

General Terms and Conditions

General Terms and Conditions of Sale for IR Microsystems SA

These General Terms and Conditions of Sale ("GTC") apply, as long as there is no other agreement in writing, for all sales and deliveries of the company IR MICROSYSTEMS SA, Rue Daniel Colladon, PSE-C, CH-1015 Lausanne, Switzerland. These General Terms and Conditions shall be deemed to be an integral part of all contracts of sale entered into by the customer, hereinafter designated as Purchaser. They shall also apply on all future relations between the parties, even if not agreed upon expressly. If, with an enquiry or an order, other Purchaser's conditions are made known, these are hereby not recognised.

Description of Products

All details contained in offers, leaflets, drawings, internet pages and photographs etc. are based on the specifications that are valid at the time of the offer being made. Such details are intended to serve merely for closer orientation and are in no way intended to be understood as guaranteed features or properties of the IR MICROSYSTEMS SA products in question. The Purchaser makes use of such data and information at his own risk. At any time prior to delivery IR MICROSYSTEMS SA products are subject to alterations and modifications in respect of construction and design that in no way impair the correct functioning of the product or the application intended by the Purchaser at the time the agreement was entered into. Such modifications do not represent cause for complaint or entitle the Purchaser to withdraw from the agreement.

IR Microsystems SA reserves the right to alter products, cease/change production of products or components, or to change their characteristics without prior notice.

Quotation and Acceptance

Our quotations are valid for a period of 30 days from the day of the quotation if no other term is shown. Prices for repeat orders are non-binding. Your orders are legally validated by our confirmation, whose content is solely definitive for the contractual relationship. Telephone or oral agreements and arrangements with our representatives require our written confirmation for legal validity. Annulment or alteration of orders following their acceptance is subject to our written consent. Parts already manufactured or undergoing manufacture and tools made especially to fulfil an order will be invoiced by IR MICROSYSTEMS SA. Final acceptance is the Purchaser's responsibility and all relevant tests must be carried out by the Purchaser to ensure that the goods meet any quality specifications and are fit for the purpose described in the order. In the event of the goods proving unsatisfactory for whatever reason, IR MICROSYSTEMS SA must be notified, in writing, within 14 days of the goods arriving at the delivery address. The goods must be retained for inspection unless IR MICROSYSTEMS SA notifies otherwise, and if requested by IR MICROSYSTEMS SA, an adequate sample of the unsatisfactory goods must be supplied for evaluation. If the Purchaser fails to notify IR MICROSYSTEMS SA in time, the goods shall be deemed to have been accepted by the Purchase as being in good condition and in accordance with the contract.

Prices

Our prices are ex works CH-1015 Lausanne and exclude additional costs (freight, postage, packing, insurance), also in the case of partial deliveries. The prices are without any taxes (federal, state, local), where applicable. Such taxes are for the account of the Purchaser and the Purchaser will pay or reimburse any such taxes, which IR MICROSYSTEMS SA is required to pay. Prices are subject to change without prior notice. Prices may rise, if, on the day of the delivery, if this is longer than 4 months after the completion of the contract, manufacturing conditions have changed e.g. through increases in wage, raw material prices and other costs.

Delivery Time/Force Majeure

Our delivery time notifications are made from best estimates, under consideration of our respective delivery situation and production capacities. Insofar as deliveries are not ex stock, delivery periods must be individually agreed, whereby our written confirmation is decisive. Delay in delivery through circumstances beyond our control (Force Majeure), such as strike, fire, raw materials shortages or other operational disruption, which render the processing of accepted orders impossible or significantly hindered, entitle IR MICROSYSTEMS SA to extend the delivery period by the duration of the delay. A delay in delivery caused by Force Majeure does not entitle the Purchaser to refuse acceptance of the goods or to withdraw from the contract. IR MICROSYSTEMS SA is entitled to effect part deliveries and to invoice for these separately.

In the case of on-call orders, not called up within 3 months, we reserve the right to insist on immediate receipt or to withdraw from the contract. In both instances a warning is necessary. Any dates quoted by IR MICROSYSTEMS SA for the delivery of the goods are approximate only and shall not form part of the contract and the Purchaser acknowledges that in the performance expected of IR MICROSYSTEMS SA no regard has been paid to any quoted delivery dates.

Dispatch/Risk Transfer

With the transfer of goods ex works from CH-1015 Lausanne to the Purchaser, forwarding agent, carrier or other person charged with the processing the shipment - also under FOB, CIF or similar contractual clauses - the risk passes to the Purchaser. If the goods are announced as being ready for dispatch and the dispatch is delayed for

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reasons beyond the control of IR MICROSYSTEMS SA, we reserve the right but not the duty to decide on all suitable measures to preserve the goods at the Purchaser's cost and then risk in the goods shall pass to the Purchaser and delivery shall be deemed to have taken place.

