

General Terms and Conditions of Coratec AG for Orders and Purchases

1. Preamble

1.1. These General Terms and Conditions of Coratec AG for Orders and Purchases ("General Terms and Conditions") shall govern all contracts for works and services and contracts of sale resulting from the operations of Coratec AG, in as far as Coratec AG contracts as a customer for works and services or as a buyer.

1.2. These **General Terms and Conditions** shall form **part of the contractual negotiations** and shall therefore be incorporated into the contract of sale or the contract for works and services if Coratec has generally made known its General Terms and Conditions to the party that provides the works and services or to the seller ("the Supplier") before forming the contract, be it through notices served on the Supplier, on orders, invitations to tender/furnish quotations or acknowledgments.

1.3. An **amendment or annulment** of these **General Terms and Conditions** must be in writing and must explicitly be identified as such. If individual agreements between the Contracting Parties or assurances given in the individual case should be in contradiction with these General Terms and Conditions, the individual agreements shall have priority. If these General Terms and Conditions are in contradiction with the Supplier's General Terms and Conditions, the General Terms and Conditions of Coratec AG shall have priority in all cases. The Supplier's General Terms and Conditions will not be recognised and shall not therefore be valid as long as Coratec AG has not stated its agreement to them in writing.

1.4. These General Terms and Conditions shall be valid for an indefinite period of time and shall therefore apply to all future **follow-up work and services / follow-up deliveries** as long as nothing has otherwise been agreed in writing between the Contracting Parties.

1.5. Consequently, when Coratec AG places orders this shall be subject only to the following General Terms and Conditions. In accepting the order the Supplier therefore indicates that it is in agreement with the following terms and conditions. If any acknowledgment from the Supplier should contain contrary terms and conditions, these are hereby contested.

1.6. In the absence of an individual agreement between the Contracting Parties and if no corresponding provision can be found in these General Terms and Conditions, the statutory provisions of the Swiss law of obligation shall apply to the contract of sale and the contract for work and services.

2. Orders

2.1. In its quotation or acknowledgement of the order the Supplier must strictly adhere to the written order of Coratec AG and expressly draw attention to any discrepancies. If the Supplier has reservations about the type of execution desired, it must give immediate notice of this in writing.

2.2. It is not permitted to pass on orders to subcontractors / third parties without the prior written consent of Coratec AG.

2.3. All expenses due to failure to observe the instructions given by Coratec AG or due to defective consignments that is not the result of a binding agreement, shall be charged to the Supplier.

3. Prices / costs / terms of payment

3.1. If nothing else has been expressly agreed, the prices agreed between the Parties are fixed prices and include value added tax.

3.2. If orders are placed without a price or a recommended price, the usual market price shall be deemed agreed for the item in question.

3.3. All disbursements for packaging, transport, customs duty, trade fairs and all other delivery costs are not included in the price and shall be borne by the Supplier in as far as nothing to the contrary has been agreed in writing.

3.4. Unless a longer time has been agreed for payment, invoices shall be payable net within thirty days after receipt of the consignment or the work and services together with the necessary documents and the invoice. If the consignment is defective, Coratec AG shall have the right to withhold an appropriate part of the payment until the contract has been properly performed. Coratec AG also reserves the right to set off any counter-claims.

4. Delivery / place of performance / passage of risk

4.1. The delivery period indicated in the order or the delivery dates which have been agreed are binding. Whether the delivery date / delivery period has been complied with shall be determined by the time that Coratec AG receives the goods. The Supplier must immediately notify Coratec AG in writing if circumstances occur or are evident that are likely to make punctual delivery impossible. If this is not done, Coratec AG shall be at liberty to set an extended deadline or to rescind the contract and to place the order elsewhere and also to claim damages.

4.2. The Supplier must compensate Coratec AG for the damage caused by the delay without a reminder first being required for the Supplier to be in default.

4.3. Orders by the authorities and cases of force majeure shall release the Party affected from the obligation to effect delivery or to accept the goods for the duration of the disturbance and the extent of its effects. If this causes delivery to be delayed by more than 1 month, Coratec AG shall have the right to rescind the contract in respect of the volumes affected by the disturbance without being liable for damages.

4.4. If nothing to the contrary has been agreed between the Contracting Parties, the place of performance shall be where Coratec AG has its principal place of business.

4.5. The risk shall pass to Coratec AG on the acceptance of the consignment at the place of performance.

4.6. Part-deliveries and premature deliveries shall only be permissible by written agreement.

4.7. The Supplier must insure the goods for transport.

5. Quality / warranty

5.1. The goods must correspond to the state of the art and the agreements that have been made regarding quality. They must have the characteristics to be expected according to the principles of good faith.

5.2. The products delivered must comply with the relevant laws, accident prevention regulations, the rules laid down by the authorities and other rules or other technical requirements at the place of performance.

5.3. The Supplier shall be bound by the statutory provisions regarding warranty and liability. The Supplier must therefore reimburse Coratec AG in full for any costs incurred due to a defective consignment / defective work and services, irrespective

of the cause of the damage and whether the Supplier is at fault. The warranty period shall be at least 1 year as from the time of the passage of risk.

5.4. The warranty also extends to any parts produced and/or delivered by the Supplier's subcontractors.

5.5. If the Supplier fails to meet Coratec AG's claims under warranty (to rectify defects) within a reasonable time, Coratec AG shall have the right to commission a third party to rectify the defects or to effect a substitute delivery at the Supplier's expense or to deduct an amount from the payment to be made to the Supplier to reflect the reduced value of the contractual product (reduction in price) or to rescind the contract.

5.6. The Supplier shall indemnify Coratec AG in full against all claims made by third parties and shall compensate Coratec AG for all damage resulting from product liability in relation to the consignment.

6. Records / documents / tools etc.

6.1. The Supplier may not use or duplicate any documents, such as plans, sketches, calculations, samples, models etc., that Coratec AG has provided in order to produce the item to be delivered for any purposes other than that of the contract. The Supplier shall not make these items available to third parties. The Supplier shall be liable for all damage resulting from a breach of the aforesaid obligation.

6.2. All intangible property rights to all documents that are made available to the Supplier shall remain with Coratec AG.

6.3. The Supplier may only use its business relations with Coratec AG for advertising purposes if Coratec AG has first given its written consent.

7. Industrial property rights of third parties

7.1. The Supplier guarantees that no industrial property rights of third parties, neither in Germany nor in other countries, shall be infringed due to the use of the ordered goods for their intended purpose. If a third party makes a claim against Coratec AG in this connection, the Supplier must indemnify Coratec AG against such claims on first written demand. This indemnification shall cover all expenses that Coratec AG incurs as a result of or in connection with the third-party claim.

8. Place of jurisdiction / applicable law / severability

8.1. **The place of jurisdiction for all litigation in connection with the contract shall be Gunzgen, where Coratec AG has its principal place of business, in as far as the Federal Act on Civil Jurisdiction (*Bundesgesetz über den Gerichtsstand in Zivilsachen - GestG*) does not make it mandatory for the place of jurisdiction to be elsewhere. Coratec AG, however, shall have the right to bring an action against the other Contracting Party in the place where the other Contracting Party has its principal place of business / place of residence.**

8.2. All contracts that Coratec AG forms with third parties who do not belong to its company shall be governed by the substantive law of Switzerland. The Vienna Sales Convention shall not apply.

8.3. If individual terms of these General Terms and Conditions should be void, this shall not affect the validity of its remaining terms.