



## **NOVELIC**

### **General purchase conditions**

#### **1. Scope - General**

1.1 These General Purchase Conditions apply to and form an integral part of all requests for proposal, quotations and Purchase Orders for the purchasing of goods from, or rendering of services by, the supplier ("Supplier") of NOVELIC.

1.2 These General Purchase Conditions, together with the relevant Purchase Order issued by NOVELIC, the Purchase and Supply agreement (if applicable) and the Quality Assurance Agreement (if applicable), set forth the terms and conditions for the supply of Services and/or the delivery of Goods by Supplier to NOVELIC and will be binding to Parties when the Supplier accepts this order, either by acknowledgement, commencement of performance, or by delivery of any Goods or Services ordered (the "Agreement").

1.3 For the purpose of these General Purchase Conditions:

- a. Purchase Order is the order issued by NOVELIC including all related documentation;
- b. Goods are the products, materials, liquids, equipment, design, software, rental properties, stored goods, and all related documentation to be supplied as specified in the Purchase Order;
- c. Services are the services and/or all pertaining deliverables to be provided as specified in the Purchase Order;

1.4 Any Supplier's terms deviating from and supplementing these General Purchase Conditions shall not be binding upon NOVELIC, even if NOVELIC does not contradict or Supplier states that he will only supply on his terms. Any amendment, deviation or addition to the Agreement (including the Purchase Order) shall require express written approval by NOVELIC. Silent acceptance of Supplier's Goods or Services, as well as payment by NOVELIC shall not be construed as acceptance of Supplier's conditions.

1.5 If NOVELIC has informed Supplier of the intended use of the delivery or service or the intended use is obvious without such explicit information, Supplier shall advise NOVELIC immediately whenever the delivery or service is not suited for the intended purpose. In such case, NOVELIC shall be entitled to repudiate the Agreement without having to pay any damages. Failure to meet this obligation incumbent upon Supplier when concluding the Agreement shall make Supplier liable for damages.

1.6 NOVELIC may cancel the Purchase Order without incurring any costs hereunder if Supplier fails to acknowledge the Purchase Order in writing within two weeks following receipt of such order (acknowledgement of order) unless the delivery or service has been done in the meantime.

1.7 Purchase Orders shall be placed in writing using the template of NOVELIC. Oral Purchase Orders, changes or additions to the order shall be binding only if confirmed in writing by NOVELIC. This requirement as to the written form can only be waived by a written agreement.

1.8 NOVELIC is entitled to reject Goods and/or Services which are not delivered in accordance with the Agreement.

1.9 Any transfer of Purchase Orders to third parties without NOVELIC' written approval shall be prohibited and shall entitle NOVELIC to cancel the Agreement in whole or in part or claim damages for non-performance.

1.10 Supplier shall not make or offer personal gifts or gratuities outside the ordinary course of business to NOVELIC' employees, agents or members of their families to secure or influence any business transaction. Violations shall be a material breach of this Agreement.

## **2. Delivery & Shipment**

2.1 The date of delivery, as agreed, shall be binding. For Goods not involving installation or mounting, receipt at the shipping address specified by NOVELIC will be the decisive criterion. For Goods involving installation or mounting, as well as for services, acceptance will be the decisive criterion.

2.2 The standard INCOTERM for purchase by NOVELIC shall be DAP INCOTERMS 2020®. Unless explicitly otherwise agreed.

2.3 The Supplier is obliged to accept our order within a period of 5 nationwide standard working days.

2.4. The supplier is obliged to deliver the confirmed quantity & quality according to the accepted order without deviations. Production-related deviations must be reported in advance and require the consent of the customer.

2.5 If there are any indications of a possible delay with regard to any delivery or service, Supplier shall notify NOVELIC immediately in writing and obtain the latter's written decision as to the procedure to be followed. NOVELIC shall be entitled to terminate the Agreement and/or refuse the delivery of Services or Goods if it is obvious that such delivery cannot be done within a reasonable additional period of time or if it can only be done in a defective manner.

2.6 In the event of any delayed performance by Supplier exceeding the delivery deadline, NOVELIC shall be entitled, without prejudice to any other rights, to demand payment of damages of 1 per cent of the order value for any ten-day calendar period elapsed or in progress, but no more than 5 per cent.

