

General Purchase Conditions for all products

1. General Conditions - Scope of Application

1.1 Our Terms and Conditions of Purchase apply exclusively. Terms and conditions of the supplier which conflict with or deviate from our Terms and Conditions of Purchase shall not be recognised by us, unless we have given our express written consent to their application. Our Terms and Conditions of Purchase shall apply even if we unconditionally accept delivery from the supplier knowing of terms and conditions of the supplier which conflict with or deviate from our Terms and Conditions of Purchase.

1.2 Display LC AG's Terms and Conditions of Purchase shall become binding upon the formation of a supply contract between a supplier and Display LC AG. The respective valid Terms and Conditions of Purchase of Display LC AG are viewable on the Internet at www.displaylc.com and shall not require signing by the parties to the contract in order to become valid. Nor shall they be attached to the individual purchase orders upon the placement of an order.

1.3 All agreements made between us and the supplier for the purpose of implementing this contract shall be laid down in writing in this contract.

1.4 Our Terms and Conditions of Purchase apply only in relation to entrepreneurs.

1.5 The respective valid Terms and Conditions of Purchase of Display LC AG shall also apply to all future transactions with the supplier.

1.6 For the duration of the term of this contract, the supplier shall waive its right to enforce its terms and conditions of delivery or its general terms and conditions of business, even if this has not been demanded in the order.

2. Quotation - Quotation Documents

2.1 The supplier shall be obliged to accept our purchase order in written form within a period of 3 business days.

2.2 We reserve rights of title and copyrights in illustrations, drawings, calculations and other documents. These shall not be made accessible to third parties without our express written consent. They shall be used exclusively for the purpose of manufacturing on the basis of our purchase order, be automatically returned to us after execution of the purchase order and be kept secret. The provision in section 9.4 shall apply supplementarily in this respect.

3. Prices - Payment Terms

3.1 The price shown in the purchase order shall be binding. In the absence of a written agreement to the contrary, the price shall include delivery on a carriage-paid basis, including packaging. Return of the packaging shall require separate agreement.

3.2 The respective applicable statutory value-added tax shall be shown.

3.3 We shall only be able to process invoices, if the invoices state, as specified in our purchase order, the purchase order number shown in our purchase order. The supplier shall be responsible for all consequences ensuing by reason of non-compliance with this obligation, unless the supplier proves that those consequences are not imputable to it.

3.4 Except where otherwise agreed upon in writing, we shall pay the purchase price within

14 days, calculated from delivery and from receipt of the invoice, with a 3 % cash discount or within 30 days from receipt of the invoice net.

3.5 We shall be entitled to rights of set-off and retention to the statutory extent.

3.6 If the supplier has assumed responsibility for installing or assembling a product and nothing to the contrary has been agreed upon, all essential incidental expenses such as travel expenses, costs

in connection with the transportation of tools and of personal luggage, as well as separation allowances shall be borne by the orderer in addition to the agreed remuneration.

4. Delivery Period

4.1 The delivery period stated in the purchase order shall be binding.

4.2 The supplier shall be obliged to inform us in writing without undue delay, if

circumstances indicating that the stipulated delivery period cannot be complied with occur or become apparent to the supplier.

4.3 If the supplier defaults, the orderer may demand for every full week of default, in so far as it satisfactorily shows that it has incurred a loss as a result of default, compensation at the rate of 1 % per week, but in total no more than 10 % of the price for the part of the deliveries which was unable to be put into operation for the intended purpose due to default. Moreover, the orderer shall be entitled to all further statutory claims. Any contractual penalty possibly incurred shall be deducted from any damage claim which goes beyond the contractual penalty.

In the event of default, the orderer shall be entitled, after expiration of a reasonable time limit to no avail, to demand compensatory damages in lieu of performance, as well as rescission. If compensatory damages are demanded, the supplier shall be entitled to the right to prove that the breach of duty is not imputable to it.

4.4 It is expressly pointed out to the supplier that we conclude with third parties contracts which impose upon us contractual penalties in the event of failure to meet time limits. If we incur a contractual penalty whose cause lies in conduct imputable to the supplier, we shall be entitled to pass this contractual penalty on to the supplier. If we are entitled to a damage claim against the supplier which goes beyond the foregoing, this contractual penalty shall be deducted therefrom.

4.5 Partial deliveries shall be permissible, in so far as the orderer can be reasonably expected to accept them. Prior written notice of partial deliveries must be given. If the number of partial deliveries goes beyond a reasonably acceptable degree, the orderer may invoice resulting handling costs.

