

GENERAL BUSINESS CONDITIONS zaugg maschinenbau ag (zmb)

GENERAL TERMS AND CONDITIONS

- 1.1. The general terms and conditions apply when the parties have explicitly or tacitly agreed upon them. Amendments will only be effective if they have been confirmed in writing by zaugg maschinenbau ag (hereafter referred to as zmb).

CONCLUSION OF CONTRACT

- 2.1. The contract is considered as concluded upon receipt of zmb's written confirmation, stating the acceptance of the order (confirmation of order).
- 2.2. Obvious errors in our offer or in the confirmation of order, mistakes in writing and in calculation will neither entitle nor obligate the buyer nor ourselves. The contract as such is only binding as it would have been without these errors or these mistakes.

SCOPE OF SUPPLY AND SERVICES, COMPLETION

- 3.1. Regarding the extent and the completion of the products and services the confirmation of order is binding or, if such is nonexistent, zmb's offer applies. Services which are not explicitly warranted therein, in particular documentation, programming, customizing, installation, initial operation, training and user support, are not part of the scope of supply and services. Offers, unless otherwise stated in writing, have a validity of 3 months from the starting date of the offer.

CONDITIONS

Unless otherwise agreed upon the following applies:

- 4.1. Delivery: Unpacked EXW CH- Schönenwerd (INCOTERMS 2000)
- 4.2. zmb is entitled to carry out partial deliveries.

CANCELLATION OF ORDERS

- 5.1. In case of cancellation of an order, zmb must be indemnified.

WARRANTY

- 6.1. Warranty amounts to 24 months or to 4000 operating hours, depending on whichever occurs first. Parts subject to regular wear and tear are excluded thereof.
- 6.2. zmb will only bear costs caused by repair or replacement of defective parts in its own workshop.
- 6.3. Warranty starts after technical approval or after 30 days from delivery date.

CUSTOMER'S DUTY TO INFORM

- 7.1. The customer must inform zmb in due time about particular technical conditions as well as about legal, regulatory and other requirements applying at the destination, as far as these are relevant.

PREPARATORY WORK AND WORKING CONDITIONS AT THE ASSEMBLY SITE

- 8.1. The customer provides all facilities in due time and ensures the necessary conditions for assembling the delivery item and for a flawless use of the product.

TECHNICAL APPROVAL

- 9.1. Unless any specific procedure for the technical approval has been agreed upon, the customer will test all products and services himself before delivery. If no technical approval is carried out by the customer, zmb will sign its own acceptance report.
- 9.2. Products and services are considered as approved if no notice of defect is received within 60 days, starting from delivery date, or if the products and services have been used commercially for a period longer than 20 workdays.

RETENTION OF TITLE

- 10.1. The delivery item remains the property of zmb until full payment has been made, including payment for the assembly of the delivered item. The customer will comprehensively support zmb, at its request, in its efforts to protect the right of ownership over the delivery item in the respective country.

DEFECTS

- 11.1. zmb is responsible for exercising due care and for the fulfillment of the warranted quality characteristics of its products and services. Moreover, zmb will be liable for the adequacy to the extent of having been informed in writing by the customer about the use, prior to conclusion of the contract.
- 11.2. Liability for defects excludes malfunctions and breakdowns which zmb is not obliged to account for, such as: natural wear and tear, acts of God, improper use, customer or third-party interventions, overuse, unsuitable equipment, malfunctions caused by other machinery and installations, unstable electric power supply, particular climatic conditions or unusual environmental influences.

FURTHER LIABILITY

- 12.1. Within the limits of its insurance against damage to third-parties, zmb will be liable for further damage to person and property which was verifiably caused to the customer by zmb. Any further claims, especially regarding the performance of auxiliary persons, are excluded hereof.

SAMPLES

- 13.1. Any possibly needed samples for the dimensioning, the adaptation and the starting up of the delivery item or of the product, as well as any existing standard regulations must be put at zmb's disposal gratuitously and free of transportation charges. When the material is no longer needed it will be returned as a standard procedure to the customer, at its assumption of costs.

APPLICABLE LAW

- 14.1. The basis of the entire business relationship is subject to Swiss law.

Schönenwerd, 2012