

## Sales Conditions

### 1. General

- 1.1. The Sales Conditions of Schweizer Electronic Singapore Pte. Ltd. ("SES") shall be exclusively applicable. Any customer conditions to the contrary or any conditions which deviate from SES's Sales Conditions will not be accepted, unless SES explicitly agreed in writing to the applicability thereof. SES's Sales Conditions shall also be applicable if SES delivers to the customer without any reservations, although SES is aware of the customer's conditions to the contrary or any conditions which deviate from SES's Sales Conditions.
- 1.2. SES's Sales Conditions shall also be applicable to all future business transactions with the customer.

### 2. Prices and Payment

- 2.1. Unless specified otherwise in the order confirmation, SES's prices are quoted ex works, plus the respectively applicable statutory value added tax. Costs of packaging, transport, insurance and all other additional expenses will be invoiced separately.
- 2.2. Payment shall be deemed to have been made if SES can dispose of the amount received. If checks or bills of exchange are received, payment shall be deemed to have been effected when they have been honored.
- 2.3. The customer shall not offset any claims against SES's claims or apply a right of retention unless his counterclaim is uncontested or has been finally adjudicated.
- 2.4. In case of delayed payments, SES is entitled to charge default interest at a rate of 8 % above the base interest rate.
- 2.5. If services or goods are to be executed or delivered within a period of more than three months after the order has been confirmed, SES shall be entitled to adjust the price in accordance with any increase in costs that occurred during that period.

### 3. Offers, Orders and Deliveries

- 3.1. SES's offers are always subject to change without notice. SES will confirm any orders immediately after having reviewed all commercial items in writing. As a basic principle, SES will issue a preliminary order confirmation because at that time
- 3.1.1. the contract review has not yet been performed in accordance with TS 16949 on the basis of the documentation available, and / or
- 3.1.2. the documents necessary to execute the order are not yet available in their entirety in all cases.
- 3.2. The order confirmation is issued subject to technical feasibility of the order. If cost- or time-relevant factors are determined before the contract review has been completed, these will be coordinated with the customer and corrected in an amended order confirmation. SES's prices are valid as per order confirmation, subject to changes resulting from price increases for materials.
- 3.3. The delivery of lower or higher quantities is customary in the industry and does not entitle the customer to complain or refuse acceptance. The customer shall be obligated to pay for excess quantities, or to accept the delivery of a lower amount. Such deliveries of higher or lower quantities shall normally be in the range of max. 10 % of the quantity ordered, unless agreed otherwise.
- 3.4. Special agreements have to be made concerning blanket orders with calling options. Quantities made available on call will not be manufactured unless the customer has explicitly stated the delivery date. The material for manufacture shall be purchased upon prior coordination for the entire quantity, and shall be invoiced to the customer if the contract is cancelled and if it cannot be used for other purposes.
- 3.5. For prototypes and products of the pre-production batch, the customer acknowledges the following: A prototype describes a product which in its shape, design, operation and manufacture already resembles the final product. It usually is not meant to be delivered to the end customer / user and is solely used during the development process. The guarantee for prototypes is limited to the electrical function according to Gerber data as delivered. Any consequential liability for deficiencies is excluded. A product of the pre-production batch (also initial batch or pilot series) describes a product which is manufactured during the introductory phase of a series production for testing purposes. In essence, the manufacturing process of the pre-production batch corresponds to the process which is applied later on for products designated for sale. Minor process adjustments for later series productions are possible. Guarantee and liability regarding the products of the pre-production batch is limited to their electrical function in the as-delivered condition according to their Gerber data, and their mechanical function according to their dimensioned drawing.
- 3.6. SES has the right to provide partial deliveries or partial performance at any time.

### 4. Rights of Third Parties

- 4.1. The customer shall be exclusively responsible to determine whether any technical documentation provided to SES by the customer or on his behalf infringes existing copyrights, trademarks or other rights of third parties. SES will not review such rights.
- 4.2. The customer shall be solely liable for the infringement of third party rights by the execution of an order. He shall furthermore keep SES indemnified against all third party liability for such a violation of rights upon first call.

