Purchase terms and conditions

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©CES – CREATIVE ELECTRONIC SYSTEMS S.A.

1. Scope

1.1. The following General Purchasing Terms and Conditions of CES Creative Electronic Systems (CES) applies to all goods and/or services purchased or acquired by CES from the Supplier unless determined otherwise either in the offer, in the purchase order or in the order confirmation.

1.2. Any general terms and conditions of the Supplier deviating from or supplementing these General Purchasing Terms and Conditions are non-binding for CES, even if CES does not object to them explicitly, if the Supplier states that he wishes to deliver only according to his general terms and conditions, or if these are included in his declaration of acceptance in accordance with section 2.1 or in the delivery note. Acceptance or payment of deliveries and services also do not constitute agreement.

2. Conclusion of contract

2.1. If the Supplier does not accept the purchase order from CES by written declaration within two weeks upon receipt, CES is entitled to cancel the purchase order. The receipt of the acceptance by CES shall be decisive for the observation of the deadline.

2.2. The acceptance of the purchase order shall contain all essential order data, particularly the exact description of the ordered delivery items, the price, the order number and the order and delivery date.

2.3. Amendments or changes of purchase orders require the written confirmation of CES.

2.4. The Supplier is not authorized to contract out the purchase order neither entirely nor partly without prior written consent of CES. The unauthorized contracting out entitles CES to withdraw from the contract in whole or in part and to claim damages.

3. Prices

3.1. Deliveries are made DAP Plan-les-Ouates (Incoterms® 2010), unless agreed otherwise.

3.2. Customs duty and insurance expenses for the goods, cargo insurance in particular, will not be paid by CES. CES will pay duty on all deliveries itself. The Supplier shall deliver all goods duty unpaid.

3.3. The agreed prices are fixed prices and exclude subsequent claims or price increases of any kind.

4. Terms of payment

4.1. Invoices of the Supplier are to be submitted in duplicate and have to contain all data requested in the purchase order for each delivery. Electronic invoices will only be accepted in pdf format.

4.2. CES will effect payments – unless agreed otherwise – by bank transfer after delivery or acceptance and receipt within 60 days. Also, in the case of a set-off or of

justified use of retention rights because of defects the deduction of the discount is permitted. Payment is subject to invoice verification.

5. Delivery date and place of fulfillment

5.1. The agreed delivery dates are binding. Advance deliveries as well as deliveries after the agreed delivery date are permitted only with the consent of CES.

5.2. The receipt at the receiving office indicated by CES is relevant for the timeliness of deliveries. The Supplier has to inform CES immediately if and as soon as there are indications that he will not be able to meet the delivery date. The acceptance of a delayed delivery by CES does not imply the waiving of any compensation claims.

5.3. If the Supplier is in default with 20% of the deliveries of the total quantity of items delivered during a 12 months period, CES is entitled to apply liquidated damages for each rejected item of 20% of the rejected items price.

5.4. CES is not obliged to accept partial deliveries or services.

5.5. The place of fulfillment for deliveries and services provided by the Supplier is the receiving office determined in the purchase order.

6. Shipment, passing of risk

6.1. The Supplier has to pack and ship the delivery properly abiding by all relevant packing and forwarding instructions.

6.2. Shipping documents such as packing list and invoice shall be included with the deliveries. Order numbers and other data specified by CES in the purchase order must be stated on all documents.

6.3. Any additional costs CES incurs due to non-compliance with the above defined regulations will be charged to the Supplier.

6.4. In the case of deliveries without installation or assembly, the risk will pass when the goods are received at the receiving office determined by CES. In the case of services and deliveries with installation or assembly, the risk will pass with the acceptance at the place of assembly.

7. Rights of CES in case of defects

7.1. CES will notify the Supplier about defects in writing as soon as possible. Therefore, upon request for major defect an 8D report have to be issued by the supplier.

7.2. In the case of a purchase or work contractual defect, CES is, in addition to the statutory claims, entitled to rectify the defect itself after the fruitless expiration of a reasonable period set by CES for supplementary performance, and to demand reimbursement of the necessary expenses, unless the Supplier refuses the supplementary performance with justification. CES can demand advance payment from the Supplier for the expenses required to rectify the defect.

8. Duty of notify and care

8.1. The Supplier has the duty to notify CES in case of his goods not being applicable for the intended use, both if CES has informed him about the intended use of the delivery or if the intended use is recognizable without explicit indication.

8.2. Circumstances affecting negatively the agreed delivery dates have to be reported promptly to CES in writing to clarify further actions.

8.3. The Supplier has to notify CES immediately in writing of any changes of the composition of the used materials or of the design if different from previous equal deliveries to CES. Any such changes require the written consent of CES.

8.4. In the case of discontinuation of raw materials, components, or products ordered by CES, the Supplier has to notify CES immediately in writing.

9. Product liabilities

The Supplier has the obligation to check his deliveries for defects and to do everything feasible in order to avoid any product liability. If CES is held responsible of the defectiveness of a product by a third party and if the defectiveness is entirely or partly due to a defect of the Supplier's delivery, CES may demand indemnification towards the third party instead of compensation of all damages. The Supplier's obligation to pay damages includes also the costs of a precautionary recall in order to prevent damage if necessary.

10. Environmental Protection and Hazardous Materials

10.1. The Supplier has to ensure that deliveries and services meet the requirements of the regulations of environment protection, accident prevention and other industrial safety regulations, as well as safety rules and all statutory regulations prevailing in Switzerland. The Supplier has to inform CES of any particular and uncommon treatment and waste disposal requirements for each delivery.

