

General Conditions of Contract for the Supply of all Products

1. Scope of Application

These General Conditions apply to the supply of all products (hereinafter "the Supply") by DLC

2. General

2.1 The contract shall come into effect upon receipt of DLC's written acknowledgement stating its acceptance of the order ("Order Acknowledgement") provided that, in particular, the necessary agreed payment security has been provided. Tenders that do not contain a set period for acceptance are binding for a period of 30 days after dispatch by DLC.

2.2 General conditions of contract of the customer shall only be valid if expressly accepted in writing by DLC.

2.3 All agreements and legally relevant declarations must be in writing.

3. Scope of Supply

3.1 The scope of the Supply by DLC is exhaustively set out in the Order Acknowledgement and any appendices thereto.

3.2 If the order refers to a service delivery or a supply which subject to a technical further development, DLC is entitled to deliver the latest version of the implied product if or as long the customer do not order explicit a certain type. The customer has to inform DLC in either case if DLC shall not supply a deviance product.

3.3 Samples delivered by DLC shall be seen as prototypes and DLC do not overtake any liability if no other conditions are given by a contract. To consider are the effective general tolerances.

3.4 To build economic batch sizes DLC will be entitled to send out a chargeable over-delivery of up to 10%, and a not charged under-delivery of 5% compared to the ordered quantity if that would be a reasonable way for the customer.

4. Designs, Technical Documents and Software

4.1 Unless otherwise agreed, brochures and catalogues are not binding. Designs, drawings and technical documents and data contained in software are only binding insofar as they form an integral part of this contract.

4.2 DLC retains all rights to designs, drawings, technical documents and software. The customer acknowledges these rights and shall not make such designs, drawings, documents and software available to any third party, either in whole or in part, nor use them for any purposes other than the agreed purposes without prior written authorization by DLC.

4.3 If the Supply includes software, the customer is hereby granted the non-exclusive and non-transferable right to use the software for the agreed purpose. The customer is not entitled to make copies (except for the purposes of archiving, error searches or for the replacement of defective data carriers) or to update, upgrade or make any other extensions to the software. The customer may not disassemble, decompile, decipher or reverse engineer the software without the prior written consent of DLC. If the customer breaches one of these conditions, DLC is entitled to immediately revoke the right to use the software.

5. Regulations and Standards

5.1 The customer shall, at the latest when placing the order, refer DLC in writing to the standards and regulations applicable to the provision of the Supply, the mode of the Supply and to health and safety.

5.2 Unless otherwise agreed, the Supply shall comply with those standards and regulations at the place of destination of the Supply of which DLC has been informed by the customer according to Clause 5.1 above.

6. Reservation Notice

Express reservations by DLC personnel regarding instructions, directives or measures by the customer or regarding actual

circumstances may be made in writing or orally and are deemed to be reservation notices by DLC relieving DLC of any liability.

7. Prices

7.1 All prices are net, ex works Gebenstorf, excluding packing, in freely available Swiss francs without any deduction whatsoever. Any and all additional costs, such as for freight, insurance, fees for export, transit, import and other permits, and for certifications, shall be borne by the customer.

7.2 Taxes, including, without limitation, value added taxes (VAT), levies, fees, social security contributions and the like, which DLC or its personnel must pay in connection with this contract or its fulfillment, in particular for supplies and services outside Switzerland as well as the administrative costs connected therewith, shall be borne by the customer. If taxes, including, without limitation, VAT, levies, fees, social insurance contributions or the like are levied against DLC or administrative costs are incurred, they shall be reimbursed by the customer within 30 days of receipt of a copy of the respective documents.

7.3 DLC reserves the right to adjust the prices in the event that the delivery period is extended for any of the reasons set out in Clause 10.4; or

the nature or the scope of the Supply is changed; or

the documents provided by the customer are not in conformity with the actual circumstances or are incomplete; or

the price was agreed upon in a currency other than Swiss francs (CHF) and the exchange rate CHF/foreign currency at the time of placing the order deviates by more than +/- 1% from the exchange rate that was published at 12 noon Swiss time by Reuters on the day of the submittal of the tender; or

Laws, regulations or generally accepted rules of interpretation are changed after the submittal of the tender.

8. Terms of Payment

8.1 Payments shall be made by the customer at DLC's domicile, net with no deduction for cash discount, expenses, taxes, levies, fees, duties, and the like.

Unless otherwise agreed, the price shall be paid in the following installments:

100% as advance payment. After the payment is done the goods will be ordered; or

100% within 30 days of notice of readiness of the Supply for dispatch by DLC.

All amounts owed to DLC are payable within 30 days of the invoice date if there are no other arrangements existing. Payment shall be deemed made when Swiss francs or the agreed foreign currency have been made freely available to DLC at DLC's domicile. In the event that payment by letter of credit is agreed upon, the customer shall bear the costs of opening, notifying and confirming such letter.

