

General Terms and Conditions for the Sale and Supply of Products of Albis Technologies AG and albis-elcon system Germany GmbH (albis-elcon)

Issued in March 2017

1. General conditions

1.1 Albis Technologies AG, a Swiss company based in Zurich and albis-elcon system Germany GmbH, a German company, based in Hartmannsdorf, form the joint international technology corporation albis-elcon and use these uniform General Terms and Conditions for the sale and supply of their products. Consequently, the term albis-elcon means either Albis Technologies AG or albis-elcon system Germany GmbH, depending on which company will be the Purchaser's contracting party.

1.2 The contractual relationship between albis-elcon and the Purchaser shall be exclusively based upon these General Terms and Conditions for the Sale and Supply of Products (hereinafter referred to as "Conditions"). Unless expressly agreed in writing, no other terms and conditions shall apply.

1.3 These Conditions shall apply likewise to all future contractual relations between albis-elcon and the Purchaser, even in the case no special reference to these Conditions has been made in such contractual relations.

2. Offers / Advertising materials and technical documents

2.1 All offers made by albis-elcon shall be subject to confirmation, unless otherwise determined by albis-elcon in writing. Any technical data and descriptions shall only have binding effect if expressly acknowledged or accepted as binding in albis-elcon's written order confirmation. albis-elcon herewith reserves its industrial property rights and copyrights pertaining to all its documents.

2.2 Save as provided otherwise, advertising materials, product brochures and catalogues provided by albis-elcon shall not be binding. Data contained in technical documents shall be binding only if expressly guaranteed.

2.3 Each contractual party reserves all its rights with respect to designs, documents and software made available to the other party. Subject to the foregoing and explicit written authorization by the disclosing party, the receiving party shall not make such designs, documents and software accessible to third parties and shall use them exclusively for the purpose for which they had been received.

3. Subject matter of contract and scope of delivery

3.1 The subject matter of contract, as well as nature and scope of albis-elcon's and the Purchaser's obligations are exclusively defined by albis-elcon's written order confirmation. Supplementary agreements shall become effective only upon albis-elcon's written consent. Any amendments on the subject matter of contract, as well as character and scope of the mutual obligations, are subject to prior written agreement between the Parties.

3.2 Consulting, installation, connection, maintenance, repair and any other services, which are not directly attributable to the supply of products as such, shall become part of albis-elcon's performance obligations only if and to the extent that they had been expressly agreed upon in writing.

4. Supply / Delivery time

4.1 Unless otherwise agreed in writing, deliveries shall be made ex works Zurich or Hartmannsdorf or, in case of cross-border orders and supplies, on the conditions EXW Hartmannsdorf or Zurich (Incoterms® 2010).

4.2 albis-elcon shall be entitled to make partial deliveries provided they are performed in due time and appropriate quantities.

4.3 Delivery lead times shall be binding if they have been expressly acknowledged by albis-elcon in writing. Observance of the stipulated time for delivery is subject to timely receipt of all documents which may have to be submitted by the Purchaser, and to the timely clarification of all preceding inquiries, commercial and technical aspects in connection with the delivery, as well as to the fulfilment of the agreed payment terms and other contractual obligations by the Purchaser. In the event aforesaid conditions are not yet fulfilled, the time for delivery shall be extended accordingly. Delivery is also subject to credit approval. albis-elcon shall have a right to retain confirmed deliveries if, after the Purchaser had placed an order, the Purchaser's creditworthiness has deteriorated, e.g. according to the ratings of the Factoring company or the credit insurance company, with the result that the respective credit line was reduced. In this case the Purchaser is not entitled to claim liquidated damages against albis-elcon for delay in delivery, provided, apart from that, the delivery is ready for dispatch.

4.4 If non-fulfilment of albis-elcon's delivery obligations is caused by force majeure circumstances, such as labour disputes, lockouts or other events beyond albis-elcon's reasonable control, irrespective of whether they had been foreseeable or not, the time for delivery shall be accordingly extended, at least to the duration of these circumstances. Such events shall also include, among others, delayed deliveries from albis-elcon's sub-suppliers, unless they have been caused by albis-elcon itself.

