

Feusi AG General Purchasing Terms and Conditions

1. General

Only purchase orders that have been issued or confirmed in writing shall be legally effective.

Unless they can be delivered immediately, orders placed by Feusi AG shall be promptly confirmed by the Supplier. If a confirmation citing a binding delivery date is not sent within a week, Feusi AG shall no longer be bound by the order.

The legal relationship between the Supplier and Feusi AG as the Buyer shall be governed by the Terms and Conditions and all other agreements made between the Parties. Changes, additions and provisions that deviate from these General Terms and Conditions shall be made in writing and shall be subject to Feusi AG's written consent. **In the event of conflicts between Feusi AG's Purchasing Terms and Conditions and those of the Supplier, the Terms and Conditions of Feusi AG shall always apply unless other exceptional agreements have been made in writing. This shall in particular apply to the terms and conditions included with quotations and order confirmations of the Supplier, even if Feusi AG does not raise any objections to the former. Any added costs and fees resulting from Supplier's failure to comply with the Purchasing Terms and Conditions of Feusi AG, shall be for the Supplier's account.**

2. Quotations, Binding Effect of Quotations

If Feusi AG submits an inquiry to the Supplier, this is a request for a **complimentary quotation**. Quotation fees such as those levied for documentation, travel, demonstration costs, etc. shall be for the Supplier's (bidder's) account even if Feusi AG should reject a quotation for any reasons whatsoever. Under no circumstances shall the Supplier be in a position to demand reimbursement for costs or lost profits because a delivery agreement does not materialize.

3. Quality

Orders shall always be placed for first quality goods. The Supplier warrants that the goods shall comply with the content of the contract, the applicable standards, provisions and regulations as well as the state-of-the-art in effect at the time the contract is executed.

4. Title to Drawings, Plans and Other Documentation

Drawings, plans, calculations, models, set-ups, matrixes, samples and other records provided to the Supplier by Feusi AG shall remain the property of Feusi AG and must neither be copied nor disclosed to third parties in the absence of Feusi AG's express consent. The originals of these resources provided by Feusi AG shall be returned to Feusi AG along with the quotation or after the completion of the orders and shall be treated as business secrets.

Tools, molds, set-ups, models, etc. paid for by Feusi AG, shall remain Feusi AG's property, shall be stored properly and insured against all risks. Without Feusi AG's written consent they shall neither be modified, destroyed nor used for the benefit of third parties.

Failure to obtain insurance coverage contrary to the contractual requirements or the improper storage of the goods shall result in the Supplier's liability for any damages sustained.

5. Prices

All prices are fixed prices and include freight/postage and packaging. Price changes shall be effective only if they have been accepted by Feusi AG. If prices have not been agreed upon, the list prices of the Supplier in effect at the time the contract was executed subject to the standard trade discounts shall apply.

6. Delivery, Packaging, Transportation and Insurance

All transports shall be carried out for the account and at the risk of the Supplier using standard safe modes of transportation. The Supplier shall undertake to package the goods properly and to insure it accordingly until it is handed over at the destination designated by Feusi AG. Failure to obtain insurance coverage shall result in the Supplier being held liable. Unless otherwise agreed upon in writing, the right to use and risk shall transfer to Feusi AG upon acceptance of the delivery at the destination. Insurance compensation entitlements shall be assigned to Feusi AG as collateral in the amount equivalent to purchase price payments that have already been made.

Cargo packaging billed by the Supplier shall not be paid, but shall be returned to the Supplier freight prepaid. The Supplier shall be held liable for transportation damages resulting from insufficient or inadequate packaging, even if Feusi AG handles the transportation of the goods to the designated destination.

Packaging materials must be recyclable to warrant its environmentally proper disposal. Otherwise the Supplier shall be billed for the disposal costs and any additional expenses.

The goods documentation shall be handed over to Feusi AG along with the goods delivered. The order number of Feusi AG shall be included in all documentation that accompanies the goods.

7. Invoice and Payment

Usually, if no specific agreement has been made, payment shall be made within 30 days after the receipt of the invoice subject to a 2 % cash discount or within 60 days net; however, under no circumstances prior to the arrival of the goods at the Feusi AG plant. The scope of delivery shall also comprise documentation, test certificates or similar records. Advance dated invoices shall not be permitted.

Complaints related to the material shall give Feusi AG the right to not pay for the deficient material. Payment shall be made upon elimination of the deficiency in accordance with the above-cited payment terms. Feusi AG reserves the right to offset invoices against receivables due to Feusi AG.

