

TRAFOTEK GENERAL PURCHASE TERMS AND CONDITIONS 1.0/2016

1. GENERAL CONDITIONS The terms and conditions of these Trafotek General Conditions of Purchase 1.0/2016 ("General Conditions") shall exclusively be applied to and govern all purchases of products ("Products") made by Trafotek from any entity of Seller. In these General Conditions, Trafotek shall mean any entity partly or wholly owned by, as well as, Trafotek Corporation ("Trafotek"). These General Conditions shall supersede and exclude the general, standard and any other terms and conditions, which may be written on or referred to in any quotation, confirmation, delivery order, invoice or other document in any technical form used by Seller, and in selling Product(s) to Trafotek, Seller shall be deemed to have fully accepted these General Conditions. No modification, alteration, addition or amendment to these General Conditions shall be valid, unless accepted in writing by Trafotek. A valid written purchase agreement for the Products between the Parties shall nevertheless prevail over these General Conditions as of the date such agreement has become effective. Any purchase of software, as a separate item, shall be exclusively governed by the relevant standard Trafotek licensing agreements. These General Conditions shall be applied between Seller and Trafotek also to and regarding any Product(s) sold and/or delivered by Seller to a contract manufacturer, that is appointed by Trafotek to (i) manufacture any Trafotek's products, or parts thereof, for Trafotek and/or (ii) purchase, assemble and/or incorporate any Product(s) into other products being sold by the contract manufacturer to Trafotek directly or indirectly. Trafotek undertakes no liability for the performance and/or non-performance of such contract manufacturer's contractual or other obligations towards Seller.

2. PRODUCTS Each Product delivered by Seller to Trafotek shall meet all specifications and other requirements approved by Trafotek. Change in any specification, requirement and/or substance of a Product and/or other change that may affect the quality, fit, form and/or function of any Product is subject to Trafotek's prior written approval. At request, Seller shall inform Trafotek in writing of all substances in the Products as requested by Trafotek. Seller shall ensure the feasibility of any specifications and other requirements. Upon request Seller agrees to inform Trafotek about any export or re-export restrictions and regulations and about the export control classification numbers (ECCN) relating to Products. Trafotek shall obtain and have the exclusive rights in all aspects to any and all Trafotek customized Product(s) and to their specification(s). With regard to any such Trafotek customized Product(s) and/or any Trafotek customized part of a Product, Trafotek may sell, manufacture, have manufactured by a third party and/or otherwise use, license and/or commercialize any of them without charge. Seller shall not directly or indirectly manufacture, sell or otherwise use or commercialize any Trafotek customized Product and/or any Trafotek customized part of a Product for or to any other party (including itself or any of its affiliated companies) without Trafotek's prior written consent.

3. OFFER Seller's quotations, offers and information regarding measures, capacities, technical and other details mentioned in any specifications, catalogues, brochures or pictures or otherwise and connected with Product(s) shall be binding for Seller. Trafotek shall have no minimum ordering or purchase commitment for Products. Seller agrees to deliver Products in accordance with Trafotek's purchase orders.

4. TERMS OF DELIVERY AND PASSING OF TITLE Unless otherwise agreed, the term of delivery is DAP (at the address specified by Trafotek) Incoterms 2010. The title to the Products shall pass to Trafotek when the Products arrive at Trafotek's or its designee's manufacturing premises, as specified by Trafotek. Trafotek shall nevertheless have all rights to direct Products in transit. Trafotek may, without any liability and/or charge against Seller, reschedule and/or cancel any and all parts of deliveries of Products seven (7) days prior to the agreed delivery upon written notice to Seller.

5. TIME OF DELIVERY Time is of the essence. The time of delivery is defined in purchase orders or in other documents, including but not limited to demand visibilities and other forecasts, issued by Trafotek to Seller. Any change in the time of delivery is subject to the prior written approval of Trafotek. Trafotek is not obliged to take Products into its possession before the time of delivery. Partial deliveries are not allowed, unless requested or accepted by Trafotek in writing. Seller shall, as soon as Seller becomes or should have become aware of the delay, inform Trafotek in writing of the delay. This duty does not limit Seller's liabilities resulting from late delivery. In order to avoid any delay, Seller shall use its best efforts at Seller's sole risk and expense, to minimise the possible delay. If a delivery is delayed more than five (5) days due to reasons attributable to the Seller, Trafotek is entitled to cancel the respective delivery without any liability to Seller. Until Trafotek cancels the delivery, Trafotek is entitled to liquidated damages. The liquidated damages shall be two per-cent (2%) of the sales price of the delayed Products per each beginning day of delay up to a maximum of twenty per-cent (20%) of the sales price of the delayed Products. Trafotek has the right to deduct the liquidated damages from any invoice of Seller. The liquidated damages shall not exclude Trafotek's right to compensation for damage if such damage exceeds the aggregate of the liquidated damages paid by Seller to Trafotek.