4.5. The Purchaser shall be entitled to claim compensation for loss occasioned by default in the event of delayed deliveries, provided it can be proved that the delay is due to albis-elcon's fault and he furnishes prima facie evidence for a damage suffered from such delay. If a substitute delivery is made in good time, the Purchaser cannot claim compensation for default. Compensation for default shall not exceed 0.5% for every full week's delay and shall by no means exceed 5% of the contract net price of the delayed delivery. The first two weeks of a delay shall not give rise to any claim for compensation. The Purchaser shall be entitled to cancel the order as a consequence of delays in delivery only subject to the legal provisions and only under the condition that albis-elcon can be made liable for such delay. Any fixing of a time limit shall be effected (at least) in such a way that albis-elcon has to be granted the opportunity to repeat the production process and to enable albis-elcon the procurement (also in terms of time) of primary products if required. Cancellation of an order shall be notified to albis-elcon immediately after the expiry of the granted extension period.

5. Transfer of risk

The risk is passed onto the Purchaser with the dispatch to the first carrier; in case of cross-border orders and supplies the transfer of risk takes place in accordance with EXW (Incoterms® 2010) Hartmannsdorf or Zurich. If dispatch is delayed for reasons within the Purchaser's responsibility or if shipment is postponed at the Purchaser's request to a later delivery date than agreed upon, the risk passes onto the Purchaser on the working day that follows the day on which the Purchaser was given notice that goods are ready for dispatch. If requested by the Purchaser, albis-elcon may agree, but shall not be liable, to provide for respective insurance cover at the Purchaser's own expenses.

6. Prices / Pricing

6.1 Unless otherwise agreed in writing, prices are based on the price lists applicable on the date of dispatch. In case of small orders, albis-elcon reserves the right to levy reasonable additional charges.

6.2 Prices are specified in € (EUR), unless otherwise agreed upon. Prices are net prices ex works Hartmannsdorf or Zurich, or – in case of cross-border orders – EXW (Incoterms® 2010), Hartmannsdorf or Zurich, including standard package, plus the relevant applicable value-added tax and shipping costs, if any.

6.3 If the conditions on which the formation of albis-elcon's prices was based on, in particularly currency parities or governmental taxes, charges, fees, customs duties, etc., were to vary between the submission of an offer and the contractually agreed delivery date, albis-elcon shall be entitled to adapt prices and other terms of supply to the prevailing circumstances.

6.4 In case of supplementary claims for VAT by the Swiss, the German or any foreign Tax Administration, albis-elcon's right to subsequently charge such VAT remains reserved.

7. Terms of payment

7.1 Unless otherwise agreed in writing, invoices from albis-elcon shall be paid within 30 days net from the date of issuance without deductions. Payment shall be deemed to have been effected in time upon receipt of a credit note or other forms of payment on the due date by albis-elcon.

7.2 If a requested due payment is delayed by a Purchaser, all other accounts by albis-elcon towards the Purchaser shall automatically become due. In addition, notwithstanding any other rights, albis-elcon shall be entitled in case of delayed payment to charge default interest at a rate of 8% p.a.. Furthermore, if the Purchaser has defaulted in payment, albis-elcon shall be entitled to make use of its right of retention with respect to any open supplies and services.

7.3 The Purchaser is entitled to offset or make use of his right of retention only then if the respective counterclaims have been acknowledged by albis-elcon or legally established with final effect.

7.4 Unless otherwise agreed upon, all payments shall be effected in € (EUR).

7.5 albis-elcon shall be entitled to assign its accounts and claims against the Purchaser to third parties.

8. Acceptance

8.1 Each delivery shall be examined by albis-elcon in strict compliance with applicable quality requirements. Examinations are carried out to the extent that is customary, before leaving the albis-elcon production site.

8.2 The Purchaser is obliged to promptly examine deliveries received and services obtained, and shall notify albis-elcon immediately in the event of nonconformances. If the business is a commercial transaction in the meaning of §377 German Commercial Code for both albis-elcon and the Purchaser (B2B), and the Purchaser fails to give albis-elcon prompt notification, deliveries and services are deemed to be accepted, except in the case of hidden defects, if any.

8.3 The Purchaser shall not be entitled to refuse the acceptance of a delivery due to minor defects.

9. Liability for defects / Warranty

9.1 The effective assertion of warranty claims is subject to their timely notification. Obvious or apparent defects shall be notified in writing to albis-elcon immediately, at the latest within 8 days from the date of dispatch; latent defects require also an immediate and written notification, at the latest within 8 days from their detection. These deadlines shall be deemed accomplished only upon receipt of such notifications by albis-elcon in time. Notice of defect shall include description of the defect, date of order and number of delivery notice.

