

General Conditions of Purchase

1. Validity of the General Conditions of Purchase

All deliveries to KASAG Swiss AG are effected exclusively on the bases of the underlying general conditions of purchase. These are known to the supplier, he recognised them without reserve and explicitly by commission/ placing a quotation/order confirmation. Deviations of these conditions are in need of confirmation by KASAG Swiss AG in written form.

The general conditions of purchase at hand especially precede any deviating standard-form contract conditions of the supplier. Such were of sole validity if KASAG Swiss AG had explicitly acknowledged them in written form.

The supplier in particular can not refer to having indicated to his own standard-form contract conditions in his correspondence, offers, confirmations of an order, bills of deliveries or accounts/invoices, etc. Under any circumstances, the general conditions of purchase at hand precede. This general conditions of purchase is of sole validity between the parties.

2. Quotation

- 2.1 The enquiry of the purchaser requests the supplier to submit a quotation without charge. Hereby the supplier shall strictly adhere to the requests of the purchaser and explicitly point out any deviations.
- 2.2 Dimensions, weights, performances or other details stated by the supplier in his quotation documents shall be binding.
- 2.3 The quotation shall be binding for 90 days unless the supplier defines another period for acceptance of his quotation.

3. Order and order acknowledgment

- 3.1 To be binding, orders must be placed in written form exclusively.
- 3.2 The supplier shall confirm every order (including delivery date) within three working days. In case of orders for goods/services on call, an order acknowledgment and confirmation of the delivery date shall be transmitted to the purchaser by the next following working day.
- 3.3 The purchaser shall be entitled to a reasonable extent to demand modifications of the design and execution of the agreed article of supply. The purchaser's request for a modification must be quoted for by the supplier in the form of a corresponding quotation which shall be accepted by the purchaser in accordance with paragraph 3.1. Any resulting extra costs shall be borne by the purchaser, while the difference shall be reimbursed to the purchaser in case of reduced costs.

4. Approval of plans and drawings

If the supplier produces parts or causes parts to be produced for the purchaser exclusively, he shall get the purchaser to approve the execution plans. The approval doesn't release the supplier from his responsibility as regards the correctness and feasibility. For parts which are not produced exclusively for the purchaser, the supplier

shall, at the latest by the beginning of assembly of the article of supply, provide the purchaser with the definitive execution plans and lists of spare parts to enable correct and proper maintenance.

5. Prices and payment terms

- 5.1 The agreed prices are fixed prices and remain unchanged during the entire transaction of the order. The prices are DDP (delivered, customs duty paid) the domicile of the purchaser or the destination stated in the purchaser's enquiry, respectively. Any Value Added Tax, if applicable, shall be shown separately.

Any extra or reduced costs due to possible order amendments shall be the subject of a separate invoice/credit note. Extra or reduced costs can only be claimed provided that the corresponding order amendments have been agreed upon as per paragraph 3 above.

- 5.2 The following payment terms shall apply subject to any individual agreement to the contrary:

60 days net from receipt of the invoice, but at the earliest from the date of delivery or acceptance of the article of supply, respectively.

- 5.3 Without the prior written approval of the purchaser, which approval shall not be withheld unreasonably, the supplier shall not be entitled to assign his claims against the purchaser or to have them collected by thirds.
- 5.4 In case of advance payments the supplier shall provide adequate security (e.g. in the form of a bank guarantee) if the purchaser requests him to do so.

6. Returning of packaging materials

If it is agreed that empty containers and packaging materials are returned, the costs of transport and processing shall be borne by the supplier.

7. Passing of use and risks

- 7.1 Unless agreed otherwise, use and risks pass on to the purchaser with the change of property in the supplies, i.e. after unloading from the means of transport at the purchaser's domicile or at the agreed destination, respectively.
- 7.2 If the requested despatch documents pertaining to a consignment are not submitted as specified, the consignment shall be stored at the supplier's cost and risk until the documents are received.

8. Delivery date and delivery delay

- 8.1 Agreed deadlines and periods are binding. Decisive for compliance with the deadline is the receipt of the article of supply at the purchaser's domicile or at the agreed destination, respectively.
- 8.2 Part-deliveries and premature deliveries are only admissible subject to prior agreement.
- 8.3 If the supplier has reason to assume that the consignment or part of it cannot be delivered on the specified date, he shall notify the purchaser immediately by stating the reasons and the expected duration of the delay.

