

General conditions of sale and supply for plant and machinery

1 General Provisions

- 1.1 Legal relations between Mikron and the customer (the "Purchaser") relating to the design, implementation, manufacture, supply and sale of Mikron machinery or systems (the "Plant") shall be governed solely by:
- these General Conditions of Sale and Supply
 - Acceptance test specifications
 - the Terms of Supply Spare Parts
 - the Machine Installation terms and conditions
- 1.2 These General Terms of Supply are also available on Mikron's website, www.mikron.com/conditions.
- 1.3 Any modification as well as amendments, additions and/or different Purchaser's general terms and conditions shall be effective only if agreed and expressly accepted in writing by Mikron.

2 Conclusion of and modification to the Contract

- 2.1 All agreements and relevant declarations of the parties, as well the modifications, must be in writing and signed by Mikron in order to be valid.

3 Scope of the Supply

- 3.1 Mikron shall be bound to supply the Plant only in accordance with what is indicated and contained in the Contract.
- 3.2 Upon the conclusion of the Contract, Mikron will begin the design in detail of the Plant. The Purchaser will collaborate supplying all of the instructions, documents and technical support needed for the correct completion of the Plant.
- 3.3 Mikron reserves for itself the right to make changes in the Plant – not least in the interest of the Purchaser – that will bring about improvements. Any price increases or changes of delivery deadline shall be agreed between Mikron and the Purchaser.
- 3.4 Any requests by the Purchaser for changes and/or additions to the design of the Plant subsequent to the conclusion of the Contract shall be set forth in writing. Mikron reserves for itself the right to either accept or turn down the Purchaser's requests upon checking out the feasibility of such changes and/or additions. The costs and charges required in order to implement such changes shall be borne solely by the Purchaser and billed on the basis of Mikron's rates as they apply from time to time. In any event, Mikron shall not feel compelled to implement the Purchaser's requests until such time as the parties have reached an understanding in writing as regards the consequences and the impact the said changes and/or additions will have on the delivery deadline and on the costs.

4 Risk Sharing

- 4.1 The Purchaser shall bear all of the risk of inefficiency or total or partial lack of qualities of the Plant whenever he directly or indirectly mandates resorting to outside suppliers, materials, accessories, elements or parts of any kind to be used toward implementation of the Project.

5 Drawings, Technical Documentation, Software

- 5.1 All of Mikron's drawings, technical documentation, illustrations, indications of weights and measurements shall be purely indicative unless specifically defined as being an integral part of the contract.
- 5.2 The drawings, information and technical documentation relating to the scope of the supply and delivered by either party to the other prior to or after the signature of the Contract shall remain the sole property of the party that discloses them. The receiving party undertakes to consider confidential the drawings, information, documentation concerning technical, commercial, economic data and commits to not disclose or make them available to third parties, nor copy or reproduce them. Such drawings, information, documentation, software received by one party may not be used for any purpose other than the one for which they were made available.
- 5.3 Any software extension or alteration of the software by the purchaser shall require Mikron's prior approval in writing.

6 Laws, Rules and Quality Standards

- 6.1 Mikron's Plant is compliant with the provisions of the country of manufacture and of the European Union. In any event the Purchaser must point out to Mikron in writing, no later than on the date the order is dispatched, any diverging standards and rules prevailing in his own country. Mikron implements requested changes on the basis of time constraints and at the expense and risk of the Purchaser, while seeing to it that safety of operation is in any event guaranteed.
- 6.2 If the Purchaser fails to point out to Mikron any different standards or rules prevailing in his country he shall bear the cost of any work required to adjust to them. If the purchaser causes others to do such adjustment work Mikron's liability and warranty shall lapse.
- 6.3 In any event Mikron shall not be liable for any defect the purchaser was aware of or could not disregard at the time of stipulating the contract.
- 6.4 The validity of the contract of supply and the delivery of the Plant might be subordinate to the release from the competent authorities of the authorizations to the export. No responsibility can be imputable to Mikron in the event the export is denied.

7 Price

- 7.1 The price of the Plant set forth in the Contract is binding, and except in the event of special covenants, all prices shall be deemed Free Carrier Agno (FCA Incoterms 2010). Packing, assembly and ancillary costs of any kind are not included. VAT (Value Added Tax) must be added at the rate provided by law.
- 7.2 The Purchaser may not, in any event, offset or reduce the price by dint of potential claims for damages and/or defects and shortcomings of the goods being supplied.
- 7.3 Mikron may ask the Purchaser for a higher price or for a financial participation to cover the higher risks weighing on the attainment of the result or on the rate of efficiency of the Plant demanded by the Purchaser whenever circumstances of any kind hamper the completion of the Plant or make it exceedingly difficult and/or more costly.