8. Delivery Dates

The Supplier shall comply with the agreed upon delivery dates. Imminent delivery delays shall be communicated to Feusi AG promptly in writing citing the anticipated duration

of the delivery delay. The timeliness of the delivery in terms of delivery date or time shall be determined by the arrival date of the goods at the destination designated by Feusi AG. Deliveries prior to the agreed upon date shall be permitted only subject to Feusi AG's consent. Goods that arrive too soon shall either be rejected or stored at Feusi AG at the expense of the Supplier.

In the event of late delivery, the Supplier shall be held liable in accordance with the statutory provisions. In particular, Feusi AG shall have the right to demand compensation for damages in lieu of performance after a reasonable remedial period set by Feusi AG has expired to no avail. The entitlement due to Feusi AG from the Supplier shall be excluded only once the Supplier has paid compensation for damages.

The Supplier may cite the lack of documents provided by Feusi AG only if the Supplier did not receive these documents even after a written reminder notice was sent to Feusi AG.

Partial deliveries may be made only subject to Feusi AG's prior consent and shall be designated as such.

9. Warranty

The Supplier guarantees that the goods to be delivered do not have any deficiencies that would impair its value or usefulness and that they have the demanded properties, are in compliance with the mandated specifications and that the material, execution and design are perfect. Legal provisions and standards shall be observed and where mandated by law, the necessary test certificates shall be provided.

The Supplier shall assume liability also if the Supplier was not aware of the deficiencies. The Supplier shall assume liability for Supplier's suppliers in the same manner as for goods and services of the Supplier. Moreover, the Supplier shall guarantee and assume liability for the fact that the goods and services offered as well as their use do not infringe upon any third party intellectual property rights.

The warranty period shall be two years and shall begin upon delivery of the goods by the Supplier. The same shall apply to repairs, replacement or retroactive deliveries.

10. Deficiency Claims Rights

Goods received by Feusi AG shall be inspected at the earliest possible time. **Deficiencies of delivered goods the Supplier is responsible for shall be considered claimed in good time if Feusi AG files a written claim within 30 days after the receipt of the goods at the destination.**

If semi-finished goods are delivered that have been ordered based on weight, the maximum permissible plus or minus weight shall be 10 %. If these goods are custom pieces, excess deliveries shall be accepted only if a separate agreement to that effect has been made. Feusi AG shall have the option to decide at its own discretion whether to make excess weights or deliveries available to the Supplier or whether to deduct them from the invoice. Any additional transportation costs shall be for Supplier's account.

In the event of a deficiency, Feusi AG shall have the option to decide at its discretion whether it will rescind from the

contract, make a reasonable deduction from the price or demand a complimentary improvement on location. If the demanded improvement should not be made within a time period to specified or if it is not made properly, Feusi AG shall still have the option to rescind from the contract, demand conversion or a price reduction. Moreover, the Supplier shall compensate Feusi AG fully for any indirect or direct damages. Feusi AG shall have the option to refuse the acceptance of a deficient delivery. However, the acceptance of a delivery shall not constitute a waiver of the deficiency claims rights.

11. Spare Parts

The Supplier shall be required to deliver spare parts at reasonable terms for the period of anticipated use and at a minimum for a period of 10 years after delivery.

If the Supplier should cease to produce certain spare parts, the Supplier shall undertake to give Feusi AG the opportunity to place a final order.

In the event of non-compliance the Supplier shall be liable for any indirect and direct damages incurred as a result of Feusi AG having to procure the spare part elsewhere or having to produce it in-house.

12. Origin of Goods

Upon Feusi AG's request, the Supplier shall place a declaration of origin on the invoice or shall have the origin of the goods certified by a Chamber of Commerce.

If the Supplier should fail to accommodate the express demands of Feusi AG, the Supplier shall be liable for any resulting damages, including any consequential damages, to Feusi AG.

13. Force Majeure

Labor disputes, lock-outs, operational problems and similar incidents that result in a reduction of consumption, shall be considered acts of force majeure and shall release the Contracting Parties from the performance of their service obligations for the duration of the interruption and to the extent of their impact.

14. Assignment

The assignment of any receivables due from Feusi AG or any entitlements of the Supplier shall be possible only with Feusi AG's prior consent. The Supplier herewith warrants explicitly that the goods delivered to Feusi AG are free from the attachment with third party rights and claims, in particular free of title retention entitlements. If the delivered goods should not be in compliance with this provision, the Supplier shall be liable to Feusi AG for any resulting damages and disadvantages, including down times incurred by Feusi AG as a result of the fact that Feusi AG will not be able to use the goods as planned.

15. Place of Jurisdiction and Governing Law

The place of jurisdiction and fulfillment for the Supplier and Feusi AG shall be the domicile of Feusi AG. However, Feusi AG shall have the right to take legal action against the Supplier at Supplier's domicile.

The legal relationship between the Parties shall be governed by Swiss law.