

## General Terms and Conditions

### 1. General

1.1 The Contract shall be deemed to have been entered into upon receipt of Arktis Radiation Detectors Ltd's (hereinafter the "Supplier") written acknowledgement stating its acceptance of the order (order confirmation).

1.2 The present General Conditions of Delivery shall be binding if declared applicable in the tender or in the order confirmation. Any conditions stipulated by the Purchaser/Lessee which are in contradiction with these General Conditions of Delivery shall be binding only if and to the extent they have been expressly accepted by the Supplier in writing.

1.3 Should any of these Conditions of Delivery prove to be invalid or impracticable for legal reasons, the Contract shall not be affected thereby in any other way. The Parties shall, in this event, replace the provisions found to be invalid or impracticable by other provisions whose legal and economic effects come as close as possible to those intended by the original provisions.

1.4 If the supplies also comprise any standard software available on the Market, including any related documents, the relevant terms of delivery and licensing conditions of the third party suppliers concerned shall apply exclusively.

### 2. Scope of supplies and services

The supplies and services shall be fully itemised in the confirmation of the order and its annexes, in particular in the agreed specification of technical requirements to be met.

### 3. Sales Material, Designs, Technical Documents and Software

3.1 Unless otherwise agreed, the information contained in sales and publicity material and catalogues shall not be binding. Data contained in technical documents shall be binding only if expressly warranted.

3.2 Each Party retains all rights to designs, technical documents and software handed over to the other Party. The Party receiving such design data, technical documents and software recognises these rights and shall - without the previous written consent of the other Party - not make these documents available to any third party, either in whole or in part, nor use them for purposes other than those for which they were intended.

### 4. Prices

4.1 Unless otherwise agreed, all prices shall be deemed to be net, ex works excluding value-added tax (VAT), insurance and packing. All additional costs such as customs duties or charges arising in connection with export, import, transit and other certification documents shall be borne by the Purchaser/Lessee unless such additional costs are expressly included in the quoted prices.

4.2 If the conditions upon which the price calculations are based (in particular currency parties, government taxes, charges, fees, customs duties, etc., as well as labour or material costs) vary between submission of the tender and the contractually agreed delivery date, then the Supplier shall be entitled to adjust his prices and conditions of supply to reflect the changed circumstances.

4.3 If the delivery time is extended due to one or more of the reasons mentioned in Clause 7.2 or if the documents and information supplied by the Purchaser/Lessee are incomplete or do not conform to the prevailing circumstances and this leads to increased expenditure, then the Supplier shall be entitled to adjust his prices and conditions of supply to reflect the changed circumstances.

### 5. Terms of Payment

5.1 Payments shall be made at the Supplier's domicile, without any deduction for cash discounts, expenses, taxes, levies, fees, duties, and the like. Unless otherwise agreed, the Supplier's invoices shall be due for payment immediately and shall be settled not later than on the 30th calendar day counting from the date of the invoice. Payments shall be made into any one of the Supplier's accounts kept with the banks appearing on the invoices. Settlement of payment may not include any set-off deductions for counter-claims. Payment shall be deemed to have been effected as soon as the amount due is at the free disposal of the Supplier.

5.2 If the payment is not forthcoming in accordance with the terms of the Contract, the Supplier shall be entitled to either adhere to or withdraw from the Contract and shall in either case be entitled to claim compensation.

5.3 If the Purchaser/Lessee does not comply with the agreed payment due dates, he shall be liable, without reminder, to pay interest, with effect from the date on which the payment was due at a rate of 5 % above the current discount rate of the Swiss National Bank.

### 6. Retention of Title

The Supplier shall retain title to all supplies until full payment has been received in accordance with the Contract. Upon entering into the Contract, the Purchaser/Lessee authorises the Supplier to enter or notify the retention of title in the required form in the official public registers, books or similar records, in accordance with relevant national laws, and to fulfil all corresponding formalities, at Purchaser/Lessee's expense. During the period of the retention of title, the Purchaser/Lessee shall, at his own expense, duly maintain the supplied goods in good condition and insure them for the benefit of the Supplier against

theft, breakage, fire, water and other risks. He shall further take all measures to ensure that the Supplier's title is neither prejudiced nor cancelled.

### 7. Delivery Time

7.1 The agreed delivery time shall start on receipt by the Supplier of a written order, the technical and commercial aspects of which shall have been clarified, and provided all administrative formalities regarding such matters as import, export, transit and payment permits have been satisfactorily completed. Furthermore, all essential technical points must have been settled. The delivery time shall be deemed to have been met if the delivery has taken place before expiry of the time limit or the Supplier has notified the Purchaser/Lessee that the supplies are ready for dispatch.