8 Payment and Late Payment

- 8.1 Unless otherwise agreed in writing, the price must be paid by the Purchaser without any deduction at the head offices of Mikron, in the currency that is legal tender thereat and consistent with the following conditions:
- 30% as a down payment to be paid concurrently with the placement of the purchase order by the Purchaser;
 - 30% in payment of the engineering activity, to be paid upon the completion thereof;
 - 30% in payment of the completion and assembly of the Plant, to be paid concurrently with the commissioning test at Mikron;
 - the balance, i.e. 10%, to be paid concurrently with the commissioning for final acceptance in the Purchaser's premises, at latest one month after delivery by Mikron.
- In the event of partial deliveries, partial payments will be required consistent with the portion of goods ready/available for shipment.
- 8.2 Any delay by the Purchaser in paying the price or any part thereof shall entitle Mikron to suspend and/or delay its work and also trigger the automatic accrual of interest on the unpaid amounts, at the prevailing bank rate plus five percentage points, starting from the due date contemplated for the payment and without any requirement for Mikron to demand payment.
- 8.3 If Mikron becomes aware of a substantial worsening of the Purchaser's financial situation, or if prejudicial elements of any kind were to come to the fore against the Purchaser, Mikron may demand immediate settlement in advance, request further partial payments or guarantees, or be entitled to terminate the Contract and to keep the partial prepayments as consideration for the services or part thereof that has already been completed, without prejudice to the right to claim for any damages it may have suffered.
- 8.4 The Purchaser is not permitted to withhold payments or to offset any counter-services contested by Mikron, nor to assert retention rights on the Plant.
- 8.5 Payments made in advance shall not bear interest and shall not be (deemed to be) penalties authorizing the purchaser to step back from the agreement, subject to the provisions of Art. 15.1
- 8.6 The Purchaser shall be bound to full payment of the amounts relating to the changes and/or additions referred to in Art. 3.4 hereof, on the basis of the rates prevailing at Mikron from time to time and in keeping with the terms set forth above.

9 Retention of the Title of Ownership

- 9.1 Mikron shall keep ownership of the Plant until full payment of all collectable claims deriving from the Contract entered into with the Purchaser. Upon entering into the Contract the Purchaser authorizes Mikron to enter or notify the reservation of the title in the required form in public registers, books or similar records, all in accordance with relevant national laws, and to fulfill all corresponding formalities, at Purchaser's cost. In the event of failure to pay the agreed price or part thereof, Mikron shall be entitled to demand the restitution of the Plant already in the Purchaser's possession.
- 9.2 If the Plaintiff fails to show evidence that he has contracted insurance to safeguard the Plant against theft, breakage, fire, water and other damage, Mikron shall be authorized to contract the same. In that case the Purchaser shall refund to Mikron the amounts paid by the latter as insurance premiums.
- 9.3 The Purchaser may not pledge the object of the supply, nor transfer ownership thereof as surety. The Purchaser shall immediately inform Mikron in the event of forcible collection proceedings, attachments, seizures or other measures initiated by third parties or authorities.

10 Transfer of Risk

- 10.1 The transfer of Plant risk shall be determined by the Parties in the Contract. In the absence of a written understanding on this issue and unless there are specific covenants regarding the applicable Incoterms 2010 clause, the risk of natural and/or accidental deterioration and of damage caused to or by the Plant shall devolve unto the Purchaser at the time when Mikron advises that the Plant is held available for the Purchaser Free Carrier Agno (FCA Incoterms 2010). The same applies for partial deliveries and when deliveries are delayed at the request of the Purchaser or for other reasons not attributable to Mikron.
- 10.2 As the risk devolves upon the Purchaser, the latter becomes the custodian of the items of the supply. The Purchaser shall then be liable for any damages that may arise from or be caused by the Plant (items) to himself or to others.
- 10.3 Loss or deterioration of Plant items that may have occurred subsequent to the devolution of the risk to the Purchaser shall not relieve the latter from payment of the purchase price.
- 10.4 The objects of the supply must be accepted by the Purchaser even if they show defects, without prejudice to the Purchaser's rights referred to in Art. 14 hereof.
- 10.5 Upon arrival in the place of destination the Purchaser must examine the packing of the Plant's items, take custody of the documents and immediately advise Mikron in writing of any recognizable defects, or lose the right to claim a defect. If the Purchaser fails to do so, the supply shall be deemed approved as to its condition and completeness.

