

## General Terms of Purchasing (10.2011)

### 1. Exclusive Validity

- 1.1 The General Terms of Purchase apply to all our purchases unless we have expressly agreed otherwise in writing.
- 1.2 Suppliers' General Terms of Delivery only apply to our purchases providing we have expressly acknowledged these in writing.

### 2. Enquiries - Offers

Offers submitted in response to an enquiry are free of cost for us. Providing our enquiry or the supplier's offer does not specify to the contrary, a binding period of 90 days applies.

### 3. Form of Orders

- 3.1 Our orders are only binding if they have been issued on our form or confirmed by us in writing. The corresponding also applies for supplements, diagrams, drawings, comments, specifications etc. These form integral parts of our orders providing these have been expressly mentioned as such therein, dated and initialled by us.
- 3.2 The order must be confirmed by the supplier within 5 working days, otherwise it shall be deemed to have been accepted.

### 4. Subcontracting of Orders

- 4.1 The supplier is liable in full, without restriction, for the parts purchased from its subcontract suppliers.
- 4.2 If the supplier intends to arrange for units or components which have been ordered from it and are normally manufactured in its own plants, to be manufactured by third parties, our consent must be obtained in good time.

### 5. Prices

- 5.1 The agreed prices are fixed prices.
- 5.2 For orders without any fixed price details the invoiced price must be supported by receipts. We reserve the right to approve the price.

### 6. Ordering of Materials

Materials that we supply for the execution of an order remain our property including after machining or processing. These must be labelled and stored separately until machined or processed. Machining waste must be returned to us on request.

### 7. Delivery Time and Consequences of Delay

- 7.1 The delivery deadline is deemed to have been met if
  - a) for deliveries ex-works, the agreed consignment is ready for delivery prior to the expiry of the deadline and we have been notified of this
  - b) in all other cases if the agreed consignment arrives at the destination prior to expiry of the deadline.If the supplier has to assume that the consignment cannot be executed, in whole or in part, in accordance with the deadline, then it must notify us of this without delay, stating the reasons and the expected duration of the delay.
- 7.2 If the agreed delivery deadline is exceeded we reserve the right to assert the statutory claims irrespective as to whether the supplier has informed us of the delay or whether a contractual penalty has been agreed.
- 7.3 The supplier can only refer to the absence of necessary documents or supplementary items or individual parts which are to be supplied by us, providing it requests these in good time or, where deadlines have been agreed, it has sent a prompt reminder.

### 8. Packaging, Correspondence, Transport, Insurance and Transfer of Risk General

- 8.1 In the absence of any despatch instructions from us to the contrary, consignments must be transported in accordance with the provisions of the DDP (Incoterms 2010)
- 8.2 The packaging must be carried out in such a way as to provide effective protection for the goods against damage and corrosion during transportation and any subsequent storage. The supplier shall be liable for damage resulting from incorrect packaging.
- 8.3 The supplier must bear all costs and disadvantages which are incurred as the result of failure to adhere to our instructions for transportation, customs etc.
- 8.4 The transport insurance costs will be covered by the supplier.
- 8.5 If special care is required when unpacking the goods then the supplier must draw this to our attention in good time.
- 8.6 We reserve the right to send back packaging materials in return for a credit for the amount billed to us. The costs for the return transportation shall be met by us.

#### Correspondence

- 8.7 A detailed delivery note (despatch note) containing our reference details, must be enclosed with each consignment.
- 8.8 All correspondence must include our order number plus order date and quantity, the despatch documents must also contain the details on gross and net weights. Our delivery address must be stated on the waybill.

#### Transfer of benefit and risk

- 8.9 Unless agreed otherwise benefit and risk pass to us on acceptance of the delivery (9.1).  
If the requested despatch documents for a particular consignment have not been provided in accordance with the regulations, then the consignment will be placed in storage for the supplier's account and at the supplier's risk until the documents are received.

### 9. Acceptance and Warranty

- 9.1 The consignment will be checked as soon as the normal course of business permits. If it agrees with our order it will be accepted.
- 9.2 The supplier guarantees that the delivery item does not contain any defects which have a detrimental effect on its value or suitability for the required use, displays the assured properties and meets the stipulated performance levels and specifications and complies with the pertinent laws, regulations and other provisions.

