

General Sales Terms and Delivery Conditions

1 General

All offers and deliveries are subject to terms and conditions stated hereunder. Upon receipt of Purchase order by Seller, the Buyer accepts these delivery and payment terms. Derivations and particular agreements need the confirmation in written form to be incorporated.

Offers elapse 40 days upon date of issue, unless otherwise is stated in the offer. Each offer can be revoked until day of Purchase order is sent to Seller.

2 Technical documents, Know-how, Secrecy

All technical documents, such as Schemata, disposition schedules, drawings and others remain in the possession of the supplier, may not be copied, neither duplicated, nor passed on to Third parties during execution of the project or its sections. All rights reserved for necessary changes.

In case the Purchase order will not be placed according to the offer, or a third party awarded, all plans, drawings and other documents have to be immediately returned to the supplier.

Brochures and catalogues can be kept unless otherwise notified by supplier. Remarks given in the technical documents are in no extent binding, and need to be confirmed upon request.

The supplier treats all performances and expertise of the client, which he will be allowed and will be necessary to view and study, strictly confidential. It is forbidden to pass on any information to third parties.

3 Scope of Delivery

The scope of Delivery is determined in the order confirmation. Performances, which are not included, will be separately settled. Partial shipments are allowed.

Additional certificates, Certificate of Origin and others, which will be required, are subject to an appropriate invoice. Instruction manuals destined for machinery operation will be attached with the goods, at customized production within two weeks upon after delivery. Assembly and commissioning to be carried out by the Buyer, must be according to the instruction manuals provided, otherwise it will not fall under any liability.

Engineering, Laboratory test, assembly and maintenance, performed by the supplier, will be charged according to the current clearing table while done. In case, supplier carries out also assembly, or supervision of same, and commissioning/supervision of same, the general conditions for machine assembly (VSM) (Verein Schweizerischer Maschinen-Industrie) (association of Swiss Mechanical Engineering) find their application.

4 Prices

The prices are net excluding VAT, unless otherwise agreed, ex works, ex stock, respectively, excl packing as well as excl. assembly at Buyer's site.

In case, wage scales or material prices regarding own production and services, are subject to changes between date of quotation and delivery date, contractually agreed, the supplier reserves his right to adjust current prices which must be according to VSMsliding wage scale.

Other reasons for supplier to adjust current price covering trading goods, which might occur in case of price changes, fiscal debts, increase of customs duties, or fluctuation of currencies. Price changes on trading goods covering mailing stamps, cargo and packing will be invoiced as prime costs. Packing will not be taken back, unless agreed. All bank charges must be borne by the client.

Prices given for repeat orders are not binding. Printed price lists and catalogues are subject to changes by the supplier. The minimum order value shall not fall below CHF 50.-.

5 Payment Terms

Payment for contract values of CHF 10000.- must be effected net within 30 days upon date of issue of the invoice at the location of the supplier; deductions of discount, any charges, taxes, fees, custom duties are prohibited.

Partial payments on higher values must be effected as follows: 1/3 within 10 days upon receipt of order confirmation, 1/3 within 10 days upon advice of readiness of goods by supplier, 1/3 within 30 days net upon date of invoice.

Other payment terms must be separately agreed. Currency of payment must be according to invoice currency.

Will the payments not match with the contractual terms due to delay, the buyer will be obliged, without written notice, to pay an interest rate, determined at 4 per cent on top of the valid commercial interests for debts at the Luzerner Kantonalbank in Lucerne.

6 Reservation of Proprietary Rights

The supplier will reserve proprietary Rights on the goods to be delivered until complete payment is effected.

The buyer empowers the supplier, upon conclusion of the contract, to have his proprietary Rights registered at the official Authority and to further proceed with all appropriate formalities.

All goods delivered will be maintained by the Buyer on his prime costs during performance of Proprietary Rights by the seller and covered by insurance against Theft, damage, Fire, Water and other risks in favour of the supplier.

7 Delivery periods

Delivery date agreed is based on conditions at date of placing the Purchase order and may vary.