11. Deadline and Terms of Delivery

- 11.1 The delivery deadline shall be set forth by the parties in the Contract. In the absence of a written understanding on this issue and unless there are specific covenants regarding the applicable Incoterms 2010 clause, the delivery deadline shall be deemed met at the time when Mikron advises that the Plant is held available to the Purchaser Free Carrier Agno (FCA Incoterms 2010).
- 11.2 Compliance with the delivery deadline presupposes that all of the commercial, administrative and technical aspects have been defined and agreed by and between the parties and that the Purchaser has complied with the obligations he is bound to, among them the production of the required administrative (and) technical documentation, of the required commercial/administrative permits and the payment of whatever is owed or the issuance of a payment guarantee consistent with the contractual provisions.
- 11.3. MIKRON is bound to respect the delivery term only on the condition that the Purchaser has met all his obligations in all ongoing contracts with Mikron. If the Purchaser is late in meeting his obligations, the term of delivery will be prolonged correspondingly.
- 11.4 If shipment or production suffers a delay attributable to the Purchaser or if the Purchaser fails to pick up the Plant (items) within no later than 15 days from the date of the notice given pursuant to Art. 11.1, the Purchaser will be charged for the cost of warehousing the Plant items at the rate of CHF250.- for each day of delay. In any event, late pick-up or unlawful refusal by the Purchaser shall entitle Mikron to terminate the contract, withhold any

advance payments already received, demand the full payment of the balance of the supply price and consider itself free to sell the object of the supply to others.

- 11.5 The delivery deadline shall be adequately extended in the event of any force-majeure or fortuitous event and if anything occurs that is beyond the control and will of Mikron, whether this occurs in the premises of Mikron, the Purchaser or others. Shall come under this heading events such as epidemics, mobilizations, warfare, uprisings, labor union unrest, natural events during the business year, institutional measures, bans on import, export, transit etc. The resulting consequences and costs shall be divided proportionally to the damage incurred by each party. The beginning and end of force-majeure contingencies shall be communicated by Mikron to the Purchaser within the shortest possible time.
- 11.6 The delivery deadline shall also be extended in the event of strikes, lock-outs or labor union disputes, even if they affect third parties or subcontractors. Also, the delivery deadline shall be extended in connection with the time required to make changes, alterations and/or additions to the Plant, as set forth in Arts. 3.3, 3.4 and 4.1 hereof. In any event, partial work and deliveries shall be allowed.
- 11.7 In the event of delay the parties shall agree a new deadline in extension of the one previously agreed. If delays of at least 20 weeks from the expiration of the delivery deadline have been agreed and if at the expiration of the extended deadline Mikron's performance turns out totally impossible due to its willful intent or gross negligence, the Purchaser shall have the right to step back from the contract. In any event, any consideration, payment of indemnities, direct or indirect damages related to the delay in delivery, shall be barred, but Mikron shall remain obligated in the event of willful intent or gross negligence as governed by the provision contained in Art. 15.4 below.
- 11.8 Any conventional penalties, indemnities or damages shall equally be barred for late deliveries by suppliers of Mikron or by third parties indicated and mandated by the Purchaser.

12. Materials and Plant Machining and Pre-Assembly Tests

- 12.1 For purposes of Plant fine-tuning and of a full and correct progress of the machining tests the Purchaser must supply all of the necessary elements and raw materials in keeping with the drawings attached to the Order Confirmation.
- 12.2 The supply of the above materials by the Purchaser shall take place Free Mikron, Incoterms 2010 DDP – Delivered Duty Paid.
- 12.3 The dates of delivery of the material shall be defined by Mikron in the Order Confirmation, in the specification of work to be performed or in the notices sent during the course of work on the Plant. For each week of delay in the delivery of the aforesaid material by the Purchaser, Mikron shall be entitled to delay completion of the Plant by at least four weeks.

13. Commissioning and Acceptance

- 13.1 Unless otherwise agreed, a first test of the Plant will be run at Mikron regarding consistency with the specifications requested by the Purchaser. The date contemplated for the test will be notified to the Purchaser in order that he may attend. Upon completion of the test both parties will sign a consistency protocol that will be deemed to constitute acceptance of the Plant by the Purchaser.
- 13.2 Mikron will run a second test, unless otherwise agreed by the parties, upon completion of the Plant's assembly in the Purchaser's premises, which will consist of checking the proper execution of the assembly and of the start-up of the Plant. The Purchaser shall prearrange all that is necessary for the proper performance of the tests on the date set forth. Upon completion of the test both parties will sign a consistency protocol that will be deemed to constitute final acceptance and take-over by the Purchaser of the Plant and of the process it implements.
- 13.4 Unless otherwise agreed, both tests – in fulfillment of what has been provided for in the previous provisions – shall be carried out in the manner and in accordance with the provisions contained in Mikron's "Acceptance test specifications" and "Machine installation terms and conditions".