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If the delivery date is not complied with, the supplier shall be in default as from the expiry of the deadline. The purchaser is released from the obligation to remind the supplier.

8.4 Penalty for delays

In case of delayed delivery the supplier shall owe the purchaser a penalty. The amount of this penalty shall be 1% of the price of the delayed part of the delivery per started week of the delay from the date default set in. Unless the purchaser renounces upon the penalty expressly, he may demand it apart from the fulfilment of the contract. The purchaser's entitlement to compensation of the damage exceeding the penalty remains reserved.

9. Inspection and acceptance of the delivery, warranty

9.1 The purchaser shall report deficient deliveries to the supplier as soon as such deficiencies are detected in the orderly course of business, in writing within 14 days of the detection.

9.2 The supplier guarantees that the article of supply corresponds to state-of-the-art technology and does not suffer from any deficiencies impairing its value or its suitability for the intended purpose, that it displays the promised characteristics and corresponds to the prescribed performances and specifications.

9.3 If part of the consignment or the consignment as a whole is deficient, the supplier shall be obliged to eliminate the deficiencies on the spot or at his works, or have them eliminated at his expense. If a complete correction is not possible within a reasonable period, the supplier shall deliver replacements and fit them. If the repair or replacement supplies do not materialize within a reasonable period, the purchaser shall be entitled to have the deficiency eliminated at the cost of the supplier or to claim a reduced value. If the consignment suffers from a deficiency which renders it useless for the purchaser, he can refuse to accept it and demand reimbursement of the price.

The legal entitlements to damages remain expressly reserved.

9.4 The warranty period is 24 months from the date of acceptance of the delivery. For replacement supplies or subsequent corrections an independent warranty period of 24 months starts running from the completion of such supplies or corrections. The warranty period is additionally extended by the time period during which production was interrupted on account of such incidents.

10. Certification

The supplier shall arrange for certification if the products to be delivered are liable to certification. For supplies which are not produced for the purchaser exclusively the supplier shall bear the certification costs.

11. Spare parts

The supplier undertakes to supply spare parts or compatible replacement solutions for all products delivered by him, and this with a reasonable delivery time during 10 years following delivery of the last consignment.

12. Product liability, third-party insurance

To the extent that the supplier is responsible for a product damage he shall be obliged to hold the purchaser harmless of claims of damages of thirds at the first request insofar as the cause of the damage is within his domain and organizational sphere.

13. Infringement of protective rights

In case of any claims on the grounds of infringements of industrial protective rights of thirds in the context of the delivered products the supplier shall reimburse and defend the purchaser and hold him harmless.

14. Confidentiality, intellectual property

14.1 Any and all information, drawings, etc. passed on to the supplier by the purchaser for the production of the article of supply must neither be used for other purposes nor copied nor made accessible to thirds. Copyrights are the property of the purchaser. All documents including all typed or other copies must be handed out to the purchaser without delay upon the latter's request.

14.2 KASAG shall treat technical documents of the supplier or of his subcontractors as confidential. They remain the intellectual property of the supplier or of his subcontractor, respectively.

15. Tools and jigs of the purchaser

Tools, gauges, jigs, patterns and other items made available by the purchaser shall remain the property of the purchaser. They must be suitably stored and insured against all risks. Without the prior written approval of the purchaser they must neither be modified nor destroyed nor used for thirds.

16. Acts of God

16.1 The contractual partners shall not be liable for any non-, deficient or delayed fulfilment of the contractual obligations due to Acts of God. Deemed to be 'Acts of God' shall be unforeseeable circumstances outside the powers of the contractual partners which occur after signing of the contract. This applies also to such circumstances occurring at subcontractors'.

16.2 The contractual partner claiming an Act of God is obliged to notify the other party immediately of the occurrence, of its foreseeable duration and of its end, otherwise he shall not be entitled to claim an Act of God.

17. Place of fulfilment, applicable law, place of jurisdiction

17.1 Place of fulfilment is the destination specified in the order. If no destination has been agreed upon, the purchaser's domicile shall be the place of fulfilment.

17.2 The contractual relationship is subject to substantive Swiss law. The UN law of purchase is excluded.

17.3 Place of jurisdiction is the domicile of the purchaser. The purchaser shall be entitled to appeal to another competent court. Infringement of protective rights