

General Sales Conditions

of

Quantum Light Instruments Ltd. (legal name UAB "Kvantiniai šviesos Instrumentai")

1. Definitions and Principles of Interpretation.

1.1. Whenever used in these General Sales Conditions of Quantum Light Instruments, unless there is something in the subject matter or context of their use inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

General Sales Conditions or **GSC** – shall mean these General Sales Conditions of Products and all instruments and Services supplemental thereto; "hereof", "hereto" and "hereunder" and similar expressions shall mean and refer to General Sales Conditions and not to any particular article or section; "Article" or "Section" means and refers to the specified article or section of these General Sales Conditions;

Quantum Light Instruments or **QLI**, or **Seller** shall mean UAB "Kvantiniai šviesos instrumentai," a company organised and existing under the laws of the Republic of Lithuania, company code 303315940, having its facility address at Mokslininku 6A, LT-08412 Vilnius, Lithuania.

Customer or **Buyer** shall mean the party to whom QLI has made an Offer for sale of its Products and/or Services by sending it a Quotation as referred to herein or with whom QLI has otherwise entered into an Agreement wherein QLI is a supplier of Products and/or Services.

Deliverables shall mean any services or goods or materials from QLI provided pursuant to the Order.

Product(s) shall mean hardware, software, documentation and all other goods and works that have been or will be supplied from QLI to the Customer according to the quantity, quality and any other specifications described in the particular Quotation as may be sent by QLI to the Customer from time to time.

Services shall mean the services as provided by QLI or third parties engaged at the discretion of QLI to the Customer as is specified in the Contract, such as consulting, installation, maintenance and training or other Services as may be specified at the discretion of QLI.

Quotation or Offer shall mean an offer made by QLI to the Customer that has to be made in written form and signed by a person authorised to do so by virtue of applicable laws or a power of attorney issued to that effect by QLI, including all and any annexes, drawings, specifications or any other descriptions of the Products to be sold and (as the case may be) Services to be provided to the Customer by QLI. All and any Quotations as presented

by QLI to its Customers are always automatically governed by these General Sales Conditions and all of its provisions notwithstanding the fact whether this circumstance is mentioned in the Quotation itself or not. QLI is free to waive the application of these General Sales Conditions to any Quotation at its discretion at any time. Quotations made not in writing and/or not signed by a person authorised to do so do not create any binding obligations for QLI.

Acceptance and Confirmation of the Quotation – shall mean the actions performed in order to accept and confirm the Quotation (as defined in the Article 4.1 hereof).

Contract shall mean a contract concluded between the Customer and QLI, either by way of acceptance of the Quotation by the Customer and acknowledgement of the Customer Order by QLI following the terms and procedure stipulated in the Quotation and in these GSC, or by way of signing a separate written Contract in two or more counterparts between the Customer and QLI. Until the Contract has been concluded between the Parties, the word "Contract" used in these GSC shall *mutatis mutandis* mean the Quotation and confirmation.

Acceptance Test shall mean the test(s), to be carried out in accordance with Section 7, Acceptance that verifies the compliance of the Products with Specifications.

Date of Acceptance shall mean the date when the Products or a part of the Products are actually delivered to the Customer out in accordance with Section 7, Acceptance hereof.

Specifications shall mean the technical and/or functional descriptions, drawings and/or any other specifications of the Products and/or Services as specified in the Quotation, Contract or in the standard documentation of QLI.

Annexes – the following are the Annexes to GSC, which can be adopted or amended by QLI from time to time and which are deemed to be an integral part of these GSC:

Instructions on Maintenance, Care and Exploitation of the Products;

Instructions on Installation of Products;

Technical Manual for Operation of the Products;

Standard form of the Act of Transfer - Acceptance of the Products.

Currency – Unless otherwise clearly indicated in writing, all amounts referred to in these GSC are indicated in Euro currency.

EUR – shall mean the Euro currency.

2. Agreement to Sell and Purchase

2.1. By express or clearly implied acceptance of the Quotation, the Customer agrees to buy from QLI and QLI agrees to sell to the Customer the Products accord-

ing to the quantity, quality and other specifications described in the particular Quotation, as sent by QLI. The Contract shall be deemed to be concluded from the moment of acknowledgement of the Customer Order by QLI following the terms and procedure stipulated in the Quotation and in these GSC or by way of signing a separate written Contract in two or more counterparts between the Customer and QLI.

