

GENERAL CONDITIONS OF PURCHASE

1. General

1.1 These general conditions of purchase shall be binding on all orders of Glutz. Any conditions stipulated by the supplier which are in contradiction to these general conditions of purchase shall only be valid if expressly acknowledged by Glutz in writing.

1.2 All agreements and legally relevant declarations of the parties must be in writing in order to be valid.

1.3 Orders shall be deemed to have been accepted upon receipt of the suppliers written order acknowledgement in form of a countersigned, dated and stamped copy of Glutz's order and provided that all relevant technical and commercial details have been settled.

1.4 Costs for preparing offers shall not be compensated by Glutz, unless agreed otherwise.

2. Scope of Supplies and Services

2.1 The supplier shall execute the supplies and services in accordance with supplier's order confirmation.

3. Subcontracting of Orders

3.1 Subcontracting of orders shall be permitted only upon prior written agreement of Glutz.

4. Prices

4.1 All prices are considered to be firm, in Swiss Francs, including packing and for delivery DDP place of destination (INCOTERMS 2000), however excluding VAT, if any.

4.2 Price adjustments shall be valid only if agreed in writing.

5. Delivery Time

5.1 Delivery shall be effected according to the delivery time mentioned in the orders. The delivery time shall be deemed to be observed if by that time the supplies have arrived at their place of destination.

5.2 The supplier shall immediately inform Glutz in writing in case of any foreseeable delay in delivery.

5.3 The supplier shall include with each shipment a packing list indicating order and article number.

6. Deviations

6.1 Deviations or changes in the scope of supply shall require the prior written consent of Glutz.

7. Transport, Transfer of Risk, Insurance

7.1 Unless agreed otherwise, the transport shall take place DDP, place of destination (INCOTERMS 2000).

7.2 The benefit and the risk of the supplies shall pass to Glutz on the date of their arrival at the place of destination (INCOTERMS 2000).

7.3 Transport insurance shall be covered by the supplier.

8. Guarantee, Liability for Defects

8.1 The guarantee period for all supplies is 24 months. It starts when the supplies have arrived at their place of destination. The Supplier guarantees that express warranties are strictly observed. An express warranty is valid until the expiry of the guarantee period.

8.2 The supplier guarantees that the supplies correspond to the regulations of SEV, SVDB and/or SUVA prevailing at the place of destination.

8.3 Upon written request of Glutz, the supplier undertakes at the choice of Glutz to either repair or replace free of charge and as quickly as possible any parts of the supplies which, before the expiry of the guarantee period, are proved to be defective due to bad material, faulty design or poor workmanship.

8.4 For replaced or repaired parts the guarantee period starts anew and lasts 6 months after replacement or completion of the repair, but not longer than the expiry of a period being double to the guarantee period stipulated in paragraph 8.1.

8.5 The Supplier shall be responsible to take out adequate product liability insurance.

8.6 Should due to supplier's acts or omissions or persons employed or appointed by supplier any persons be injured or any damage occur to any third party's property and as a consequence thereof an action be taken against Glutz, Glutz shall have a right of recourse on the supplier.

9. Delivery Guarantee

9.1 The supplier guarantees the supply of spare parts for maintenance and repair of its supplies for a period 5 years from the date of delivery of goods.

10. Invoicing, Payment Terms

10.1 Invoices shall be issued in two copies. A separate invoice will be issued for each delivery showing the order number and separately invoiced VAT, if any. For the supply of goods the place of origin and the customs tariff must be mentioned.

10.2 Unless agreed otherwise, payments shall be effected within 10 days with 3% discount, or 30 days with 2% discount.

10.3 Payments shall be effected independent from inspection of the supplies after their arrival at the place of destination. Payments or partial payments shall not be considered as an acceptance of the quantities, the price or the quality of the supplies by Glutz.

11. Inspection. Taking-over of the Supplies and Services

11.1 As far as being normal practice, the supplier shall inspect the supplies and services before dispatch.

11.2 Glutz shall inspect the supplies and services within a reasonable time from the date of their arrival at the place of destination and shall immediately notify the supplier of any

deficiencies. If Glutz fails in doing so, the supplies and services shall be deemed to have been taken over.

11.3 Having been notified of the deficiencies according to Clause 11.2, the supplier shall as soon as possible remedy them and Glutz shall give the supplier the possibility of doing so.

12. Supplies by Glutz

12.1 For orders for which it was agreed that Glutz shall provide any kind of material, the supplier shall be responsible to off-call such material in the required quantity and at the appropriate time.

12.2 The supplier shall use the material supplied by Glutz for the intended purpose only.

13. Tools and Models

13.1 Tools and models which are put at the disposal of the supplier or which have been fully or partly paid by Glutz may only be used by the supplier for their intended purpose.

13.2 The tools and models must be stored and maintained by the supplier according to their nature. They shall be insured by the supplier, unless agreed otherwise.

13.3 The destruction of the tools and models is allowed only upon specific written consent by Glutz.

14. Technical Documents and Confidentiality

14.1 Glutz retains at all times all right to drawings, calculations, models, samples and electronic data, including all other materials put at the disposal of the supplier. This information shall not be disclosed to third parties unless agreed by Glutz in writing.

14.2 All data, information and materials, latter as far as not being used up, shall be returned by the supplier to Glutz without retaining any copies.

14.3 The supplier shall keep secret the order and the work and the supplies involved. This also includes information which does not contain the name of Glutz.

15. Infringement of Patents

15.1 The supplier warrants that no patents or any other third party rights will be infringed by the supply and use of such supplies by Glutz. Excluded from this warranty shall be supplies according to design of Glutz.

16. Jurisdiction and applicable law

16.1 The place of jurisdiction and the place of fulfilment shall be Solothurn/Switzerland. Glutz shall, however, be entitled to sue the supplier at the latter's registered address.

16.2 The contract shall be governed by Swiss substantive law.

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