

Essemtec AG - General Sales Conditions

March 2017

1) Validity

The following conditions are binding when expressly or tacitly consented to by the parties. Any alterations and relating agreements only come into effect when confirmed in writing by Essemtec AG (herein after referred to as 'supplier').

2) Scope of Supply and Technical Specifications

The Scope of Supply of the Equipment shall be defined in detail in a formal Essemtec AG quotation. The Equipment standard specifications are described in the Essemtec AG's System specifications and description. Any specific specifications required by the Buyer must be defined, approved and then quoted specifically.

3) Prices / Payment

Prices are fixed and valid for the scope of supply and work defined in the reference quotation or the general price lists. By default, all Essemtec AG prices are FCA Aesch/LU, Switzerland (FCA as per Incoterms 2010), all taxes, fees and custom clearances being excluded. Freight insurance shall be covered by the Buyer. Risk is passing to the Buyer FCA Aesch/LU, Switzerland, title will pass only when all due payments are collected. Prices are subject to change without notice. Quotation's validity date will prevail.

Unless specifically stated, the quoted price for the Equipment does not include any transportation, insurance, installation, acceptance on site and training. The Contract Price means the contractual price of the order for the reference scope.

Currency and payment terms are defined in the reference quotation. By default, standard payment terms by Essemtec AG are:

- **50%** of the Contract Price as down-payment, due at receipt of the order. The manufacturing of the Equipment will only start when the down-payment is received. No bank guarantees will be provided for down-payments,
- **40%** of the Contract Price 5 days prior shipment,
- **10%** of the Contract Price is due no later than 30 days after completion of the installation and Site acceptance (SAT) or prior machine production start at customer site, which ever come first, even in case of remaining open points not hindering production capabilities. Last payment is in any cases due when the machine is in production mode at customer site.

Essemtec AG may also accept schemes through Letter of Credit, but all extra costs related to any form of alternative payment terms will be charged back to the Buyer. The invoices are binding if the customer does not object immediately after its reception. All Essemtec AG invoices are payable within 30 days by default. In case of delayed payment, an interest rate of 0.04%/day will be applied on the overdue amount. In case of re-scheduled delivery, not caused by any fault of Essemtec AG, the same interest rate will be applicable on all delayed amounts. Reference dates are the one stated in the invoices.

In case of request for non-standard or specific exports documents, Essemtec AG reserves the right to quote and charge separately any such specific demands.

Minimum ordering amount (for spare parts or consumables) is set at 150.-CHF

Order cancellations are not accepted. In case of an order cancellation Essemtec AG will proceed with cancellation fees as follow:

- 80% of the Contract Price in case of cancellation less than 2 weeks prior shipment,
- 50% of the Contract Price in case of cancellation less than 4 weeks prior shipment,
- 20% of the Contract Price in case of cancellation less than 6 weeks prior shipment

On specific RFNS scope (Request For Non Standard) cancellation fees will be 100% of the actual work-in-progress at the time of the cancellation.

4) Customer Acceptance Test (CAT)

The CAT, if ordered, will be performed at Essemtec AG manufacturing location in Switzerland. The CAT is intended to demonstrate the correct running of the Equipment and the performance within the general and the specific ordered specifications prior shipment. The typical CAT duration is one work day. The operating parameters will be defined by the Essemtec AG specialists in co-ordination with the Buyer. Specific performance criteria, tests conditions or CAT duration required by the Buyer must be defined, approved, quoted in writing and ordered at the time of the System purchase order. Any Customer training at factory, if any, will be held only after the Equipment has been duly accepted. On completion of the CAT, the CAT report will be signed by the Buyer and implies the approval for shipment.

In case any Customer's specific materials (PCB, components, feeders, medium,...) are required for the CAT, it shall be duly shipped sufficiently in advance DDP Essemtec AG, free of charge.

5) Site Acceptance Test (SAT)

The SAT will be performed at Buyer's site. The SAT is intended to demonstrate the correct running of the Equipment and the performance within the general and the specific ordered specifications after the successful installation. The typical SAT duration is one work day. The operating parameters will be defined by the Essemtec AG specialists in co-ordination with the Buyer. Specific performance criteria, tests conditions or SAT duration required by the Buyer must be defined, approved, quoted in writing and ordered at the time of the System purchase order. Any process optimization, if any, is not part of the installation and SAT and shall be subject of a specific quote.

Any Buyer's training at his site, if any, will be held only after the Equipment has been duly accepted. On completion of the SAT, the SAT report will be signed by the Buyer.

6) Warranty / Service

The Warranty Period is 12 months or 2'000 hours of operation (6 months, 1000 hours in case of Pre-Owned and re-furbished parts), whichever comes first. The starting date of the Warranty Period will be at the signature of the SAT, at the start of a production mode of the Equipment or latest 2 months after shipment. In case the installation by an Essemtec AG Authorized Service Technician is delayed by no fault from Essemtec AG, the Warranty Period will not exceed 14 months from the shipment date.

The Essemtec AG warranty covers the repair or the replacement of defective parts (CIF Incoterms, importation by the Buyer), the required Essemtec AG Authorized Service Technician labour, if necessary, and the travel costs. The Buyer might be required to proceed with minor replacement works without specific costs recharging to Essemtec AG.

Warranty is restricted to machines having been installed by Essemtec AG Authorized Service Technician. Parts that are considered under normal wear and tears such as O-Rings, hoses, bearings, etc... are not covered by the warranty.

All warranty claims must be immediately notified in writing at first occurrence with a detailed description to the Global Essemtec Support network. From the notification of the occurrence the Buyer shall comply to follow any given instructions from Essemtec AG to proceed properly with the troubleshooting and/or return of parts process.

Based on the root cause analysis of the case and the conditions under which it happened, Essemtec AG reserves the right to accept or reject the claim, in whole or in part. In such rejected cases, Essemtec AG reserves the right to invoice any already occurred costs associated with the cases.

The warranty will strictly not apply in case of any inappropriate use of the Equipment (not following strictly the official Essemtec AG manuals and/or instructions), insufficient servicing or inadequate repair or modification work carried out by any third party not approved by Essemtec AG as well as use of non-original ESS spare parts.

The original Warranty Period will not be extended whatsoever in case of any warranty cases occurrence during the warranty period.

Essemtec AG is in no cases liable for any incidental or consequential damages, nor any loss of production time and/or materials due to any defects from the delivered Equipment.

The standard Essemtec AG Warranty Period can be extended on request (max 2 years). The specific warranty conditions for such Extension will be defined through a specific Service contracts to be signed separately.

7) Software Licenses

All Essemtec software (Machine & Applications) remains strictly the property of Essemtec AG. Each purchased software must be used in compliance with the license agreement and to be used with the appropriate hard lock software security system (dongle).

The customer, upon installation and acceptance of the ordered system, is granted a one-time, paid up and non-transferable license to use the machine software for its intended purpose.

8) Intellectual property

Essemtec AG is strictly the owner of the entire intellectual property in relation with any supplied equipment, process related to equipment and services under any kind of transactions. No any rights on such intellectual property is transferred by supplying equipment, process related to equipment or services.

9) Disposal

After use of the delivered product, the customer has the duty to dispose of it at his own cost. The customer exempts the supplier from all duties of disposal, namely any possible duty to take back goods, disposal costs, and any related claims of a third party.

10) Applicable law and jurisdiction

The contract is subject to Swiss law, the place of jurisdiction being Lucerne/Switzerland. The reference language will be German or English.

Aesch, March 2017