

GENERAL SALES AND DELIVERY CONDITIONS

The following conditions apply to all sales and deliveries to customers by QuartzCom AG (QCOM) unless QCOM includes different conditions in quotations or confirmations of order or QCOM and the customer have agreed upon special 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 contract

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

Performances

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

Prices

Unless otherwise agreed, all prices are net FCA Bettlach and exclusive of any taxes. They do not include the Value Added Tax (VAT) all accessory costs such as taxes, including VAT, levies, duties and fees for permits or certificates shall be charged to the customer. In the case of special products, QCOM reserves the right to adjust the prices given in the confirmation of order to allow for any increases in wage and material costs between the conclusion of the contract and delivery in accordance with the contract and, in case of special products, also in accordance with any additional expenditure incurred.

Payment Condition

Payments must be remitted to QCOM's registered office in Swiss Francs or the foreign currency agreed by the parties, without any deductions. The payment obligation is fulfilled as soon as QCOM has free disposal of the sum in question. If no special payment conditions are agreed between QCOM and the customer, QCOM issues an invoice of the delivery date. The term for payment is thirty (30) days of the date of 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 the transportation, dispatch, acceptance, assembly or commissioning of the supplied products is delayed for reasons not attributable to QCOM.

Possible defects or any other reasons which are not confirmed by QCOM in writing do not authorise customer to reduce the invoiced amount or to refuse payment.

Partial Consignment

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.

QCOM'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, QCOM may withdraw from the contract without incurring claims for damages. QCOM 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

The delivery term commences with the issue of the confirmation of order.

The delivery term shall be extended correspondingly if:

- a) QCOM 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 QCOM 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 product 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.

QCOM will endeavour to comply with the agreed 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 inform QCOM of any special instructions concerning transport in good time before dispatch. In the event of damage during transport, the customer shall accept the delivered products with due reservations and immediately notify the carrier in order to protect his rights. Unless otherwise agreed, the customer is responsible for insuring the products to be supplied against transport risks.

Transfer of Benefit and Risk

The benefit of and risk attached to the products to be supplied are transferred from QCOM to the customer at the port of shipping. 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 at the customer's expense and risk.

Examination and Acceptance of the products

The customer shall examine the supplied products and notify QCOM 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 QCOM of any hidden defects immediately after their discovery.

Formal acceptance of the products and the characteristics to be verified must be agreed in writing. An acceptance record shall be prepared on the result of that acceptance. If the customer expresses no reservations concerning the product when it is delivered, said product is deemed to be approved with regard to manifest defects.

Retention of Title

QCOM remains the owner of the supplied products until the customer has paid for them in full. QCOM 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 QCOM's favour against theft, breakage, fire, water and other risks. All further steps shall be taken to ensure that QCOM's title is not endangered.

Warranty

The warranty term commences when the products are dispatched from QCOM and continues for twelve (12) months. It covers primarily the characteristics guaranteed in the specifications. The warranty includes all defects, which can demonstrably be attributed to defective materials or workmanship in every case, and at QCOM's discretion it is restricted to replacement or repair of defective products or components QCOM shall regain ownership of-replaced components. In particular the warranty excludes damage caused by normal wear and tear, inadequate maintenance, failure to comply with servicing instructions, overloading.

In the event of defects, the customer shall take all steps to minimize the damage. QCOM also rejects any liability for damages caused directly or indirectly by the products themselves or by their use in particular, QCOM expressly excludes liability for any form of consequential damages or lost profit.

Regulations in Force at the Destination

The customer shall inform QCOM of all regulations in force at the destination concerning the execution, equipment, and imports and commissioning of the products. Should the customer fail to comply with his obligation to provide information as stipulated in above paragraph, he shall be liable to QCOM for all damage deriving there from.

Documents

Brochures, catalogues and other documents (diagrams drawings, sketches, plans, etc) remain QCOM'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 does 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 indicated as such in the delivery note or invoice such cases, the customer undertakes to comply with said re-export prohibition and to impose that same obligation upon all third party purchasers.

Saving Clause

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

Applicable Law and Jurisdiction

The laws of Switzerland shall govern these „General Sales and Delivery Conditions“. QCOM shall endeavour to amicably settle with its customers any disputes arising in relation to the sale and delivery of the products. If this is not possible, any such disputes shall be referred to the ordinary courts of the Canton of Solothurn, Switzerland. The place of jurisdiction shall be Grenchen.

Bank Relations

Union Bank of Switzerland, CH-2540 Grenchen
Account No. 272-53238500.0
(CHF)