

GENERAL TERMS OF DELIVERY OF SCHILLER AG, BAAR / SWITZERLAND

1. General

- 1.1 These Terms of Delivery of Schiller are binding when they are declared applicable in the offer or in the order confirmation of Schiller, and to the extent Schiller and the customer do not expressly and in writing make deviating arrangements. Differing terms of the customer are only binding to the extent they are expressly accepted by Schiller. Insofar as these Terms of Delivery contain no provisions, the relevant rules of the Swiss Code of Obligations (OR) shall apply.
- 1.2 Offers of Schiller that do not contain a deadline for acceptance are not binding.
- 1.3 The contract is concluded when the customer receives the written confirmation of Schiller that Schiller accepts the order (order confirmation).

2. Rules in the country of destination, protection devices and rules

- 2.1 The customer shall, at the latest with the order and by all means on request of Schiller, call Schiller's attention to the rules and regulations applicable in his country with respect to the services and deliveries of Schiller, especially for the protection against disease or accidents or business disruptions.
- 2.2 The deliveries and services of Schiller correspond to the rules and regulations at the domicile of the customer, insofar as they are known to Schiller at the acceptance of the order. Additional or other protection devices are delivered as well, insofar as this is expressly agreed.
- 2.3 The use of hazardous substances and the management of electrical and electronic equipment are performed according to the fundamental requirements of the WEEE and RoHS Directives (2002/96/EC and 2002/95/EC).

3. Prices

- 3.1 All Prices are quoted strictly net, ex works (EXW, Incoterms 2000), in Swiss Franks, without any deductions. All extra costs, e.g. for packaging, freight, insurance, export, transit, import and other permissions, as well as certifications, are payable by the customer, subject to different agreements in the purchase agreement.

4. Terms of payment

- 4.1 The customer must effect payments at the domicile of Schiller within 30 days after issuance of an invoice or according to the agreed terms of payment, without any deduction of discount, expenses, taxes, duties, fees, tolls and suchlike. Is payment by note agreed, the customer bears bank discount, note tax and expenses of collection.
- 4.2 The agreed payment terms must be met even if transport, delivery, installation, putting into operation or acceptance of the deliveries or services are delayed or made impossible for reasons for which Schiller is not responsible, or if insignificant parts are missing, or if reworking measures are necessary, that do not make the use of the deliveries impossible or unacceptable.
- 4.3 Does the customer not meet the payment terms (Art. 4.1 above or as agreed in writing for a specific delivery), he shall without reminder pay interest on arrears as of the agreed payment date; the interest of arrears shall correspond to the usual interest at the domicile of Schiller, but at least 5 %. Compensation for further damages or losses is reserved.
- 4.4 Does the customer not make the down payment or furnish other securities at the agreed terms and time when the contract is concluded, Schiller has the right either to request performance according to the contract, or to withdraw from the contract at his discretion; in either case, Schiller may claim compensation for damages and/or losses.

4.5 Is the customer, after payment of the down payment or other securities, for any reason totally or partially in arrears with any further due payment, or has Schiller reason to believe that it will not obtain the payments from the customer in full or in due time, Schiller may – without limiting its legal rights – suspend the fulfilment of the contract and retain any due deliveries, until new terms of payment and delivery are agreed upon and/or Schiller has obtained from customer securities acceptable for Schiller in his discretion. Can such an agreement not be reached within a reasonable time limit, or does Schiller not obtain said securities, Schiller shall have the right to withdraw from the contract and/or claim compensation for damages or losses.

5. Retention of title

5.1 Ownership of all of Schiller's deliveries are retained by Schiller until they are fully paid. The customer authorises Schiller to effect, at own cost, the registration or reservation of the retention of ownership and title in the official register and to fulfil all formalities of the laws of the country concerned.

5.2 The customer shall at own cost maintain the delivered goods during the term of the retention of ownership and title, and shall insure them for the benefit of Schiller against theft, breaking, fire, water and other risks. He shall also take all measures to safeguard the right and title of Schiller.