4.6 If a supplier recognises that an agreed date or the agreed quality cannot be complied with, for whatever reasons, it shall give the orderer written notification thereof without undue delay, stating the reasons and the expected duration of the delay.

4.7 If a supplier is unable to deliver the products contractually ordered and a reasonable time limit has also expired, Display LC AG shall have the right to no longer demand the performance ordered. Rather, it shall be entitled to contract third parties to supply the products.

4.8 Unconditional acceptance of late delivery or late performance shall not constitute a waiver of the compensation claims to which the orderer is entitled on account of late delivery or performance. This shall apply until the consideration owed by the orderer for the delivery or performance concerned has been paid in full.

4.9 The supplier may only invoke failure to supply necessary documents on the part of the orderer, if the supplier has sent a written reminder for the documents and has not received the documents within a reasonable time limit.

4.10 If delivery is made earlier than agreed, the orderer shall have the right to refuse to accept the consignment or to return the consignment at the supplier's expense. If a consignment delivered prematurely is not returned, the goods shall be stored on the orderer's premises at the supplier's expense and risk until the date

for delivery. In the event of premature delivery, the orderer shall have the right not to make payment until the agreed due date.

5. Passage of Risk - Documents

5.1 Except where otherwise agreed upon in writing, the delivery shall be made on a carriagepaid basis.

5.2 The supplier shall be obliged to state our purchase order number on all dispatch documents and delivery notes. If it fails to do so, delays in processing shall not be imputable to us.

5.3 If delays arise due to failure to supply documentation or failure to give clearances, the orderer may invoice resulting handling costs.

6. Examination for Defects - Liability for Defects

6.1 An obligation to complain on our part is excluded. We undertake to carry out a minimum inspection on the basis of the delivery note and in respect of transportation damage.

6.2 We shall be fully entitled to the statutory defect-related claims. In any event, we shall be entitled to demand of the supplier, at our option, either defect elimination or delivery of a new item. The right to compensatory damages, particularly the right to compensatory damages in lieu of performance, remains expressly reserved.

6.3 We shall be entitled to eliminate defects ourselves at the supplier's expense, if there is imminent danger or a particular need for urgency.

6.4 The time-bar period is 36 months, calculated from the passage of risk.

7. Product Liability - Indemnification - Liability Insurance Cover

7.1 In so far as the supplier is responsible for product damage, the supplier shall be obliged to indemnify us against third-party damage claims on first request, in so far as the cause lies within its sphere of control and organisation and the supplier is liable itself in relation to outsiders.

7.2 Within the scope of its liability for cases of damage or loss within the meaning of subsection 7.1, the supplier shall also be obliged to reimburse any expenditures, which ensue in connection with any exchange or recall campaign carried out by us. In so far as possible and reasonably acceptable, we shall inform the supplier of the subject and scope of the recall measures to be carried out and give the supplier the opportunity to state its position. Other statutory claims shall remain unaffected.

7.3 The supplier undertakes to maintain product liability insurance with cover in the blanket sum of CHF 10 m per case of personal injury/property damage. If Display LC AG is entitled to damage claims beyond this, these shall remain unaffected.

8. Warranty/Guarantee

8.1 The supplier shall be accountable that all deliveries/services conform to the latest state of the technological art, the relevant legal provisions, standards and regulations and directives issued by public authorities, mutual indemnity associations [Berufsgenossenschaften] and trade associations. Furthermore, the supplier shall be accountable that all goods delivered by it are free from faults, meet the orderer's requirements and are suitable for the respective purpose of use. If deviations from those regulations are necessary in an individual case, the supplier shall be required to obtain the orderer's written consent thereto. The supplier's liability for defects shall not be curtailed by this consent.

8.2 If the supplier has misgivings about the method of execution desired by the orderer, it shall notify the orderer thereof in writing without undue delay.

8.3 The supplier assumes the guarantee of durability. Hereunder, the supplier guarantees that the goods delivered shall be free from

defects in quality and defects in title for a period of 3 years from the passage of risk.

8.4 In so far as economically and technically possible, the supplier shall use environmentally friendly products in respect of its deliveries/services and also in respect of supplies or incidental services from third parties.

8.5 The supplier shall be liable that the products delivered and the packaging materials are environmentally compatible and be liable for all consequential losses arising as a result of breach of its statutory disposal duties.

8.6 At the orderer's request, the supplier shall issue a certificate of inspection

[Beschaffenszeugnis] for the goods delivered.

8.7 The supplier shall be obliged to hand over, together with the delivery, the respective safety data sheets applicable to its delivery. The supplier shall indemnify the orderer against all recourse claims of third parties which arise in the event of the supplier failing to supply the safety data sheets, failing to supply them on time or failing to supply them correctly. The same shall apply to all subsequent requirements.

