

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

1. Scope

The following General Terms and Conditions of Sale and Delivery of **Renata SA**, Kreuzenstrasse 30, 4452 Itingen, Switzerland, (hereinafter referred to as "Renata") apply to all sales, deliveries and services on the part of Renata pertaining to the Customer insofar as they are not amended or supplemented by way of a written and mutual agreement. The Customer hereby expressly relinquishes to assert his own "General Terms and Conditions of Contract" that may apply.

2. Offers

As a general rule the offers of Renata are subject to change without notice.

3. Orders

Orders are to contain clear specifications regarding all implementation details. The Customer is responsible for the clarity and wording of his order.

4. Conclusion of contract and scope of services

The contract is deemed concluded upon the provision of written confirmation of the order by Renata. The type and scope of services on the part of Renata are ultimately decided upon by way of the confirmation of order. As a general rule orders for delivery from stock within ten (10) days are not confirmed by Renata. Services that are not included must be additionally agreed upon in writing and will be invoiced. Equipment, qualities not documented, dimensions and weights of ordered products may fluctuate slightly within the valid international standards. Such variations are deemed to be agreed upon insofar as they do not have a considerable detrimental effect on functional features of the products.

5. Delivery dates

The stated delivery dates are non-binding approximate dates. They refer to the time at which the product leaves Renata's business premises. They shall be extended accordingly if

- a) Renata does not receive details in good time which it requires to execute the contract, or the Customer subsequently amends such details and in doing so causes an extension of the manufacturing process;
- b) Unforeseeable difficulties apply which Renata cannot avert irrespective of due care on its part. Such difficulties are, in particular, considerable operational breakdowns, accidents, labour conflicts, delayed or faulty deliveries of necessary raw materials, semi-finished and finished products, official restrictions, natural disasters and other cases of force majeure;
- c) The Customer or a third party is behind schedule with the work that they are to perform or they are in arrears with regard to honouring their contractual obligations, in particular if the Customer does not comply with the terms and conditions of payment.

Non-compliance with the delivery deadlines shall neither entitle the Customer to claim for damages nor to withdraw from the contract.

6. Prices

Renata expressly reserves the right to adjust at any time the prices stated in the offers and order confirmations in line with alterations to production costs and/or the market conditions. As a general rule the prices are to be understood as net prices ex-works. They shall not include transport packaging and value added tax. All incidental costs such as insurance policies, taxes, levies, customs duties, fees for licenses or certificates and disposal fees shall be borne by the Customer.

7. Terms and conditions of payment

Payments are to be transferred to the payments offices stated in the invoice without any kind of deductions and in the currency stated in the invoice. The payment obligation shall be deemed met as soon as Renata can freely dispose of the respective amount. Insofar as no special terms and conditions of payment have been agreed upon between Renata and the Customer, invoices shall be written out at the time of delivery and the term of payment shall be ten (10) days as from the date of invoice. Penalties for default shall apply automatically upon expiry of the term of payment. As from this time the Customer shall be charged interest on payments in arrears in the sum of 10% p.a. Renata expressly reserves the right to claim for damages as a result of further damage and withdrawal from the contract as from the expiry of a reasonable extension of time. Bank charges for international payment transactions shall be borne by the Customer.

8. Reservation of title and utilisation rights

Renata may retain ownership of all delivered products up to receipt in full of the purchase price. For this purpose, Renata is authorised, at the Customer's cost, to enter the reservation of title in the official register and to carry out all the necessary formalities in this respect. During the period of reservation of title the Customer shall maintain the delivered products at his cost and in favour of Renata, and insure these against theft, breakage, fire, water and other risks. He shall further undertake all measures so that Renata's ownership claim is not jeopardised. In the event that the products are amalgamated, Renata shall acquire part-ownership in accordance with the proportion of the value of the components. If the Customer does not honour his acceptance and/or payment obligations following the expiry of an extension of time of thirty (30) days, Renata shall be entitled, for the duration of the period in which the acceptance and/or payment are delayed, to freely distribute to

third parties without restrictions the products ordered by the Customer irrespective of possible property rights to which the Customer may be entitled (such as patents and rights pertaining to firms, brands, samples, models and copyrights).