2.2. Transfer of an advance payment to QLI following the Quotation shall always be deemed to be an acceptance of the Quotation and conclusion of a contract.

2.3. These General Sales Conditions of QLI are an integral part of each and every Quotation as may be sent or presented by QLI and shall be deemed to be irrevocably accepted by the customer upon acceptance of the Quotation.

2.4. All Contracts between QLI and the Customer are therefore subject to these GSC, notwithstanding any contrary stipulation that might be included by the Customer.

2.5. Contradictory or conflicting conditions of the customer shall not be acknowledged unless QLI expressly consents to their validity.

3. Quotations.

3.1. General or other information on prices, quality, quantity or Specification of Products as may be provided by QLI to the Customer are non binding and are for information purposes only. Quotations/offers of QLI that are clearly marked as such and correspond to the formal and material requirements of a Quotation as described in these GSC are binding following the terms established therein.

3.2. Unless otherwise mentioned in the Quotation, the Quotation shall be valid for a period of 90 (ninety) calendar days. If an Acceptance and Confirmation of the Quotation has not been received by QLI within this time limit, the Quotation shall not be deemed valid anymore and QLI shall not be under any obligation to honour and perform it.

4. Contract.

4.1. The Parties agree that Acceptance of the Quotation by the Customer shall be deemed to have occurred upon:

(a) by issue purchase order for the Products and/or Services; and

(b) payment by the Customer of a part of the Purchase Price (advance payment), if such condition is indicated in the Quotation.

4.2. The Customer notifies QLI of his acceptance of the Quotation by both:

(a) sending the signed version of purchase order to the office of QLI by the fax number/registered post/e-mail indicated in the Quotation; and

(b) by paying the part of the Purchase Price (advance payment) indicated in the Quotation to the bank account of QLI indicated in the Quotation or in these GSC.

4.3. The Orders from Customers shall be confirmed by QLI. The acknowledgement of the Customer Order by QLI validates the Contract.

4.4. QLI reserves itself the right to reject conclusion of the Contract within a reasonable term (that can not be longer than 14 (fourteen) business days) after receipt of the accepted Quotation. Upon rejection of conclusion of the Contract, QLI shall in due course return the advance payment received under that particular rejected Quotation less any transaction charges and/or other payments due to QLI from the Customer.

4.5. After the Quotation has been accepted by the Customer, the Products and/or Services may not be changed, modified or cancelled by the Customer except upon the prior written agreement of QLI. The agreed changes to the Products shall be subject to the provisions of these GSC whether or not the written agreement of modification so states. In case any changes to the Products are made after the Offer acceptance and confirmation by the Customer, the manufacturing and delivery term of the Products specified in the Quotation will be changed accordingly by QLI and will be prolonged. The new term for delivery of the Products will be set unilaterally by QLI.

4.6. Contract(s) are firm and definitive and may not be cancelled following their final acceptance by QLI, without agreement of the Parties to the same.

4.7. Any Contract for delivery of a standard Product that is terminated by the Customer more than 30 (thirty) calendar days prior to shipment of the Product, shall be subject to a termination charge of no less than ten percent (10%) of the whole order value presented in the Quotation to cover the costs of processing and order handlings. Termination of such a Contract by the Customer within thirty (30) days before shipment shall be subject to a written consent by QL and a termination charge of no less than twenty-five percent (30%) of the order value presented in the Quotation, thereafter no such order may be terminated except by mutual agreement of the Parties in writing.

4.8. No order for a non-standard Product may be terminated by the Customer except by mutual agreement of the Parties in writing.

4.9. Terminations by mutual agreement are subject to the following conditions:

a) Customer will pay, at applicable contract prices, for all Products which are completely manufactured and allocable to Customer at the time of QLI's receipt of notice of termination;

b) Customer will pay all costs, direct and indirect, which have been incurred by QLI with regard to Products which have not been completely manufactured at the time of QLI's receipt of notice of termination, plus a pro rata portion of the normal profit on the Contract that would have been received by QLI, if the Contract would have been duly performed. To reduce termination charges, QLI will divert completed parts, material or work-in-progress from terminated Contracts to other Customers whenever, in QLI's sole discretion, it is practicable to do so. In the event of a termination, Customer will have no rights to partially completed goods.