6. Term of delivery

6.1 The delivery term shall only be binding when it is specifically confirmed in writing in the order confirmation. It begins as soon as the contract is concluded, all official formalities such as import, export, transit and payment permissions are obtained, the payments which are due at the time of order and eventual securities are paid and delivered to Schiller, and the essential technical issues have been settled. The term of delivery is met when the announcement of readiness for delivery has been sent to the customer before its expiry.

6.2 The adherence to the term of delivery is subject to the fulfilment of the contractual duties of the customer.

- 6.3 The term of delivery is reasonably extended
- a) when Schiller does not obtain the information or specifications needed to fulfil the contract in due time, or when the customer changes the information or specifications afterwards and thus or otherwise causes a delay of the deliveries or services;
 - b) when obstacles occur that Schiller, despite exercising reasonable care, cannot avert, irrespective if they occur at Schiller, at the customer or at third parties. Such obstacles are, for example, epidemics, mobilisation, war, riots, considerable business disruptions, accidents, labour disputes, late or faulty supply of the necessary raw materials, semi-finished or finished products, rejection (waste) of important workpieces, official measures or omissions, acts of God;
 - c) when the customer or third parties are behind with the work to be done by them or with the fulfilment of contractual obligations, especially, when the customer is in arrears with payment obligations of an order or for other reasons.

7. Packaging

- 7.1 Special packaging is invoiced by Schiller separately and is not withdrawn. Has the packaging however been declared as property of Schiller, the customer shall send it back to the place of departure free of charge.

8. Passing of benefit and risk

- 8.1 Benefit and risk shall pass to the customer at the latest with the departure of the deliveries ex work (EXW Incoterms 2000).
- 8.2 If the shipment is delayed on request of the customer or for other reasons for which Schiller is not responsible, the risk passes to the customer at that point of time when delivery ex works was originally planned. From that point of time on, goods that are ready for delivery can be out-stored at the expense and risk of the customer.

9. Shipment, transport and insurance

9.1 Special wishes regarding shipment, transport and insurance must be notified in time to Schiller. The transport takes place for account and risk of the customer. Complaints in connection with the shipment or transport must be addressed by the customer to the last carrier at the receipt of the delivery or of the freight documents. The customer is responsible for the insurance against damages or losses of any kind.

10. Warranty, examination and acceptance of the deliveries and services

10.1 Schiller warrants that the deliveries and services during 12 months after delivery shall possess the characteristics expressly warranted in the contract, and shall not have any defects which eliminate or substantially reduce their value or fitness for the contractually defined use. General or oral assurances are not binding.

10.2 Schiller shall examine the deliveries and services before shipment according to its usual practice. In case the customer shall request further examinations, these are to be agreed upon separately and to be paid by the customer. From that point of time on, goods that are ready for delivery can be out-stored at the expense and risk of the customer.

10.3 The customer shall examine the deliveries and services within 10 (ten) working-days after receipt and shall within the same period of time notify Schiller in writing of eventual defects. Does he omit to do so, the deliveries and services are deemed to be accepted.

10.4 Regarding defects that have been timely notified to and accepted by Schiller, Schiller shall have the option either to repair them as quickly as possible, or to supply deliveries and services that are free of defects in replacement. Any further warranty or liability of Schiller, especially for consequential damages or lost profits, is excluded, to the extent they can be excluded by the applicable law. Defects caused by improper handling or storage of the goods after the delivery are for the account of the customer.

11. Right of recourse of Schiller

- 11.1 In case of personal injuries or damage to property of third parties or employees of Schiller, which are caused (partly or in whole) by acts (or omissions to act) of customer, its employees, agents or designees, customer accepts full responsibility and Schiller shall have the right to take recourse to customer; customer agrees to hold Schiller harmless and defend Schiller at customer's cost against any claims connected therewith.

12. Place of performance; jurisdiction and applicable law

- 12.1 Place of performance and place of court is at the **domicile of Schiller AG in Baar, Switzerland.**

Schiller shall, however, have the right to bring action before the courts of customer's domicile or place of assets.

- 12.2 Swiss law shall apply; the UN-Convention on contracts for the international sale of goods shall not be applicable.