

GENERAL TERMS AND CONDITIONS OF SALES AND DELIVERY FOR COVATEC SA

1. GENERALITIES:

- A) Our sales transactions are conducted according to these terms & conditions, which are an integral part of our quotations; these T&C are the base for any sales agreement. If the customer wishes other conditions, they will only be valid with our approval in writing. Unless our approval to other conditions is confirmed, our T&C will always come first, in all cases, and overrule any customer's documents.

2. DELIVERY CONDITIONS:

- A) We will do all we can to respect the delivery dates indicated in our documents.
B) No penalties or late fees will be accepted in case of delay in the delivery, nor will we cover any claims for lost production.
C) A delay in the delivery gives the customer no right to cancel the contract.
D) For the machines accepted in our facility in Biel, an acceptance protocol will be signed by the purchaser and the seller, prior to the machine being sent to the customer.

3. PRICES:

- A) Unless otherwise agreed upon, our prices are understood net, EXW Biel (INCOTERMS 2010), without packing, installation and formation at the customer site.
B) If the customer requires special documents, certificates of origin, translations of technical documents, etc., these can be invoiced.
C) The shipping cost, packing, transportation, customs fees and insurance are invoiced at cost. The packing is not taken back, unless otherwise agreed upon.

4. PAYMENT CONDITIONS:

- A) The payment of contractual amounts up to CHF 20'000.- are due on our account within 30 days from the date of the invoice. The amount is understood net, without any discounts or other deductions.
B) Higher contractual amounts are to be paid as follows:
30% with the order, payable immediately
30% after half delivery time, payable within 30 days
30% prior to shipping
10% after delivery/commissioning, but no later than 60 days from the date of delivery
C) Any derogation to these conditions must be confirmed in writing
D) Retention amounts in order to cover the warranty are not allowed.
E) In case of delay in the payments, we are entitled to invoice interest at the usual bank rates. Further, we reserve the right to deliver only against prepayment or letter of credit.

5. TRANSPORT:

- A) The goods are shipped at the consignee's risk and at his charge.

6. OWNERSHIP RESERVE:

- A) The supplier reserves the right of the ownership on the goods until the payment is done in full.

7. WARRANTY:

- A) In case of a failure in the delivered goods, the supplier has the following possibilities:
1. Repairing the damaged material.
2. Replacing the damaged parts according to the initially agreed execution.
B) Any other responsibilities, especially for direct or indirect damages related to the equipment or any other costs, are excluded.
C) The warranty time for the delivered goods is 12 months or max. 2000 operating hours for normal, single-shift use; for multiple shift operation, the term will shorten proportionally. The warranty time starts at the delivery.
D) The warranty ends prematurely if the customer or any other person modifies/repairs the equipment without prior consent of the supplier.
E) The warranty is void if it is proven that the damage is due to improper usage, not according to the manufacturer's instructions.
F) All warranty claims need to be communicated in writing before the end of the warranty period.
G) We reserve the right to inspect the failure by one of our collaborators or by an expert of our choice.
H) Any consumables or wear & tear parts are excluded from the warranty (e.g. thermodes, electrodes, tooling etc.)

8. CANCELLATION OF ORDERS:

- A) An order can only be cancelled with our prior written agreement. Our expenditures for materials, labor and other costs remain at the charge of the customer. Any complaints on the quality or the quantity of a delivery gives no right to cancel the balance of the order.

9. JURISDICTION AND APPLICABLE LAW:

- A) All transactions between the customer and Covatec SA shall be governed by the laws of Switzerland.
B) The place of jurisdiction and the registered offices of Covatec SA shall be Biel-Bienne (Switzerland).
C) In case of dispute, the French version of our documents is authoritative.

COVATEC SA RESERVES THE RIGHT TO MODIFY THESE TERMS AND CONDITIONS WITHOUT PRIOR NOTICE