5. Purchase Price and Payment.

5.1. The Purchase price payable by the Customer for the scope, quality and quantity of the Products sold to the Customer, and Services to be provided to the Customer as set out in a particular Quotation, will be determined in this particular Quotation on conditions of delivery EXW, QLI, Vilnius, Lithuania (in accordance with ICC Incoterms 2000). The Price shall be exclusive of any Value Added Tax and of any duties and/or import taxes or other taxes, unless otherwise expressly mentioned in the Quotation or the Contract. The Purchase price is fixed and can be decreased only upon express written consent of QLI presented in a form of a new Quotation. No costs of transportation, money transfer or quality and quantity checks are included in the Purchase Price and these expenses are born by the Customer. If the Customer requests to modify the Quotation (or Contract), and QLI consents, the Purchase price may be unilaterally amended by QLI accordingly.

5.2. Prices are quoted and payments shall be made in Euro unless stated otherwise in the Quotation or in the Contract.

5.3. All Purchase Price and other payments to QLI are to be made to the following bank account of QLI: account No. *LT88 7044 0600 0796 0177*, bank *AB "SEB bankas"*, Swift *CBVILT2X*

5.4. The Customer shall be solely responsible for and shall pay, or reimburse QLI for, all taxes, duties, import deposits, assessments and other governmental charges, however designated, which are now or hereafter imposed under or by any governmental authority or agency, that are: associated with the performance by the Customer of its obligations hereunder; related to the payment of any amount by the Customer to QLI pursuant to a particular Quotation and these GSC; based on the Products/Services or their uses, or relate to the import of the Products into the country of the Customer or any other country designated by the Customer in

accordance with then prevailing law or regulations.

5.5. All invoices of QLI are issued on the shipment date and are payable in due terms, net and without deduction.

5.6. All the payments shall be made by Customer to QLI in accordance with the payment terms mentioned in the Contract. In the absence of the payment terms in the Contract, invoicing and payment of the Products shall take place in advance before delivery thereof and invoicing and payment of the Services shall take place in advance before performance thereof.

5.7. QLI reserves itself the right to request partial or full advance payment for any new Customer or a Customer who did not respect these General Sale Conditions at the time of previous sale. In any event QLI is entitled at its own discretion not to start or suspend performance of any Contract or Quotation before the advance payment so requested is received. In case of termination of the Contract due to the Customer's fault, the conditions of return of the advance payment shall be agreed by both Parties by a separate agreement. Otherwise, the advanced payment will be kept by QLI as a penalty for breach of the Contract by the Customer.

5.8. Full or partial failure to pay the invoice on its due date will automatically give rise, after we set reasonable subsequent period for payment, to a penalty equal to the interest added to unpaid amount and corresponding to 1% interest rate for each day of delay within the first 15 (fifteen) days of default. If the default of the Customer continues for more than 15 (fifteen) calendar days, calculation of the default interest continues the default interest is increased to 2% for each day of delay and the Parties agree that this circumstance shall be deemed to be material breach of the Contract by the Customer, as a result of which QLI is entitled to unilaterally terminate the Contract and demand from the Customer payment of a penalty in amount of the double Purchase Price and repayment of all the interest accrued until the moment of termination of the Contract. Upon termination hereof, QLI is also entitled to demand from the Customer compensation of losses incurred by QLI as much as they are not covered by the penalty received.

5.9. Failure to pay one of invoices of QLI also renders other invoices due for immediate payment. In this case QLI also reserves itself the right to suspend the execution of any other current Contract with that particular Customer or a member of a group of Companies of that particular Customer.

6. Transportation, Risk of Loss and Insurance.

6.1. Unless otherwise expressly agreed to it by QLI in writing, all and any transportation of the Products to their destination shall be organised by the Customer and transportation costs shall

be born at the expense of the Customer as the Products are always delivered EXW, QLI premises, Vilnius, Lithuania, in accordance with ICC Incoterms 2000.