### 5. Proofs and Samples for Release

- 5.1. The review and release of films, drawings, data and samples shall release SES from any liability for obvious faults not complained about.
- 5.2. No liability shall be assumed in respect of faults in the order, documents or data submitted which are caused by unclear or incomplete information. The customer shall bear all additional costs associated therewith.
- 5.3. Orders, including subsequent orders for samples, will always be scheduled for manufacturing to comply with the delivery date. The customer shall inform SES in writing if SES should wait for the manufacturer's release of production.

### 6. Facilities

- 6.1. All tools, equipment, review tools, test adapters and similar equipment manufactured or obtained in order to manufacture printed circuit boards (contractual items) according to the customer's documents, shall be charged at their proportionate cost. They will remain SES's property.
- 6.2. SES hereby undertakes that the contractual items will in any case
- 6.2.1. be manufactured suitable for production and used in an appropriate manner,
- 6.2.2. be properly stored and insured against the risk of fire, and
- 6.2.3. be maintained and taken care of until they are used.
- 6.3. In the event of a breach of one of these duties, SES shall bear the cost of repair or a substitute procurement of the contractual items. All other claims shall be rejected.
- 6.4. The natural wear of mechanical tools shall be placed to the debit of the customer. He shall bear the cost of producing a substitute tool. The minimum tool life is to be defined in advance if large quantities are involved.
- 6.5. The customer shall be appropriately notified before mechanical tools are being disposed of. If the customer fails to recover the tools within two weeks of shipping, despite repeated written and telephone requests to do so, SES shall be entitled to dispose of them.

### 7. Delivery Times

- 7.1. The delivery times and periods, which can be agreed upon as binding or nonbinding, will only be valid upon SES's written confirmation. The beginning of the delivery time confirmed by SES is conditional upon the clarification of all technical matters, the timely receipt of all documents, approval and releases to be provided by the customer, as well as compliance with the agreed terms of payment and other obligations of the customer. If these conditions are not met in time, the time limits shall be extended accordingly unless SES is responsible for the delay.
- 7.2. Any later requests for amendments or changes by the customer shall lead to a reasonable prolongation of agreed terms and deadlines, as well as an invoicing of the additional expenditures.
- 7.3. In the event of force majeure and other unforeseeable, extraordinary and unindebted circumstances, e.g. interruption of operations, strikes, lock-outs, interventions by the authorities, disturbance in energy supply, material shortage etc., even if occurring at the presupplier, the delivery time shall be extended by the duration of such circumstances, if SES is thereby prevented from meeting SES's obligation in time. If the delivery or performance becomes impossible or unacceptable due to the above mentioned circumstances, SES shall be exempted from its obligation to deliver. If the delivery time is extended, or if SES is exempted from its obligation to deliver, the customer shall not be entitled to any damage claims resulting therefrom.
- 7.4. In the event that an agreed delivery time has been culpably delayed, default in delivery shall not be present unless an adequate additional period of time has been granted.
- 7.5. Default shall only be deemed to have occurred if the customer has met all his contractual obligations.
- 7.6. If the customer incurs damages due to a delay resulting from SES's fault, he shall be entitled to claim damages for default to the exclusion of any other claims. The damages for default shall amount to 0.5 % for each full week of delay, but no more than 5 % of the value of that part of the total delivery that cannot be used in time because of the delay.
- 7.7. The customer's claim for damages for delayed delivery as well as claims for damages in lieu of performance, which are in excess of the limits specified in article 7.5, shall be excluded in all cases of delayed delivery, even after expiry of an additional time for delivery granted to SES. This does not apply where liability is mandatory in cases of intent, gross negligence or injury to life, body or health. The customer may only rescind the contract within the scope of statutory regulations to the extent that SES is held responsible for the delayed delivery. No change of burden of proof to the disadvantage of the customer is connected with the preceding provisions.
- 7.8. The customer is obliged to state upon SES's request within an adequate period of time whether he wants to cancel the contract because of the delay, or whether he insists on the delivery.
- 7.9. If at the customer's request the shipment or delivery is delayed by more than one month after the consignment is ready for shipment, the customer may be charged storage fees in the amount of 0.5 % of the price of the items to be delivered, but not more than 5 % in total, for each month or part thereof. The parties reserve the right to evidence higher or lower storage cost.

