

General Conditions of Supply and Guarantee

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1 General

The present General Conditions of Supply and Guarantee are binding if they are declared applicable in the tender, offer, or in the confirmation of order in so far as they are not modified or expanded by them.

Amending or additional arrangements or conditions, including in particular the general purchase conditions of the purchaser, are valid only if they have been expressly acknowledged and agreed in writing.

2 Offers

Offers are binding only until the acceptance date stipulated therein. Offers which do not stipulate an acceptance date shall not be binding.

3 Formation of Contract

The contract shall be deemed to have been concluded when, on receipt of an order, the vendor acknowledges acceptance in writing.

If on the confirmation of order a signature is required, applies the supply contract only as locked, as soon as the signed confirmation of order is received.

4 Scope of Contract

The goods to be supplied and the work to be done under the contract shall be as specified in the confirmation of order. Items not referred to therein shall be charged for separately.

5 Technical Documents

5.1 Commitment

Technical documents, such as drawings, descriptions, illustrations, pamphlets and the like constitute only an approximate guide and are not binding. The vendor reserves the right to make any changes considered necessary or advisable in the interest of technological progress.

5.2 Copyright Protection

All technical documents remain the exclusive property and copyright of the vendor and may not be copied or reproduced without his written consent or communicated to third parties in any manner whatsoever; nor may they be used for the construction of the machinery/equipment or parts thereof. They may be used for operation and maintenance, provided they are marked accordingly by the vendor.

5.3 Return of the Documents

Technical documents submitted with offers that do not result in an order being placed, shall be returned at once, on vendor's demand.

6 Regulations in Force at Destination

The purchaser must inform the vendor of any regulations and all laws, governmental or others, in force which apply to or may affect the execution of the delivery or supply, the erection work, the operation of the machinery/equipment as well as to the health of personnel and the prevention of accidents.

7 Price

7.1 Additional Expenses

All prices shall be deemed to be ex works. All additional charges, such as the cost of carriage, insurance, fees for export, transit, import and other permits and certificates, shall be borne by the purchaser. Likewise, the purchaser shall be liable for all kinds of taxes, fees, customs duties and like charges.

Should any additional costs be included in the price by way of exception, the price shall apply subject to the proviso that no changes in the rates for such additional costs have occurred during the period between the date of the order and delivery.

7.2 Price Adjustment

The vendor reserves the right to adjust the price if the period between conclusion of the contract and delivery of the goods is more than twelve months. Furthermore, the price may be adjusted if the purchaser does not accept delivery of the goods within the fixed delivery time.

8 Terms of Payment

8.1 General

Payments shall be made to the vendor at his registered address by the purchaser, without any deductions for cash discount, expenses, taxes or dues of any kind, at the terms and conditions stipulated in the offer or in the confirmation of order, respectively. Advance payments which have been made do not carry interest. In the case of partial deliveries, payment must be effected in proportion to the quantity of the individual deliveries. Payment shall be deemed effected when the particular sum is available in Swiss francs to the vendor in Switzerland.

8.2 Dates of Payment

The dates of payment shall also be observed if transport, delivery, erection, commissioning or acceptance of the machinery/equipment is delayed or prevented by circumstances beyond the vendor's control. The purchaser shall not withhold or reduce payments on account of complaints or claims or of counter-claims not accepted by the vendor. Payment shall also be made if parts of the machinery/equipment are missing, but do not prevent the machinery/equipment from being used, or if post-delivery work has to be carried out on the machinery/equipment.

8.3 Interests

If the purchaser does not observe the agreed dates of payment, he shall be liable for interest with effect from

the date on which payment was due, at an annual rate depending on the interest rate for short-term credits prevailing in the country of destination, but not less than 5 per cent per annum. Payment of such interest shall not release the purchaser from paying the sums due under the terms of contract.

8.4 Storage Costs

In the event that goods ready for shipment have to be held at the vendor's premises, this not being the vendor's fault, the vendor is entitled to charge the purchaser 1% of the net price of the goods each month in payment of storage and insurance costs.

9 Property Right

The vendor shall retain exclusive ownership of the goods supplied until full payment has been received or, in the case of the presentation of bills of exchange, until these have been paid. The purchaser shall participate in any measures necessary for the protection of the vendor's property. The supplier reserves the right to order the retention of title to be entered in the competent public registers of the country where the purchaser is domiciled.

10 Delivery time

The delivery time shall commence on the date of formation of the contract, when all official formalities such as import and payment permits have been settled, payments due with order have been made, and any agreed security given, and when the main technical points have been settled. The delivery date shall be deemed duly observed if the goods are ready in the works by that date.

10.1 Extending the Delivery Time

The delivery time may be reasonably extended:

- If the information required by the vendor for execution of the order is not received in time, or if subsequent changes which delay delivery are made by the purchaser.
- If hindrances arise beyond the control of the vendor, regardless of whether they occur at the premises of the vendor or those of a third party, such as epidemics, mobilization, war, revolution, serious breakdowns in the factory, accidents, labour conflicts, late or deficient delivery of raw or other material or goods by sub-contractors, the need to scrap important workpieces, official actions, natural catastrophes and delays in the transfer of funds used for payment;
- If the purchaser is behind schedule with the work that he should execute, or with the fulfillment of his contractual obligations, especially if he fails to observe the terms of payment.