6.2. If QLI finds that it will not be able to deliver the Products within the terms stipulated in the Contract (Quotation) or if delay on its part seems likely, QLI shall no later than 7 (seven) working days before the relevant delivery date notify the Customer thereof, stating the reason for the delay and if possible the time when delivery can be expected. The Parties agree that the Delay does not occur if after Acceptance and Confirmation of the Offer by the Customer, any changes to the Products are made by request of the Customer.

6.3. If delay in delivery is caused by a circumstance which under Section 16 shall be considered a case of Force Majeure, the time for delivery shall be extended by a period which is reasonable having regard to the circumstances in the case.

6.4. Unless QLI's failure to deliver the Products on time is due to any such circumstance as mentioned in Section 16 (Force Majeure) hereof, the Customer may by notice in writing require QLI to deliver the Products within a reasonable period, which may not be shorter than 30 (thirty) calendar days. If, for any reason for which the Customer is not responsible for, QLI fails to deliver within such period, the Customer may by notice in writing refuse from that part of the Products which have not been delivered.

6.5. If the Customer finds that he will be unable to accept delivery of the Products on the agreed date or if delay on his part seems likely, he shall forthwith notify QLI thereof in writing stating the reason for the delay and if possible the time when he will be able to accept delivery. If the Customer fails to accept delivery on the agreed date he shall nevertheless make any payment which is dependent on delivery as if the Products in question had been delivered. QLI shall arrange storage of the Products at the Customer's risk and expense. QLI shall also, if the Customer so requires, insure the Products at the Customer's expense.

6.6. Unless the Customer's failure to accept delivery is due to any such circumstance as mentioned in Section 16 (Force Majeure), QLI may by notice in writing require the Customer to accept delivery within a reasonable period.

6.7. If, for any reason for which QLI is not responsible, the Customer fails to accept delivery within such period, QLI may by notice in writing terminate the Contract for that part of the Products which is ready for delivery but has not been delivered due to the Customer's default. QLI shall then be entitled to compensation for the loss it has suffered by reason of the Customer's default. The compensation shall not exceed that part of the Purchase Price which is attributable to the part of the Products in respect of which the Contract was terminated plus

any expenses of QLI incurred as a result thereof.

6.8. Upon a separate request of the Customer to QLI concerning delivery of the Products on other terms than EXW and QLI's consent thereto, QLI is reserving itself the right to select the means of transportation and routing of Products, as well as issues of freight collection and other issues in connection to transportation of the Products.

6.9. Unless otherwise expressly agreed, QLI may insure the Products to their full value or declare full value of the Products to the transportation company at the time of delivery and all such freight and insurance costs shall be born by the Customer. Risk of loss or damage shall pass to the Customer upon delivery of the Products to the transportation company at QLI's premises, notwithstanding the fact whether or not installation of the Products is provided by QLI.

6.10. Confiscation or destruction of, or damage to the Products shall not release, reduce or in any way affect the liability of the Customer towards QLI for due payment of the Purchase price for the Products and other payments. Notwithstanding any defect or nonconformity, or any other matter, such risk of loss shall remain with the Customer until the Products are returned at the Customer's expense to such places as QLI may designate in writing. The Customer shall at its expense, fully insure the Products against all loss or damage until QLI has been paid in full for them, or the Products have been returned, for whatever reason, to QLI.

6.11. In cases of delivery other than EXW as provided for in Clause 6.8 above, QLI will attempt to meet the shipment schedules. However, any shipment quotation or forecast is an estimate only and is given by QLI in good faith for informational purposes only.

6.12. Unless expressly stipulated in writing to the contrary, late delivery is not justification for cancellation of the Contract or any indemnification. QLI's liability will not be claimed, sought after or engaged due to any detriment resulting from such late delivery.

7. Delivery and Acceptance.

7.1. Upon any delivery of the Products the quality and quantity check must be performed by the Customer upon receipt of the Products EXW from QLI's facility Mokslininku 6A, LT-08412 Vilnius, Lithuania. Transfer of the Products to the Customer is evidenced by an Act of Transfer Acceptance and/or CMR International Waybill or other document of transportation, which by agreement of the Parties may be signed by the representative of the carrier carrying the Products. From the moment of transfer of the Products from QLI in Vilnius as described above all risk of loss or damage to or delay of the Products shall pass to the

Customer. Title to the Products or any part of the Products shall pass to the Customer only upon due and full payment of the Purchase price to QLI.

