

# Conditions of purchase by Gema Switzerland Ltd.

Following named as buyer.

Effective starting 01<sup>st</sup> January 2014.

## 1. Significant conditions

The legal relations between vendor and buyer are based on the following conditions and, if available, further written agreements. Changes and additions must be in written form. Other terms and conditions will not be accepted. This non-acceptance is valid also in those cases where the buyer does not explicitly contradict other terms and conditions.

## 2. Completion of contract

Orders are only valid when they exist in written form. If the orders are sent as E-Mails without an attachment, they do not need signatures. Orders are accepted from the vendor, if the vendor does not contradict within 5 days in written form. The vendor must send an order confirmation, in which the price and delivery time are determined. If the buyer does not get an order confirmation, it does not mean that there isn't a contract between vendor and buyer. The vendor has the responsibility to inform the buyer if the order cannot be accepted in any case.

## 3. Technical documents, samples

Technical drawings, specifications and samples which the buyer provides to the vendor, belong to the contract. The buyer reserves the rights to all these technical documents and samples. All the provided documents are confidential and must not be sent to a third party.

## 4. Pricing

All prices are fixed. Pricing changes and pricing fluctuations are only binding, if the buyer accepts and confirms them in written form. The value added taxes are to be charged separately.

## 5. Delivery, delivery date, delivery time

The agreed delivery dates (respectively delivery times) are binding and apply for the "arriving destination". The use and risk become the property of the buyer once the goods arrive at the agreed destination. If it's agreed that the buyer takes over the cost for delivery, the seller has to choose the mode of transport in which the buyer has stipulated. If nothing special was agreed upon the seller has to take the cheapest mode of transportation.

## 6. Delay in delivery

If delays in delivery are to be expected, the seller must inform the buyer as soon as possible. If the agreed delivery date will be exceeded, without the buyer being informed, the buyer can reject the delivery without any cost.

If the seller informs the buyer of the delay, both parties have to agree to a new delivery date. If the seller will have an additional delay, the buyer has the right of compensation or the buyer can make a replacement purchase. If this replacement purchase causes additional pricing, the difference in pricing will be the responsibility of the seller.

## 7. Quality

The seller has the responsibility to deliver excellent quality. If there is a quality issue, the seller has the opportunity to fix the issue or replace the affected items. This right is given if the seller can resolve the issue within an agreed time frame. If the seller cannot fix the problem within the agreed upon time, the buyer has the right, with the cost covered by the seller, to fix the issue on their own or from a third party.

## **8. Terms**

If there is nothing specifically mentioned on the order, the following terms are valid automatically:

- a. Payment term is 30 days net after delivery, without any discounts, under the precondition that the delivery does not have any quality issues.
- b. Delivery terms are "delivery duty paid (DDP)", according to INCOTERMS 2000.
- c. The goods are insured by our insurance policy.

## **9. Guarantee**

Without any other agreement, the liability for defects is 24 months, beginning from the delivery date. The buyer does not have the responsibility to make an incoming inspection. Therefore, the seller relinquishes the right of an incoming inspection. As a result, the buyer has the opportunity to bring up defects with the delivery within the entire guarantee period. The seller commits to the buyer, that the buyer can get spare parts for at least 10 years.

## **10. Property, Copyright**

All objects (samples, models, drawings, tools, fixtures, etc.), which the buyer hands over to the seller, remains the property of the buyer.

## **11. Place of fulfilment, prevailing law and place of jurisdiction**

The place of fulfilment is St. Gallen (Switzerland), if there is no other agreement. The Swiss law is the base for everything and regulates all kinds of differences. Place of jurisdiction is St. Gallen (Switzerland), for all kind of disputes.