2.7 Without prejudice to any further statutory regulations, NOVELIC shall be entitled - after a reasonable additional period of time with a warning of repudiation has elapsed - at its option to cancel the Agreement, procure a substitute from a third party and/or claim compensation for non-

performance. NOVELIC shall be entitled to compensation for any additional costs incurred through delayed deliveries of Goods or Services for which Supplier is responsible. Acceptance of any delayed delivery or service shall not be construed as any waiver of claims for damages.

2.8 Each shipment shall be accompanied by packing slips or delivery notes specifying the content, the Purchase Order number and other order details. NOVELIC shall be sent shipping notices containing the same information no later than at the time of dispatch.

2.9 For Goods involving installation or mounting, the risk and title shall pass upon acceptance at the place of installation, irrespective of the pricing agreement.

### **3. Insurance & Import and export control**

Supplier shall ensure appropriate insurance to cover the risks resulting from or connected with the Agreement (shipment/transportation/delivery of goods or service). At the request of NOVELIC, Supplier shall provide the insurance certificates evidencing Supplier's coverage and keep NOVELIC informed of any changes.

Supplier shall comply with all applicable import and export control laws, including without limitation, sanctions, embargoes and other laws, regulations, government orders and policies controlling the transmission or shipment of goods, technology and payments.

### **4. Terms of Payment & Invoicing**

4.1 Payment shall be made at the terms and conditions specified in the Purchase Order. If no specific agreement has been made, the invoice shall be payable in whole within 30 days.

4.2 The period of payment shall commence as soon as the invoice for the delivery or service has been received but no earlier than the day of receipt for deliveries of Goods not involving installation or mounting; or the day of acceptance for deliveries of Goods involving installation or mounting as well as for services.

4.3 Payment shall not be construed as any recognition that the delivery or service has been in conformity with the Agreement.

4.4 For each individual Purchase Order, invoices quoting the Purchase Order number and other order details shall be sent to NOVELIC' address unless the Purchase Order specifies a different invoicing address. Any invoice duplicates shall be marked as such. Any value-added tax / sales tax shall be indicated separately. Improperly issued invoices will be returned to the issuer.

4.5 Supplier shall furnish any records (e.g., certificates of origin) required for obtaining preferential customs tariffs or other advantages.

4.6 In case an invoice is under dispute, Supplier has no right to postpone its obligations. NOVELIC has the right to set off amounts it owes to Supplier or any of its affiliates, against amounts which Supplier or any of its affiliates owes to NOVELIC.

## **5. Assignment and Mortgaging**

Any assignment or mortgaging of contractual claims shall be effective only if NOVELIC has given his written approval. NOVELIC shall not withhold such approval without any valid reason.

## **6. NOVELIC' Property**

6.1 Any models, samples, manufacturing equipment, tools, measuring and testing devices, materials, drawings, plant standards, reproduction proofs and similar items provided to Supplier by NOVELIC, shall remain NOVELIC' property. Supplier shall keep them free of charge and separated from other items in his possession, using the due care and diligence of a prudent businessman; Supplier shall mark them as NOVELIC' property and use them only for the performance of Services or the deliveries of Goods to NOVELIC. In the event that Supplier processes the furnished material, transforms it, combines or mixes it with other objects, such activities shall be conducted for NOVELIC only. NOVELIC shall become the immediate owner of the items thus created. If the material provided only makes up part of the new items, NOVELIC shall be entitled to co-ownership of the new items, proportionate to the value of the furnished material contained therein. The above stipulations shall also apply to the storage and marking of such property of Supplier.

6.2 Models, samples, manufacturing equipment, tools, measuring and testing devices, drawings, plant standards, reproduction proofs and similar items provided to Supplier by NOVELIC, as well as any objects produced and services performed on the basis thereof, shall not be used or reproduced by Supplier himself, nor transferred by him to any third parties without NOVELIC' prior written consent. They shall be protected against any unauthorized perusal and use. Supplier shall automatically return them complete to NOVELIC if Supplier no longer needs them for the performance of the delivery or service and NOVELIC does not expressly authorize Supplier to keep them.