14. Warranty, Duration, Complaints

- 14.1 The warranty covers 12 months or 2500 hours of operation and shall run from the date of final acceptance, or at latest three months after delivery by Mikron.
- 14.2 For supplies and services from third parties, inclusive of any mandated by the Purchaser, Mikron shall be liable only within the limits, timeframes and consistent with the warranty terms of the third-party suppliers or subcontractors.
- 14.3 For parts replaced or repaired, the warranty shall run for six months from the replacement, the completion of the repair or the testing thereof, unless the original warranty covers a longer residual period.
- 14.4 Upon taking delivery of the Plant, the Purchaser shall immediately report in writing to Mikron the vices and defects detected or discovered, failing which the entitlement to the warranty shall lapse.
- 14.5 Barring any additional claims, until the end of the warranty period and if the claim turns out to be justified Mikron undertakes to repair (or) replace, at its own discretion, the supply's components found to be defective or unusable because of demonstrable defects in materials, in construction or in performance. The Purchaser must allow Mikron the time needed to do all of the work it deems appropriate and aimed at eliminating the defects, failing which Mikron shall not be liable for the resulting consequences. In urgent cases that present a safety risk and in order to prevent very serious damages, the Purchaser may himself eliminate the defects upon prior notice to and consent of Mikron.
- 14.6 The costs for checking defects and installing spare parts, as well as travel expenses of any Mikron personnel caused by support work in the Purchaser's premises, shall be borne by Mikron if it is found that the defect is attributable to Mikron. On the other hand, if no defect attributable to Mikron is found, the costs for checking and the personnel travel expenses shall be borne solely by the Purchaser.
- 14.7 The Purchaser shall forfeit his right to warranty and to demand the supply of spare or replacement parts if he cannot return the defective ones in the same condition in which he received them. The replaced parts become the property of Mikron.
- 14.8 Mikron accepts no liability – and the warranty shall become void – in the event of mishandling by the Purchaser or third parties and particularly in the event of inappropriate, improper or careless use, incorrect or third-party installation or start-up, failure to comply with the instructions for use and with safety rules, natural wear and tear, lack of regular maintenance and use of other than original Mikron spare parts, inadequate operational means or materials, inadequate area or facility where the object of the contract is located, influence by chemical, electronic or electric agents. The warranty shall also not apply for any failures and defects not attributable to Mikron or not traceable to defective or imperfect construction or make.
- 14.9 The fitness for a particular purpose or the promise of a particular performance shall apply only if specified contractually. For purposes of identifying the quality and essential elements of the Plant, only what is described in the Contract signed by the parties shall be valid and binding.
- 14.10 As stated in Art. 3.4 hereof Mikron shall not be liable for the lack of quality, inefficiency, shortcomings and/or defects of the Plant arising from drawings, materials, semi-processed and/or accessory elements or instruments supplied and requested by the Purchaser or originating from suppliers or subcontractors pointed out and chosen by the Purchaser.
- 14.11 In any event, Mikron shall not be obligated to make good any direct and indirect damages related to defects and shortcomings even if they touch on essential qualities of the Plant or

make it wholly unfit for its intended use, but Mikron shall remain obligated in the event of willful intent or gross negligence as governed by the provision contained in Art. 15.4 below.