7.2. The Customer is deemed to have received the Products sold in good condition with all the necessary accessories and user manuals and in compliance with the terms of the Contract. Any claims as to the defects or nonconformities of the Products must be sent to QLI in writing within 5 (five) calendar days of the receipt of the Products or Acceptance Tests, if and insofar applicable.

7.3. If Contract excludes installation of Products by personnel of QLI or by its authorised representative, the failure of the Customer to inspect the Products and give written notice to QLI of any alleged defects or nonconformities within the term given in Clause 7.2 after receipt of the Products shall constitute an irrevocable acceptance by Customer of the Products delivered to him.

7.4. In cases of a dispute between QLI and the Customer concerning the quality, quantity, completeness or defects of the Products and who should be held liable for such discrepancies and/or rectify them, the Customer must request to perform an expertise of the Products by experts of QLI, who would decide on the matter. Expertise should be requested not later than 3 (three) business days after filing of a complaint to QLI. All travel and work expenses in connection to the expertise are borne by the Customer.

7.5. If the Customer disagrees with conclusions of the expertise, he is entitled to request performance of a repeated expertise on quality, quantity, completeness or defects of the Products, which should be performed by internationally well known, reputable and competent experts such as Bureau Veritas or Societe Generale du Surveillance (SGS). Upon written agreement of QLI such repeated expertise may also be performed by other internationally well known, reputable and competent experts. The repeated expertise must be completed not later than within 4 (four) weeks after delivery of the Products to the Customer. All and any expenses in connection to the repeated expertise are borne by the Customer.

7.6. If by an express written agreement of QLI the Products are to be installed by personnel of QLI or by its authorised representative, the Products shall be deemed accepted by the Customer upon completion by QLI of applicable Acceptance Tests of the Products or execution of QLI's acceptance form by the Customer.

7.7. Acceptance Tests, if performed and insofar applicable, shall be carried out by personnel of QLI or by its authorised representative in respect of the Products during and directly after installation of the Products. The Acceptance Tests are designed to verify that the Products will

operate and perform in accordance with the Specifications.

7.8. Results of the Acceptance Test shall be accounted for in a jointly signed protocol between QLI and the Customer designed to clearly verify whether the Acceptance Test requirements are met or not met. In case the Customer does not attend the Acceptance Tests, QLI shall have the right to carry out and complete the test and shall forthwith forward the protocol to the Customer. When the Acceptance Test requirements are met, the Products or part of the Products shall be deemed to be accepted by the Customer.

7.9. If the Products or a part of the Products are not accepted by the Customer due to the fact that the Acceptance Test results verify that the Products or a part of the Products do not fulfil the Specifications, the above mentioned jointly signed protocol shall specify particulars of the alleged deviation from the Specifications and where the same is alleged to exist or to have occurred. QLI shall without undue delay and at its own expense remedy reproducible deviations from Specifications.

7.10. Acceptance of the Products or part of the Products shall not be refused by the Customer because of minor deviations as may be indicated by the Acceptance Test which do not prevent the Products or part of the Products to be put into operation. However, this will not relieve QLI from its obligations to remedy said deviations without undue delay.

7.11. If the Customer should put the Products or a part of the Products into operational use, prior to or without performance of the above mentioned Acceptance Test, such use shall be deemed to be an irrevocable acceptance of the Products or part of the Products by the Customer.

8. Retention of title.

8.1. QLI maintains the ownership of and legal title to the Products sold to the Customer until the moment of receipt and unconditional crediting to QLI's bank account of the effective and full payment of the principal Purchase Price and any other charges as may be indicated in the Quotation, Contract or additionally specified by QLI. Failure of payment by the Customer by any due dates and failure to remedy the breach by the Customer within 20 (twenty) calendar days after a written notification to that effect by QLI, shall lead to the unconditional right of QLI to reclaim and repossess all the Products delivered under that particular Contract and termination of the Contract due to the fault of the Customer.