### 8. Reservation of Title

- 8.1. SES reserves title to the items purchased until receipt of all payments from the business relationship with the customer. In the event of the customer's behavior contrary to the contract, in particular, if payment is delayed,

SES shall be entitled to take back the purchased items. Taking back the items is not to be interpreted as cancellation of the contract, unless SES has expressly cancelled the contract in writing. The attachment of the purchased items by SES is always to be interpreted as a cancellation of the contract. After having taken back the purchased items, SES is entitled to realize them. The proceeds from the realization of such items are to be offset against the customer's liability, less adequate costs of realization.

- 8.2. The customer shall treat the purchased items carefully; in particular, he shall adequately insure them for their reinstatement value at his own expense against the risk of fire, water and theft.
- 8.3. In the event of a third party accessing the reserved goods, the customer shall point out SES's property rights relating thereto, and notify SES in writing without delay. To the extent that the third party is not able to reimburse SES for any cost paid in and out of court in connection with the protection of SES's rights, the customer shall be liable in respect thereof.
- 8.4. The customer shall be entitled to resell the purchased items in the ordinary course of business, however, he shall assign all claims in the amount of the final amount invoiced (including value added tax) to SES to which he may be entitled from his customers or third parties for the resale or any other right (insurance, tort), regardless of whether the purchased items have been resold without or after having been processed further. The customer shall be entitled to collect these claims even after having made this assignment. SES's right to collect the claim itself remains unaffected thereby. However, SES undertakes not to collect the claim for as long as the customer meets his obligation to pay SES from the proceeds received by him, is not in default of payment, and in particular, for as long as no request to initiate bankruptcy or insolvency proceedings has been made, or the customer has suspended all payments. If the obligation not to collect is cancelled, SES may require the customer to disclose the claims assigned and the debtors thereof to SES, to provide all information required for collection, to release the necessary documents, and to inform the debtors of the assignment.
- 8.5. The purchased items will in any case be processed or converted by the customer on behalf of SES. If the purchased items are processed together with other items, which do not belong to SES, SES shall acquire co-ownership of the new items in proportion to the value of the purchased items with respect to other items processed at the time they were processed. Furthermore, the item resulting from the process shall be subject to the same reservations as the purchased items. The customer shall keep the items of which SES is co-owner on behalf of SES free of charge.
- 8.6. SES undertakes to release the securities to which SES is entitled at the customer's request to the extent that the value of SES's security exceeds the claims to be secured by more than 20 %; however, SES reserves the right to select the claims to be released.
- 8.7. In the event of breach of duty by the customer, in particular, in the event of default of payment, SES shall be entitled to cancel the contract and take back its property after an additional adequate period of time granted to the customer has expired unsuccessfully; the statutory provisions concerning the dispensability of granting an additional period of time shall not be affected. The customer shall be obliged to release the requested items.
9. **Warranty**
- 9.1. The customer has to examine the goods delivered right after delivery. Obvious defects have to be notified to SES in writing within 14 days from delivery and hidden defects within 14 days from the date on which the defect was discovered. In the event that the obligation to inspect and give notice is violated, the goods shall be deemed to be approved with regard to the relevant defect.
- 9.2. Any warranty claim shall be limited to the specifications of SES's printed circuit board standard. The optical and electrical final testing shall be carried out on the basis of the latest state of the art and shall be subject to the specification of all functional features by the customer. To the extent that the purchased items are defective in a way for which SES is responsible at the time of passing of risk, SES shall, at its sole discretion, either repair or replace the items. In the event of a repair, SES shall bear all expenses in connection therewith, in particular, all transport, travel, labor and material cost, provided that these have not been increased by the fact that the purchased items were taken to a place other than the place of performance. No liability shall be assumed for defects or faults of parts or documents supplied by the customer. To the extent that damages are produced by parts supplied by the customer, such damages shall be borne by the customer.