15. Withdrawal, Termination and Reparation

- 15.1 The Purchaser may step back from the contract only if he offers proof that Mikron's work turns out impossible on account of Mikron's willful intent or gross negligence. In the event of the Purchaser's violation of the preceding paragraph and if the Purchaser steps back from the contract or cancels the order without justifiable reason and of his own volition, Mikron shall have the right to keep any advance payments received as an indemnity for its activity and for the part of work already performed; to demand the residual price of the Plant as conventional penalty; and to demand reparation for the damages incurred.
- 15.2 If it is mutually acknowledged by both parties that the Plant is totally lacking the qualities promised, as described and set forth in the Order Confirmation, i.e. those essential qualities which make it fully unsuitable for use as intended, the Purchaser shall have the right to terminate the contract. However, the Purchaser shall forfeit the right to ask for termination of the contract if he fails to do so within a reasonable time from the delivery or consistent with the termination deadline referred to in Art. 14.4. Subsequent to the termination referred to in this Art. 15.2, the Purchaser must return the object of the supply and its accessories in a condition substantially identical to the one in which he received the same. Only in such event will he be entitled to have the advance payments refunded to him, though without interest. The parties may also mutually decide in favor of an offsetting replacement, so long as this is feasible under the circumstances, and the Purchaser shall as a result pay the difference between the price of the supply which is the object of the termination and the price of the object provided as replacement, in addition to the related charges and ancillary expenses. However, any request for compensation, indemnification or reparation of direct or indirect damages related to or arising from the lack of promised or essential qualities shall be barred, whether the Purchaser acts for the termination of the contract or in fulfillment of the offsetting substitution.
- 15.3 Unless otherwise provided in Contract, all instances of contractual violation and the legal consequences arising therefrom and all of the Purchaser's rights, regardless of the reason for which they are asserted, shall be definitively governed by the "General Terms of Sale and Supply for Machinery and Plant". Barred are, in particular, the rights of reparation, of price reduction, of withdrawal from or termination of the contract that have not been expressly set forth in the aforesaid General Terms. There is positively no right for the Purchaser to claim reparations for any damage resulting from the loss of production, loss of use, loss of orders, loss of profits and other direct and indirect or consequential damages.
- 15.4 Mikron shall not be subject to any contractual or extra-contractual liability unless caused by willful intent or gross negligence. In such case the liquidated damages that may be owed by Mikron for any damage proved by the Purchaser shall not exceed an amount equal to 5% of the value of that part of the Plant which was not in compliance with conditions and terms set forth in the Contract. In the event such liquidated damages are related to late performance, the Seller shall be liable, with exclusion of any further claims or damages, to 0.25% for each full week of delay up to the limit of 5% above mentioned. The first 4 weeks of delay shall not, however, give any entitlement to damage or reparation.
- 15.5 Mikron shall not be liable in any way for actions by auxiliary personnel. As far as liability for damage from products is concerned, Mikron shall be liable pursuant to the terms and conditions provided for by Federal laws prevailing at the time of the fact.

16. Intellectual and Industrial Property, Trademarks and Patents

- 16.1 Any results achieved during the course of design, construction, assembly and/or maintenance of the Plant, even when done with means, tools, drawings and designs provided by the Purchaser, are and shall remain the sole property of Mikron which shall have exclusive ownership of any paternity and property rights.
- 16.2 The Purchaser is not entitled to use and/or cause others to use the trademarks, patents, trade names or other distinctive marks of Mikron and undertakes not to deposit nor cause to be deposited in the country where they have their registered offices or elsewhere any trademarks, patents, trade names or other distinctive signs similar to or lending themselves to be mistaken for those of Mikron.
- 16.3 The Purchaser shall inform Mikron of any infringement of trademarks, patents, trade names or distinctive signs or infringement of any other intellectual and/or industrial rights of Mikron which may have come to his attention.
- 16.4 Mikron shall be authorized to reject in an adequate manner or to otherwise define, judicially or extra-judicially, the claims asserted or the violations committed by third parties. The Purchaser shall grant power of attorney to Mikron and intervene in court at his own expense for the protection of Mikron's interests.

17. Environmental and Operational Safety

- 17.1 The Purchaser undertakes to follow the instructions for use and the safety warnings supplied with the Plant and to train his own personnel adequately so that the safe and ecological operation of the Plant is constantly guaranteed. The Purchaser must confirm to Mikron in writing the receipt of the instructions for use and of the safety rules.
- 17.2 The safety rules and danger warnings affixed to the machinery may not be removed. Warning signs that are either not properly fastened or marred must be replaced immediately. Mikron undertakes to replace at the expense and under the care of the Purchaser, at any time and in adequate quantities, such signs if they have become unusable. At Mikron's request the Purchaser must at any time accept and abide by any improvements to safety instructions.
- 17.3 Technical modifications on machinery, especially if they compromise the safety of personnel or of the environment, may be carried out only upon the written consent of Mikron. In the absence of such consent any such modifications must be eliminated forthwith.
- 17.4 The Purchaser must inform Mikron immediately if an accident has occurred on the Plant or if the operation thereof appears to be dangerous.
- 17.5 If the Purchaser fails to comply with any of the above obligations relating to the protection of the environment and the operational safety, he shall indemnify Mikron for any required or mandated reparation of damages vs. third parties.

18. Applicable Law and Venue of Competent Jurisdiction

- 18.1 For all of the relations between Mikron and the Purchaser regarding the Contract as well as the performance, construction, amendment and effects thereof, only the Swiss law shall apply.
- 18.2 The venue of sole competent jurisdiction shall be the Courts in the place in which the registered office of Mikron SA Agno is located.

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