Supplier reserves the right to revise the delivery date.

a) In case of events occurring at his or his sub-suppliers' facilities, which might cause impacts on the trouble-free and continuous working procedures for completion of the order.

b) If necessary figures, which are an essential part to perform according to the Purchase Order, are not provided in time or advised too late to the address of the supplier

c) in case the payment Terms will not be matched. The delay of delivery of goods does not reserve the right of the Buyer to cancel the contract.

8 Dispatch

The goods will be delivered on costs and risk to be borne by the Buyer.

9 Delivery on call

If delivery on call was agreed, goods must be collected three months upon receipt of readiness of goods at the latest. After that period, supplier is allowed to demand the full payment, and to charge for Warehousing costs covering long term storing period.

10 Change

Change and return of standard goods will, without prior agreement, not be accepted, and customized goods are completely excluded.

All resulting costs for change and return, respectively, covering control, cleaning and restoring will be charged to the Buyer.

11 Inspection and Approval of deliveries

Shipments and performances are pre-inspected prior to the dispatch of the goods by the supplier. Further inspection performances at supplier's or Buyer's facilities are subject to a separate agreement and will be borne by the Buyer.

All claims on goods have to be raised within 10 working days, otherwise both, delivery and performances will be considered as accepted. Claims raised and confirmed by the supplier must be dealt with in reasonable time, coordinated with the buyer.

Regarding claims raised by the buyer, his exclusive rights are clearly stated in para 11 & 12 (Warranty)

12 Warranty

The warranty period counts from the delivery ex works for the next 12 months at one-shift works, for multiple shift works an appropriate reduced period.

In case the dispatch will be delayed and does not fall under supplier's responsibility, the warranty period will elapse 18 months upon advice of readiness of goods at the latest.

The warranty of parts which are repaired or replaced, counts again on full scale and runs accordingly.

As soon as the damage arises, the Buyer is obliged to arrange for necessary steps to limit it to a certain extent, call the supplier for immediate measures to eliminate the damage, otherwise the Warranty will not enter into force. This especially in case the Buyer or a third party proceed with a repair.

The supplier is obliged to repair and replace those parts, which were subject to damages during period of Warranty, due to poor quality, proven, of material and construction, misconstruction, or poor design. These parts need to be immediately replaced by the supplier. Replaced parts belong to the supplier.

Characters of materials are to such an extent guaranteed, according to the specification lays it out. The Buyer has the right, during warranty period, to return parts for improvement if these characters are missing. The supplier will be granted a reasonable time to proceed with this work. In case the improvement is not successful, the Buyer is allowed to ask for price reduction or even, in case this material character is important, to cancel the contract. In this case, the supplier can be obliged, only, to refund the costs, having been paid for parts in subject.

Damages which cannot be proven by poor material quality, misconstruction or poor handling, are excluded from the Warranty and liability by the supplier; Especially those damages which were caused by worn and torn, non-observance of instruction manual, bad maintenance, function overload, improper handling of machine, chemical or electrolytic influences, as well as other reasons, where the supplier cannot be held reliable for.

The Buyers rights regarding claims on damages due to poor quality of material, construction and Engineering under consideration of special material characters are completely stated in para 12 (Warranty)

13 Exclusion of ongoing Liability

All claims on compensation, deduction, cancellation of the contract, which are not distinctively stated in these General Terms and Conditions, are excluded.

Thus there will not be accepted a claim raised by the Buyer which is not related to the goods, such as Loss of production and performances, Loss of orders, less profit, and other damages or losses.

14 Applicable Right and Place of Payment

The contract remains in force, in case some conditions will not apply. Swiss law will be binding for all contractual relations. Court of Jurisdiction and Place of payment for deliveries and settlements will be exclusively the location of the supplier, i.e. CH-6014 Lucerne. The KINEMATICA AG is also allowed to enter into institution of proceedings at Buyer's location.

Kinematica AG/CH-6014 Lucerne/kinematica.ch