The purchaser is not entitled to claim indemnity or cancel the contract if delivery is delayed.

11 Testing and Acceptance of Goods

11.1 Testing by the Supplier

Where it is the normal practice, the goods will be tested by the vendor during manufacture. If the purchaser stipulates additional tests, they shall be agreed in writing and paid for by the purchaser.

11.2 Testing by the Purchaser

The purchaser shall test the goods delivered within a reasonable period and report any shortcomings to the vendor in writing without delay. If he fails to do this, the goods shall be deemed to have been accepted.

11.3 Acceptance Test

If the purchaser wishes acceptance tests to be performed, they must be agreed in writing. If, for reasons beyond the vendor's control, these tests cannot be performed in the specified time, the properties to be examined by these tests shall be deemed to have been proved.

11.4 Deficiency

If the acceptance tests prove that the goods do not fulfill the terms of the contract, the purchaser shall give the vendor an immediate opportunity of correcting any deficiency as soon as possible.

The purchaser shall not be entitled to claim indemnity for deficiencies in the goods delivered, in particular damages or cancellation of the contract.

12 Packing

Packing is either charged separately or included in the net price ex works, depending on the nature of goods specified by the contract. Additional costs for special packing ordered by the purchaser or required by special circumstances are charged separately. Packing is not returnable.

13 Transfer of Use and Risk

The right to use the goods and the risk involved are transferred to the purchaser not later than the date of their leaving the vendor's works, even if delivery is carriage paid, CIP, CIF, FOB or under similar terms or includes erection. If dispatch is delayed or prevented by circumstances beyond the vendor's control, the goods shall be stored at the purchaser's cost and risk.

14 Transport and Insurance

Special requirements regarding forwarding and insurance shall be communicated to the vendor in good time. If the delivery terms are "ex works" the purchaser may choose the forwarding company, which shall be of Swiss extraction. In the absence of specific instructions, transport will take place in accordance with the vendor's best judgment, but without obligation that such shipment will be by the cheapest means available. Transport shall be at the purchaser's cost and risk.

Complaints in respect of transport, in particular in the case of damage, shall be submitted immediately by

the purchaser to the last carrier on receipt of the goods or the shipping documents.

Insurance against risks of any kind is the responsibility of the purchaser. Even when taken out by the vendor, it shall be at the purchaser's cost and risk.

15 Erection and Commissioning

If erection, commissioning as well as technical instruction of the operating personnel are performed by the vendor, the relevant conditions of the vendor shall be applicable.

16 Guarantee

16.1 Duration

The guarantee period is 12 months. It begins when the goods are dispatched from the vendor's work or, if the vendor also undertakes erection and/or commissioning, when these are completed; however, the guarantee period shall end not later than 18 months after delivery ex works.

16.2 Obligation of the Supplier

All contractual obligations of the vendor expire unless the purchaser advises claims arising under the guarantee in writing before expiry of the guarantee period.

16.3 Costs

The vendor undertakes upon written request of the purchaser to repair or replace at his own discretion and as quickly as possible within the guarantee period, any parts becoming deficient or unserviceable due to faulty material, bad design or poor workmanship. Replaced parts shall become the vendor's property.

In the event that the defective part must be returned for repair to the factory of the vendor either complete or in part, transport both ways shall be at the cost and risk of the purchaser. Also the costs of dismantling and of re-erection of the defective part are to be carried by the purchaser. If, for any reason beyond the vendor's control, such parts cannot be repaired or replaced in his own factory, all additional costs resulting therefrom shall be borne by the purchaser.

The purchaser shall not be entitled to claim any further indemnity for deficiencies in the goods delivered, in particular for damages or for cancellation of the contract.

16.4 Exclusion

Excluded from the guarantee are defects and losses resulting from improper storage, natural wear, improper maintenance, failure to observe the operating instructions, excessive loading, the use of unsuitable media, the influence of chemical or electrolytic action, unsatisfactory building or erection and commissioning work not undertaken by the vendor, or other reasons beyond the control of the vendor.

16.5 Expiring

The vendor's liability shall cease if the purchaser or a third party undertakes changes or repairs to the goods

without the vendor's written consent, or if such goods are resold by the purchaser to a third party without an agreement from the vendor.

16.6 Third Party Goods

For materials or goods supplied by third parties the vendor accepts liability only to the extent of the subcontractor's guarantees provided by such third parties.

17 Liability

The vendor shall deliver the goods in accordance with the terms of the contract and shall fulfil his guarantee liabilities. He shall not be liable to the purchaser for any other claims, especially not for subsequent damage.

18 Place of Performance and Jurisdiction

The place of performance and jurisdiction for both purchaser and vendor is the registered address of the vendor in Switzerland.

19 Law Applicable

The contract shall be governed by Swiss law.