8.8 Incoming deliveries of goods shall, upon their receipt, be examined by the orderer exclusively in respect of identity, completeness and transportation damage, in so far as and as soon as this is customary in the proper course of business and given the nature of the products and the purpose of use. Normally, the orderer shall confine itself to a random check in this respect.

8.9 Defects in the delivery/performance which are complained of during the warranty period, also including non-attainment of guaranteed data and absence of features which have been guaranteed, shall, upon request, be eliminated by the supplier without undue delay and free of charge, also free of all incidental expenses, by rectification of defects, exchange of the defective parts or replacement, at the orderer's option.

8.10 Upon unsuccessful expiration of a reasonable time limit for rectification or replacement which has been set by the orderer, the orderer shall also be entitled to the statutory rights to rescission, abatement and compensatory damages.

8.11 The supplier shall bear all expenditures necessary for the purpose of supplementary performance, in particular transportation costs, transport infrastructure charges, labour costs and costs of materials.

8.12 If the orderer is entitled to supplementary performance against the supplier, the supplier shall reimburse the orderer, on a lump sum basis, for the following labour costs and costs of materials in particular:

a) lump sum for reminder letters and other letters: CHF 5.00 per letter

b) lump sum for telephone calls: CHF 3.00 per telephone call

c) lump sum for photocopying: CHF 0.50 per copy

d) lump sum for travelling expenses: CHF 0.50 per kilometre driven

e) labour outlay: CHF 60 per hour of work and per employee

8.13 The labour outlay shall be charged per commenced quarter of an hour. The orderer expressly reserves the right to assert a higher loss.

8.14 If the supplier fails to meet its obligations arising from liability for defects within the reasonable time limit set by the orderer, the orderer may take the necessary measures itself, or through third parties, at the supplier's expense and risk. In urgent cases, the orderer may carry out defect rectification itself or through a third party, subject to agreement with the supplier.

Minor defects may be eliminated by the orderer itself in performance of its duty to minimize losses, without this requiring prior agreement and without this curtailing the supplier's obligations arising from liability for defects or its warranty. The orderer shall then be entitled to charge the supplier for the

necessary expenditures. The same shall apply, if unusually high losses are impending.

8.15 The warranty period is 36 months from delivery to the orderer's customer, but no longer than 48 months from the passage of risk to the orderer, except where otherwise expressly agreed upon or where the law provides for longer periods. The warranty period shall commence at the time of hand-over of the delivery item to the orderer, or to the third party designated by the orderer, at the place of receipt/use specified by the orderer. In the case of jigs, machinery or installations, the warranty period shall commence on the date for acceptance testing stated in the orderer's written declaration of acceptance. If acceptance testing is delayed through no fault of the supplier, the warranty period shall be two years from the provision of the delivery item for acceptance testing. The warranty period for buildings shall be governed by the statutory provisions. The warranty period for replacement parts shall be 36 months from installation/commissioning and shall end no later than 48 months after delivery.

8.16 In respect of delivery parts which were unable to be put into operation during the examination of a defect and/or during defect elimination, a running warranty period shall be extended by the duration of the interruption of operations.

8.17 In respect of repaired or replaced parts, the warranty period shall begin to run anew at the time of completion of rectification or, if acceptance testing is agreed upon, at the time of acceptance testing, in so far as the supplier acts in the knowledge that it is obliged to eliminate defects. A written application for acceptance testing shall be filed with the orderer, if necessary.

8.18 Serial faults are faults where materials, components, partial systems or systems display a frequency of faults which is markedly outside of the values normally expected or outside of the values stated by the supplier. In particular, a serial fault shall be present, if the number of materials complained of exceeds 1 % of the respective quantity delivered.

8.19 In this case, the supplier shall present an action plan for remedying the faults and shall implement it at its expense. This plan must contain measures which compensate for the way in which other components of this series are expected to behave by reason of the similarity of the faults which have occurred. If a serial fault is present, the orderer may demand that all devices in this series be exchanged. In so far as the supplier's product has been built into another product in this respect, the orderer shall also be entitled to recall the supplier's products. In this case, the supplier shall reimburse all costs and outlay on first request. The orderer may assert the provision in this point within the warranty period or in the event of the fault rate stated by the supplier being exceeded.

8.20 Claims beyond the foregoing, as well as other statutory claims shall remain unaffected.

9. Property Rights

9.1 The supplier shall be accountable that the performance results produced are free from third-party industrial property rights and copyrights, so-called property rights, and that, to the supplier's knowledge, there are also no other rights which curtail or preclude usage. The supplier guarantees that no patents, licences or other property rights of third parties shall be infringed by the delivery or by use of the delivery items.