8.2 The customer may neither withhold nor reduce payments due to complaints, claims or counterclaims not accepted by DLC in writing.

8.3 The dates for payment shall be complied with even if dispatch, transportation, any installation, commissioning or acceptance of the Supply is delayed or made impossible for whatever reasons, or if immaterial parts of the Supply are missing or if post-delivery work, that does not make the use of the Supply impossible, is to be carried out.

8.4 A bill of exchange or a check will be just accepted if there exists an explicit payment agreement which includes such a payment method.

8.5 If the advance payment or agreed payment security is not provided in accordance with the terms of the contract, DLC shall be entitled to either adhere to or terminate the contract and shall, in either case, be entitled to claim damages including compensation for loss of profit. If the customer, for any reason, is in arrears with any other payment, or if DLC is seriously

concerned that it will not receive payments in total or in due time because of circumstances having taken place since the entering into of the contract, then DLC, without prejudice to any other claims, may suspend the further performance of the contract and retain any of the Supply ready for dispatch until new terms of payment and delivery have been agreed and until DLC has received sufficient security. If such agreement cannot be reached within a reasonable time, or if DLC does not receive sufficient security, DLC may terminate the contract and claim damages, including compensation for loss of profit.

8.6 If the customer exceeds the agreed periods of payments, it shall be liable, without reminder and with reservation of the right to bring further claims, for interest at a rate depending on the terms prevailing at DLC's domicile, but not less than 5 percent per annum. The contractual payment obligations continue to remain in force.

9. Reservation of Title

DLC shall retain ownership of the Supply until receipt of full payment in accordance with the contract. The customer shall take all measures necessary for the protection of DLC property and ensure that the title of DLC is not prejudiced. In particular, the customer shall arrange for any entry in the public registers in the country of its domicile necessary for a valid reservation of DLC's title. The customer shall bear the costs of such entry. If the customer fails to arrange for such entry, it shall be fully liable to DLC.

10. Delivery Period

10.1 The delivery period shall commence as soon as the contract comes into effect and the advance payments due on placing the order have been made.

10.2 The delivery period shall be deemed to have been complied with if, before its expiry, the notice of readiness of the Supply for dispatch has been sent.

10.3 Compliance with the delivery period is conditional upon the customer fulfilling all its contractual and non-contractual obligations to DLC.

10.4 The delivery period shall be extended for a reasonable term if:

- a. the information required for performance of the contract is not made available to DLC in time or is incomplete, or if the customer subsequently changes such information; or
- b. the customer or a third party is in delay with work it has to execute, or the customer is in delay with the performance of its contractual obligations; or
- c. impediments exist which DLC, despite the use of the required level of care cannot prevent, regardless of whether such impediments arise at DLC's, the customer's or a third party's premises. Such impediments include, in particular, significant operating breakdowns, accidents, labor conflicts, late or deficient delivery of raw materials, semi-finished or finished products, important work parts being rejected, measures taken or omissions by any state authorities; or
- d. any other circumstances arise which DLC itself is not responsible or at fault. Delays caused by third parties (e.g. subcontractors of DLC) shall not be deemed to be caused by DLC itself and shall also extend the delivery period appropriately.

10.5 If delivery is not made on time, the customer may claim damages for delayed delivery if it can be proved that the delay was caused through the fault of DLC itself. Damages for delayed delivery shall not exceed 1/2 percent for each full week of delay and shall in no event exceed 5 percent of the contract price of the part of the Supply in delay. After reaching the maximum damages for delayed delivery, the customer shall grant DLC a reasonable extension of time in writing. If such extension is not complied with for reasons for which DLC is at fault, the customer may reject the delayed part of the Supply. If a partial acceptance is economically not justifiable on the part of the customer, the customer may terminate the contract. In such an event, DLC shall refund the payments made for the parts of the Supply affected by the termination.

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10.6 If a specific date is agreed instead of a delivery period, such date shall correspond to the last day of a delivery period. Clauses 10.1 to 10.5 shall apply thereto.

10.7 All claims of the customer arising from or in connection with delays in the performance of the contract are regulated expressly and exhaustively by this Clause 10. Other and further claims are excluded. This limitation of liability does not apply in the event of gross negligence or willful misconduct by DLC.

10.8 The customer is aware that his orders are binding and the delivery of ordered products can no longer be stopped unless a corresponding request by the customer is in the sense of an exception approved in writing by DLC. Without such approval, the customer is obliged to accept delivery of the ordered products within 30 days of the date on which DLC notifies the customer that the products in question are ready for dispatch. The parties reserve the right to agree in writing on a different duration of acceptance of the ordered products. If the acceptance of the ordered products by the customer is not made on time and the customer has been warned by DLC with a period of notice of at least 30 days, the customer's claim to the delivery and the ordered products shall expire, but the payment claim of DLC for such products shall continue to exist. In such cases DLC shall be entitled in particular to dispose of the concerned ordered products and to charge the customer for any costs incurred as a result.