8.2. The Customer hereby irrevocably authorises QLI to reclaim and repossess all the Products without prior notification, as well as to allow QLI or representatives of QLI entry to the Customer's premises for the purposes of reclaiming the Products as well as bear any costs in

connection to repossession of the Products by QLI.

9. Return of Products.

9.1. The Products may not be returned to QLI without first obtaining QLI's consent. The request for return of Products and credit must be filed with QLI and shall include Contract number, approximate date of shipment and all other identifying numbers (such as the invoice number, date of the invoice, P.O. numbers, etc.). Each request for return of Products and for credit should state the type and quantity of goods, the part numbers and the reasons for the return. If return authorization is granted, Products shall be returned in a clean, well packaged condition. All return costs are borne by the customer. No credit allowance on allegedly defective Products will be made and no replacement for allegedly defective Products will be shipped in any event, unless the alleged defects are, established and verified to QLI's satisfaction after suitable testing and inspection of the Products by QLI.

10. Limited Warranty.

10.1. Except as otherwise specified herein, QLI warrants the Products:

a) to be free from defects in material and workmanship for a period of time and under such conditions as specified in QLI's warranty for the individual Product, or for twelve (12) months from shipment if a warranty for an individual Product is not specified;

b) to perform in the manner and under the conditions as specified in QLI's warranty for the individual Product or for twelve (12) months from shipment if a warranty for an individual product is not specified;

This warranty is the only warranty made by QLI with respect to the Products and no representative or person is authorized to bind QLI for any obligations or liabilities beyond the warranty in connection with the sale of QLI's Products. This warranty is made to the original purchaser only at the original location and is non-transferable, and may only be modified or amended by a written instrument signed by a duly authorized officer of QLI.

10.2. Major sub-systems manufactured by other firms but integrated into QLI's system are covered by the original manufacturer's warranty and QLI makes no warranty, express or implied regarding such sub-systems.

10.3. Software integrated into the Products sold is the property of the manufacturer of the specific Product or major sub-system and the Customer only benefits from users rights in conformity with the usage licence of the publisher.

10.4. Products or their parts which are replaced or repaired under this warranty are warranted only for the remaining unexpired portion of the original warranty period applicable to the specific product.

10.5. Any warranty shall apply only if:

a) the Products are used and maintained under normal conditions and in accordance with the User's manual, information and advice furnished by QLI, especially including the Instructions on Maintenance, Care and Exploitation of the Products, Instructions on Installation of Products and Technical Manual for Operation of the Products;

b) the Products are not modified or changed without the written approval of QLI;

c) the Customer, without undue delay, has given QLI a notice about such defects, non-conformities or deviations before expiration of the applicable warranty period;

d) such defect, non-conformity or deviation was not caused by interworking or interoperable equipment or other products not supplied under the Contract;

e) such defect, non-conformity or deviation was not caused by abuse, misapplication or external influences;

f) the Customer has given QLI every opportunity to inspect and remedy such defect, non-conformity or deviation.

10.6. Any malfunctions arising from normal wear and tear of equipment are excluded from the scope of this warranty. The warranty also does not apply to spare parts or consumables.

10.7. In no case will QLI guarantee that the Product sold is suitable for solving of particular problem of a Customer's. The Customer being aware of the technical characteristics of the Product has under his own responsibility and in accordance with his requirements made his choice of the items subject to the Contract. QLI does not guarantee the suitability or the fitness of the Product for the Customer's needs and/or a specific use to which the Customer may later put it.

10.8. The Parties agree that QLI cannot be held liable for defects arising out of improper installation effected in respect of the Products. If the Customer is not certain as to the requirements applicable to installation, the Customer must apply directly to QLI. Installation of the Products must be carried out following the Instructions in the User's Manual and Instructions on Installation of Products as may be prepared by QLI.

10.9. Under this warranty, QLI shall, at its option, repair or replace, without expense to the Customer, any part of the Product, not in conformity with the Specifications by reason of defective material, design or workmanship. This does not include on-site support.

10.10. To benefit from the warranty, the Customer must send the Product to QLI at his own cost. QLI will bear the costs of returning the Product to the Customer.

