insuring GSM's knowledge of Seller's plans and progress and will indicate only that Seller's general approach towards meeting requirements under this

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Purchase Order is satisfactory. Such approvals shall in no way relieve the Seller of the responsibility for any error or deficiency which may exist in the submitted design, component, or other item, as Seller shall be responsible for meeting all the requirements of the Purchase Order.

- 7.3** At any time within three (3) months after receipt at destination, GSM at its option may either reject any material or work not in conformity with the requirements and terms of the Purchase Order and either rework and/or repair the same at Seller's expense, return or store the Products at the risk of and for the account of Seller, and/or terminate any Purchase Order or parts thereof without notice, legally and without prior default letter and without prior judicial recourse, by means of a written notification to the Seller in which reference is made to the present Article. Rejected material may be returned at Seller's risk and expense at the full invoice price plus transportation charges and GSM's handling charges. No replacement of defective material or work shall be made unless specified by GSM.

8. WARRANTY

- 8.1** Seller warrants that it has and will maintain sufficient rights and interests in the Products provided hereunder. Seller warrants that the performance of the Products will be in accordance with the agreed specifications, that the Products meet all applicable statutory requirements and regulatory requirements imposed by the laws and regulations of any governmental entity having jurisdiction over the production, transport and/or sale (including re-sale) of the Products. Seller warrants the Products are and will be free from defects, deficiencies and non-conformities in design, materials and workmanship and are fit for GSM's purpose. Seller warrants the Products shall meet the technical standards and the environmental and special market requirements stated in the Purchase Order or otherwise agreed upon between the Parties. If requested by GSM, Seller shall furnish a certificate for delivered Products stating that the Products conform to all requirements mentioned above in this Article.
- 8.2** Products delivered may be rejected by GSM and returned at Seller's risk and expense if at any time found defective, deficient or non-conforming in the above mentioned respects (below in this Article referred to as "defect(s)") during a warranty period as stated in the Purchase Order starting from the date risk is transferred to GSM. In such cases Seller shall be obliged at its own cost, at the option of GSM, to repair the Products or replace them with Products in a similar condition as the Products in the Purchase Order so that they are free from defects. Repair, replacement and/or re-performance shall be carried out promptly upon demand. Notwithstanding the aforementioned, GSM shall be entitled to the full extent of statutory warranty claims, such as, but not limited to, cancellation.
- 8.3** For the transportation of defective Products from Seller to GSM, all costs and risks of loss or damage incurred with respect to the repair and/or replacement of faulty or defective Products shall be borne by Seller. Any return delivery from GSM to Seller shall be in accordance with Seller's Return Merchandise Authorization (RMA) policy, if applicable.
- 8.4** When a defect has been remedied as said in the preceding paragraph, Seller shall be liable for defects in the replaced or repaired Product under the same terms and conditions as those applicable to the original Product.
- 8.5** If Seller fails to fulfill its obligations above within the prescribed time, GSM may without prejudice to other available remedies undertake, or engage a third party to completely fulfill all of Seller's obligations under the Purchase Order at the risk and expense of Seller.
- 8.6** GSM has the right to claim damages, particularly damages resulting from non-fulfillment.
- 8.7** All warranties of Seller shall extend to and be enforceable by GSM and GSM's customers.

9. INDEMNIFICATION

- 9.1** Consequential Loss. Notwithstanding any of the indemnities and liabilities or warranties specifically referred to elsewhere, GSM shall under no circumstance be liable for any indirect, incidental, special or consequential damage including but not limited to, loss of use or downtime, loss of profit or revenue, loss of business, loss of data or production, or any other economic loss arising, or alleged to arise from GSM's failure to properly carry out its obligations, whether or not the possibility of such damages could have been reasonably foreseen and Seller hereby agrees to indemnify, defend and hold harmless GSM against any such losses regardless whether any such loss is due to the negligence of the GSM.
- 9.2** GSM and Seller agree to indemnify and hold each other harmless from and against all damages or injury (including death) to property or person resulting from the intentional or negligent acts or omissions from their respective officers, employees, agents or subcontractors in connection with the performance of the Purchase Order.

10. COMPLIANCE WITH LAW

- 10.1** Seller warrants that it will comply with the applicable laws and regulations of the country in which GSM is registered and the laws and regulations of the country(ies) having jurisdiction over Seller, including in particular, but not limited to, laws governing the use and dissemination of personal data.