11. Packing

Packing shall be invoiced separately by DLC and may not be returned. However, if the packing is expressly designated as DLC's property, it shall be returned by the customer, carriage paid, to the place of dispatch.

12. Passing of Risk

12.1 Unless otherwise agreed, risk shall pass on delivery EXW (INCOTERMS 2000).

12.2 If dispatch of the Supply is delayed at the request of the customer or due to reasons for which DLC is not responsible, the risk shall pass to the customer at the time originally foreseen for the Supply to be dispatched from DLC's premises. From this time on, the Supply shall be stored and insured on the account of and at the risk of the customer.

13. Inspection and Acceptance of the Supply

13.1 Insofar as it is normal practice, DLC shall inspect the Supply before dispatch. If the customer requests further testing, such as an acceptance test, this shall be agreed in writing and paid for by the customer.

13.2 The customer shall inspect the Supply within 10 days and shall immediately notify DLC in writing of any defects. If the customer fails to do so, the Supply shall be deemed to be accepted.

13.3 To the extent that DLC is responsible for the notified defects, DLC shall remedy such defects as soon as possible, and the customer shall give DLC sufficient opportunity to do so (supplementary performance).

13.4 If the supplementary performance will be refused by DLC, will fail or would not be reasonable for customer, the customer has the right to withdraw from the contract or demand a reduction.

13.5 The claims from customer coming from, or in connection with defects of the delivery are exclusive regulated in clause 13 of this document. All other exceeding demands are explicitly excluded. This liability limitation is not valid in case of a gross negligence or in case of an illegal intention by DLC.

14. Warranty

14.1 The warranty period is 12 months. The warranty period commences when the Supply arrive in DLC warehouse. If dispatch, transportation, any possible installation, commissioning or acceptance is delayed due to reasons for which DLC is not responsible, the warranty period shall end not later than 14 months after DLC's notification that the Supply is ready for dispatch. The warranty period for repaired parts of

the Supply commences anew and lasts for 6 months after remedy of the defect or acceptance, but shall end not later than the expiry of a period which is double the warranty period stipulated in the preceding paragraph of this Clause. The warranty period shall expire prematurely if the customer or a third party undertakes inappropriate modifications or repairs to the Supply or if the customer, in the event of a defect, does not immediately take all appropriate steps to mitigate the damage and give DLC the opportunity to remedy such defect.

14.2 The minimum warranty period shall be 3 months. The minimum warranty period commences when the Supply leave the DLC warehouse.

14.3 Upon written request by the customer, DLC shall remedy within a reasonable period any parts of the Supply which, before the expiry of the warranty period, are proved to be defective or unusable due to defective material, faulty design or poor workmanship, provided that the customer has notified DLC in writing of the defects during the warranty period and immediately after discovery. It would be possible as well to reduce the purchasing price of those defective units or, if the producer accepts the fault and refund the value of those units to DLC, make a credit note about the purchasing amount paid. The customer shall give DLC sufficient opportunity to carry out such an option. Replaced parts shall become DLC's property. DLC shall bear the costs of remedying the defective parts at its premises. If, at the customer's request, the repair is carried out outside DLC's premises, the customer shall bear all related costs such as transportation, travel and accommodation expenses as well as taxes, levies and fees incurred outside of Switzerland.

14.4 The warranted qualities of the Supply are only those qualities which have been expressly specified as such in the Order Acknowledgement. Such warranties are valid until the expiry of the warranty period. Evidence of the warranted qualities shall be provided by any possible acceptance test. If the warranted qualities are not achieved or only partially achieved, the customer may initially only require DLC to carry out the necessary remedial works. The customer shall give DLC the necessary time and opportunity to do so. If such remedial works fail completely or in part, the customer may claim such compensation as was agreed upon for such event, or, if such an agreement was not made, a reasonable reduction in price. If, however, the defects are so major that they cannot be remedied within a reasonable time and provided the Supply cannot be used for its specified purpose, or if such use is considerably impaired, the customer may refuse acceptance of the defective part of the Supply or, if partial acceptance is economically not justifiable, terminate the contract. In such event, DLC is only liable for reimbursement of the sums paid to it for the parts of the Supply affected by the termination.

