

Doc 142 – General Sales Conditions

1. General

The following General Sales Conditions (hereinafter GSC) shall govern the conclusion and the content of any contract related to the sale and delivery of products to a Customer as part of his professional or commercial activity.

The GSC form part of both quotation and sales contract and exclusively prevail. Any other document, such as brochures or catalogues issued by Meylan Frères SA (hereinafter the Seller) only have an indicative value.

The GSC will apply as soon as the Seller refers to them in a quotation or in an order confirmation, providing the receiver has received a duplicate. Unless otherwise stated in writing, the GSC shall be deemed to be accepted by the Customer.

The application of other contractual arrangements – in particular the general conditions of the Customer – requires written express acceptance of the Seller. The same applies to any change or addendum to the GSC.

2. Reference documents

The parts are produced according to the documents listed in the order confirmation. The amendment of reference documents can allow the Seller to set up a new quotation, taking into account the amendments.

3. Quotation

The quotations issued without stating any deadline for acceptance are non-binding. Prices and delivery deadlines are exclusively valid for the ordered quantities. The prices stated in the quotation remain subject to change according to raw material's variation cost. The exact price based on the evolution of raw material costs will be indicated in the order confirmation.

4. Order and order confirmation

The order will be made in writing and transmitted by post, fax or e-mail. It must be confirmed by the Seller.

In the event that the Customer's order shows gaps or inconsistencies – specifically in the technical drawing or any other document provided by the Customer – the Seller will issue a document named "Technical addendum" with a detailed list of incomplete or contradictory technical elements. The Customer can then either sign the "technical addendum" to approve its content or set up new technical documents stating the required amendments. Once these conditions have been met, the Seller validates the inquiry and transmits the order confirmation to the Customer.

Should the order confirmation be inaccurate, the Customer will notify the Seller upon receipt. In absence of such notification, the order confirmation prevails.

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The contract is deemed concluded after the Seller has submitted written acceptance upon receipt of an order.

Once the contract has been transacted, the Customer is no longer allowed to amend his order without prior written agreement of the Seller. The Seller reserves the right to charge the Customer for any fees incurred by the amendment.

5. Cancellation of order

In the event that the Customer cancels an order before production has started, he will be charged for the costs already incurred for purchasing raw materials as well as for the time invested, based on an inclusive price calculated by the Seller. Should the Customer cancel an order once production has started, he will be charged for the full price.

6. Price and price change

The products supplied are invoiced at the price stipulated in the order confirmation.

Unless otherwise agreed with the Customer, prices are listed as EXW (ex-work) in CHF, excluding VAT and without any deductions. The packaging material is invoiced at the cost price and is not taken back.

Any change in the price stipulated in the order confirmation must be justified in writing by the Seller. The Customer who refuses such an amendment and requires cancellation of his order undertakes to inform the Seller in writing immediately upon receipt of the notice of change. In the event that the Customer fails to notify the Seller of his order cancellation, this will constitute tacit acceptance and the amended price will become effective.

7. Incidental costs

All incidental costs, such as packing, transport and insurance costs, export license as well as other usual authorisation and certification costs shall be borne by the Customer.

Likewise, the Customer shall bear any and all taxes, fees, levies, custom duties and the like that are levied out or in connection with the contract.

If dispatch is held up at the request of the Customer or for other reasons not imputable to the Seller, any and all costs related to measures taken by the Seller (storage and handling costs, insurance against damage of any nature, etc.) are also deemed incidental costs that the Customer shall bear. Delays in deliveries taken from description under art. 10 of the GSC are reserved.

8. Terms of payment

Payment is due within 30 days of receiving the invoice. The deadline for payment must be met, even in the event that transport or delivery are delayed or are not possible for reasons not attributable to the Seller.

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Any unpaid amount on its due date will result in moratory interest for late payment at the annual rate of 5%. Moratory interest will run from due date to date of payment. The Customer shall also bear all costs incurred by the late payment, in particular reminder fees.

Any suspension of payment requires prior written agreement of the Seller. The same rule will apply to any set-off.

In specific cases, particularly in the event of doubts as to the Customer's solvency, the Seller reserves the right to require a deposit or full payment prior to delivery of the goods.

9. Reserve of property

The delivered products remain the property of the Seller until they have been paid in full. The Customer closely respects the Seller's right to property and informs any third-parties thereof. The Customer undertakes to carry out, with the Seller, any necessary action to safeguard the right of property, in particular the entry in the relevant Registry.

10. Delivery

Delivery shall be made by delivering the product directly to the Customer, by sending notice of availability to the Customer or by delivering the product to a dispatcher or carrier in the Seller's premises or warehouses. If no particular condition of delivery is agreed to, delivery is made EXW.

Exceptionally, the Seller reserves the right to arrange partial deliveries with a separate invoice for each delivery.

