

General Contractual Conditions

Art. 1 Scope of application

These General Contractual Conditions (hereinafter "GCC") apply to all legal relationships between SCHMIEDEWERK STOOSS AG (hereinafter "Supplier") and its Clients (hereinafter "Client"). They govern the rights and obligations between the Supplier and its Clients as long as it has not been stipulated otherwise in individual contracts. The provisions of the GCC of the Client require the express written confirmation by the Client to be valid.

These General Contractual Conditions shall apply to the following contracts:

- Purchasing contracts by telephone or in writing
- Successive delivery contracts
- Service contracts
- Volume contracts

The General Contractual Conditions shall be considered binding if the Client has not, within 24 hours of receipt of the order confirmation, informed the Supplier in writing by fax or by e-mail that he has reservations or wishes to make any amendments thereto. In this event, the order shall not be deemed to have been accepted until an agreement has been reached in writing with regard to the content of the GCC.

Art. 2 Object of the contract

The sale of forging parts, whether machined or unmachined.

Art. 3 Definition

A forging part (hereinafter "Product"), within the meaning of these General Contractual Conditions, is a hot transformed and, if so requested, heat treated and machined forging part, in various material grades, made from the base material, "wrought material" as per the Client's specifications.

Art. 4 Object of the contract

The contract is deemed concluded if the Supplier, after receipt of the order, has sent a written order confirmation to the last known address of the Client. This order confirmation is deemed authorized if the Client does not make any objections within five working days in writing or by e-mail.

If there are any changes or amendments desired by the client after conclusion of the contract, the Supplier is free to take these into consideration.

Art. 5 Order cancellation

Orders made by the Client can only be cancelled or modified with the written consent of the Supplier. The Supplier will make a decision based on its own assessment. If the Client cancels an order, the costs incurred up to that point, and any additional costs incurred by the withdrawal, shall be invoiced.

Art. 6 Prices

The prices are to be understood net, ex works, (to which will be added VAT at the current valid date), without any deductions. They are assumed to be in the currency of the country in question (if no currency is stated, it will be in Swiss Francs). The payment obligation is deemed fulfilled once the Supplier has unrestricted access to the funds.

Prices are to be, in principle, without packaging (Art. 9 of the GCC).

Art. 7 Supplements

The following are not included in the price: Overtime, night work, and Sunday work, carried out at the Client's request; additional costs resulting from aggravating circumstances that could not be foreseen

at the time the quote was submitted. The Client is to be informed of such costs in writing as soon as they are known about.

Art. 8 Packaging, dispatch and delivery costs and any other costs

The costs of packaging and all additional costs, such as costs for freight, insurance, export, transit, import, and other approvals, as well as certifications, shall be borne fully by the Client. The Client shall also bear any taxes and customs duties. Exceptions shall only be accepted after individual written agreement between the parties.

Art. 9 Conditions of payment

Payments shall be made by the Client at the domicile of the Supplier. Payment shall be made by cheque, bank or giro transfer. The Supplier retains the right to demand an irrevocable letter of credit from the Client before the start of production.

Unless otherwise agreed in writing, invoices from the Supplier are payable within 30 days net. The Supplier retains the right to request advance payment for each business transaction.

In case of part deliveries, payment shall be made in accordance with the scope of the individual deliveries.

Payments shall be made by the Client without the deduction of expenses and charges of any kind. Exceptions and any discount deductions shall only be accepted after individual written agreement between the parties.

Art. 10 Retention of property

Until full payment of the invoice has been made (incl. any late payment interest), the products remain the property of the Supplier. The Supplier may, at any time, at the cost of the Client, have the retention of property recorded in the official register.

Art. 11 Delivery

The Supplier shall make every effort to maintain the agreed delivery dates. They are not, however, binding; in particular, events such as difficulties with raw material or fuel supplies, defective products, operational interruptions, labour unrest, mobilization or states of war, and other instances of force majeure, shall exempt the Supplier for the duration and in the scope of such events and their consequences, from the obligation to make delivery by the agreed delivery date. The Supplier shall be entitled, if such events occur, to a corresponding extension of the delivery time originally specified, without the Client deriving any claims for damages therefrom. The Supplier shall notify the Client as soon as the need for a deadline extension becomes apparent.

