

General CONDITIONS OF PURCHASE

1. General

Our General Conditions of Purchase shall apply exclusively; we shall not recognise any general conditions of business and conditions of sale imposed by the supplier that are contrary to our conditions or deviate from them unless we had agreed to their applying expressly and in writing.

2. Quotation

The quotation must match our enquiry and shall be free of charge. The supplier must draw attention to any deviations. The supplier is free to submit additional alternatives. The quotation shall be binding for a period of three months after we receive it.

3. Conclusion of a contract and amendment thereof

3.1 Contracts, orders, release orders and calls for delivery, as well as any amendments or additions thereto must be made in writing; orders and calls for delivery may also be placed by data transmission or telefax.

3.2 The supplier must confirm every order in writing within five working days of receiving the order. Orders, release orders and calls for delivery shall become binding unless we have received a written contradiction from the supplier within five working days of the order being received (Olten, Switzerland).

4. Deliveries

4.1 Deviations from contracts, orders, release orders and calls for delivery in terms of type, quality and quantity shall only become effective after we have given our prior consent in writing.

4.2 Agreed dates and deadlines shall be binding. Receipt of the goods at the place of fulfilment shall be authoritative as far as compliance with the delivery date or delivery deadline is concerned.

4.3 Delivery dates must be met in good time. If a deadline is missed, the supplier will be in default without any reminder being required. If the supplier realises it will have difficulties with regard to production, the procurement of materials, meeting supplier deadlines or similar circumstances, which could prevent it meeting the delivery date or delivery in the agreed quality and quantity, it must notify the department in our company which placed the order without delay. In the event of delivery being delayed, we are entitled to insist on fulfilment of the contract or, after an appropriate period of grace has expired without remedy, to waive any subsequent delivery or performance and to withdraw from the contract without being obligated to pay the supplier any compensation. Compensation claims based on the delay in delivery remain expressly reserved.

4.4 Partial deliveries are not permissible in principle, unless we have agreed to this.

5. Place of performance, transfer of risks

5.1 The place of performance is the place to which the order specifies the delivery must be made.

5.2 The supplier shall bear the risk until the subject of the contract is accepted by us or our agent at the place to which delivery must be made in accordance with the Incoterms applicable at the time.

6. Notification of despatch and invoice

6.1 Despatch must be notified in accordance with our requirements in the orders, release orders and calls for delivery.

6.2 Delivery notes and packing notes must be attached to each shipment. The documents must include: the order number, quantity and unit of quantity, gross, net and, if applicable, calculated weight, part description, our part number, declaration of origin (invoice declaration or "WVB" movement certificate) as well as the remaining quantity in the case of partial deliveries. For freight shipments, a notification of despatch must be sent to us separately on the day of despatch.

6.3 The invoice must be addressed to the address specified in our order including our reference as a single copy quoting the invoice and order number, VAT number as well as the authorisation number.

6.4 Unless special agreement has been reached, the prices are quoted "delivered duty paid" (DDP in accordance with the latest version of Incoterms) including packaging. VAT must be shown separately.

7. Payment terms

7.1 Unless special agreement has been reached, the invoice shall be settled either within 30 days with a discount of 2% or within 45 days without any discount, if the goods and services have been delivered in full and without any faults. The term for payment shall start on acceptance of the subject of the contract and receipt of a proper invoice. R. Nussbaum AG is entitled to offset its own claims against the supplier's claims.

8. Liability and warranty

8.1 The supplier guarantees that the goods are as promised in terms of their characteristics and quality, can be used without restriction and have no faults, which will have an adverse effect on their value or their suitability for their required use. The supplier also guarantees that all norms and provisions regarding occupational, product and operational safety are observed; the goods are consistent with the latest scientific and technical developments and meet the provisions of public law at the destination. The supplier shall be liable for component suppliers as for its own performance.

8.2 The supplier shall be liable for the fact that no third parties' intellectual property rights are breached by delivery and use of the goods (patents, samples, models, etc.). The supplier is obligated to indemnify us against claims from third parties.