- 9.3 If it emerges during the warranty period that the consignment or parts thereof do not meet the guarantee in accordance with 9.2 for reasons for which we are not to blame, the supplier shall be obligated to immediately repair the defects at its costs on site or to arrange for the defects to be repaired or to supply us, free of charge, with replacements in perfect conditions, at our discretion.
- 9.4 If the supplier delays rectifying faults or, in the event of an emergency, we shall be entitled to rectify the defects or to arrange for these to be rectified at the supplier's costs and risk.
- 9.5 Defects will be reported once they are discovered. The supplier agrees to waive its right to object to a delay in reporting defects.
- 9.6 Materials which are identified during processing or use as containing defects, must be replaced free of charge immediately by the supplier irrespective as to the length of time which has past since the materials were delivered.
- 9.7 Unless agreed otherwise the warranty period for all deliveries not covered by 9.6 is 2 years from the date of commissioning.
- 9.8 The warranty period is extended by the period during which a system/plant is not in use as a result of repair.
- 9.9 In the event of differences regarding the levels of quality, the result of random sampling or testing carried out by the Federal Materials Testing Institute is definitive. The costs for this sample testing will be borne by the party which is found to be at fault.
- 9.10 In the case of replacement delivery, the delivery item will be left with us free of charge for use until a replacement delivery in perfect working order is available ready for use.
- 9.11 The scope of the warranty for replacement deliveries and repairs shall be the same as that for the delivery item itself, with the warranty period for repaired or replaced parts commencing anew following the re-commissioning.
- 9.12 The right is reserved to file the statutory warranty claims.
- 9.13 The list of forbidden goods, published under chapter "Management-System" on Novaswiss Homepage [www.novaswiss.com](http://www.novaswiss.com) has to be accepted strictly by any supplier.

### 10. Breach of Patent

The supplier is liable for ensuring that no patent or other industrial property rights of third parties are breached by the supply and use of the ordered items. The supplier must enable us in every case to continue using the delivery item, without interruption. This excludes our own designs.

### 11. Work Carried Out at the Factory

For work carried out at our plants or on construction or assembly sites, our safety instructions and regulations for outside firms apply in addition to these Terms of Purchase.

### 12. Drawings, Test Certificates and Operating Instructions

- 12.1 The approval of execution drawings by us does not release the supplier from responsibility for its delivery.  
The finalised execution plans, test certificates, maintenance and operating instructions as well as spare parts lists for proper maintenance of the consignment must be handed over to us in the required number of copies and language(s) no later than together with the consignment.
- 12.2 The drawings, tools, models and the like made available by us to the supplier remain our property and must be returned to us once the order has been executed. They are to be stored appropriately and insured against all damage/loss.

### 13. Compliance with ethical and sustainable obligations

- 13.1 We follow the production and processing of our products by compliance with environmental and social conditions.

### 14. Confidentiality

- 14.1 information, drawings etc. which we make available to the supplier for the formulation of the offer or manufacture of a delivery item, may not be used for any other purposes, nor duplicated, or made available to third parties. We retain ownership of all copyrights. On request, all documents, together with all copies or duplicates, must be returned to us immediately. If no delivery materialises the supplier must automatically return the documents to us.
- 14.2 The supplier must treat the order and the associated work or deliveries as confidential.

### 15. Payment Terms

- 15.1 Unless agreed otherwise we make payment within 30 days with 2% discount or 60 days net following receipt of the consignment and invoice as well as any other agreed documents.
- 15.2 We reserve the right to offset counterclaims. The supplier can only assign claims against us to third parties with our consent. We will not refuse this consent without good cause.
- 15.3 For payments in advance the supplier must provide an appropriate bank or insurance guarantee in the form of a joint and several bond.

### 16. Place of Performance, Applicable Law and Jurisdiction

- 16.1 Place of performance for the delivery is the agreed destination. Place of performance for payment is our registered offices.
- 16.2 The legal relationship is subject to Swiss substantive law. The international trading clauses will be interpreted in accordance with the Incoterms 2000. The applicability of the UN Treaty on Contracts for the International Sale of Goods dated 11 April 1980 is excluded.
- 16.3 Jurisdiction is at the courts of our registered offices. However we also reserve the right to file suit at the supplier's place of domicile.