10.2. The Supplier has the duty to fulfill at any time all requirements according to the regulation No. 1907/2006 dated December 18th 2006 of the European Parliament concerning the handling of chemical substances (so-called "REACH regulation"). In particular, the Supplier has to fulfill all duties according to Articles 31 to 33 (incl.) of this regulation and further - even without any specific request - to provide CES promptly with all information which is needed in the context of this contract according to the REACH regulations and which are relevant for the contractual use of products to be delivered by the Supplier. Any Supplier located outside the European Union has to fulfill the obligations of an importer stated in the regulations. These obligations of the Supplier are considered as essential contractual obligations (so-called "cardinal duties"), which are mandatory for the execution of the contract. If the Supplier does not sufficiently, not in time or not at all fulfill these obligations, he shall indemnify CES against each and any damages, which CES may incur from the non-fulfillment of these obligations by the Supplier.

10.3. CES is entitled to demand the compliance with additional safety regulations.

11. Provision of materials

11.1. All documents and objects of any kind provided to the Supplier by CES remain the property of CES. They may be used exclusively for providing the order. The Supplier has to accept insurance for any materials provided to him against loss and deterioration. There is no right of retention on the part of the Supplier vested in materials belonging to CES.

11.2. As far as any of the objects provided by CES are processed, converted or transformed by the Supplier to form a new product, CES is deemed the manufacturer. In the case of connection or inseparable blending with other objects, CES acquires joint ownership in the new object in proportion of the value which the objects had at the time of connection or blending.

11.3. If the connection or blending effects that the products of the Supplier are considered as main object, CES shall be entitled to co-ownership of the new object proportionally. The Supplier holds this co-ownership for safekeeping free of charge.

11.4. The Supplier has to carry out any maintenance and inspection work that may be necessary at his own expense as well as to insure the provided objects sufficiently and prove this to CES upon request.

12. Rights of use

12.1. With the delivery of a copyright reserved work CES obtains from the Supplier a non-exclusive, unrestricted and assignable right of use for all types of use.

12.2. The Supplier will grant CES a non-exclusive, assignable free license on inventions resulting from the purchase order or on licensed or granted property rights.

12.3. The Supplier grants CES under reasonable terms a non-exclusive, assignable license for all other background rights, proceedings and inventions, as well as licensed or granted property rights on inventions which are necessary for the deliveries' and services' use.

13. Official authorizations, Export licenses

13.1. The product to be delivered or parts of the product may be subject to export laws and regulations (hereafter referred to as "Export Regulations"). The contract parties are aware that non-compliance or deviations from the Export Regulations are prohibited.

13.2. Irrespective of other regulations of this contract, the Supplier is liable for all damages, losses and liabilities incurred by CES as the result of the Supplier's non-compliance with its obligations under section 13.

14. Confidentiality

14.1. The purchase order of CES has to be treated confidentially. Furthermore, the Supplier has to keep all commercial and technical information and documents, which become known to him through the business relationship and which are not generally known, secret and use them exclusively for providing the ordered deliveries. Any subcontractors have to be bound to confidentiality accordingly. Drawings, models, samples, and similar objects shall not be submitted or made available to unauthorized

third parties. Duplicating such objects is permitted only within the limits of copyright provisions and to the extent required in order to fulfill the obligations incumbent upon the Supplier.

14.2. The Supplier is only entitled to mention the company or the brand name of CES for purposes of advertising materials, when naming references, or for other publications, if CES has consented to this in writing in advance.

15. Quality

15.1. Certificate of Conformance / Compliance (CoC)

The supplier shall provide a CoC with each delivery of product The CoC provided with this order shall contain as a minimum:

Purchase Order number

Manufacturer's name, if different from Seller's

Part number /Lot number(s) or Date Code(s)/ revision (as applicable) of the items in the shipment.

The supplier certifies (Manufacturers and Suppliers including Distributors) that all product delivered to CES satisfy this Purchase Order are fully compliant to CES Terms and Conditions. The supplier has in his possession acquisition traceability documentation provided by/from the Original Equipment or Component Manufacturer and/or all previous Franchised/Authorized distributors within the supply chain for all material contained in this shipment.

15.2. Date Code Restriction

Parts with a Date Code older than 3 years, at the date of shipment, shall not be delivered to CES. Older parts are allowed in case of re-screening; the date of the re-screen shall be identified on the CoC or attribute datasheet for each shipment provided with test report.

15.3. Audit

The supplier shall give right of access by the purchaser, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

16. Warranty

The supplier guarantees that the goods delivered have the promised characteristics, are in conformity with the state of the art and meet the pertinent requirements of the authorities and technical associations and that they do not contain defects which either cancel out or diminish the value or the suitability of the goods for customary use or for the use as stipulated in the contract. The period of warranty is two years and begins with the delivery of the goods.

For supply parts which cannot remain in operation during the investigation of a defect and/or procedures to remedy a defect, the current warranty period is extended by the time during which operations are interrupted. For repaired parts or parts supplied as

replacements, the warranty period shall recommence from this point in time, exceeding the statutory interruption.

17. Jurisdictions

Place of jurisdiction for all disputes arising from this business relationship governed by this General Terms and Conditions of Purchase is Geneva. CES is furthermore entitled to file a claim against the Supplier at any other place of general or special jurisdiction.