6. SALES PRICES The sales price(s) are gross amounts, exclusive of any value added tax (VAT). Seller warrants that the sales prices for the Products are not less favourable than those extended to any other customer for similar goods in equal or lesser quantities.

7. PAYMENT TERMS The payment term is forty-five (45) days net after receipt of Product or date of invoice, whichever is later. If the due date falls into weekend or bank holiday, the due date shall be the first possible banking day. Trafotek is entitled to withhold payment if Seller has not delivered the ordered Products in full quantities and/or if any Product does not strictly conform to the specifications and other requirements.

8. PACKING, LABELLING, BAR CODING AND STORAGE The packing, labelling and bar coding of Products shall be carried out as required by Trafotek. If Trafotek has not given any written instruction, the Products shall be packed in accordance with best commercial practise. Seller agrees to inform Trafotek of any relevant specifics relating to the storage of Products. The sales prices shall include the cost of packing, labelling and bar coding and any protection required to prevent damage to or deterioration of the Products during transportation and storage. Seller agrees to indemnify Trafotek against any damage due to improper packing and protection.

9. ENVIRONMENT AND COMPLIANCE WITH LAWS Seller and its subcontractors agree to comply with the principles of all Trafotek's official environmental policies and guidelines. Seller agrees to comply with all Trafotek's reasonable instructions in this respect. Seller agrees to be responsible for recycling and other environmental aspects of the Products. Seller agrees to comply with all laws, regulations, ordinances and administrative orders and rules related to any Products and/or the manufacturing process.

10. TRAFOTEK PROPERTY All drawings, technical documents, tooling, data, software and other material provided by Trafotek to Seller and/or produced by Seller for Trafotek remain and/or become the property of Trafotek, unless otherwise agreed between the Parties in writing. Seller is not allowed without Trafotek 's prior written consent, to use, copy, reproduce, hand over or in any other way utilise such material.

11. INSPECTIONS Seller shall carry out all relevant inspections of the Products and ensure that the Products meet all specifications and other requirements specified by Trafotek. Notwithstanding this, Trafotek may inspect Products upon delivery. Any acceptance of Products by Trafotek, with or without inspection, shall not to any extent release Seller from any of its obligations to deliver Products that meet the specifications and fulfil the requirements of Trafotek nor limit Trafotek 's right to make claims relating to the Products or to the deliveries, if any Product is later found not to meet the specifications or the requirements of Trafotek. Trafotek reserves the right, by itself or through its appointed representative, during regular business hours and following reasonable notice to Seller, to inspect Seller's physical production premises and Seller's quality control procedures, in order to verify compliance with the specifications, the manufacturing process, the requirements of Trafotek and other standard industry practices and procedures.

12. WARRANTY Seller hereby warrants that all Products shall be new, unused, in good working condition, free from all defects (including but not limited to defects arising out of design, materials and/or workmanship) and of the highest quality, fit for the purpose for which they are intended and in strict conformity with the specifications and the requirements specified by Trafotek for a period of thirty-six (36) months from the date of delivery to Trafotek. The foregoing warranty is in addition to all other warranties, express or implied, to which Trafotek is entitled at law or in equity. If Trafotek finds any Products not to meet the warranty, Trafotek may in Trafotek 's sole option and upon notice to Seller, (i) require Seller to promptly supply replacement Products at Seller's sole risk and expense; (ii) require Seller to promptly reimburse to Trafotek the sales price of all Product(s) not meeting the warranty; (iii) require Seller to promptly repair the Products at Seller's sole risk and expense; (iv) repair the Products or cause the Products to be repaired by any third party at Seller's sole risk and expense, or (v) cancel the respective delivery with immediate effect in whole or in part if Trafotek reasonably considers that none of the actions mentioned in (i) through (iv) is feasible or effective. Trafotek has the right to deduct the value of the rejected Products from any invoice of Seller. The foregoing remedies are in addition to all other remedies at law or in equity that Trafotek may have.