The delivery date is stipulated in the order confirmation. If the parties have specified a period of time on the expiry of which delivery shall take place, such period shall start to run at the date of the order confirmation. This deadline can be met only if the Seller is in possession of the appropriate data for the execution of the order.

If the Seller anticipates that he will not be able to deliver the goods at the due date, he will notify the Customer thereof in writing, stating the reason and, if possible, the time when delivery can be expected.

Late deliveries shall in no event give rise to damages, compensation or retention. Nor can they justify the cancellation of the orders in progress. However, six months after statutory deadline and in the event that the Seller has not completed the order for any reason other than force majeure, the contract can be terminated on the request of either Party. All payments having already been made will be refunded to the Customer.

Delivery date can be postponed in the event of unforeseen impediments or for force majeure reasons, such as war, riots, fire, natural disaster, strike or accident.

For technical manufacturing reasons, a quantity tolerance of +/- 10% on the global ordered quantity is allowed.

11. Transfer of risks

Risks are transferred to the Customer at the latest when the goods leave the Seller's plant. As a result, the goods travel at the Customer's own risks.

If delivery is delayed on the Customer's request or for other reasons not imputable to the Seller, the risks are transferred to the Customer at the moment initially planned for delivery. As from that time, deliveries are stored and insured at the Customer's expense and at his own risk.

12. Receiving of the goods

Claims taken against the carrier must be submitted immediately and directly to the haulage company. The Seller shall not be liable for any damage or omissions caused by the carrier.

Claims concerning the quantity or nature of the goods delivered must be made in writing and addressed to the Seller at the latest two months after the date of shipment.

Any subsequent claims will be taken into consideration only if the defects could not have been noticed at the time of the quality inspection upon receipt.

13. Defects notification and Customer's obligations

The guarantee is limited to raw material and/or manufacturing defects. Should the Customer find such defects, he must give written notice to the Seller. The notification shall contain a list and description of the defects, which will enable the Seller to evaluate the kind and the importance of the defects.

The Customer is responsible for verifying the condition of the delivered products as soon as possible after receipt. Should he identify visual defects for which the Seller is liable, he must submit a claim to the Seller within an acceptable deadline.

Defects that could not have been noticed during quality inspection but become obvious later are hidden defects. Such defects must be notified to the Seller within an acceptable period of time. To be entitled to make a claim, the Customer must take relevant action within the deadline stipulated in art. 15 of the GSC.

To preserve his right to guarantee, the Customer must store the goods or the defective products. In case of hidden defects, the Customer will take arrangements to cease using them whenever possible. He will allow the Seller to take all necessary actions in order to determine and remedy the defects. In each and every case, The Customer shall refrain from repairing the defect himself or from arranging for a third-party to do so unless the Seller provides express written agreement. The Seller will bear any expenses resulting from his actions providing a defect covered by the guarantee is found.

The guarantee as described under art. 15 of the GSC expires prematurely if the Customer has violated above obligations.

14. Return of products with apparent defects

Products with apparent defects may be returned only upon written instructions provided by the Seller. Any Product return must be subject to qualitative and quantitative verification. Return of the products

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will be accepted only if they have not been used. After verification of the products, the Seller will make a decision with regard to the Customer's complaint.

15. Liability for defects

Unless otherwise specified, the products are warranted against raw material or manufacturing defects during a period of twelve months from date of delivery.

If such defects are demonstrated, the Seller has the obligation to either repair the faulty elements or replace them free of charge within the shortest possible period of time.

16. Exclusion of liability

Compensation for damages other than the ones covered by the guarantee, as described under art. 15 of the GSC, is excluded.

Defects or deterioration due to normal use or external factors (incorrect handling or installation, faulty maintenance, abnormal use, inadequate storage) or unauthorised modification of the products are excluded from warranty.

Furthermore, even in the event that a defect covered by guarantee has been accepted, the Customer or any Third-Party may not claim compensation for indirect damages related to production losses, operating losses, business interruption or any other direct or indirect damage.

17. Property of tools

Tools become property of the Customer after full payment only. Except in case of Force Majeure, the Seller is the exclusive user of the tools.

18. Force Majeure

In the event of Force Majeure, the Seller shall be released of his contractual obligations.

Force Majeure shall be considered in case the Seller cannot face his contractual commitments due to external, unforeseeable and unstoppable events (natural occurrence, government measures, war, state of national emergency, fire, explosion, flood, strike, etc.).

19. Applicable law and place of jurisdiction

The GSC are governed exclusively by Swiss law for interpretation and for execution. The rules of the Vienna Convention on Contracts for the International Sale of Goods (CISG) are expressly excluded.

In the event of litigation, the justice courts of the head office of the Seller will be solely competent.

20. Embargo and sanctions

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The Customer will in all circumstances comply with US and European regulations and other similar regulatory authority regarding embargo measures taken against certain States.

If the Customer does not comply with embargo measures, he will be subject to criminal prosecution, which may lead, in severe cases, to life imprisonment.

Meylan Frères SA

Le Brassus, November 1st, 2016