

## Delivery agreement

# Delivery agreement

**Between**

**SYSCOSET ELECTRONICS LTD.**

Filip Kutev 7 , Hladilnika

Bg – 1407 – Sofia

Bulgaria

In the following called “Buyer”

and

**XX**

In the following called “Supplier”

	<h1>Delivery agreement</h1>	SYS 06.00.16
<i>Electronic assembling Systems – Components - Sets</i>		Published: 16.05.06
Telefon : 00359 2 9208595 Telefax : 00359 2 9208596		Revision: 01-2021
Mail : Syscoset@syscoset.com Homepage: www.syscoset.com		

**Common:**

The purchaser is known as a developer and manufacturer of electronic boards and modules in the fields of small household appliances, medical and oral care, industrial, and automotive.

**1. Business relation**

The conditions of this contract are valid for all contracts, orders and calls. The purchaser and the supplier are planning a longer termed co-operation. Object of the co-operation is the delivery of XXXXX, following called “products”, for the use in equipment, devices or electronic modules on the purchasers side.

The supplier, will immediately inform the purchaser in written form about any changes in design, function, features, specification and all other deviations, in advance. The information has to follow that timely, that the purchaser has time to check the influence of the changes and the consequences, BEFORE the changes are implemented.

The supplier is not allowed to implement or change anything on the supplied product, without the written approval of the purchaser. All appearing costs of ignoring this, will be charged to the supplier.

**2. Subject of this contract**

2.1 As subject of this product have to be considered all products delivered from the supplier to the purchaser. In Annex 1 are listed all relevant products. This list does not raise the claim of completeness; it can be changed anytime, when both sides are agreeing on it in written form.

2.2 The supplier commits himself to produce the products, when being ordered, following strictly the given specifications and regulations for the purchaser. The prevailing to be delivered products and their accomplishment, as for example the technical accomplishment, measures, features, are determined and agreed between supplier and purchaser. The used raw, production, process and auxiliary materials have to fulfill the requirements of the common known and applicable technical standard in the relevant branch and are fully incumbent upon the suppliers side. All used materials in any step must fulfill the ROHS guidelines and requirements 2002/95/EG. With every delivery has to be shipped a ROHS compliance confirmation from the supplier to the purchaser.

Any costs appearing out of the use of non ROHS conforming parts and a false compliance confirmation will be charged to the supplier. In the case the purchaser has doubts in the ROHS conformance of the supplied products, purchaser will initiate a ROHS conformance check of the product, by an authorized third party. Charges to be covered by supplier.

2.3 The supplier guarantees the purchaser in the scope of this contract, the exclusive product rights of the purchased products ( see Annex 1 ). (Only applicable when products are unique made for purchaser)

2.4 Exceptions to the exclusive delivery to the purchaser are only allowed to be performed, after the explicit written confirmation of the purchaser. Fixing exactly name of second purchaser and the quantity. Purchaser has to any time the right to impede such deliveries to other purchasers.

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### 3. Datatransfer / Documentation

The relevant data (Bill of materials, functional diagrams, electrical and wiring diagrams, instructions of any kind, related to the product, specifications, etc) are handed out to the purchaser in paper or preferable in electronic form. The supplier is owning, servicing and maintaining a proper electronic system for the archiving, documenting of all relevant, above mentioned data, and assures the safety of all these data from being lost or manipulated.

In the case supplier is overtaking production from another supplier, the purchaser is supplying the new supplier with all available and none confidential data as well as a sample of the product, where applicable. When necessary the supplier is releasing a qualified employee to discuss all relevant issues directly on the purchaser's side. The purchaser will also release one qualified employee to assist and support the purchaser in the beginning.

#### 3.1 Documentation on supplier's side

The supplier is formatting and arranging the relevant bill of material and production documentation in an appropriate way in his electronic data system.

#### 3.2 Production documentation

Production documentations, templates etc, which the supplier is accomplishing for the production of the purchasers product, have to be handed out to the purchaser, free of charge, when required. Supplier is responsible for handing out all documents in the agreed language. Costs for translations, approvals and notification, etc, are on the side of the supplier, when not agreed other.

### 4. Quantity planning

The purchaser is planning the expected quantities according his actual expectations, market experience, or customer forecasts. The supplier is receiving an annual forecast from the purchaser in written form. This forecast is non binding and can be changed anytime, according the changed needs. It is count as agreed, that due to the adoption to a new market situation, the delivery quantity can be above or beneath the non binding forecast.