9.2 In case of a warranty claim albis-elcon is entitled to eliminate defects at its option by subsequent fulfilment, i.e. repair or replacement. The Purchaser's right to demand cancellation of the contract shall be subject to the legal requirements and only applicable if albis-elcon's attempts for subsequent fulfilment have failed twice. This does not affect the Purchaser's right to reduce the purchase price in case albis-elcon has failed in remedying the defects.

9.3 Any warranty claim shall be excluded if by a deficiency the product does not comply with its agreed specifications in minor aspects only or the product's usefulness is impaired only insignificantly, or if software errors are non-reproducible. albis-elcon's liability is also excluded in case of defects arising from or in connection with improper or negligent handling or maintenance, inappropriate storage, excessive stress, lightning damage, unsuitable equipment, or natural tear and wear. albis-elcon's liability for defects will be excluded as well if the Purchaser or third parties carry out modifications or improper repairs of albis-elcon's products, or if they replace parts or apply consumable materials that do not comply with the original specifications.

9.4 Warranted characteristics are only those characteristics that have been expressly qualified as such by the respective specifications. If warranted characteristics are missing in full or in part, the Purchaser shall be entitled to claim subsequent improvement to be carried out by albis-elcon immediately, whereby the Purchaser shall grant the necessary time and opportunity to perform. If the attempt at subsequent improvement fails or succeeds in part only, the Purchaser is entitled to demand an adequate price reduction. If the defect is so serious that it cannot be remedied within a reasonable period of time and if the products or services do not meet the intended purpose at all, or to a considerably reduced extent only, the Purchaser shall be entitled to refuse acceptance of the defective product supplied, or, if a partial acceptance cannot reasonably be expected for economic reasons, to withdraw from the contract. albis-elcon shall be liable only for the refund of such amounts as have been paid to albis-elcon for such parts in respect of which the withdrawal from the contract has taken place.

9.5 Claims are subject to a limitation period of twelve months, unless longer warranty periods are required by law. The legal provisions concerning expiration, suspension and resumption of time limits remain unaffected. If dispatch of deliveries is delayed for reasons beyond albis-elcon's control, the warranty period shall end at the latest 18 months after notification of readiness for dispatch.

9.6 Replacement or repair of products within the warranty period is provided free of charge for the Purchaser, whereas the costs incurred in connection with the removal, transport and reinstallation shall be borne by the Purchaser if permitted by applicable law.

9.7 Any and all liability for defects shall be restricted to direct damages, and, within this limitation, be limited further to an amount equal to the remuneration that is attributable to the defective delivery or partial delivery (if applicable). Any further warranty claims against albis-elcon including, in particular, claims for direct losses or consequential damages, shall be excluded. In any case, any claim for compensation shall be limited to the net value of the respective delivery, however not exceeding a maximum of EUR 250'000 per occurrence of damage and year.

10. Retention of title

10.1 All products supplied by albis-elcon shall remain albis-elcon's property until each and every account and claim against the Purchaser to which albis-elcon is entitled under the business relationship has been duly satisfied. If the Purchaser does not perform in accordance with the contract, particularly in case of default in payment, albis-elcon shall have the right to take back the products without prior termination of the contract.

10.2 In case of seizures or other interventions by third parties for the duration of the retention of title, the Purchaser is obliged to immediately notify albis-elcon in writing. The Purchaser is not entitled to dispose of the products beyond the regular course of business; in particular he must not pledge the retained goods or use them as security.

10.3 The Purchaser shall have the right to resell the supplied products in the ordinary course of business, on condition that all accounts and claims against his customers or third parties for payment of the related invoice (including VAT) are assigned to albis-elcon, regardless of whether or not the supplied products have been reworked prior to the resale. Irrespective of the assignment, the Purchaser shall remain empowered to collect the accounts arising from resale. This does not affect albis-elcon's right to collect payment by itself, but albis-elcon will not collect the money as long as the Purchaser complies with his payment obligations, is not in default, does not file a petition for opening insolvency proceedings or suspends payments. If the Purchaser suspends payments, albis-elcon may request from the Purchaser to disclose the names of the debtors to whom the accounts have been assigned, to provide albis-elcon with any information albis-elcon may need to enforce its rights against the debtor, to hand over relevant documents and inform the debtors (third parties) about the assignment.

