

GENERAL CONDITIONS OF SALES

1) Definitions of terms

The present conditions, unless otherwise modified or completed by VARDECO with the duly signed written agreement, (defined specifications of quotations or order confirmations etc.) are fully applicable for all VARDECO sales. Other terms and conditions stated in the purchaser's documents will only be applied after written acceptance by VARDECO.

2) Quotations

VARDECO reserves the copyrights and property rights of all its designs and other documents as well as samples. These must neither be used nor shown to third parties without the written authorisation of VARDECO.

All orders or special requests must be clearly specified when the requirements are established (example: 1st article inspection report, PPAP, FMEA, control plan, SPC, critical measurements, specific packaging, PPM etc.). Failing this, VARDECO will apply standard procedures (material and/or plating certificates at disposal and bulk packaging of parts).

Due to the fluctuating value of precious metals, VARDECO states that their quotations are based on the current daily rate. However, the precious metals will be invoiced at the average rate of the week.

Delivery times mentioned on quotations are given for information only.

Quotations are issued without obligation and are valid for 60 days from the date of issue indicated.

3) Orders

An order only becomes valid when accepted and confirmed by VARDECO in writing.

All orders must be accompanied by completed plans and documents approved for manufacturing.

If the purchaser states no precise specifications, the criteria and standards defined by VARDECO will be applied.

4) Prices

If no alternative arrangements have been made, the price stated is the factory price (Ex- works). The defined price in the offer takes into consideration all of the specifications described in the latter. Additional orders may need to be revaluated by the VARDECO sales department.

5) Machinery

All machinery remains entirely the property of VARDECO as they result from their know-how. Appropriate maintenance and conservation charges are covered by VARDECO. The cost for replacements and transformations when induced by the customer's modifications will be covered by the purchaser.

6) Payment conditions

Invoices must be paid net within 30 days with no deductions. Any bank charges that may arise for the payment are solely the responsibility of the purchaser.

In the case of late payments, VARDECO reserves the right to apply an interest rate on overdue payments of 5% above the Swiss National Bank's rate, if this is in the positive. If the current rates at the Swiss National Bank are 0% or negative, the purchaser will pay the overdue interest of 5%.

7) Property rights

Delivered merchandise remains the property of VARDECO until full payment has been made.

8) Delivery times

VARDECO always endeavours to respect the established delivery times. However, in the case of not respecting these times, whatever the reason, VARDECO will propose a new delivery date. If this situation arises, no interest rates nor penalties for late payment will be applied.

9) Dispatch

VARDECO endeavours to provide optimal packaging for their parts to avoid the possibility of any damage occurring during delivery. Therefore, the customer can be held responsible for merchandise once it has left the factory.

10) Partial Deliveries

VARDECO reserves the right to make partial deliveries.

11) Complaints and return of merchandise

The customer must systematically advise VARDECO if he wishes to return any product considered to be non-compliant in order to validate the problem detected. This correspondence must be made in writing and clearly state the precise reasons for the supposed non-compliance.

When possible, items must be returned in their original packaging. Failing this, the customer will be obliged to provide VARDECO with full details of the tracking of the said merchandise.

The customer shall equally collaborate with VARDECO in order to facilitate and optimise the return on non-compliant products. The transport charges for the returned products will be covered by VARDECO.

Supplementary charges that the customer wishes to invoice VARDECO must be previously validated by VARDECO. Without this, VARDECO reserves the right to refuse these charges.

12) Guarantees

Any defect detected must be conveyed to VARDECO as stipulated by law. The guarantee is restricted to the repair or replacement of approved defective parts from machining or quality control. This guarantee expires 12 months after the date of manufacturing. In the case that the delivered merchandise by VARDECO is seen to have been tampered with or transformed after delivery, VARDECO refuses any complaints, unless the customer can show proof of the defect in its original condition. Any request for reimbursement or discounted price will not be admitted in this case.

VARDECO perpetually endeavours to reduce the level of ppm for non-compliant products, however, for the requirements below 800 ppm of non-compliant products, specific conditions must be taken into account and agreed in the quotation. The level of ppm is calculated on the total quantity delivered since the start of the order.

Return of merchandise that result from statistics control are not acceptable. VARDECO systematically requires the proof of non-compliance, therefore at least one non-compliant sample must be presented.

Complaints regarding assembly, weight or the number of parts will only be taken into consideration if the products are in their original packaging. Otherwise, the delivery will be considered to have been accepted.

Other exceptions not covered by the VARDECO guarantee: damage due to inappropriate storage of parts after dispatch; faulty transport of parts if not organised by VARDECO; if packaging is considered to be inadequate when the customer did not specify any particular requirements on the quotation request or order.

13) Cancellation or modification of orders by the purchaser

No orders can be cancelled or modified without written agreement from VARDECO whatever the reason. In the case of the cancellation or modification of the order by the purchaser (quantity, dimensions, etc.), the latter will be held responsible for the cost of all parts already started or completed, raw materials and all costs that result from this modification. VARDECO will charge a set administration fee of 150.-CHF in addition to the costs resulting from the modification for any order modification requests.

14) Cancellation or modification of orders by the vendor

In the case of unforeseen or exceptional circumstances out of the control of VARDECO, they reserve the right to modify or cancel the contract. If this case arises, the customer is not entitled to any claim or compensation, however, VARDECO will endeavour to make every effort to find a satisfactory solution for the customer.

15) Violation of patents and other third-party rights

The customer guarantees that the third-party rights for all production and delivery of parts ordered from VARDECO will not be violated. The customer equally releases the right to hold VARDECO responsible for any third-party claims which could result from this violation.

16) Responsibility for secondary obligations

VARDECO makes every effort to provide advice and information concerning the use of the delivered merchandise, as well as the implementation of the parts ordered, but declines all responsibility concerning the incorrect or inadequate use of the merchandise by the purchaser.

17) Jurisdiction and legislation

Only Swiss law is applicable. Jurisdiction rights related to any dispute concerning an order or its implementation remain at the VARDECO head office. The French text takes precedence in legal terms.