### 5. Disposition

The purchaser is handing out the supplier a detailed plan on a XXXX base. The purchaser is giving the supplier a material release for XX months in advance. Any materials or products exceeding this material release are solely on the suppliers risk.

### 6. Timely delivery

The supplier as to arrange his production in such way, that the ordered products, are delivered to the purchaser in the required quantity and quality, with the correct price to the correct time. Early or late deliveries have to be avoided. The supplier is committing himself, to build up and offer the necessary production capacity to fulfill the purchaser's demands. In the case, the supplier is recognizing that the confirmed dates of delivery cannot be kept, the purchaser has to be informed immediately, latest three days in advance before planned delivery. All appearing costs appearing out of a lack or missing information to the supplier will be charged to the supplier.

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## 7. Pricing

The prices for the products delivered from the supplier to the purchaser, are fixed in Annex 1 of this contract.

## 8. Validity of prices

The agreed prices are valid for all orders, placed till the XX.XX.XXXX. Prices are evaluated on an annual base. Within this period the price is adjusted, when currency fluctuations from more than 5% of the XXX exchange rate a price adjustment is accomplished.

## 9. Delivery and payment conditions

The purchaser is making the payments within

14 days, minus 2%  
30 days, net

after the correct and doubtless invoice AND the arrival of the conforming products.

The delivery from the supplier to the purchaser is done XXX, including appropriate packing. Delivery-, Payment-, and other obligations are occurring solely between the purchaser and the supplier, mentioned on page one of this contract. The supply of the purchaser from the supplier is done directly, without the involvement of a third party.

## 10. Transport insurance

Is in the obligation of the XXXXX to care for the transport insurance in an appropriate height.

## 11. Packing / Marking

The supplier is responsible for the packing material, if not other agreed. As packing material have to be used solely 100% recyclable materials, preferably carton material. The use of multiple use packing is preferred and must be adjusted between both sides.

Each carton must be marked with a legible sticker. The format is fixed in Annex 2 of this contract.

Appearing costs due to wrong packing material and for the cleaning up of non recyclable material will be charged to the supplier, if use of such is not confirmed by purchaser to supplier in written from in advance.

Special marking on the product for reasons of traceability are defined from the purchaser. Position and format of the coding is given from the purchaser.

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## 12. Quality management system

### 12.1

The supplier is maintaining an appropriate quality management system and will produce and test the products according the known and for this branch common rules of quality control.

Are no special tests required from the purchaser, it is the full responsibility of the supplier to determine, the way, the size, the test equipment and methods how the products will be checked, to fulfill all customer requirements.

As quality level are fixed:

- XXX ppm failures from supplier to purchaser in first year
- XXX ppm failures from supplier to purchaser in second year
- XXX ppm failures from supplier to purchaser in the following years

- XXX ppm field returns in 12 months
- XXX ppm field returns in 24 months

Further requirements are fixed in the quality agreement. All delivered products must fully comply the agreed specifications and requirements.

All products have to be marked in such way, that a traceability will be possible. Details will be fixed in the quality agreement, format of marking and coding in Annex 2 of this contract.

## 13. Warranty for defects

13.1.1 The supplier is liable to deliver products free from defects and non-conformities, complete deliveries as ordered, as well that all products are fulfilling the required characteristics according the given specifications or plans, within the legislative determination.

13.1.2 The warranty time are XX months, beginning from the day of receiving the goods in the ware income of the purchaser. Above mentioned agreements are NOT valid for serial mistakes.

## 14. Serial mistakes

14.1.1 When in a period of 12 calendar months are occurring equal mistakes with a volume of more than XX percents on the delivered products, then automatically all deliveries are supposed and expected to have the same failure rate. It is the obligation of the purchaser to proof the supplier the existence of a serial mistake.

14.1.2 With the occurrence of a serial mistake, the supplier is committing himself the exchange of all products, being in production, on stock or on the way to the purchaser, free of charge.

14.1.3 The supplier further agrees to overtake all occurring costs (Material-, Salary-, and other appearing costs) necessary for the elimination of the serial mistake on all products, which already have been implemented in the purchaser's production or have already been delivered to the end customer.

14.1.4 In the case the overall non conformity level, without a serial mistake occurring, is above X,X percents within XX calendar months, the supplier is obliged to start immediate actions for improving his quality level. Purchaser has to be informed in regular intervals, but at least monthly about the implemented steps and their effectivity.

