



GENERAL SALES AND DELIVERIES CONDITIONS

1. Binding Nature

- 1.1 These General Conditions of Sale (GCS) form an integral part of the purchase contract between PRECISION ENGINEERING AG (hereafter referred to a "PEAG") and the Purchaser.
- 1.2 The Purchaser acknowledges the validity of these GCS for all orders from the Purchaser to PEAG.
- 1.3 PEAG reserves the right to make modifications to these CGV. The current version is available on PEAG's website. The valid version at the date of the order is defining the contractual relation between the Purchaser and PEAG

2. Payment Terms

- 2.1 The Purchaser gives an undertaking to pay the purchase price stated in the confirmation.
- 2.2 The Purchaser gives an undertaking to pay the purchase price within the payment period stated in the confirmation (due date). If the confirmation does not contain any payment period the Purchaser is obligated to pay the purchase price within 30 days following receipt of the confirmation.
- 2.3 For order volumes in excess of CHF 10,000.00, PEAG may ask for a down payment of 30% of the order value at the date of the order.
- 2.4 If the Purchaser fails to comply with the agreed deadline for payment, it shall be liable without warning for interest from the due date onwards. All the costs occurring to PEAG or to a third party mandated by PEAG related to the debt recovery will be supported by the Purchaser.
- 2.5 PEAG reserves the right to amend the purchase price and recommended purchase price at any time. Such price increases will be effective for any new or renewed order.
- 2.6 PEAG remains the owner of all the delivered products until it has received the totality of the agreed payments. PEAG reserves the right to withdraw from the contract even if the purchaser who is in arrears with the payment of the purchase price is already in possession of the purchase item. In this case the purchaser is obligated to return the purchase item to PEAG at its first request and to pay for the full costs for returning the item.
- 2.7 The payment terms stated in the confirmation apply only in respect of the purchase item stated in the confirmation. Each new order is subject to separate payment terms.

3. Delivery

- 3.1 The Purchaser gives an undertaking to accept delivery of the purchase item stated in the confirmation providing that it has been supplied in accordance with the agreed conditions.
- 3.2 If the purchase contract does not state a delivery date but a delivery period instead then the delivery period commences no earlier than on the contract closing date, in any event not before receipt of all details and documents required from PEAG.
- 3.3 The delivery dates specified by PEAG are subject to the occurrence of unforeseen events (e.g. raw materials, supplier components or energy shortages, business interruption etc.).
- 3.4 PEAG reserves the right to deliver +/- 10% of the agreed quantity.
- 3.5 Unless the contract stipulates other delivery terms, the totality of the order will be delivered within maximum a year, starting at the date of the confirmation of the order.
- 3.6 All delivery, packaging, transport and insurance costs as well as customs duties and taxes are to be met by the Purchaser. This also applies in the event of the purchase item being returned, unless agreed otherwise in writing between PEAG and the Purchaser.
- 3.7 The Purchaser is obligated to conclude adequate insurance for the purchase item, both for delivery as well as for its return, unless agreed otherwise in writing between PEAG and the Purchaser.
- 3.8 In the event of the purchase item being returned the Purchaser is obligated to return it in the same form and method that it was received from PEAG. The same applies for consignments sent by the Purchaser to third parties.
- 3.9 Benefits and risks pass to the Purchaser on handover of the purchase item to a transport company or freight forwarder. This also applies if the Purchaser collects or arranges for collection of the purchase item from PEAG or the customs bonded warehouse
- 3.10 Liability for late delivery of the purchase item is excluded insofar as this is legally permitted.
- 3.11 If the confirmation covers multiple purchase items PEAG is entitled to deliver the individual items separately and issue separate invoices.

4. Notice of Defect

- 4.1 PEAG will involve its best competences to ensure the agreed quality of the ordered item.
- 4.2 Insofar as a warranty has been agreed with the purchase contract this relates to the quality of the purchase item only. PEAG declines any responsibility for any direct or indirect prejudice resulting from the use of the object of the sale or of part of it.
- 4.3 The Purchaser should examine the condition of the purchase item in accordance with standard business practices and notify PEAG within 10 workable days after receipt of the purchase item in writing of any defects for which PEAG is required to provide a warranty. If the purchaser does not report any defects within the abovementioned period it will be deemed to have accepted the purchase item.
- 4.4 If, on expiry of the period stated in 4.2, the purchaser discovers defects which it was unable to identify on receipt of delivery by applying standard business practices, it is obligated to report this to PEAG without delay in writing. However, the statute of limitations for all complaints relating to the warranty due to defects expires at the end of one year following receipt of the purchase item.
- 4.5 If PEAG acknowledges the defects notified in accordance with 4.2 and 4.3 it will rectify these providing that the purchaser returns the defective purchase item within 20 days after receiving notification of acknowledgement. The item is returned at the purchaser's cost and risk.
- 4.6 The rectification of the defects by PEAG excludes any entitlement of the purchaser to withdraw from the contract, to reduction in the purchase price, replacement and/or compensation for damages.