9. Acceptance, warranty period and complaints

9.1 We reserve the right not to accept the subject of the contract until it has been checked to see that it is correct and suitable.

9.2 Irrespective of whether faults are immediately (objectively) discernible or concealed, we may complain about faults detected during the warranty period within 30 days and may at our own discretion demand either rescission (step-by-step revocation), a reduction in price (reduction), replacement delivery free of charge or rectification of the faults free of charge. The enforcement of compensation claims regarding indirect losses shall remain reserved in any event.

9.3 The warranty period shall run for 24 months; it shall start on acceptance of the goods.

10. Product liability

10.1 In the event that claims are made against us on the basis of product liability, the supplier undertakes to indemnify us against claims of this kind if and inasmuch as the claims were caused by a fault in the subject of the contract delivered by the supplier. In cases of fault-based liability, however, this shall only apply if the supplier is to blame; if the cause of the loss falls within the area of responsibility of the supplier, the burden of proof will be incumbent upon him in this respect.

10.2 In cases of indemnification against product liability, the supplier shall assume all costs and expenses, including the costs of possible legal action or product recall. The statutory provisions shall apply in other respects.

11. Execution of work

11.1 Persons who carry out work at our site in fulfilment of the contract must observe the provisions of our work regulations. Liability for accidents which befall these people on site is ruled out except in cases of gross negligence, which must be proved by the person making the claim.

12. Provisioning

We shall retain title to materials, parts, containers and special packaging provided by us. They may only be used as intended.

13. Documents and secrecy

13.1 All commercial and technical information made available by us must be kept secret from third parties if and as long as it is not demonstrably publicly known and may only be made available in the supplier's own business to those persons for whom it is absolutely necessary in connection with provision of the subject of the contract and who are also bound by secrecy; we shall retain exclusive title to it. Such information may not be duplicated or used commercially – except for deliveries to us – without our prior, written agreement.

13.2 If the supplier provides contractual services on the basis of documents created by us, such as drawings, models and the like, or in accordance with our confidential specifications or with our tools or recreated tools, these may not be used by the supplier itself or offered or made accessible to third parties. This shall also apply mutatis mutandis for our print orders.

14. Advertising

References to commercial relations with R. Nussbaum for advertising purposes require our prior, written consent.

15. Declarations of origin

The supplier agrees to make declarations about the origin of the goods sold as follows:

1. The supplier agrees to facilitate the review of evidence of origin by the customs authorities and to provide the information needed for this purpose as well as provide the necessary confirmations.
2. The supplier undertakes to reimburse the losses that arise from the fact that the declared origin is not recognised by the competent authority as a consequence of erroneous certification or the inability to verify this information unless it can prove that it is not its fault.
3. If R. Nussbaum incurs a commercial loss as a consequence of a change of origin of which we were not made aware, the supplier shall be obligated to reimburse the loss incurred as a result.

16. Forms, models, tools

Forms, models, tools and similar objects, which we make available to the supplier, are our property and may only be used to manufacture the parts and products ordered.

Subjects of the contract may only be ceded to third parties after obtaining our written consent. The lender shall label each subject of the contract by adding the wording: "Property of R. NUSSBAUM AG" and the "part or drawing number".

17. Place of jurisdiction; applicable law

17.1 Should a provision of these conditions and any additional agreements as may be concluded be or become ineffective and/or unenforceable, this will not affect the effectiveness and enforceability of the remaining conditions. The contracting parties are obligated to replace the ineffective and/or unenforceable provision by an effective and enforceable regulation that is as close as possible to it in its economic result.

17.2 OLTEN (Switzerland) is the sole place of jurisdiction for all disputes, which result indirectly or directly from contractual relationships, to which these Conditions of Purchase are applicable.

17.3 The contractual relationships are governed solely by Swiss law to the exclusion of any conflict of laws and the United Nations' Convention on the International Sale of Goods (CISG).

January 2015, R. Nussbaum AG