

# General Terms and Conditions of Sale

## 1. Legal validity of General Terms and Conditions of Sale

The Company's General Terms and Conditions of Sale shall be legally valid when referred to in a quotation or confirmation of order as being applicable. The Purchaser's contrasting terms and condition shall only be valid subject to having been explicitly accepted by the Company in writing.

Any agreements varying from these General Terms and Conditions of Sale between the Purchaser and the Company shall be reserved and shall be given priority to these General Terms and Conditions of Sale.

## 2. Quotations

Unless stated otherwise in a quotation, the validity of the Company's quotations shall be limited to a period of two months. Drawings, samples, etc. prepared by the Company shall remain the Company's intellectual property and shall not be copied or made accessible to third parties. Like quotations, these shall be subject to confidentiality. Should no order be placed, the Company shall be entitled to request return of the said documentation.

## 3. Prices

Prices shall be quoted net ex works including packaging but not including VAT. VAT shall be quoted separately.

## 4. Tools

After acceptance of samples, but at the latest 2 months after the supply of samples for a standard tool, proportional tool costs shall be payable within a period of 30 days strictly net. Tools shall remain the Company's property irrespective of the payment of proportional costs. The company shall be entitled to destroy tools after a period of four years after delivery of the last goods in agreement with the Purchaser.

Normal tool maintenance shall be included in proportional tool costs. Tool repair or replacement shall be charged to the Purchaser.

## 5. Payments

The Company's invoices shall be payable strictly net within a period of 30 days from the date of the invoice. Should these terms not be adhered to, the Company shall be entitled to demand interest for delay without any reminder, based on standard rates of interest, amounting to a minimum of 5% p.a. The above rate may also be charged should goods ordered not be accepted within the period of time agreed.

## 6. Reservation of Title

Goods supplied shall remain the property of the Company prior to full payment. The Company shall be entitled to officially register a title in the said goods at the Purchaser's cost and to comply with any formalities in this respect.

During the period of reservation of title, the Purchaser shall make all arrangements to prevent such title being affected or eliminated.

## 7. Blanket Orders

Goods subject to a blanket order shall be called forward within a period of twelve months from the date of the Company's confirmation of order. For any goods not called off within that period, the Company shall be entitled to demand advance payments on amounts invoiced after the unsuccessful expiry of an extension to the original term and in addition charge for any storage costs incurred a minimum of 1% per month of the value of any goods not accepted. This provision shall apply accordingly to any delay in acceptance of the goods by the Purchaser.

## 8. Delivery

The time of delivery shall commence on signature of the contract but not prior to delivery of any documents to be provided from the Purchaser.

Delivery dates shall be set by the Company at the Company's discretion and shall be met if at all possible.

Should deliveries be exceeded, for reasons not under the Company's control, the Purchaser shall not be entitled to cancel his order. In addition, the Purchaser shall not be entitled to claim damages resulting from delays in delivery or impossible or retrospectively impossible delivery. This exclusion of liability shall not apply to any illegal intent or gross negligence of the company. But it shall apply to any illegal intent or gross negligence of the Company's agents (the Company declines to accept any liability on behalf of its agents).

Delivery of surpluses or shortages of up to 10% of quantities ordered shall be deemed to be in agreement with the contract.

## 9. Cancellation

Orders placed may only be cancelled subject to the Company's approval. In case of rescission from the Contract (which must be sanctioned by the Company), the Purchaser agrees to pay any cost effectively incurred by the Company.

## 10. Shipment

All consignments shall be correctly packed by the Company and shall in all cases be shipped at the Purchaser's risk.

Should the Company agree to deliver goods to the Purchaser free to destination, the Purchaser shall in no case be entitled to present any claims for damage/loss in connection with shipment of the goods. This exclusion of liability shall not apply to any illegal intent or gross negligence by the Company. But it shall apply to any illegal intent or gross negligence of the Company's agents such as railways, the Post Office, forwarders, etc. (the Company declines to accept any liability on behalf of its agents).

In all cases, the Purchaser shall be responsible for reporting without delay any breakage or other loss of or damage to the goods, delays or incorrect delivery of the railways, the Post Office or forwarding agent instructed with delivery.

## 11. Warranty/Notice of Defects/Purchaser's own Responsibility

The Company guarantees the supply of its products in conformity with the Purchaser's specifications/instructions (e.g. drawings, samples and other specifications of the Purchaser to be complied with by the Company).

Should the said specifications/instructions of the Purchaser be faulty, the Purchaser shall be personally responsible for any defects resulting therefrom and the Company shall not be subject to any liability for defects. This shall include cases in which defects in the Purchaser's specifications are not the Purchaser's fault. In all other cases, the Company shall not be liable for any defects caused by the Purchaser himself or any causes for defects subject to his liability. The Company shall not be liable to inspect, control and/or dissuade from the Purchaser's specification.

In case of proven faulty materials or faulty workmanship, the Company shall provide at its discretion a guarantee limited to the elimination of the defect, the replacement of any faulty parts or refund of the value of faulty products.

This guarantee shall be valid for a period of three months from the date of delivery. The Purchaser agrees to inspect the goods directly on receipt and to notify faults without delay. Should the Purchaser discover hidden faults during a current three-month period of warranty, the Purchaser shall notify these without delay. The Company's warranty shall expire after expiry of a period of three months after delivery of the goods.

## 12. Exclusion of any other Liability by the Company

All cases of contract infringement by the Company and their legal consequences and any claims by the Purchaser for any reason whatsoever, shall be conclusively controlled by these General Terms and Conditions.

In particular, any claims for damages, compensation, cancellation of the Contract, rescission from the Contract or the supply of replacements at the Company's expense shall be excluded. The Purchaser shall in no case have any claims for the replacement of faulty goods or any consequential loss/damage not caused to the goods as such, e.g. in particular costs due to rework, loss of production, loss of use, loss of orders, loss of profit, etc. or any direct or indirect loss/damage and he shall not be entitled to any claims for replacement due to any loss/damage caused to third parties. The exclusion of liability for loss/damage shall not only apply to any contractual liability on the Company's part (including any liability prior to the contract) but also to any non-contractual liability of the Company (in compliance with Art. 41 OR – Swiss Obligations Law - including proprietors' liability in compliance with Art. 55 OR) and any other liability of the Company resulting from any other legal titles. This exclusion of liability shall not apply to any illegal intent or gross negligence by the Company. But it shall apply to any illegal intent or gross negligence of the Company's agents (the Company declines to accept any liability on behalf of its agents).

The exclusion of liability for compensation shall not apply if mandatory legislation is applicable. The Company herewith declines any penalties for delay or any other penalties whatsoever.

## 13. Patents, Copyrights

The Purchaser agrees to keep the Company fully indemnified against any third-party claims resulting from the infringement of patents, registered designs or any other intellectual property rights and copyrights.

## 14. Jurisdiction and Applicable Law

The parties agree to submit to the exclusive jurisdiction of the Uznach/SG courts of justice. The parties also agree to ordinary jurisdiction.

The legal relationship between the Company and the Purchaser shall in every respect be subject to Swiss law, in particular Swiss Obligations law. The UN-Convention on Contracts for the International Sale of Goods (11.4.1980) and the Hague Convention Relating to a Uniform Law on the International Sale of Goods (15.6.1955) are excluded.

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