6.3 If Supplier produces for NOVELIC at NOVELIC' expense any manufacturing equipment and tools required under the Agreement or any other these and any rights of use and exploitation under the copyright law shall become NOVELIC' property at the time of such production. All intellectual property rights to software, including source code, sub-software and documentation, developed explicitly for NOVELIC or on NOVELIC' instructions shall rest with or be transferred to NOVELIC. Intellectual property rights to other software shall remain with Supplier and Supplier shall grant NOVELIC a non-exclusive, non-transferable, irrevocable, perpetual and royalty free license not limited to specific equipment or location. NOVELIC is allowed to provide sub-licenses to its affiliates. Besides, the provisions contained in Sections 6.1 and 6.2 shall apply mutatis mutandis.

6.4 If the prohibition of unauthorized use is violated by Supplier or the obligation to maintain secrecy is breached, NOVELIC shall be entitled, without prejudice to any further rights, to cancel the Agreement in whole or in part or to demand damages for non-performance.

## **7. Replacement Parts**

Supplier shall agree to supply, at reasonable prices and on the terms and conditions of the underlying Purchase Order, replacement parts for the anticipated period of technical use - at least, however, for a period of ten years following delivery. Should Supplier cease providing

replacement parts after such period of time, he shall notify NOVELIC thereof in writing and give him the opportunity to place a last order.

If Supplier ceases supplying replacement parts, Supplier shall, if NOVELIC so requests, immediately transfer to him free of charge the records required for manufacturing such replacement parts and permit him to use them.

## **8. Confidentiality & data protection**

8.1 For the purpose of this Agreement, "Confidential Information" shall mean, amongst others but not exclusively, (i) any and all information disclosed by NOVELIC in the context of this Agreement, including, but not limited to business information, pricing and terms, related product documentation, technical and financial data and information, future plans, product road maps, customer and employee information, processes, know-how, designs, specifications, trade secrets and background information; (ii) any samples, components or materials provided; (iii) any information obtained by examination, testing or analysis of any hardware, software or any component part provided by NOVELIC; (iv) the existence and the terms and conditions of this Agreement; (v) any data or information provided by NOVELIC concerning its organization and business.

8.2 Supplier shall not communicate nor disclose to any third party, any part of the Confidential Information, without NOVELIC' express written consent. Supplier will take all necessary measures to apply and preserve the confidential character of the Confidential Information. In particular, Supplier shall (i) hold the Confidential Information in confidence with at least the same degree of care by which it maintains the confidentiality of its own proprietary and confidential information; (ii) restrict disclosure of the Confidential Information solely to itself and to its employees and agents on a strictly need to know basis and who are bound by confidentiality terms substantially similar to those in this Agreement; (iii) use the Confidential Information only in connection with the purpose of the Agreement and reproduce such Confidential Information only to the extent necessary for such purpose. In no event shall Supplier use the Confidential Information for commercial purposes or to the detriment of NOVELIC or its customers; (iv) not reverse engineer, de-compile or disassemble any Confidential Information; (v) make no public statements concerning this Agreement without the express prior written consent of the discloser.

8.3 Supplier undertakes not to file any patent application or industrial property right on and/or related to the Confidential Information. If any inventions or improvements are generated by Supplier based on the basis of NOVELIC' data, records or models in connection with the performance of this Agreement, Supplier shall inform NOVELIC hereof without delay and transfer the rights to such inventions and/or improvements to NOVELIC.

8.4 The confidentiality obligations mentioned above shall not apply to information of which Supplier can prove (i) it is publicly available or was known prior to the signing of this Agreement free of any obligation to keep it confidential; (ii) it is knowingly disclosed to third parties NOVELIC without restriction; (iii) is independently developed by the Supplier without use of or reliance upon the NOVELIC' Confidential Information; (iv) is required to be disclosed by way of law, including court decision or decision or advice from any administrative or regulatory body, to the extent that Supplier will notify NOVELIC in writing so that NOVELIC may seek an appropriate protective order, waive compliance by the Supplier with the provisions of this Agreement, or both.

8.5 Confidential Information is and shall remain the property of NOVELIC. NOVELIC hereby reserves all rights in and to its Confidential Information, and nothing herein shall be construed as

granting Supplier any license, express or implied, under any of NOVELIC' patents, copyrights, trademarks, trade secrets, or other intellectual property rights, except a limited right to use the Confidential Information solely for the Purpose of this Agreement.