Payment Conditions/Default

The purchase price without deduction is due according to the order confirmation from IR MICROSYSTEMS SA. Non-compliance with the payment period constitutes the Purchaser's default, without a reminder being necessary. In the case of delayed payment, interest is charged at the normal bank interest rate for current account overdrafts. Discounting and redemption fees, resulting from payment by bill of exchange, cheque or other payment orders are chargeable to the Purchaser. Bills of exchange and cheques are only considered as payment after their redemption. If a Purchaser does not comply with their liability to pay or if we become aware of circumstances that place his creditworthiness in question, all residual claims immediately become payable. We have the right to withdraw from the contract or to demand securities or prepayment for further deliveries. Costs arising from the collection of liabilities are to be paid by the Purchaser.

The non-delivery of insignificant parts of an order or any claims under the terms of the warranty vis-à-vis IR MICROSYSTEMS SA do not entitle the Purchaser to postpone or withhold due payments.

In the event of delay of acceptance on the part of the Purchaser, the entire purchase price or the remainder thereof becomes due for immediate payment.

The Purchaser is expressly prohibited from setting off payment against counter claims unless such counter claim has been recognised by IR MICROSYSTEMS SA or has been legally established.

Retention of Ownership

Goods delivered remain our property until the payment of the full purchase price and other receivables from previous deliveries. They may not be pledged or have their ownership transferred. If the delivered goods are combined with other items, then the Purchaser relinquishes to us his ownership or, respectively, co-ownership of the new object immediately upon its creation. If the Purchaser sells the delivered goods, he relinquishes all outstanding claims with all additional rights at the moment of their creation to IR MICROSYSTEMS SA until payment is made in full. The Purchaser herewith empowers IR MICROSYSTEMS SA to have the reservation of property recorded in the appropriate official register at the expense of the Purchaser.

Export

Exporting the products to other member states of the EC or to countries outside the EC other than Switzerland requires the written consent of IR MICROSYSTEMS SA to ensure that the products satisfy current technical conditions in the target country.

Warranty

Our warranty applies exclusively in accordance with the following terms: We guarantee that goods delivered by IR MICROSYSTEMS SA correspond to the respective state-of-the-art at the time of delivery and are not faulty in terms of verifiable manufacturing or material defects. Alteration in construction or version, undertaken universally, prior to delivery of an order does not justify a claim.

If nothing to the contrary is arranged in writing, the warranty period of 12 months (period of statutory limitation for warranty claims) after announcement of readiness to dispatch applies. The warranty is fulfilled by a replacement delivery or elimination of the fault at no charge at our discretion. In agreement with the Purchaser, he can carry out the repair himself, with IR MICROSYSTEMS SA providing the necessary parts and compensating him with a lump sum for the necessary labour. Claims for rescission of the contract or price reduction are not permitted, unless the fault cannot be repaired or further attempts at improvement are unreasonable for the Purchaser.

Complaints will only be considered within 14 days of the receipt of goods. If the goods are delivered from us with verifiably defects, the defective items, if returned in their original condition in adequate packaging carrying the invoice number, will be replaced, freight paid and free of charge.

Intellectual Property Rights

All intellectual property rights associated with the products, in particular patent rights, trademark rights and copyright, such as publication, reproduction, processing and exploitation rights, remain the property of IR MICROSYSTEMS SA and are not affected by the contract at hand.

Products are distributed through the worldwide registered and protected word and image trademarks "IR MICROSYSTEMS", "microRay" and "microLGD". Any modification of the trademarks is expressly prohibited. In particular, no logos or name labels may be removed, obscured or otherwise altered on any IR MICROSYSTEMS SA product or documentation, unless written permission is granted by IR Microsystems SA. The logos and name labels of IR MICROSYSTEMS SA are to be used exclusively, unless written permission is granted by IR MICROSYSTEMS SA. The Purchaser agrees not to reverse engineer or create derivative works of the products. It is a strict condition of sale that no replica is made of the products.

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Liability

The liability of IR MICROSYSTEMS SA applies exclusively to the relevant agreement in the preceding paragraphs. All compensation claims of the Purchaser against IR MICROSYSTEMS SA not granted therein, of whatever type or legal principle, in particular for infringement of ancillary rights, for loss and transport damage, from positive contract infringement, from patent infringement and for consequential damages resulting from defects (insofar as are not included in contractual warranties), from late or non-delivery, from the Purchaser's right of recourse under product liability, from Purchaser's claims for damages to commercial property as a consequence of faulty products etc. are excluded, unless they involve unlawful intent or severe negligence by a director of IR MICROSYSTEMS SA or unlawful intent by any other person in charge with the execution of the relevant agreement.

Place of Fulfilment and Court of Jurisdiction

The place of fulfilment for all contractual obligations arising is CH-1015 Lausanne, Switzerland. The court of jurisdiction – also for bill of exchange and check proceedings – is the court with jurisdiction for CH-1015 Lausanne.

Miscellaneous

If a preceding agreement is annulled by written agreement or for other reasons become legally ineffective, all other agreements still remain valid. In place of the legally ineffective provision, an equivalent contractual interpretation applies as an allowable and valid provision.

All legal relationships between IR MICROSYSTEMS SA and the Purchaser are subject exclusively to Swiss law, with the exception of the unified trade laws of the Hague convention and the Vienna UN convention.

Amendments to the General Conditions

All amendments to these general conditions together with any contradictory or supplementary agreements must be made in writing.

Lausanne, Switzerland, March 10th 2007