

## GENERAL SALES AND DELIVERY CONDITIONS

### Range of Application

The following conditions apply to all sales and deliveries to customers by Micro Crystal AG (MC) Muehlestr. 14, CH-2540 Grenchen, Switzerland, unless MC includes different conditions in writing. The customer hereby expressly waives application of any "General Contractual Conditions" of its own.

### Quotations

Quotations which do not state a period of validity or a period for acceptance are not binding. Quotations must be treated as confidential and may be made accessible only to persons actually concerned therewith.

### Conclusion of Contracts

The contract is deemed to be concluded when MC issues its written confirmation of the order. The order must contain clear specifications concerning all execution details.

### Performance

The nature and extent of MC's performances are conclusively defined in the confirmation of order. Performances which are not included must be agreed and invoiced as additional performances. MC and the customer agree that, in the case of customized products, individual details of the design and cost are to be clarified as the work progresses. The execution of the ordered products may be modified during production. Such modifications are deemed to conform to the contract unless they deviate from the agreed and signed specification of the products.

### Prices

Unless otherwise agreed, all prices are net EXW Grenchen (Incoterms 2000) and exclusive of any taxes. They do not include the Value Added Tax (VAT). All accessory costs shall be charged to the customer. In the case of customized products, MC reserves the right to adjust the prices given in the confirmation of order to allow for any increases in production costs between the conclusion of the contract and delivery in accordance with the contract.

### Payment Conditions

Payments must be remitted to MC's registered office in Swiss Francs or the foreign currency agreed by the parties, without any deductions. If no special payment conditions are agreed between MC and the customer, MC issues an invoice on the delivery date. The term for payment is thirty (30) days from the date of the invoice, if not otherwise agreed upon.

Arrears penalties are automatically applied upon expiry of the payment term stipulated in above paragraph and the customer shall pay arrears interest of 8% p.a. from that date. The right is expressly reserved to claim compensation for any further damages.

The payment term must also be complied with if the transportation, dispatch, acceptance, assembly or commissioning of the supplied products is delayed for reasons not attributable to MC.

Possible defects or any other reasons which are not confirmed by MC in writing do not authorise customer to reduce the invoiced amount or to refuse payment. Customer waives his right of setoff.

### Partial Consignments

The customer undertakes to accept partial consignments if he can economically be expected to do so. The customer is always expected to accept partial consignments of series-produced components (quartz resonators / oscillators). The payment conditions set down in above paragraphs apply to partial consignments.

### MC's Right of Withdrawal

If it does not become apparent until production is in hand that the customized products ordered by the customer are technically unfeasible or can be produced only under more difficult conditions. MC may withdraw from the contract without incurring claims for damages.

MC also has the right of withdrawal described in above paragraph when performance in accordance with the contract is not possible because of force majeure.

### Delivery Terms

A delivery term will be confirmed or stated by MC in the written confirmation of order. Such delivery term shall be extended correspondingly if:

- a) MC does not receive in good time any information it requires for fulfilment of the contract or if the customer subsequently amends that information, thus causing prolongation of the production process;
- b) Impediments occur which MC cannot avoid despite all due care. Such impediments are, in particular, serious disruptions of operations, accidents, labour disputes, delayed or inadequate supplies of essential raw materials, semi-finished and finished products, official restrictions, natural disasters and other cases of force majeure;
- c) the customer or third parties delay in carrying out work which is to be performed by them or in filling their contractual obligations, especially if the customer does not comply with the payment conditions.

MC will endeavour to comply with the agreed or confirmed delivery terms, considering them as guidelines, but failure to comply therewith does not entitle the customer to claim damages and/or withdraw from the contract.

### Transport and Insurance

The customer must arrange for the transport of the Products at his own costs and inform MC of any special instruction concerning transport in good time before dispatch.

Unless otherwise agreed, the customer is responsible for insuring the Products to be supplied against transport risk.

### Transfer of Benefit and Risk

The benefit of and risk attached to the Products to be supplied are transferred from MC to the customer from the time they have been placed at its disposal in accordance with the delivery terms.

If the agreed delivery date is postponed at the purchaser's request, the risk is nonetheless transferred to the customer at the originally agreed date. From that time onwards the Products are stored and insured at the customer's expense and risk.

### Examination and Acceptance of the Products

The customer shall examine the supplied Products and notify MC of any defects within thirty (30) days from their receipt. Should he fail to do so, the products are deemed to be approved with regard to defects which could have been discovered by proper examination.