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## 15. Insurance for product liability

The supplier is liable and has made an insurance for product liability. He sends the purchaser a with signature and company stamp confirmed copy of the insurance policy, showing height of insured value and validity of this insurance. In the case the insurance will not be prolonged or is extinguished, the supplier is informing the purchaser immediately about this fact.

In the case a third party is claiming legislative compensation based on the product liability, the supplier is fully releasing the purchaser from any compensations, which root causes are on the suppliers side, especially then, when the plea are based on a non conformity, that was already present, when being shipped from the supplier to the purchaser.

## 16. Preference of origin

The supplier declares with each shipment, the origin of the goods.

## 17. Common delivery conditions

The use of the common buying and selling conditions and regulations on the purchasers and suppliers side can be disclaimed. Occuring non conformities or disagreements in the in this contract regulated regulations, are solved strictly accoring the XXX Law and XXX Trade law.

The supplier is allowed to supply X,X percent over or under the ordered quantities.

The above and before mentioned regulations are valid in any case, also when in single orders are mentioned different conditions.

The supplier and the purchaser disclaim herewith, non revocable, to pretend or insist any of the in this contract mentioned conditions is limited or out of power in any possible way.

## 18. Duration of contract

This contract is valid from the moment, both parties have signed it. It is valid till XX.XX.XXXX. A prolonging of the contract must be initiated from both sides X months before the actual valid contract is expiring. Prolonging must be confirmed in written form from both sides.

## 19. Resignation from contract

In the case the products are not needed anymore from the purchaser due to reasons with are without of the influence or power of the purchaser, which leads to a essentially decreased or stopped need of the supplied products, the purchaser has the right to resign from this contract.

The purchaser guarantees to overtake the products, for which orders have been placed. Forecasts are not orders. Material ordered on a forecast, without an explicit order from the purchaser, are solely on the risk of the supplier. Self evident products are only overtaken, when being free of any non-conformity and fulfilling all customer requirements.

## 20. Regular cancellation of the contract

The contract can be cancelled from both sides with a term of six months to the 31.12 of each calendar year, in written form via registered letter, first to the XX.XX.XXXX. Other form of cancellation, than above mentioned is not valid.

The cancellation without notice due to important reasons, remains untouched from this.

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## 21. Extra ordinary cancellation

Purchaser and supplier have the right for a cancellation of the contract without notification, if one of the parties is violating the contract in a severe way.

The purchaser has the right, to cancel the contract without notification, especially when

- a) repeating non conforming deliveries and a non conforming level of more than X% of X deliveries in a row.
- b) Repeating incompleteness of the delivery, missing more than X% from the confirmed quantity
- c) Repeating delay of deliveries w/o further notice to the purchaser from X deliveries in a row
- d) In the case that the supplier is delivering again goods with a serial mistake to the purchaser, after the supplier has been informed and the reasonable time for solving the serial mistake permanently, has been passed
- e) Delivering products on which the specification, design, material or any other change has been done, w/o the prior written approval of the purchaser
- f) Missing, outstanding or incomplete and not reliable statements to quality and delivery problems, occurring for the X time.

## 22. Confidentiality

Each party is obliged to keep all data, information's, specifications, technical documentation, transferred business and company secrets strictly confidential from any third party, and assures the save storing, from being accessible from non authorized personal, manipulation or destroying.

Both parties agree to remain silence about this contract and it will not be accessible in any from to third parties.

The confidentiality agreement is valid for X years after this contract is finished.

## 23. Place of trial – Place of fulfilling

Place of trial for both parties in the case of disagreements is Sofia.

This contract is substained to Bulgarian Law

## 24. Salvatoric clausula

This contract remains also valid, if parts of it will be proven as not valid. The relevant part has to be interpreted than in such way, that the initially pursued economical and legislative purpose can be achieved as far as possible.

## 25. Others

Changes and amendments of this contract must be performed in written form. Changes which are published or transferred in any other way are not valid.

The following Annexes are part of this contract

Annex 1 : Prices

Annex 2 : Packing and marking

# Delivery agreement

The contract is existing in two copies, each party is receiving one copy of the contract and the annexes.  
Each page of the contract must be signed from both parties.

....., the ..... ,the.....

Supplier

Syscoset Ltd.

Signature: .....

Signature: .....

Signature QM: .....

Signature QM: .....