

1 General

- 1.1 The contract is concluded upon receipt of the Supplier's written confirmation that it accepts the order (order confirmation). Offers that do not include a deadline for acceptance are non-binding.
- 1.2 These Terms and Conditions of Delivery are binding if they are declared applicable in the offer or in the order confirmation. Any other terms and conditions of the Purchaser shall be valid only if they have been expressly accepted by the Supplier in writing.
- 1.3 All agreements and legally relevant declarations by the contracting parties are effective only if made in writing. Declarations in text form which are transmitted or recorded electronically shall be deemed equivalent to the written form if specifically agreed by the contracting parties.
- 1.4 Should any provision of these Terms and Conditions of Delivery be found to be invalid, in whole or in part, the contracting parties shall replace such provision by a new agreement which best satisfies the legal and economic outcome pursued by the invalid provision.

2 Scope of deliveries and services

- 2.1 The deliveries and services to be provided by the Supplier shall be exhaustively listed in the order confirmation, including any appendices. The Supplier is authorised to make changes that lead to improvements, provided that these do not result in a price increase.
- 2.2 Underdeliveries or overdeliveries of up to 10% of the total contract quantity are due to technical production and supply chain reasons and cannot always be prevented. There shall be no change in the agreed price per unit for under- or over-delivered quantities. The customer confirms with his order not to interpret an over- or under-delivery as a breach of contract. If the customer insists on the delivery of the exact quantity as ordered, he must specify this in writing, at the latest at the time of placing the order. By doing so, the customer accepts that Reed Electronics AG is entitled to adjust the price to compensate for the risk that the ordered goods, for technical production- and supply chain reasons, are vulnerable to underdelivery. In such an event, Reed Electronics AG will have to secure and/or produce more parts or finished products to exclude the risk of underdelivery to the customer. The customer confirms with his order to pay the agreed contractual unit price, also for overdeliveries. In absence of any other written agreement, the customer agrees to pay for a maximum of 10% of the agreed contract volume for such overdeliveries.

3 Plans and technical documentation

- 3.1 Brochures and catalogues are not binding unless otherwise agreed. Specifications in technical documents are binding only insofar as they are expressly warranted to be such.
- 3.2 Each contracting party reserves all rights to plans and technical documents which it has delivered to the other. The receiving party recognises these rights and will not make the documents available to third parties, in whole or in part, or use them for any purpose other than that for which they were provided without the prior written authorisation of the other Party.

4 Prices

- 4.1 Unless otherwise agreed, all prices are expressed as follows: net, ex works, without packaging, without any deductions.
- 4.2 All ancillary costs, e.g. for freight and insurance, for export, transit, import and other permits, and for certificates shall be borne by the Purchaser. The Purchaser shall also bear any and all taxes, levies, fees, customs duties and the like as well as the associated administrative costs that are imposed in connection with the contract or its performance. Insofar as such costs, taxes, etc. are levied on the Supplier or its associates, these shall be reimbursed by the Purchaser on presentation of the relevant documents.

- 4.3 The Supplier reserves the right to apply a price adjustment if wage rates, the exchange rate or material prices change between the time of the offer and contractual performance. A reasonable price adjustment will also be applied if
 - the delivery period is subsequently extended for one of the reasons stated in Clause 7.2, or
 - the nature or scope of the agreed deliveries or services have changed, or
 - the materials or design are changed because the documents supplied by the Purchaser did not correspond to the actual circumstances or were incomplete, or
 - laws, regulations or principles of interpretation or application have changed.

5 Terms of payment

- 5.1 Payments shall be made by the Purchaser in accordance with the agreed terms of payment at the Supplier's domicile without deduction of discounts, expenses, taxes, levies, fees, customs duties and the like. For deliveries abroad, we may require the opening of a confirmed and irrevocable letter of credit, payable at a bank specified by us, or other equivalent securities. In the event of cessation of payments by or over-indebtedness of the Purchaser as well as in the event of non-compliance with agreed payment terms, the claim to the purchase price shall become due immediately. The Purchaser shall be entitled to rights of set-off and retention only if its counterclaims have been reduced to an enforceable judgment, are undisputed, or have been acknowledged by us.
- 5.2 If the Purchaser fails to comply with the agreed payment dates, it shall, without reminder, pay interest from the date of the agreed due date at a rate customary at the Purchaser's domicile, but at least 4% above the 3-month CHF LIBOR from time to time. The right to compensation for further damage is reserved.