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5. Warranty and Liability

- 5.1 The PEAG warranty period is limited to 12 months from the date of delivery and extends to the features guaranteed in the specifications. The warranty can be exercised providing the products concerned can still be identified.
- 5.2 In the case of defective goods, these will either be replaced by new items in perfect condition or reworked by PEAG. The right to withdraw from the contract and reduction of price is excluded. Further claims are excluded. PEAG Advices are given according to our best knowledge at that time, but without any guarantee. The purchaser has no claims against PEAG with regard to losses and damage caused by the freight forwarder.

6. Moulds, Tools and Assembling Equipment

- 6.1 Moulds, tools and assembling equipment remain the property of PEAG even if the purchaser has made a partial or full contribution towards the costs.
- 6.2 PEAG is under no obligation to hand over these moulds, tools or this assembling equipment.
- 6.3 PEAG gives an undertaking to use these moulds, tools and this assembling equipment exclusively for the corresponding purchaser and to handle and store these with care.
- 6.4 Costs incurred through wear and tear are to be borne by the purchaser.
- 6.5 Moulds, tools and assembling equipment will be stored for 5 years after their last use.

7. Retention of Title

- 7.1 The delivered purchase item remains the property of PEAG until full and final payment of all outstanding PEAG invoices and claims. The purchaser expressly authorises PEAG to register the retention of title where this is required by law.
- 7.2 The purchaser gives an undertaking neither to pledge the supplied purchase item or any other goods belonging to PEAG nor transfer these to third parties on a fiduciary basis. If the purchaser is in breach of this undertaking, all liabilities of the purchaser shall immediately become due and payable without prejudice in respect of the other rights mentioned in these CGV.
- 7.3 Whilst the delivered purchase item is subject to the retention of title the purchaser is obligated to insure it in full, at its own costs, against all risks (such as theft, burglary, loss, damage, destruction etc.) and to provide PEAG with proof of this insurance at its first request. In addition, in the contract with the insurance company the purchaser is obligated to instruct the insurance company to make its payments direct to PEAG. PEAG reserves the right to demand that these payments be made direct by the insurance company.
- 7.4 The purchaser gives an undertaking to indemnify PEAG in full for all impairments of value suffered by the purchase item as a result of changes in the original condition during the period of the retention of title.

8. Right of Retention

- 8.1 The purchaser expressly agrees not to claim or exercise a right of retention in respect of the purchase item and/or the consigned goods.

9. Repurchase

- 9.1 PEAG is under no obligation to take back purchase items which have been supplied and for which payment has not yet been made nor to buy back purchase items for which payment has been made in full or in part. This is subject to 3.1.

10. Insolvency of the Purchaser

- 10.1 Should the purchaser become insolvent or if bankruptcy proceedings are initiated against it, PEAG is entitled to immediately withdraw from the purchase contract and to demand the return of the delivered purchase items unless, at the first request of PEAG, the purchaser provides a payment guarantee within the period of grace granted by PEAG.

11. Intellectual Property

- 11.1 The purchaser gives an undertaking neither to directly or indirectly manufacture, reproduce, sell or otherwise utilise drafts, samples, goods, models, designs, brand names, patents etc. of PEAG which could form the bases for copying or counterfeiting, regardless as to whether or not these are protected by intellectual property rights. The Purchaser is committed, upon request from PEAG, to give to PEAG the whole list of the brands marketing products incorporating the object of the sale.
- 11.2 The purchaser gives an undertaking not to resell the purchase item via the Internet, either directly or indirectly.
- 11.3 Except if other conditions are expressly mentioned in the quotation, PEAG is allowed to show the purchased items to third parties for commercial purposes, and to mention the name of the Purchaser.

12. Final Provisions

- 12.1 Should a provision of these GCS be or become invalid this will not affect the validity of the GCS as a whole.
- 12.2 These GCS are subject to Swiss law. The application of international agreements, in particular the Vienna Convention on Contracts for the International Sale of Goods, is excluded.
- 12.3 The parties agree that the courts of the canton of Schaffhausen or the Swiss Federal Supreme Court shall have exclusive jurisdiction to rule on all legal disputes arising from the question of applicability and/or interpretation of these GCS.
- 12.4 **The French version is the legally valid binding version.**