10.11. If a Product of QLI cannot be returned to the facility of QLI for repair, and if QLI determines that the problem could be warranty-related, then the following policy applies:

10.12. QLI will provide an on-site Service engineer in a reasonable amount of time, provided that the Customer issues a valid purchase order to QLI covering all transportation and subsistence costs of the Service engineer to the site and back as well as covering his subsistence costs on site for the whole period of stay.

10.13. For warranty on-site repairs, the Customer will not be charged for the cost of the labour and parts. If Service is rendered at times other than normal work periods, then special rates may apply at the discretion of QLI.

10.14. All Products which the Customer considers to be defective shall be returned to QLI's office as designated in the Contract and these GSC transportation costs prepaid and borne by the Customer (unless otherwise agreed between the Parties). The risk of loss of the goods shipped or delivered to QLI's facility for repair or replacement will be borne by the Customer.

10.15. No Product may be returned, whether in warranty or out of warranty, without first obtaining an approval from QLI. No repairs will be made for Products returned without such an approval. Any returned Product(s) without a valid Return Merchandise Authorisation number (RMA) will be rejected. The RMA number may be obtained by contacting QLI (sales@qlinstruments.com).

10.16. The warranties given above constitute the only warranties made by QLI with respect to the Products and are in lieu of all other warranties, express or implied, including, but not limited to, implied warranties of merchantability or fitness for a particular purpose.

10.17. Defective parts of the Products which are replaced shall be placed at QLI's disposal and shall become its property.

11. QLI's rights to subcontract.

11.1. QLI may subcontract any portion of the work on any item subject to this GSC, but QLI's obligations and rights hereunder shall not thereby be limited or affected.

11.2. Neither the Contract nor any rights or obligations thereunder may be assigned by the Customer without a prior written consent of QLI.

12. Proprietary rights.

12.1. The sale of the Products hereunder to the Customer shall in no way be deemed to confer upon the Customer any right, interest or license in any patents or patent applications or design copyrights QLI may have covering the Products. QLI retains for itself all proprietary rights in and to all designs, engineering details, and other data and materials pertaining to any Products supplied by QLI and to all discoveries, inventions, patents and other proprietary rights arising out of the work done by QLI in connection with the Products or with any and all Products developed by QLI as a result thereof, including the sole right to manufacture any and all such Products. The Customer warrants that it will not divulge, disclose, or in any way distribute or make use of such information, and that it will not manufacture or engage to have manufactured such Products.

12.2. All drawings and other technical documents regarding the Products or their manufacture submitted by QLI to the Customer, prior or subsequent to the Acceptance and Confirmation of the Quotation, shall remain the property of QLI. Drawings, technical documents or other technical information received by the Customer shall not, without the prior written consent of QLI, be used for any other purpose than that for which they were submitted. They may not without the prior consent of QLI be copied, reproduced, transmitted or otherwise communicated to any third persons or parties.

13. Limitation of liability.

13.1. QLI will not be liable for any loss, damages or penalty resulting from delay in delivery of the Products when such delay is due to causes beyond the reasonable control of QLI, including without limitation, supplier delay, force majeure, acts of God, labor unrest, fire, explosion or earthquake. In any such event, the delivery date will be deemed extended for a period equal to the delay.

13.2. QLI's liability under, for breach of, or arising out of the contract and/or sale will be limited to repair or replacement of any defective products or a refund of the purchase price of the products, at QLI's sole option, as set forth in Chapter 10 above. In no event will QLI be liable for costs of procurement of substituted products by the customer, nor will QLI be liable for any special, consequential, incidental or other damages including without limitation loss of profit whether or not QLI has been advised of the possibility of such loss however caused, whether for breach or repudiation of contract, breach of warranty, negligence or otherwise. This exclusion includes any liability that may arise out of third party claims against the customer. The essential purpose of this provision is to limit the potential liability of QLI arising out of these general sale conditions and/or contract.

14. Contract modifications

QLI will have the right to unilaterally make substitutions and modifications of the Specifications of Products sold by QLI, provided that such substitutions or modifications will not materially affect the overall Product performance.