11. EXPORT AND IMPORT COMPLIANCE

- 11.1** Seller is responsible for obtaining and maintaining any export license(s) required for delivery of the Products to GSM according to the Purchase Order. Seller shall issue all other documents reasonably requested by GSM, regarding export and import of the Products.

12. INTELLECTUAL PROPERTY RIGHTS; INDEMNITY

- 12.1** Seller shall indemnify and hold harmless GSM from and against any and all damages suffered and costs and expenses (including reasonable attorneys' fees) incurred as a result of any claim, suit or proceeding brought against GSM or any of its customers based on the allegation that the use, sale, distribution or other disposal of any Products constitutes an infringement of any Intellectual Property Rights or applications thereof or an unauthorized use of know-how, trade secrets or other proprietary rights.
- 12.2** Any and all drawings, specifications, technical details, models as well as all other documents manufactured by or on behalf of Seller in connection with the Purchase Order shall be deemed to have been manufactured for GSM and shall be handed over to GSM upon delivery. Any Intellectual Property Rights shall be vested in GSM at the moment of creation or licensed at the moment of delivery, as applicable. The respective Agreement shall be deemed to be a deed of transfer or grant of license, as applicable.

13. ASSIGNMENT / SUBCONTRACTING

- 13.1** Neither party shall have the right to assign a Purchase Order or any right or obligations pursuant thereto without the prior written approval of the other party, with the sole exception that GSM shall have the right to assign any Purchase Order or any right or obligations pursuant thereto to its subsidiaries or affiliates.
- 13.2** Seller shall not have the right to involve subcontractors in the execution of a Purchase Order or of any right or obligation pursuant thereto without the prior written approval of GSM. In the event GSM gives such approval to Seller, Seller shall remain fully responsible and liable for such subcontractors.

14. NON-WAIVER

- 14.1** The failure by either party to enforce any provisions of the Purchase Order (including these conditions) or to exercise any right in respect thereto shall not be construed as constituting a waiver of its rights thereof.
- 14.2** The unenforceability of any provision contained in the Purchase Order will in no way affect the enforceability of the other provisions.

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15. GOVERNING LAW AND JURISDICTION

- 15.1** The Agreement and any Purchase Order, as well as any legal matters connected therewith, including any and all disputes, differences or questions between the parties with respect to any matter arising out of or relating to the Agreement or any Purchase Order shall be governed by the laws of the State of New York, United States of America and with the exclusive jurisdiction of the Southern district court of New York, United States of America. The United Nations Convention on Contracts for the International Sale of Goods of 1980 shall not be applicable.
- 15.2** Seller agrees to submit to the jurisdiction of any such court; agrees to venue in such court; waives any defense of forum nonconveniens; agrees to notice and service of process by mail at its address specified in the Purchase Order; and agrees to enforcement of any award or judgment in any jurisdiction in which Seller has its business or assets.

16. TERMINATION

- 16.1** GSM shall be entitled to terminate, with immediate effect, legally and without prior default letter and without prior judicial recourse any Purchase Order, by means of a notification to the Seller in which reference is made to the present Article in the event of a breach of any of the terms and conditions of this Purchase Order by Seller.
- 16.2** GSM may terminate, without cause, the whole or (from time to time) any part of the work required under the Purchase Order by written notification to Seller specifying the work terminated and the effective date thereof. In such event, GSM and Seller agree upon an equitable adjustment of the Purchase Order price, provided that such adjustment shall not exceed the Purchase Order total price and no amount will be allowed for anticipated profit for performance not rendered.

17. FORCE MAJEURE

- 17.1** Neither party shall be responsible for delays in delivery or performance because of intervention of a Force Majeure, which term shall include strikes, lockouts, riots, epidemics, war, governmental regulations, fire, explosion, acts of God, or any other cause beyond the control of the party affected.

In no event shall lack of finances be considered as a cause beyond the control of a party. The party affected by the Force Majeure shall give prompt notice thereof and, upon cessation of the Force Majeure, take all reasonable steps to resume compliance with its obligations. If a delay in delivery or performance extends beyond one hundred eighty (180) days, then either party may terminate.

18. GRATUITIES

- 18.1** Seller and/or any agent or representative of Seller will not offer gratuities to any employee of GSM. Failure of Seller to honor this commitment may, at GSM's option, result in termination of a Purchase Order.