9. Partial deliveries

The Customer is under obligation to accept partial deliveries.

10. Passing of utility and risk

The utility and risk pertaining to the products that are to be delivered shall pass to the Customer when the products leave Renata's works. If the agreed delivery date is postponed at the request of the Customer, or for reasons which are not the responsibility of Renata, the risk shall nevertheless pass to the Customer at the time that was initially agreed upon. As from this time the products shall be stored and insured on the account and at the risk of the Customer. The products that are to be delivered shall be insured against all transport risks by the supplier at the Customer's cost.

11. Inspection of products and notification of defects

Renata shall check the delivery and services insofar as this is customary prior to forwarding. If the Customer requests further-reaching inspections, these are to be agreed upon separately and paid for by the Customer.

The Customer shall check the deliveries and services within a reasonable period of time with regard to the condition and full content of the goods and inform Renata without delay in writing of possible defects. In the absence of such action deliveries and services shall be deemed authorised.

The implementation of a special and further-reaching acceptance inspection and stipulation of conditions that apply in this respect are subject to a separate agreement.

12. Warranty and liability for defects

Renata's warranty period commences upon receipt of the delivery by the Customer and runs for six (6) months. It primarily applies to the features guaranteed in the confirmation of order or the specifications. It covers all defects that are proven to be attributable to defective material or manufacturing defects. Warranted characteristics are merely deemed to be those expressly described as warranted characteristics in the confirmation of order or in the specifications. The warranty applies at most up to the expiry of the warranty period. If an acceptance test is agreed upon the warranty is deemed satisfied if proof of the respective characteristics is furnished on the basis of such a test.

In such a case the warranty is restricted, at Renata's discretion, to the replacement or the repair of the faulty products or defective parts or repayment of the invoice amount paid by the Customer for products or parts that have not been replaced. If defects apply the Customer is to undertake all measures to keep possible damage to a bare minimum.

Renata shall not assume any liability for costs that may be incurred for dismantling or assembling or for damages caused directly or indirectly by the supplied products, application of such products or by possible defects. In particular, Renata refuses to assume any liability whatsoever for consequential damage and further damage such as the loss of expected profits or other direct or indirect damage. The following shall, in particular, be excluded from Renata's liability: all damage which is not proven to have been caused as a result of poor material, defective material or faulty implementation, for example as a result of natural wear and tear, faulty maintenance, non-observance of operating instructions, excessive use, unsuitable machines and equipment, chemical or electrolytic influences or as a result of other reasons which are not the responsibility of Renata.

The Customer shall have no rights and claims as a result of defects pertaining to material, construction or implementation and as a result of the lack of warranted characteristics apart from those expressly stated in these General Terms and Conditions of Sale. With regard to claims lodged by the Customer as a result of faulty advice and the like or as a result of violation of any kind of accessory obligations, Renata shall only be liable in the case of intention or gross negligence.

13. Invalidity

In the event that individual provisions of these "General Terms and Conditions of Sale and Delivery" are invalid, this shall not affect the validity of the other provisions. The invalid provision is to be replaced with a valid one whose economic content comes closest to that of the invalid provision.

14. Amendments and supplementary information

Amendments to these conditions and all supplementary information required at these conditions are subject to the written form.

15. Applicable law and place of jurisdiction

The present General Conditions and all contracts between Renata and the Customer shall be exclusively governed by and construed in accordance with **Swiss law**, without giving effect to Switzerland's rules on conflict of law and regardless of the place of places of their physical execution and performance. Furthermore, the application of the United Nations Convention on Contracts for the International Sale of Goods (11 April 1980) shall be explicitly excluded. Any and all disputes arising between the parties, which cannot be resolved through friendly negotiation, shall be submitted solely to the competent courts of **Sissach/BL** (Switzerland).