8.6 All information is provided "AS IS" and without any warranty, express, implied, or otherwise, regarding accuracy or performance. Supplier shall upon demand promptly return to NOVELIC all such information. Supplier shall not retain a copy thereof. Supplier shall treat the existence of the Agreement as confidential. Supplier or its employees will sign a confidentiality agreement at request.

8.7 NOVELIC and Supplier agree to adhere to, and act in compliance with, the applicable rules and regulations regarding data protection, including but not limited to Regulation (EU) 2016/679 ("GDPR").

8.8 Supplier agrees that personal data of its representative(s) is processed by NOVELIC for supplier management and accounting on the basis of the contractual relation following the delivery of Goods and/or Services. Through a request on [info@novelic.com](mailto:info@novelic.com), Supplier's representative(s) can ask NOVELIC which of his/her data is processed and, if indicated or necessary, ask to rectify or erase them. NOVELIC can ask proof of the Supplier (or its representative)'s identity to ensure data is only communicated to the right person. If Supplier's representative(s) does/do not agree with the way NOVELIC processes personal data, the Data Protection Authority ([office@poverenik.rs](mailto:office@poverenik.rs)) can be contacted. NOVELIC' policy regarding data processing and protection can be found on the website ([www.novelic.com](http://www.novelic.com)).

## **9. Performance and Warranty**

9.1 Acceptance shall be subject to verification of correctness and suitability. To the extent and whenever appropriate in the normal course of business, NOVELIC shall be entitled to conduct such verification; NOVELIC shall lodge a complaint when discovering any defect. Insofar, Supplier shall refrain from putting forward any defence of a late notice of defects.

9.2 Supplier shall warrant that the Goods and Services have been made or provided in a proper and workmanlike manner and according to the agreed specifications using the best suited materials and that they are not beset with defects invalidating or adversely affecting their value or suitability for normal use or the use presumed under the Agreement. Supplier shall further warrant that Goods and Services conform to the relevant recognized standards of technology, statutory and governmental safety provisions and environmental regulations applicable in Serbia & EU. Depending on the type of delivery, Supplier shall be prepared to sign an additional Quality Assurance Agreement with NOVELIC. Prior to the start of manufacture or prior to the performance of services, Supplier shall notify NOVELIC in writing of any changes occurring in the composition of the materials used or in technical design compared to similar Goods delivered or Services provided earlier. Such changes shall require NOVELIC' written consent.

9.3 Supplier warrants that it complies with the NOVELIC Code of Conduct and with all applicable (inter)national laws, rules and regulations, standards and orders in connection with the performance of the Agreement, including all applicable laws, rules and regulations on international trade, such as embargos, import and export control and sanctioned party lists.

9.4 NOVELIC may lodge a complaint about a defective delivery, wrong delivery, errors in quantity or deviations from previous deliveries of Goods or Services. In the event that any defect in relation to which notice has to be given is not detected until the goods delivered are processed or the services are used, NOVELIC shall be entitled to lodge a complaint about such defect after its detection. To the extent receiving inspections are agreed on the basis of sampling procedures, NOVELIC shall be entitled to reject the delivery completely if the agreed quality threshold is exceeded or to check every single item delivered at Supplier's expense. The values determined by NOVELIC during receiving inspection as regards quantities, weights and dimensions shall apply save for proof furnished in any other ways. Should a receiving inspection exceeding the normal scope become necessary due to defective delivery, Supplier shall bear the costs thereof.

9.5 The warranty period shall be 24 months, beginning at the passage of risk, as specified in Section 2 unless the law or other provisions in the Agreement provides for a longer warranty period. Whenever any rework or new deliveries of Goods or Services are required, the warranty period shall recommence for reworked or newly delivered parts at the time of such rework or new delivery.

9.6 In the event of quality defects, NOVELIC may, at his option, claim statutory warranty rights (including partial cancellation of Agreement) or demand new delivery or rework - even at the place of use - which Supplier shall perform promptly and free of any costs to NOVELIC (in particular, transportation, travel, labour and material costs). In cases of delayed performance, failure, refusal of new delivery or rework, NOVELIC shall be entitled to demand compensation for non-performance or to cancel the Agreement in whole or in part. Rework shall be deemed a failure if the first rework attempt has turned out unsuccessful. In urgent cases, NOVELIC shall be entitled, at Supplier's expense, to replace defective parts, make repairs and remedy any damage caused or to have third parties do this at Supplier's expense.