6 Retention of title

The Supplier shall remain the owner of all goods supplied by it until it has received payment in full in accordance with the contract. The Purchaser shall cooperate with measures required to protect the Supplier's title; in particular, the Purchaser authorises the Supplier upon conclusion of the contract to enter or note the reservation of title in public registers, books or the like in accordance with the relevant national laws at the Purchaser's expense and to fulfil all formalities in this respect. The Purchaser shall maintain items supplied at its own expense for the duration of the retention of title and insure them in favour of the Supplier against theft, breakage, fire, water and other risks. It shall also take all measures to ensure that the Supplier's right of title is not impaired or invalidated.

7 Delivery period

- 7.1 The delivery period shall commence as soon as the contract has been concluded, all official formalities such as import, export, transit and payment permits have been obtained, the payments and any securities to be provided at the time of ordering have been made and the key technical points have been settled. The delivery period shall be deemed to have been met if, by the time it expires, the goods have been delivered in accordance with the Incoterms® clause specified in the order confirmation.
- 7.2 The delivery period shall be extended accordingly:
 - a) If the Supplier does not receive in due time the information required for performance of the contract, or if the Purchaser subsequently changes such information and thus causes a delay in the deliveries or services;
 - b) If obstacles arise which the Supplier is unable to avert despite exercising due care, irrespective of whether they concern the Supplier, the Purchaser or a third party. Such impediments include in particular epidemics, mobilisation, war, civil war, acts of terrorism,

riots, political unrest, revolutions, sabotage, significant disruption to operations, accidents, labour disputes, delayed or defective delivery of the necessary raw materials, semi-finished or finished products, rejection of important workpieces, measures or omissions by authorities, governmental or supranational bodies, embargoes, unforeseeable obstacles to transportation, fire, explosion, natural phenomena;

c) If the Purchaser or third party is in arrears with the work to be carried out by them or are late with performance of their contractual obligations, in particular if the Purchaser does not comply with the terms of payment.

- 7.3 If a specific date has been agreed instead of a delivery period, this date shall be equivalent to the last day of a delivery period; Clause 7.1 and 7.2 are applicable by analogy.
- 7.4 The Purchaser shall have no rights and claims due to delay in deliveries or services other than those expressly mentioned in this Clause 7. This restriction does not apply to unlawful intent or gross negligence on the part of the Supplier, but it does apply to associates.

8 Passage of benefit and risk

- 8.1 Benefit and risk shall pass to the Purchaser at the latest upon dispatch of the deliveries ex works.
- 8.2 If dispatch is delayed at the request of the Purchaser or for other reasons for which the Supplier is not responsible, the risk shall pass to the Purchaser at the time originally scheduled for delivery ex works. From that time on, the deliveries will be stored and insured for the account and at the risk of the Purchaser.

9 Inspection and acceptance of deliveries and services

- 9.1 The Supplier shall inspect the deliveries and services to the extent customary before dispatch. If the Purchaser requires further inspections, these shall be agreed separately and paid for by the Purchaser.
- 9.2 The Purchaser shall inspect the deliveries and services within a reasonable period of time and notify the Supplier of any defects in writing without delay. If it fails to do so, the deliveries and services shall be deemed to have been approved.
- 9.3 The Supplier shall remedy defects notified to it in accordance with Clause 9.2 as soon as possible and the Purchaser shall give it the opportunity to do so.
- 9.4 The performance of an acceptance test and the terms applicable to such test shall be subject to a separate agreement.
- 9.5 The Purchaser shall have no rights and claims in relation to defects of any kind in deliveries or services other than those expressly stated in Clause 9 and Clause 10 (warranty, liability for defects).

10 Warranty, liability for defects

- 10.1 Warranty period The warranty period is 12 months. It commences on departure of the deliveries ex works or, insofar as the Supplier has also carried out the assembly, upon the completion thereof. If dispatch or assembly are delayed for reasons for which the Supplier is not responsible, the warranty period shall end at the latest 18 months after notification of readiness for dispatch. For replaced or repaired parts, the warranty period shall start anew and run for 6 months from the replacement or completion of the repair, but until no later than expiry of a period which is twice the warranty period pursuant to the previous paragraph. The warranty shall expire prematurely if the Purchaser or third party carries out modifications or repairs or, where a defect has arisen, if the Purchaser does not immediately take all appropriate measures to mitigate damage and give the Supplier the opportunity to remedy the defect.
- 10.2 Liability for defects in materials, design and workmanship The Supplier undertakes, at the written request of the Purchaser, to repair or replace as quickly as possible, at its option, all parts of the Supplier's deliveries which demonstrably become defective or unusable prior to expiry of the warranty period as a result of poor materials, faulty design or defective workmanship. Replaced parts become the property of the Supplier, unless it expressly waives this right. Within the limits of proportionality, the Supplier shall bear the costs of repair insofar as they do not exceed customary transport, personnel, travel and accommodation costs, as well as customary costs for the installation and removal of defective parts.