15. Confidentiality

15.1. The Parties shall not, either during or after the expiration of the Contract, whether directly or indirectly, use or communicate to third parties any trade secrets or confidential information of each other which the Parties have come to know in any way or manner in connection herewith. Such secrets or information shall only be made available to such employees or agents of the Parties who need it for the reasonable execution of their assignments within the scope hereof, and on the condition that they are subject to a secrecy obligation corresponding to the obligation of the Parties, either by law or by contract. Should any of the employees or agents of the Parties be in breach of its secrecy obligation, the Parties shall be fully responsible therefore to each other.

15.2. The confidentiality obligation set out above shall continue until the secrets and information covered by such obligation becomes generally known to the public. However, the secrecy obligation shall not cover information which, on the basis of reliable proof:

a) at the time of the disclosure is or was generally available to the public of hereafter become generally available to the public through no fault of the Parties;

b) was not acquired directly or indirectly from one of the Parties and which the Parties can show by written records was in its possession prior to the time of the disclosure by the Parties, or

c) was independently made available as a matter of lawful right to one of the Party by a third Party.

16. Force majeure

16.1. Either party shall be excused from the performance of any of its obligations under the Contract and such obligations shall be extended by the period reasonable under circumstances if the performance is prevented or delayed by any cause beyond the affected Party's reasonable control which, without in any way limiting the generality of the foregoing, shall include acts of God, riots, wars, accidents, embargo or requisition (acts or government), including non-availability of an export licence for the Products or any part thereof or visa and permits for QLI's personnel, or delays in the performance of its subcontractors caused by any such circumstances as referred to in this Section.

16.2. In case of force majeure, the affected Party shall promptly notify the

other Party in writing and furnish all relevant information and evidence thereto. Such evidence may consist of a statement or certificate of an appropriate chamber of commerce or governmental department or agency where available, or a statement describing in detail the facts claimed to constitute Force Majeure.

16.3. During the period that the performance by one of the Parties of its obligations under the Contract has been suspended by reason of an event of Force Majeure, the other Party may likewise suspend the performance of all or part of its obligations hereunder to the extent that such suspension is commercially reasonable.

16.4. Should the cause of force majeure continue for more than three (3) months, either Party shall then have right to terminate the Contract, without liability to the other Party, except for payments due to such date, upon giving written notice to the other Party.

17. Bankruptcy or insolvency of Customer

17.1. If the financial conditions of the Customer at any time is such as to give QLI, in its judgment, reasonable grounds for insecurity concerning Customer's ability to perform its obligations under the Contract, QLI may:

a) by notice in writing to Customer, cancel the Contract, without judicial intervention or declaration of default of Customer and without prejudice to any right or remedy which may have accrued or may accrue thereafter to QLI;

b) require full or partial payment in advance and suspend any further deliveries for continuance of the work to be performed by QLI until such payment has been received;

c) make shipments C.O.D. (Collect On Delivery).

18. Final destination of the Products sold.

18.1. Certain Products sold by QLI might be subject to the final destination control. In the event of export of the Products sold by QLI outside EU, the Customer must inform QLI of their final destination and undertake to obtain all the permissions of competent authorities necessary for performance of such sale.

19. Applicable law, jurisdiction and venue.

19.1. The Contract and all other rights and obligations between Customer and QLI shall be governed by and construed in accordance with the laws of the Republic of Lithuania.

19.2. Any dispute, controversy or claim arising out of or relating to the Contract, these GSC or the Quotation, their breach, termination or validity shall be settled by arbitration in accordance with the Arbitration Rules of the Vilnius Court of Commercial Arbitration. The number of arbitrators shall be three appointed in accordance with the above Rules. The venue of arbitration shall be Vilnius, the Republic of Lithuania. The language of arbitration shall be the English language.

20. Miscellaneous

20.1. Any information and notices relating to the performance hereof shall be sent to the addresses specified in the Contract or Quotation and in other official documents issued by QLI. Should the address, bank account and/or any other data of any Party change, such Party must notify the other Party thereof no later than within 5 (five) calendar days from the change of a certain detail.

20.2. Except as otherwise agreed by the Parties, all notices hereunder shall be made in writing and sent by fax, e-mail, registered delivery mail, through a special courier or delivered personally to the addressee (with written acknowledgement of receipt by the representative of the addressee), to the address or to the new address.