- 9.3. In the event that SES is not prepared or not able to provide subsequent performance, or if this performance is delayed beyond an adequate additional period of time granted by the customer for reasons for which SES is responsible, or if subsequent performance fails for any other reason, the customer shall be, at his sole discretion, entitled to either cancel the contract or demand an appropriate reduction of the purchase price.
- 9.4. In the event of complaints about defects, the payments may be retained by the customer in an amount that is adequate in proportion to the defects occurred. The customer may only withhold payments if a complaint about a defect has been submitted which is beyond doubt as to its justification. If the complaint about defects was not justified, SES shall be entitled to demand reimbursement by the customer for the expenses incurred by him.
- 9.5. No claims for damages shall be justified in the event of insignificant deviations from the agreed condition, of insignificant impairment of the usefulness, of natural wear and tear or damages produced after the passing of risk resulting from faulty or negligent treatment or processing, excessive stress (e.g. soldering temperature on PCB above 260 °C), unsuitable electrical components, inappropriate storage (storage conditions as defined in PERFAG standard articles 3c and 2e concerning PCBs) or special external influences not provided for in the contract, as well as non-reproducible software errors. If the customer or third parties perform inadequate changes or repair works, the consequences arising therefrom shall not be subject to claims for defects.
- 9.6. The customer's claims for any expenses incurred for subsequent performance, in particular, transport, traveling, labor and material costs, are excluded if the expenses are increased because the items purchased were subsequently taken to a place other than the customer's branch office, unless they were taken there for their intended purpose.
- 9.7. Unless provided otherwise below, any other claims of the customer - for any legal reason whatsoever -, especially for the infringement of obligations resulting from the obligation and from tort, shall be excluded.
- 9.8. This does not apply where liability is mandatory, e.g. according to the product liability law, in cases of intent, gross negligence, injury of life, body or health, the non-performance of fundamental contractual obligations. The claim for damages resulting from the non-performance of fundamental contractual obligations shall nevertheless be limited to typical, foreseeable damages, unless it involves intent or gross negligence, injury to life, body or health. The burden of proof is not reversed to the customer's disadvantage by the above provisions.
- 9.9. As far as SES is negligently in breach of fundamental contractual obligations, SES's liability for damages to property and personal injury shall be limited to the coverage provided by SES's product liability insurance. The customer may review SES's insurance policy on demand.
- 9.10. The claims for real defects shall only vest in the direct customer and cannot be assigned. Claims for real defects shall be time-limited after 12 months from passing of risk. The same time limit also applies to claims for reimbursement for consequential damages, unless claims for tort are asserted. The statutory provisions concerning suspension of expiration of prescription, suspension and restart of time limits shall not be affected.
10. **Total Liability**
- 10.1. Regardless of individual liability provisions contained in SES's Sales Conditions (e.g. articles 7.2 - 7.6, 9.4 - 9.10) SES's liability shall in any case be limited to cases of intent and gross negligence on the part of its agents, and in the event of a culpable violation of fundamental contractual obligations, SES shall be liable on the merits, such liability to be limited to the reimbursement for the typical and foreseeable damage.
- 10.2. The provision contained in article 10.1 shall not be applicable to claims under articles 1 and 4 of the product liability act.
- 10.3. To the extent that SES is not liable, or liability is limited, the same applies to the personal liability of its employees, representatives, and agents.
- 10.4. To the extent that the customer is entitled to damages, such entitlement shall be time-limited upon the expiry of the time period applicable to claims for defects specified in article 9.11. The statutory time limits shall be applicable to claims for damages under the product liability law.
11. **No Manufacture of Weapons or War or Destruction**
- 11.1. The customer shall not use the goods delivered by SES for the purpose of development, design, manufacture or use of any weapons of war and destruction, including but not limited to nuclear weapons, biological weapons, chemical weapons and missiles ("weapons").
- 11.2. The customer shall not sell, lease or otherwise dispose of the goods delivered by SES, directly or indirectly, to any customer using the goods in the development, design, manufacture or operations of weapons.
12. **Place of Performance and Venue**
- 12.1. SES's principal place of business shall be the place of performance.
- 12.2. SES's principal place of business shall be the exclusive venue for all disputes arising from the present contract.
13. **Governing Law**
- 13.1. This contract shall be subject to the laws of Singapore. The terms of the UN Sales Convention or other conventions relating to the laws of sales of goods shall explicitly not apply.