10.3 Liability for warranted characteristics Warranted characteristics are only those which have been expressly designated as such in the order confirmation or in the specifications. The assurance shall apply at the longest until the expiry of the warranty period. If the warranted characteristics are not present or only partially present, the Purchaser shall first be entitled to immediate rectification by the Supplier. The Purchaser shall grant the Supplier the necessary time and opportunity to do so. If this rectification fails or is only partially successful, the Purchaser shall be entitled to an appropriate reduction in the price. If the defect is so serious that it cannot be remedied within a reasonable period of time, and if the deliveries or services are not usable for the declared purpose or are usable only to a considerably reduced extent, the Purchaser shall have the right to refuse acceptance of the defective part or, if partial acceptance is financially unreasonable for it and its contract. The Supplier can only be obliged to refund the amounts that have been paid to it for the parts affected by the withdrawal.

10.4 Exclusions from liability for defects. Excluded from the Supplier's warranty and liability are loss or damage which cannot be proven to have occurred as a result of poor materials, faulty design or defective workmanship, e.g. as a result of natural wear and tear, inadequate maintenance, disregarding of operating instructions, excessive stress, unsuitable resources, chemical or electrolytic influences, construction or assembly work not carried out by the Supplier, or which arise for other reasons for which the Supplier is not responsible.

10.5 Exclusivity of warranty claims The Purchaser shall have no rights and claims regarding defects in materials, design or workmanship or the absence of warranted characteristics other than those expressly mentioned in Clauses 10.1 to 10.4.

11 Return of products/materials

Products or materials returned to Reed Electronics AG for any reason whatsoever must be cleaned and free of any residues hazardous to health. This responsibility lies with the company or individual who arranges the return.

12 Export control

The Purchaser acknowledges that deliveries may be subject to Swiss and/or foreign statutory provisions and regulations on export control and may not be sold, leased or otherwise transferred or used for any purpose other than the agreed purpose without an export or re-export permit issued by the competent authority. The Purchaser undertakes to comply with such provisions and regulations. It acknowledges that these are subject to change and apply to the Contract as amended from time to time.

13 Data protection

The Supplier shall be entitled to process personal data of the Purchaser in connection with performance of the contract. In particular, the Purchaser agrees that the Supplier may also disclose such data to third parties in Switzerland and abroad for the purpose of managing and maintaining the business relationship between the Parties.

14 Software

If the Supplier's deliveries and services also include software, the Purchaser shall be granted the non-exclusive right to use the software together with the item supplied, unless otherwise agreed. The Purchaser is not entitled to make copies (unless for archiving purposes, troubleshooting or replacing defective data media) or to modify the software. In particular, the Purchaser may not disassemble, decompile, decrypt or reverse engineer the software without the prior written consent of the Supplier. In the event of infringement, the Supplier may revoke the right of use. In the case of third-party software, the terms of use of the licensor shall apply, who may assert claims in addition to the Supplier in the event of infringement.

15 Limitation of liability

All cases of breach of contract and their legal consequences as well as all claims of the Purchaser, irrespective of the legal grounds on which they are based, are conclusively regulated in these terms and conditions. In the event that claims of the Purchaser should arise from or in connection with the contract or improper performance thereof, the total amount of such claims shall be limited to the price paid by the Purchaser. On the other hand, all claims for damages, reduction, cancellation of the contract or withdrawal from the contract not expressly mentioned are excluded. Under no circumstances shall the Purchaser

be entitled to claim compensation for damage that has not occurred to the delivery item itself, such as loss of production, loss of use, loss of orders, recall costs, loss of profit and other direct or indirect loss or damage. Liability for compensation for claims by third parties asserted against the Purchaser due to infringement of intellectual property rights is also excluded. This exclusion of further liability of the Supplier does not apply to unlawful intent or gross negligence of the Supplier, but it does apply to associates. Furthermore, this exclusion of liability shall not apply insofar as it is contrary to mandatory law.

16 Jurisdiction and applicable law

- 16.1 The place of jurisdiction for the Purchaser and the Supplier is Lucerne, Switzerland. The Supplier is, however, entitled to take legal action against the Purchaser at the latter's place of business.
- 16.2 The legal relationship is governed by Swiss substantive law. The application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 is excluded.