10.4 If the net realizable value of the securities assigned to albis-elcon exceeds albis-elcon's receivables by more than 10%, albis-elcon commits itself, upon the Purchaser's request, to release the assigned securities at its option.

11. Take-back and disposal of WEEE equipment

11.1 Unless otherwise compulsorily stipulated by the Directive 2012/19/EU on Waste Electrical and Electronic Equipment (WEEE Directive) and its transposition into applicable national law, the Purchaser acts as albis-elcon's authorised agent in the meaning of the German Electrical and Electronic Equipment Act (ElektroG), and accepts responsibility and costs for the take-back and disposal of the end-of-life albis-elcon products, thereby indemnifying albis-elcon from its obligations in accordance with the ElektroG and any third-party claims arising out of or in connection therewith.

11.2 The Purchaser shall contractually commit third-parties, to whom he distributes albis-elcon products, to duly dispose of those products at the end of their life in accordance with the legal provisions at the third parties' own expense and to ensure that similar obligations will be imposed by such third parties on the respective follow-up customer in case the products are re-distributed again. If the Purchaser fails to contractually commit third parties to whom he distributes albis-elcon products to accept the obligations for their disposal and to commit follow-up customers in the distribution chain, the obligation for the take-back and disposal of the end-of-life products shall remain with, and be fulfilled by, the Purchaser.

11.3 albis-elcon's claim to have its obligations under the WEEE regulations and applicable national law taken over/assumed by the Purchaser shall expire at the earliest two years after the product has finally put out of service. The two-year term for expiry suspension shall start, at the earliest, upon receipt by albis-elcon of a written statement from the Purchaser that the product has reached its end of life.

12. Exclusion / Limitation of damage claims

12.1 Unless already determined in clause 9.7 above, any and all claims for damages or expenses (hereinafter: damage claims) of the Purchaser against albis-elcon, irrespective of their legal grounds, in particular arising from faults upon the conclusion of contracts, breach of contractual obligations or unlawful acts, shall be excluded.

12.2 The aforesaid does not apply where liability is compulsory by law in case of intention, gross negligence, death, bodily injury or damage to health or in case albis-elcon has breached essential contractual obligations. The liability for breaching essential contractual obligations shall be limited, however, to the compensation of the typical foreseeable damage, unless such events have been caused by intention or gross negligence or in cases of death, bodily injury or damage to health. This limitation does not imply a change in the burden of proof to the detriment of the Purchaser.

13. Miscellaneous

13.1 Any claims against albis-elcon, regardless of their reason, may be assigned by the Purchaser to third parties only with albis-elcon's written consent.

13.2 Place of performance shall be Zurich or Hartmannsdorf, depending on the Purchaser's contractual partner.

13.3 Place of jurisdiction for all disputes with merchants who have been entered as such in the commercial register (Vollkaufmann), legal entities under public law, or statutory separate estates, or persons without domestic court of jurisdiction, including disputes about bills and cheques, shall be Chemnitz. albis-elcon at its option shall also have the right, to institute proceedings with the competent court of jurisdiction at the Purchaser's registered place of business.

13.4 The applicable law shall be the substantive law of the Federal Republic of Germany. The application of the United Nations Convention on the International Sale of Goods (CISG) of 11 April 1980 shall be excluded.

13.5 In connection with the above and for the sake of good order albis-elcon points out that it is bound to current export trade legislation: particularly to the Swiss Federal Law on the Control of Dual-Use Goods ("Güterkontrollgesetz") and the related ordinance ("Güterkontrollverordnung") – as regards Albis Technologies AG – and to current German Foreign Trade and Payments Law ("Außenwirtschaftsgesetz") including the statutory orders enacted on basis of this Law – as regards albis-elcon system Germany GmbH. In addition, albis-elcon is bound as well to all other foreign trade regulations in particular, but not limited to, the requirements of the US Export Administration Regulations and Commerce Control List. In the event of the re-sale, disposal or export of goods subject to this contract the Purchaser binds himself to observe the before mentioned rules and provisions as well. The Purchaser binds himself further to impose the same conditions on parties receiving the goods from him. Compliance with contractual obligations of albis-elcon is also subject to the proviso that the fulfilment is not prevented by any impediments arising out of national and international foreign trade and customs requirements, or any other embargos or other sanctions, in particular export control provisions. All supplies and services to be rendered by albis-elcon are therefore subject to the condition that the relevant permits and licenses have been granted and all other export requirements have been met.

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