14.5 DLC is not liable if the Supply does not comply with the provisions of the contract and that non-compliance is caused by the customer itself. If the Supply does not comply with the contract, that non-compliance is deemed to be caused by the customer itself, in particular, if it was the result of defective maintenance, failure to observe the operating instructions, excessive use, use of any unsuitable operating means, chemical or electrolytic influence or work not undertaken by DLC. DLC is furthermore not liable if the Supply does not conform with the provisions of the contract as a result of, in particular, normal wear and tear, improper use by third parties, use of spare parts or material belonging to the customer or third parties, maintenance by third parties, natural disasters or accidents.

14.6 The reliability data about products delivered by DLC are informal and non-binding as long as no other written agreements are existing. All information about a delivered product (especially datasheets and product data) are detected and measured by statistical methods and exist for a general orientation for customer. Those measurements and data are not related to specific delivered product or to a delivered batch.

14.7 DLC's liability for defects in respect of supplies and services provided by subcontractors nominated by the customer shall be no greater than such subcontractors' liability for defects.

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14.8 Any warranty claims of the customer are expressly and exhaustively regulated by this Clause 14. Other claims and further claims are excluded. This limitation of liability does not apply in the event of gross negligence or willful misconduct by DLC.

14.9 DLC shall only be liable to the customer for faulty advice and the like or for breach of any additional obligations in the event of gross negligence or willful misconduct.

15. Contract Performance

15.1 In all cases where contractual performance is not duly affected and where not expressly covered by these General Conditions, the customer shall grant DLC a reasonable additional period to remedy its performance. If such additional period lapses and is unused due to fault on the part of DLC, the customer may terminate the contract with respect to the part of the Supply not in conformity with the contract or which is anticipated not to be in conformity with the contract. In such an event, DLC is only liable for reimbursement of sums paid to it for the parts of the Supply affected by the termination.

15.2 In the event of a contract termination by the customer in accordance with Clause 15.1 above, the provisions of Clause 19 shall apply with regard to any liability of DLC.

16. Termination of the Contract by DLC

The contract shall be amended as appropriate if unforeseen events substantially change the economic effect or the content of the Supply or substantially affect the fulfillment of the contract by DLC, or if provision of the Supply subsequently becomes entirely or partially impossible. Insofar as such amendment is not economically justifiable, DLC may terminate the contract or the individual provisions affected thereby. If DLC intends to terminate the contract, it shall, after having recognized the consequences thereof, immediately inform the customer even if an extension of the delivery time has previously been agreed. In the event of a termination of the contract, DLC shall be entitled to payment for those parts of the Supply which have already been made. Claims for damages by the customer are excluded.

17. Export Control

The customer acknowledges that the Supply may be subject to Swiss and/or foreign statutory provisions and regulations regarding export control and, without export or re-export permits from the competent authorities, may not be sold, leased or otherwise transferred or used for a purpose other than that agreed upon. The customer agrees to comply with such provisions and regulations. The customer acknowledges that such provisions and regulations may change and are applicable to the contract according to the wording valid at the time. The Supply may neither directly nor indirectly be used in any way in connection with the design, production, use or storage of chemical, biological or nuclear weapons or carrier systems.

18. Data Protection

DLC may, whilst performing the contract, process personal data of the customer. The customer agrees in particular that DLC may disclose such data to third parties in Switzerland and abroad for the development and cultivation of business relationships.

19. Limitation of Liability

19.1 All claims by the customer for damages not affecting the Supply itself, such as damages for production interruption, loss of usage, loss of orders, loss of profits, claims by third parties or claims for indirect or consequential damage, irrespective of the legal basis for such claims, are excluded. The total liability of DLC arising from or in connection with the contract or breach thereof is limited to the sums paid by the customer for the Supply provided.

19.2 Claims by the customer arising out of or in connection with the contract or the breach thereof are expressly and exhaustively regulated by these conditions. Other and further claims are excluded.

19.3 This limitation of liability shall not apply in the event of gross negligence or willful misconduct by DLC.

20. Right of Recourse by DLC

In the event of injury to persons or damage to property of third parties as a result of actions or omissions by the customer or its personnel for which DLC is held liable, DLC shall have a right of recourse against the customer.

21. Installation of Plant and Machinery

If DLC carries out the installation or the supervision of the installation of the Supply, the General Conditions of Installation of Plant and Machinery of DLC are applicable to such installation.

22. Miscellaneous Provisions

22.1 Amendments to the contract must be in writing to become effective.

22.2 If a provision of these General Conditions should prove to be wholly or partially ineffective, the parties shall replace such provision with a new provision that comes as close as possible to the legal and economic effect of the original provision.

23. Jurisdiction and Applicable Law

23.1 Place of jurisdiction shall be Baden/Switzerland. DLC may, however, also bring an action before the courts at the customer's domicile.

23.2 Place of fulfillment for deliveries and payments shall be for both parties Gebenstorf (Switzerland).

23.3 This contract shall be governed by Swiss substantive law. The "United Nations Convention on the International Sale of Goods" of April 11, 1980, shall not apply.