The customer shall inform MC of any hidden defects immediately after their discovery.

### Retention of Title

MC remains the owner of the supplied Products until the customer has paid for them in full. MC is empowered at the customer's expense to enter the retention of title in the official register and to fulfil all formalities relating thereto. During the retention of title the customer shall maintain the supplied Products at his expense and insure them in MC's favour against theft, breakage, fire, water and other risks. All further steps shall be taken to ensure that MC's title is not endangered.

### Warranty and Liability

Products sold hereunder shall be free from defects and shall conform to MC's published specifications or other specifications accepted in writing by MC for a period of twelve (12) months from the date of transfer of the benefit and risk. The foregoing warranty does not apply to any Products which have been subject to misuse, neglect, accident or modification or which have been altered. MC shall make the final determination as to whether its products are defective. MC's sole obligation for products failing to comply with this warranty shall be, at its option, to either repair or replace nonconforming product where, within fourteen (14) days of the expiration of the warranty period, (i) MC has received written notice of any nonconformity; (ii) after MC's written authorization, customer has returned the nonconforming product to MC; and (iii) MC has determined that the product is nonconforming and that such nonconformity is not the result of improper storage, installation, repair or other misuse. In the event MC repairs or replaces a nonconforming Product, the repaired or replacement Products will be warranted for the remainder of the original warranty period on the nonconforming Products. If MC is unable to repair or replace a nonconforming Product,

the customer's exclusive remedy shall be a refund of the original purchase price. The forgoing warranty and remedies are exclusive and made expressly in lieu of all other warranties. Customer shall pass this warranty to any third-party purchaser of MC products.

MC shall in no event be liable for any direct, indirect or consequential damages (including without limitation lost profits or revenues), however caused, arising in connection with the delivery of Products hereunder.

### Documents

Brochures, catalogues and other documents (diagrams, drawings, sketches, plans, etc.) remain MC's property and may be employed only for the purposes for which they have been supplied. The customer is responsible for ensuring that third parties do not obtain access to the contents of documents described as confidential.

The documents referred to in above paragraph are not binding and may be amended at any time.

### Re-export Prohibition

Products subject to a re-export prohibition are indicated as such in the delivery note or invoice. In such cases, the customer undertakes to comply with said re-export prohibition and to impose that same obligation upon all third-party purchasers.

### Prohibition of Use

Any use of Products for the manufacture of arms is prohibited. Customer shall impose that same obligation upon all third-party purchasers.

Without the express written approval of MC, Products are not authorized for use as components in safety and life supporting systems. The unauthorized use of Products in such systems/applications/equipment is solely at the risk of the customer and such customer agrees to defend and hold MC harmless from and against any and all claims, suits, damages, cost, and expenses resulting from any unauthorized use of Products.

### Disposal of the Packing and Recycling

The customer is responsible for proper disposal of the packaging and the recycling of used Products pursuant to any applicable local regulations.

### Saving Clause

Should any individual provision of these "General Sales and Delivery Conditions" be invalid, the validity of the other provisions shall remain unimpaired. To replace the invalid provision, a valid provision shall be adopted whose content approximates as closely as possible in economic terms to the invalid provision.

### Applicable Law and Jurisdiction

The present "General Sales and Delivery Conditions" and all contracts between MC and the Customer shall be **exclusively governed by** and construed in accordance with **Swiss law**, without giving effect to Switzerland's rules on conflict of law. Furthermore, the application of the United Nations Convention on Contracts for the International Sale of Goods (11 April 1980) shall be explicitly excluded.

**Grenchen, Switzerland**, shall be the **exclusive forum** for the settlement of all and any disputes out of or in connection with this Agreement and all contracts between MC and the customer which cannot be amicably settled. MC reserves the right, however, to take legal action against the Customer before the authority of his legal domicile (principal place of business) or before any other competent authority, in which event exclusively Swiss law shall remain applicable.

### Bank Relations

UBS Ltd., P.O. Box, CH-8098 Zuerich  
SWIFT : UBSWCHZH80A  
Account no (CHF) : 0230-514448.00W  
IBAN (CHF) : CH340023023051444800W  
Account no (USD) : 0230-514448.02Y  
IBAN (USD) : CH120023023051444802Y  
Account no (EUR) : 0230-514448.01Q  
IBAN (EUR) : CH180023023051444801Q

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