The Supplier reserves the right, in the event that delivery is impossible, or there are difficulties with delivery, to not carry out the promised service. In such a case, the Client reserves the right to an immediate refund of any payments made (without interest). No other claims against the Supplier may be made.

Any transport damage must be claimed immediately by the Client from the transport company, and must inform the Client thereof.

Art. 12 Usufruct and risk

Product usufruct and risk shall be assigned from the Supplier to the Client, unless otherwise stated contractually, and made available at the Supplier's premises.

Art. 13 Guarantee

The legal guarantee and material guarantee are – apart from the following provisions – expressly excluded.

The material guarantee, with regard to contractually and expressly ensured characteristics, is, however, assumed by the Supplier, under the following conditions:

- The Client must inspect the products supplied as quickly as possible, and in any event prior to their commissioning or further use (installation, conversion, or other working or modification), and notify the Supplier of any defects immediately in writing, provided they are not excluded from the guarantee. Otherwise, the products shall be deemed to have been supplied in accordance with the specifications of the Contract and accepted by the Client one month from their arrival at the Client's premises.
- The Supplier shall also provide a guarantee for a period of 12 months for the contractually ensured characteristics from the delivery of the products to the Customer, against the possibility that the assured characteristics for the products have been proved to be no longer present during this period as the result of defective materials or faulty workmanship. The Client shall, in this event, immediately inform the Supplier of any defects in writing after ascertaining this state of affairs.
- The Supplier may, as it sees fit, improve, replace, revoke or reduce the guarantee. Continued claims (in particular damages) from the Client are expressly excluded.

The guarantee ceases if the product, despite apparent defects, is used, processed further or changed by the Client.

Art. 14 Liability

The Supplier is not liable for force majeure, slight or moderate negligence and the actions of auxiliary persons and vicarious agents, regardless of the legal grounds.

Any liability on the part of the Supplier shall also be excluded for damage to the products supplied and that is attributable to:

- Incorrect choice of material by the Client or
- Use of the products supplied that does not comply with the specifications of the Contract.

The liability of the Supplier is restricted in all cases to the value of the contract (according to the price of the product).

Subject to the claims expressly stated in these GCC, any claims by the Client against the Supplier (in particular for damages, retention of the

purchase price, compensation for loss of earnings), regardless of the legal grounds, are excluded. No liability will be taken for consequential damage arising from the use of the products.

Art. 15 Suspension of the contract

Substantial changes in the Client's circumstances, which could have an effect on his ability to make payment (such as payment difficulties, suspension of payments, death, the initiation of proceedings, the submission of a request for deferment of payment, impending bankruptcy or similar) entitle the Supplier to deem that payment is due immediately for all present and future claims arising from the Contract. If full payment has not been made within 30 days, the Supplier shall be entitled, after a period of grace deemed to be appropriate by the Client, to refuse to continue to provide the service, and, at his discretion, either demand compensation for the damages incurred due to non-fulfilment of the contract, or – while maintaining damages claims in this respect – withdraw from the Contract (Art. 107-109 and 190 of Swiss Obligations Law – OR).

Art. 16 Offsetting

Any right of the Customer to effect offsetting by counter-claims of any nature is excluded.

Art. 17 Obligation to archive documentary proof

Items of documentary proof shall be kept safe by the Supplier for a period of thirteen years. Test material, if available, shall be kept by the Supplier for a period of three months, calculated from the date of delivery. More extensive archiving obligations require the written agreement of the parties.

Art. 18 Applicable law

The contractual relationship established between the parties (incl. GCC) is subject to Swiss law, under the explicit exclusion of collision rules and the United Nations Convention on Contracts for the International Sale of Goods (Vienna Convention, CISG).

Art. 19 Competent court

The competent court for any disputes arising from the contractual relationship between the parties shall be 8908 Hedingen, Switzerland. The Supplier shall, however, be entitled to summons the Customer before the courts of the latter's domicile.