

1. General

These General Conditions of Purchase (hereinafter GCP) shall be binding on both parties, unless Schlatter Industries AG (hereinafter SIAG) acknowledges expressly and in writing other agreements. Conditions of sales or supply of the supplier deviating from the GCP shall be binding only if SIAG has confirmed them in writing. Only written orders, legally signed, shall be valid. Modifications and supplements to the order and its annexes shall only become effective, if SIAG has confirmed them in writing.

2. Prices

Unless otherwise expressly agreed in writing, the prices stipulated in the order are firm and fixed, prepaid place of destination (DDP according to INCOTERMS latest edition), including packaging.

Should SIAG, because of administrative reasons, exceptionally pay freight charges, these will be recharged to the supplier.

3. Quality Requirements

Should a "Qualitätssicherungsvereinbarung (QSV)" be an integral part of this order, the same shall apply in addition. The products have to be checked before dispatch in respect to qualitative and quantitative conformity with the order. The supplier is not permitted to deliver products, which deviate from the agreed requirements or are defective, without prior written approval by SIAG. The permission respectively the decision shall however be valid only for products of the delivery referred to.

SIAG shall have the right to check the production of the ordered goods, the progress of work, as well as the efficacy of quality assurance measures at the supplier's and his sub-contractors premises at any time. The same shall also apply – in the presence of SIAG – for SIAG customers.

Quality records are to be held in safe keeping for at least ten (10) years after delivery has been made to SIAG and to be submitted or made available to SIAG on request during the said period.

SIAG is verifying the goods not before their assembly and/or use. Discovered defects shall be notified by SIAG to the supplier without delay in writing. The supplier is waiving during the warranty period (clause 6) all rights of objection of delayed complaint and of unconditional acceptance.

4. Dispatch/Consequences of delay

The delivery is due at the destination and at the date agreed upon.

If it becomes evident that a delivery date will not be met, the supplier must immediately inform SIAG in writing of the reason and the expected delay.

If the supplier is late in delivery and a reasonable extension has also expired, SIAG is entitled to declare withdrawal from the contract and decline delivery. SIAG reserves the right to claim for compensation.

Schlatter is entitled to request the following penalty for each week of the exceeded period: 0.5 % of the value of the order for each week begun, though limited to a maximum of 5 % of the value of the order.

Delivery shall be supposed to be performed on the date of receipt of the goods together with the required documents. The supplier shall have to indemnify SIAG for all additional costs caused by delayed delivery. Acceptance of delayed delivery shall not imply any waiver to claim damages.

Delivery of the goods shall be made strictly in the ordered quantity. SIAG shall not be obliged to accept part deliveries or additional quantities not agreed in writing. Deliveries beneath the ordered quantity have to be completed subsequently by the supplier as agreed with SIAG. The aforementioned provisions of clause 4 remain fully reserved.

5. Invoicing/Conditions

Invoices are to be delivered to SIAG in duplicate. Invoices without detailed information regarding order number, order item, quantity, SIAG article number, descriptions of the goods will not become due and will be returned to the supplier unrecorded.

Unless otherwise agreed, payment will take place within 15 days with a 3 % discount or 30 days with a 2 % discount or within 60 days net upon receipt of goods.

6. Warranty

The supplier guarantees that the goods supplied comply with the order and are free from faults, comply with both the quality requirements (clause 3) and the supplier's further warranties and are suitable for the intended purpose.

In addition to the rights according to the statutory provisions of the Swiss Code of Obligations to rescind the contract or to claim damages for the diminution in value, subject to the proviso of other written agreements, SIAG may elect to claim to remedy the goods free of charge at the location of the goods or to supply faultless substitute goods free of charge. In urgent cases, SIAG shall be entitled to remedy faults by itself or by third parties all at the supplier's costs.

If a fault in the goods supplied shall be discovered after installation of one of SIAG's products, SIAG shall be entitled to notify faults to the supplier up to a period of use of a maximum of 24 months after installation, but up to 30 months at the longest after supply of the goods. If notification of faults shall be made within the said warranty periods, SIAG shall be free to exercise the aforementioned rights. In addition, the supplier shall indemnify SIAG for all costs incurred in this connection (such as repair, replacement, additional hours etc.) In case the same defect discovered is to be found in all products of the same kind supplied, regardless of the term of the warranty, SIAG shall be entitled to carry out a replacement action at its customers premises for the part found to be defective at the supplier's expense.

Regardless of the warranty period agreed, SIAG shall have an unconditional right of recourse, irrespective of fault, for all third party claims against SIAG under product liability, if and in so far as the claims being asserted are attributable to a fault decisive for product liability in goods supplied by the supplier. In the same manner, the supplier shall indemnify SIAG for all damage which incurs in connection with such product liability of the supplier. The supplier shall hereby waive the objection of the lapse of the limitation period.

7. Transport/Packaging

Unless otherwise laid down, transportation to the agreed destination will take place at cost and risk of the supplier. Benefit and risk shall pass to SIAG upon receipt of goods at the agreed place of reception. The most economical way of transport shall be chosen. Transport insurance and express routings are to be agreed.

A dispatch advice is to be included with every delivery, containing the SIAG order reference, i.e. order number, order item, quantity, SIAG article number, description of goods. The delivery has to be marked in the way, that SIAG can identify it without delay.

The supplier is responsible for an appropriate packaging. SIAG reserves the right to issue special instructions, however without releasing the supplier from his responsibility for proper packaging. SIAG is entitled to return the packaging against a credit note equivalent to the sum charged for it.

8. Intellectual Property Rights

The supplier shall be liable that the goods supplied and their intended use by SIAG or by the latter's customers shall not infringe any patents of any third party or any intellectual property rights at home and abroad.

The supplier shall be liable for all damage which SIAG and the latter's customers shall incur as a consequence of such infringement; this obligation shall include the assumption of court and extrajudicial costs.

9. Production Aids and Documents

Any production aids (tools, dies, gauges, jigs and fixtures, models, samples, drawings etc.) made available to the supplier by SIAG or paid for by SIAG in whole or part, shall be SIAG property and are to be marked as such. The copyright to all documents (such as plans, sketches, calculations etc.) shall remain with SIAG. They may only be used for performance of orders from SIAG and, without the latter's prior written consent, may be neither copied nor destroyed nor passed on to any third party. The production aids shall be handed over to SIAG at its first request.

Until their return to SIAG, the supplier shall bear the risk of any loss of the production aids, or deterioration and damage, but not for normal wear and tear.

In case of violation of any obligation under aforementioned provisions of this clause, SIAG may request the surrender of the benefit gained or indemnification for the damage incurred, in addition SIAG may withdraw from current contracts.

10. Business Secrets

The order from SIAG and all commercial and technical conditions, items of information and particulars connected therewith are to be treated as a manufacturing and business secret by the supplier. This obligation shall also be imposed on any subcontractors.

11. Assignment

Transfer and/or assignment of any rights or obligations resulting from an order of SIAG is excluded unless prior written approval is granted by SIAG.

12. Applicable Law, Place of Fulfilment and Place of Jurisdiction

The order and all questions connected therewith shall be governed by Swiss substantive law. Place of fulfilment is the destination determined by SIAG.

The place of jurisdiction shall be the court competent at the registered office of SIAG. SIAG shall, however be entitled to sue the supplier at his registered address.

The application of the United Nations Convention on Contracts for the International Sale of Goods shall be expressly excluded.