7.2 The delivery time may be reasonably extended:

a) if the information required by the Supplier for performance of the Contract is not received in time, or if subsequent modifications or supplements are requested by the Purchaser/Lessee, thereby causing a delay in the delivery of the supplies or services;

b) if impediments occur which the Supplier cannot prevent despite using the required care, regardless of whether they arise on the part of the Supplier or the Purchaser/Lessee or a third party. Such impediments include, but shall not be limited to, epidemics, mobilisation, war, revolution, labour disputes, lockouts, strikes, accidents, late or deficient delivery by sub-contractors of raw materials, semi-finished or finished products, the need to scrap important work pieces, official actions or omissions by any state authorities or public bodies, natural catastrophes, acts of God. In any such event, the Parties shall agree on an adequate modification of the Contract;

c) if the Purchaser/Lessee or any third party charged by him are behind schedule with work to be done by them or in default with respect to contractual obligations, in particular if the Purchaser/Lessee fails to observe the terms of payment.

7.3 The Purchaser/Lessee shall be entitled to claim liquidated damages for delayed delivery in so far as it can be proved that the delay has been caused through the fault of the Supplier and that the Purchaser/Lessee has suffered a loss as a result of such delay. If substitute material can be supplied in good time to accommodate the Purchaser/Lessee, the latter is not entitled to any liquidated damages for the delay. Liquidated Damages for delayed delivery shall not exceed 0,5% for every full week's delay and shall in no case whatsoever exceed, in total, 5% of the contract price of the part of the supplies delayed. No liquidated damages shall be due for the first two weeks of delay. After reaching the maximum liquidated damages for delayed delivery, the Purchaser/Lessee shall grant the Supplier a reasonable extension of time in writing. If such an extension is not observed for reasons within the Supplier's control, the Purchaser/Lessee shall have the right to reject the delayed part of the supplies or services. If a partial acceptance is economically not justified on the part of the Purchaser/Lessee, the latter shall be entitled to terminate the Contract and to claim refund of the money already paid against return of the supplies already delivered.

7.4 Any delay of the supplies or services does not entitle the Purchaser/Lessee to any rights and claims other than those expressly stipulated in this Clause 7. Further claims for compensation may be raised only in the event of damage caused by gross negligence or unlawful intent and only to the extent that the above damages for default has proved insufficient to cover the damage caused.

### 8. Passing of Benefit and Risk

8.1 The benefit and the risk of the supplies shall pass to the Purchaser/Lessee at the latest by the date they leave the works.

8.2 If dispatch is delayed at the request of the Purchaser/Lessee or due to reasons beyond the Supplier's control, the risk of the supplies shall pass to the Purchaser/Lessee at the time originally foreseen for their leaving the works. From this moment on, the supplies shall be stored and insured for the account and at the risk of the Purchaser/Lessee.

### 9. Inspection and Acceptance of the Supplies and Services

9.1 As customary, the Supplier shall inspect the supplies and services before dispatch. If the Purchaser/Lessee requests further inspections, this has to be specially agreed and paid for by the Purchaser/Lessee.

9.2 The Purchaser/Lessee shall inspect the supplies and services within a reasonable period of time and shall immediately notify the Supplier in writing of any deficiencies. If the Purchaser/Lessee fails to do this, the supplies and services shall be deemed to have been accepted, subject to hidden defects, if any.

9.3 The Supplier shall as soon as possible remedy the defects / deficiencies which have been notified to him according to Clause 9.2, at his discretion either by repair or replacement. The Purchaser/Lessee shall grant the Supplier the time and provide the opportunity to do this. Insofar as defective parts have to be replaced, such defective parts shall pass into the ownership of the Supplier.

9.4 Performance of the acceptance test as well as the conditions related thereto shall be subject to a special agreement.

9.5 Defects / Deficiencies of any kind in supplies or services shall not entitle the Purchaser/Lessee to any rights and claims other than those expressly stipulated in Clauses 9 and 10 (warranty, liability for hidden defects).

#### **10. Warranty, Liability for Defects**

10.1 Save as expressly provided otherwise, the warranty period (period of guarantee) is 12 months. It shall start from the moment when the supplies leave the works. If dispatch is delayed due to reasons beyond Supplier's control, the warranty period shall end not later than 18 months after Supplier's notification that the supplies are ready for dispatch. For replaced or repaired parts of the supplies the warranty period is 12 months, commencing from the moment the replacement has been effected or the repair work completed, always providing the warranty period pursuant to the previous paragraph for the supplies as a whole expired at an earlier date.

