

General Terms and Conditions of Delivery

Innovative Sensor Technology IST AG, CH-9630 Wattwil, Switzerland

- 1 Area of application**
 - 1.1 All deliveries and services rendered by IST AG are carried out in accordance with these general terms and conditions of delivery, with the exception of particular cases whose handling is subject to an independent agreement. The customer agrees to these terms and conditions in virtue of having placed an order at IST AG after having received an offer from IST AG in which reference is made to these general terms and conditions. This agreement is binding, even if the customer does not agree to the general terms and conditions in an explicit manner.
 - 1.2 General terms and conditions of business adhered to by IST AG's customers which depart from the general terms and conditions stated herein are binding for IST AG and its customers only if they have been explicitly agreed to in writing, even if IST AG has not explicitly objected to these other terms and conditions.
- 2 Contract conclusion**

The offers made by IST AG are non-binding. The conclusion of the contract is effected through the issuing of the contract acceptance by IST AG.
- 3 Proprietary and intellectual property rights to IST AG documentation**

Proprietary and intellectual property rights to IST AG documentation made available by IST AG to the customer prior to the conclusion of the contract or in the context of fulfilling the contract agreement (including offers, technical drawings, sketches, models, solution proposals, etc.) are retained by IST AG. The customer may not make such documentation available to third parties. Upon the request of IST AG, the customer is obligated to return such documentation.
- 4 Delivery / delivery delay or disruption**
 - 4.1 IST AG's obligation to meet delivery dates and deadlines assumes that the customer has made available to us all necessary information and documentation in a timely manner. It further assumes that the customer is not in arrears in providing consent, whenever necessary, or in arrears with regard to other essential contractual (especially in the matter of payments) obligations.
 - 4.2 To the extent that nothing else has been agreed upon, deliveries are transacted EXW (Incoterms 2000). The place of IST AG's service fulfillment is CH-Wattwil, Switzerland. IST AG may undertake partial deliveries.
 - 4.3 Should we be incapable of meeting binding delivery dates on account of intervening forces sufficiently beyond our control, such as a call to arms, war, upheaval, strikes, lock outs, untimely or inadequate self-supply, as well as other similarly grave operational disruptions, the customer is entitled to set an appropriate extension of at least four weeks after the expiration of which the customer may, should he no longer have an interest in delivery owing to the delivery delays, withdraw from the contract via written declaration submitted by registered post.
 - 4.4 Should the customer withdraw from the contract, IST AG is liable for damages incurred to the customer following the expiration of the extension, so long as the customer can demonstrate willful intent or gross negligence on the part of IST AG.
 - 4.5 We are entitled to make partial deliveries. Claims for reimbursement on the part of the customer cannot be derived from such deliveries. This does not apply, if the customer has no interest in partial deliveries and the agreed upon delivery time has been exceeded. Objections in regard to partial deliveries do not provide cause to reject delivery of the remaining goods.
 - 4.6 Further claims on the part of the customer in the case of IST AG delays are excluded.
- 5 Prices / terms of payment**
 - 5.1 To the extent that other terms have not been explicitly agreed upon, IST AG prices apply (in the currency confirmed by IST AG) to deliveries transacted EXW without packaging and not including VAT.
 - 5.2 Should the customer be responsible for the postponement of delivery dates, or wish to implement changes after confirmation of the contract, IST AG may adjust the prices appropriately.
 - 5.3 The customer may adjust unpaid IST AG invoices in light of counter claims against IST AG, only if IST AG has accepted the legitimacy of the counter claims in writing.
 - 5.4 If the customer fails to meet payment obligations, freezes payments or dishonors a check or invoice, or if an essential deterioration in the economic prospects of the customer become known, IST AG may demand prior payment for further deliveries and withhold these deliveries until balances due have been made.
- 5.5 All invoices issued by IST AG are payable in full within 30 days. Beyond this period, the customer is automatically in default and owes IST AG a delay penalty of 1 % per month.
- 6 Retention of proprietary rights**

IST AG retains proprietary rights to all goods delivered until these have been paid for in entirety. The company is entitled, if necessary, to have these proprietary rights registered at the relevant commercial register without the consent of the customer.
- 7 Guarantee**
 - 7.1 IST AG guarantees that the delivered products are free of material and production defects, and that they have the properties that have been promised in writing. Defects in the delivered products that arise from improper handling, use, storage or processing by the customer are not covered by this guarantee.
 - 7.2 IST AG does not guarantee that the delivered products are suited to a particular purpose and / or that they are suited to a particular environment. This disclaimer also applies when IST AG has made recommendations or suggestions. Such recommendations and suggestions do not release the customer from the responsibility of taking steps (e.g. measurements, trials) to confirm product suitability.
 - 7.3 IST AG is not liable for damage that arises for any of the following reasons:

Inappropriate or non-standard use, incorrect installation or putting into operation by the customer or third parties, faulty or negligent handling, natural wear and chemical, electrochemical or electrical events, so long as these are not traceable to willful intent or gross negligence on the part of IST AG.
 - 7.4 The guarantee lasts for one year post delivery.
 - 7.5 It is the customer's responsibility to inspect the delivered products immediately after receiving them for correspondence with the items specified in the contract and for any visible signs of damage and, if applicable, to report this damage immediately. It is the responsibility of the customer to have carried out a comprehensive inspection of the delivered products in terms of proper functioning and to report any ascertained defects immediately, or, at the latest, before the delivery from the customer's production facility of the final product in which the customer has installed the delivered products. All claims to guarantee are null and void for product defects that could have been ascertained before their installation or processing, but which only came to be known to the customer after their installation or processing. Should the customer neglect to inspect the wares and / or neglect to lodge a complaint, he forfeits his rights in the case of defects. All wares declared defective are to be sent to IST AG upon the company's request.
 - 7.6 Should the customer lodge a complaint within the guarantee period on account of defects in conformity with the above stipulation, IST AG obligates itself to replace the defective wares free of charge. The costs of delivery for the replacement wares are carried by IST AG. The costs for the assembly and disassembly of the defective wares are carried by the customer.
 - 7.7 In the case of a defect that falls under the guarantee, the a customer shall also have a claim to compensation, so long as the customer can demonstrate willful intent or gross negligence on the part of IST AG.
 - 7.8 The customer may avail himself of no further claims in the case of demonstrated defects. In particular, the customer is not entitled to reject an entire shipment on the basis of individual products that are demonstrably defective.
- 8 Liability for malperformance**

Liability for malperformance on the part of IST AG is conclusively addressed in these general terms and conditions of delivery under chapters 4 and 7. The customer has recourse to no further claims.
- 9 Applicable law and place of jurisdiction**
 - 9.1 In regard to delivery contracts between IST AG and its customers, Swiss law alone applies, as per international standards excluding Vienna Sales Law (United Nations Accord Concerning International Sales Contracts).
 - 9.2 For all disputes arising from or in connection with such delivery contracts, the parties to the contract recognize the exclusive authority of the official courts at the location of IST AG.

The IST AG company endeavors at all times to settle disputes amiably and by mutual agreement with its customers.