9.7 Any further rights which NOVELIC may claim by law, notably with respect to warranted qualities, shall not be affected.

## **10. Industrial Property Rights**

10.1 Supplier expressly warrants that it has good and marketable title to the Goods and Services supplied and that it does not infringe intellectual property rights of any third party by supplying Goods and Services to NOVELIC. Supplier further warrants that it has the right to grant NOVELIC intellectual property right(s), if applicable. Supplier holds any and all licenses, permits, end-user statements and any other documents required in the country of origin, of transit and of destination to perform its obligation under the Agreement and will immediately notify NOVELIC of any legal restrictions.

10.2 Supplier shall be liable for any third party industrial property rights being infringed upon through the delivery or service, including use of such delivery or service.

10.3 If Supplier holds any industrial property rights to the Goods or Services ordered or parts thereof or processes for manufacturing them, NOVELIC shall, if he so requests, be informed thereof, including the industrial property right number.

## **11. Product Liability**

In the event that NOVELIC is held liable by any customer or third party under product liability, Supplier shall hold NOVELIC harmless from such claims to the extent that the damage was caused through a defect of the product delivered by Supplier. In so far as the cause of the damage lies within Supplier's area of responsibility, the burden of proof shall rest with Supplier. In such case, Supplier shall bear all costs and expenses, including the costs of any legal action or recall. Besides, the relevant statutory regulations shall apply.

## **12. Liability**

12.1 Unless other provisions are specified in Sections 9, 10 and 11, Supplier shall indemnify NOVELIC, its directors and its employees ("Indemnified Parties") for damages incurred as a result from or connected with the Agreement, except to the extent that the damages were caused by the Indemnified Party's wilful misconduct or gross negligence.

12.2 Supplier is fully liable for the correct and timely payment of all taxes and levies indebted in connection to the performance of the Agreement and will indemnify Indemnified Parties against all claims and damages relating to its obligations concerning taxes, contributions and any claims of third parties, including the Government.

12.3 Neither party shall be liable towards the other party for any delay or non-fulfilment of its obligations under the Agreement to the extent fulfilment thereof has been delayed, interfered with or prevented by an event entirely beyond the control of the party concerned, which was not for its risk and not reasonably foreseeable ("Force Majeure"), provided that the party invoking Force Majeure used its best efforts to fulfil its obligations by any means possible. The mere fact of late supply of materials, labor or utilities shall not be deemed Force Majeure. In case a situation of Force Majeure continues for more than 30 days, NOVELIC shall be entitled to (partly) terminate or cancel the Agreement by written notice effective immediately. NOVELIC may purchase similar Goods and/or Services from third parties during any period Supplier is unable to fulfil its obligations. The quantities affected shall be excluded from the calculation from any (minimum) volumes.

## **13. References and Publications**

Unless agreed in writing otherwise, Supplier shall not be allowed to use NOVELIC' name or trademark. This Agreement does not grant any right to use any trademark, trade name, logo, service mark or other mark of NOVELIC in any advertising, publications, promotional activities, or for any other purpose.

## **14. ROHS/REACH**

14.1 The supplier undertakes to comply with the REACH regulation (Regulation EC No. 1907/2006) with regard to the goods delivered to NOVELIC, including the packaging. In particular, he assures that the delivered goods/products and their packaging do not contain any substances from the current candidate list according to Art. 53 Para. 1 of the regulation in a Contain quantity over 0.1% mass percent (SVHC substances). The supplier is obligated to (pre)register all substances supplied to NOVELIC himself or to have them registered by subsuppliers, insofar as he is subject to registration obligations under REACH. If the supplier is not subject to registration under the REACH regulation, he obliges his sub-suppliers to do so Compliance with their obligations under REACH. A registration made by the supplier or his subsuppliers regarding the delivered goods must be proven to NOVELIC in writing upon request.