13. LIABILITY Seller agrees to indemnify Trafotek and its officers, directors, employees, agents, sub-contractors, contract manufacturers and customers against and hold all of them harmless from all claims, suits, actions, demands and proceedings and all damages, costs, expenses and liabilities (including but not limited to attorneys' fees and costs) related to (i) product liability, product safety and/or personal injury, including but not limited to death; and/or (ii) loss or damage to any property; and/or (iii) any other liability attributable to any act or omission of Seller, any Product and/or any manufacturing process of any Product.

14. INTELLECTUAL PROPERTY INDEMNITY Seller agrees to indemnify Trafotek and its officers, directors, employees, agents, sub-contractors, contract manufacturers and customers against and hold all of them harmless from all claims, suits, actions, demands and proceedings and against all damages, costs, expenses and liabilities (including but not limited to attorneys' fees and costs) arising from any claim of infringement of any patents, trademarks, copyrights, trade secrets or designs or other industrial and/or intellectual property right which may be attributable to incorporation by Trafotek of any Products to any Trafotek 's products or any products sold or otherwise used by Trafotek or sold or otherwise used by any of Trafotek 's direct or indirect customers or which may be attributable to the use or sale of Products by Trafotek or by any of Trafotek 's direct or indirect customers. In addition, at Trafotek 's sole discretion, and without limiting any indemnification rights, Seller shall at its sole risk and expense either (i) modify the Products to avoid infringement, while at the same time maintaining compliance of the Products with the specifications and other requirements referred to in these General Conditions, or (ii) obtain for Trafotek at Seller's sole risk and expense a license to continue using and exploiting the Products in accordance with these General Conditions free of any liability or restriction and without time limitation.

15. DEFENSE Seller agrees to defend, at Seller's sole risk and expense, all claims, suits, actions, demands and proceedings under Articles 13 and/or 14 with counsel acceptable to Trafotek, at and only upon receipt of Trafotek's prior written request for such defense.

16. LIMITATION OF LIABILITY Notwithstanding anything contained in these General Conditions, neither Party shall under no circumstances be liable for any lost profits, lost opportunities, lost revenues and/or any special, indirect, consequential or incidental damage and/or other similar damage arising under or in connection with these General Conditions, any purchase order and/or any Product(s). Notwithstanding anything to the contrary in any of the terms of these General Conditions, any co-operation, requirement, request, direction, instruction, acceptance, consent, approval or other similar action or lack of any of the above mentioned by Trafotek shall not in any way or to any extent release Seller from any of its obligations under these General Conditions, unless expressly and specifically agreed by Trafotek in writing when taking such action.

17. CONFIDENTIALITY Each Party agrees to keep confidential any technical, commercial, business related, financial or company information received in whatever form from the other Party and/or the other Party's agents, sub-contractors, contract manufacturers and/or customers. Each Party shall protect all such information from improper, unauthorised, negligent, or other inadvertent transfer to any third party. Any signed and valid non-disclosure agreement between the Parties covering any Product(s) shall be applied as intended.

18. ASSIGNMENT AND SEVERABILITY Seller shall not have the right to assign any of its rights or obligations in relation to any Products or these General Conditions without the prior written consent of Trafotek. If any provision of these General Conditions is held to be invalid or unenforceable in whole or in part the validity of the other provisions of these General Conditions and the remainder of the provision in question shall not be affected thereby.

19. INSURANCE Seller shall at all times maintain in force, and upon request give evidence of, fully adequate general liability insurance policy and coverage, in adequate coverage amounts specified by Trafotek and naming Trafotek as an additional insured and waiving Seller's and its insurers' rights of subrogation and recovery against Trafotek, from an internationally recognised and reputable insurance company to cover any and all obligations, undertakings, guarantees, warranties and indemnities attributable to Seller in accordance with these General Conditions or otherwise, in relation to any purchase order and/or in relation to any Product(s).

20. GOVERNING LAW AND DISPUTE RESOLUTION These General Conditions shall be governed by and construed in accordance with the laws of Finland. Any disputes relating to or arising in connection with any Products and/or these General Conditions shall be finally settled in arbitration by one (1) arbitrator held in Turku, Finland and be conducted in the Finnish-language or if Seller is not a Finnish company the language shall be English. The arbitrator is to be appointed by the Arbitration Committee of the Central Chamber of Commerce of Finland and the rules of the said Committee are to be followed in the arbitration. The award shall be final and binding and enforceable in any court of competent jurisdiction.