10.2 The warranty immediately expires if the Purchaser/Lessee or a third party carry out repair work or effect modifications without the Supplier's prior consent in writing, or if the Purchaser/Lessee, in the event of a defect / deficiency, fails to take immediately all appropriate steps to mitigate resulting damage and grants the Supplier the opportunity to remedy such defect / deficiency.

10.3 Upon written request of the Purchaser/Lessee, the Supplier undertakes at his choice to repair or replace as quickly as possible any parts of the supplies which, before the expiry of the warranty period, are proved to be defective due to bad material, faulty design or poor workmanship. Faulty parts shall be returned to the Supplier at his request. Such faulty parts as have been replaced by new ones shall become the property of the Supplier. After expiry of the warranty period pursuant to Clause 10.1, para. 1, the warranty regarding the replaced or repaired parts of the supplies (Clause 10.1 para 2) shall apply to the replaced or repaired parts only, whereas the costs incurred with respect to the removal, transport and re-installation of such parts shall be borne by the Purchaser/Lessee.

10.4 The warranties are only those, which have been expressly specified as such in the specifications or in the order confirmation. Such warranty applies only until the expiry of the warranty period at the latest. If the warranties are either not or only partially fulfilled, the Purchaser/Lessee shall initially be entitled to require the Supplier to correct the default immediately. The Purchaser/Lessee shall grant the Supplier the necessary time and opportunity to do this. If such correction is either not or is only partially successful, the Purchaser/Lessee may claim a reasonable reduction of price. If, however, the defects are of such importance that they cannot be remedied within a reasonable time, then the Purchaser/Lessee shall be entitled to refuse acceptance of the defective part or, if partial acceptance is economically not justified, to terminate the Contract, provided the supplies and services cannot be used for their specified purpose, or if such use is considerably impaired. In such a case the Supplier can only be held liable for reimbursing the sums which have been paid to him for the parts affected by the termination.

10.5 Excluded from Supplier's warranty and liability for defects are all deficiencies which cannot be proved to have their origin in bad material, faulty design or poor workmanship,

e.g. those resulting from normal wear, improper maintenance, failure to observe the operating instructions, excessive stress or strain, use of any unsuitable materials, influence of chemical or electrolytic action, building or erection work not undertaken by the supplier, or resulting from other reasons beyond the Supplier's control.

10.6 With respect to faulty software, warranty claims may be raised only if the defect / deficiency can be reproduced using the unaltered original software version supported by documentary evidence in as much detail as possible. In the event of loss or damage to data and/or data storage media, the warranty does not cover expenditure relating to the restoration of lost data.

10.7 With respect to any defective material, design or workmanship as well as to any failure to fulfil express warranties, the Purchaser/Lessee shall not be entitled to any rights and claims other than those expressly stipulated in Clauses 10.1 to 10.6.

#### **11. Exclusion of Further Liability**

11.1 Any rights and claims on the part of the Purchaser/Lessee other than those expressly stipulated in these General Conditions of Supply are excluded, irrespective of the legal grounds on which they are based, in particular all claims for damages, reduction of price, withdrawal or termination of the Contract unless such claims are expressly stipulated in the Contract. In no case whatsoever shall the Purchaser/Lessee be entitled to claim damages other than compensation for costs of remedying defects in the supplies. This in particular refers, but shall not be limited, to loss of production, loss of use, loss of orders, loss of profit and other direct or indirect or consequential damages. These exclusions, however, shall not apply in the event the Purchaser/Lessee is able to prove that the Supplier acted with gross negligence.

11.2 In all events, the Supplier's liability shall not exceed the amount paid by the Purchaser/Lessee to the Supplier during the last 24 months prior to the assertion of the liability claim.

11.3 In all events, any liability claim must be asserted before court no later than 12 months after the occurrence of the facts that give rise to the Supplier's liability. In the event no claim is asserted before court within such 12 month period, the Purchaser/Lessee is deemed to have irrevocably waived any and all claims against the Supplier for such facts.

#### **12. Export Regulations**

Save as expressly provided otherwise, the re-exportation of the supplies or parts thereof is permissible only with the written consent of the Swiss Import and Export Division of the Department of Public Economy, pursuant to an obligation to this effect assumed by the Supplier vis-à-vis this public authority. This obligation passes to the Purchaser/Lessee or the ultimate recipient of the products, respectively, who shall, in the event of the supplies being handed over to another recipient, transfer it to the latter.

#### **13. Applicable Law**

The Contract between the parties shall be governed by Swiss law. The application of the United Nations Convention on Contracts for the International Sale of Goods (the Vienna Law on the International Sale of Goods) of April 11, 1980, shall be excluded.

#### **14. Jurisdiction**

Exclusive jurisdiction for all matters between the Purchaser/Lessee and the Supplier shall be Zurich, Switzerland.