14.2 The supplier shall ensure that if the goods/products it supplies or their packaging contain substances that fall under REACH, these are registered in accordance with REACH. He undertakes to transmit all information and documentation required by the regulation (in particular according to Art. 31 et seq. of the REACH regulation) to NOVELIC within the deadlines stipulated in REACH or to forward the information from his sub-supplier to NOVELIC without delay.

14.3 If claims are made against NOVELIC by customers, competitors or authorities due to violation of the REACH regulations, which can be traced back to goods from the supplier, then NOVELIC is entitled to demand release from these claims or compensation for the damage from the supplier, which was caused by the non-existent REACH conformity.

14.4 The aforementioned obligations apply accordingly (with the exception of the registration obligations) if the supplier is based in a non-EU country. In particular, he must provide information if an SVHC substance is contained in excess of 0.1%, or if substances covered by REACH can be released during normal and foreseeable use.

14.5 The supplier must fully comply with the environmental regulations in accordance with German and European law, including EU Directive 2011/65/EC "Restriction of the use of certain hazardous substances in electrical and electronic equipment" and the Electrical and Electronic Equipment Act.

14.6 Electrical and electronic devices of each device category as well as components for these must comply with the bans on substances in EU Directive 2011/65/EC and the laws, regulations, decisions and other provisions enacted to implement them. The supplier must provide a written declaration of conformity for this purpose. These devices must have a CE mark and the symbol according to Annex IV of the EU Directive 2002/96/EG (WEEE).

14.7 The supplier guarantees that all products comply with the requirements of the RoHS directive in accordance with clauses 5 and 6 above. The supplier bears all damages and expenses (including costs of legal action) and for all claims by third parties that are based on a breach of the RoHS directive or other applicable environmental regulations for which the supplier is responsible

## **15. Performance of Work**

Any persons working in the NOVELIC premises in performance of the Agreement shall obey the NOVELIC Work Rules; the existing regulations for entering and leaving the factory premises shall be complied with. Any liability for accidents happening to such persons on the plant premises shall be excluded unless they have been caused by NOVELIC in a deliberate or grossly negligent manner.

## **16. Right to audit**

Supplier and its subcontractors shall keep accurate books and records in accordance with the generally accepted accounting principles and procedures showing all charges and related expenses incurred in the performance of Services or delivery of Goods under this Agreement. NOVELIC shall have the right to inspect such records and perform audits on Supplier's or its subcontractor's premises or assign said audits to outside parties. Supplier agrees to fully

reimburse any recoveries plus reasonable audit costs in the event of financial discoveries resulting from an audit. NOVELIC shall maintain the right to extend payment terms until such time as corrections have been made.

## **17. Termination and suspension**

17.1 In addition to the termination grounds mentioned in other sections of these General Purchase Conditions, NOVELIC may terminate the Agreement without any reason by giving written notice to Supplier. NOVELIC is further entitled to suspend the performance of its obligations in whole or in part or terminate the Agreement with immediate effect, without prejudice to its right to claim damages and without any compensation to or indemnification of Supplier in case Supplier:

- a. has been declared bankrupt, is in a state of liquidation, has ceased or suspended whole or substantial part of its business, is subject of a court order or preventative legal scheme of settlement;
- b. is not compliant with any import, export or chemical control regulations or the provisions of safety, health, environment or security;
- c. is not or has not been acting in accordance with the Agreement.

17.2 After such termination NOVELIC may return received Goods and/or Services in whole or partly against repayment and retransfer of ownership therein to Supplier.

17.3 Expiry, termination or cancellation of the Agreement shall not affect any right or obligation, which expressly or by its nature survives such expiry, termination or cancellation, including but not limited to representations, warranties, confidentiality obligations, intellectual property rights and accrued rights.

## **18. Validity, Jurisdiction & Governing Law**

If any term or provision of this Agreement shall be found to be void, illegal or unenforceable, the remaining terms and provisions of the Agreement shall be and remain binding for the Parties. In such case, the Parties will amend this Agreement as soon as possible, in order to comply with the applicable laws.

The Serbian laws shall exclusively apply to this Agreement and the implementation thereof, without giving effect to its conflicts of law principles. Application of the Hague Convention of July 1, 1964 regarding Uniform Laws on Agreements for the International Sale of Goods, as well as application of the uniform U.N. law on sales or of any other conventions governing the sale of goods shall be excluded, however.