9.2 The supplier shall indemnify the orderer and its customers, on first request, against thirdparty claims arising from any property right infringements and shall also bear all costs and outlay resulting to the orderer in this connection.

9.3 The orderer shall be entitled to obtain from the holder of the rights, at the supplier's expense, approval to use the delivery items and services concerned.

9.4 If a third party asserts in relation to the orderer claims on account of infringement of property rights by the products delivered by the supplier, and if use is impaired or prohibited as a result thereof, the supplier shall, in the event of a justified claim, at its option without undue delay either modify the respective contractual services in agreement with the orderer in such a manner that they fall out of the scope of protection, yet still conform to the contractual stipulations, or effect the right to use the contractual services in conformity with the contract

without restriction and at no additional cost to the orderer.

9.5 However, the orderer's right to rescind the contract shall remain unaffected.

10. Obligations Arising from the Electrical and Electronic Equipment Act [ElektroG] and Other EU Laws

10.1 The Act on Marketing, Return and Environmentally Compatible Disposal of Electrical and Electronic Equipment [Gesetz über das Inverkehrbringen, die Rücknahme und die umweltverträgliche Entsorgung von Elektro- und Elektronikgeräten (ElektroG)], as valid at the respective time, and other applicable EU laws shall apply.

10.2 Suppliers from third countries shall ensure that EU law is fully complied with or shall otherwise inform Display LC AG.

10.3 Contrary contractual clauses and/or contrary terms and conditions of business of the supplier are hereby expressly objected to.

11. Force Majeure

Force majeure within the meaning of these terms and conditions is an external event which has been brought about from the outside by the elemental forces of nature or by acts on the part of third-party persons, which was unforeseeable according to human understanding and experience, which could not have been prevented or rendered harmless by economically acceptable means or by exercising the utmost diligence to be reasonably expected in the circumstances and which is also intolerable for business undertakings due to its frequency, such as for example war, danger of war or natural disasters.

Force majeure shall release the contractual partners from their performance obligations for the duration of the disruption and to the extent of its effects. The contractual partners shall be obliged, in so far as reasonably acceptable, to provide essential information without undue delay and to adapt their obligations to the changed circumstances in good faith. The orderer shall be wholly or partly released from the obligation to accept the delivery/service ordered and be entitled to rescind the contract, in so far as the delivery/service is - in consideration of economic aspects - no longer justifiable to the orderer on account of the delay caused by force majeure.

12. Subcontracting / Transfer of the Contract / Change of Company Name

12.1 The supplier shall not be entitled to pass on the order, or substantial parts of the order, to third parties without the orderer's prior written approval. If the orderer gives its consent, the supplier shall remain responsible for the performance of the contract.

12.2 The supplier shall, without undue delay, give the orderer notification of every transfer of the contract which occurs by virtue of the law and of every change to its company name.

13. Data Protection

13.1 The orderer shall treat the supplier's personal data in accordance with Data Protection Act. No data whatsoever relating to the supplier shall be passed on by us.

14. Retention of Title - Supplies from Us – Tools - Maintenance of Secrecy

14.1 In so far as we supply parts to the supplier, we shall retain title thereto. Processing or remodelling by the supplier shall be undertaken on our behalf. If our goods under retention of title are processed with other items not belonging to us, we shall acquire joint title to the new item in the ratio of the value of our item (purchase price plus VAT) in relation to the other processed items at the time of processing.

14.2 If the item supplied by us is inseparably mixed with other items not belonging to us, we shall acquire joint title to the new item in the ratio of the value of the item under retention of title (purchase price plus VAT) in relation to the other mixed items at the time of mixing. If mixing is effected in such a manner that the supplier's item is to be regarded as the main item, it shall be deemed agreed upon that the supplier transfers joint title to us on a pro-rata basis. The supplier shall hold the sole or joint property in safekeeping for us.

14.3 We shall retain title to tools. The supplier shall be obliged to use the tools exclusively for manufacturing the goods ordered by us. The supplier undertakes to insure the tools belonging to us against fire damage, water damage and theft at its expense on a replacement value basis. At the same time, the supplier assigns to us here and now all compensation claims arising from this insurance. We hereby accept the assignment. In respect of our tools, the supplier shall be obliged to undertake in due time, at its own expense, any and all necessary servicing and inspection works, as well as all maintenance and reinstatement works. The supplier shall immediately notify us of any and all malfunctions. If the supplier culpably fails to do so, damage claims shall remain unaffected.