

## TERMS OF CONTRACT

### 1. ORDERS

- 1.1 Orders must be placed in writing. Verbal orders and any other agreements must be confirmed by us to be valid.
- 1.2 Suppliers must confirm any order in writing. They are kindly asked to use the attached form or to enclose your acknowledgement.

### 2. AIDS

- 2.1 Drawings, models, samples and documents which are put at the supplier's disposal remain our legal property. Without the owner's prior written consent such material shall not be shown or handed over to a third party in any form; it shall not be used in any way in order to manufacture goods for a third party. Unless a special agreement exists, all our supporting or illustrative material must be returned to us automatically after the completion or cancellation of an order.

### 3. TOOLS AND APPLIANCES

- 3.1 Any tools and appliances which are on loan from us must be handled with the utmost care and, the commission being executed, returned in satisfactory condition.
- 3.2 Tools for measuring and processing must be provided by the supplier at his own expense.
- 3.3 Commissions for mechanical processing are subject to the (General Conditions for Commissioned Work) (~Allgemeine Bedingungen für den Lohnauftrag>) as laid down by the VSM (Union of Swiss Metal Industrialists).

### 4. DELIVERY

- 4.1 Commissioned work must be executed in a suitable manner and conform to usual standards, the most appropriate materials have to be used. If there are any special regulations concerning the order, they must be strictly complied with.
- 4.2 Defects which result from the use of inappropriate materials, improper or careless processing, and defective construction or design, must be eliminated by the supplier without delay and free of charge. If necessary, defective goods must be replaced. Our right to examine goods delivered to us is not subject to any time limit. Defects which are only discovered when the goods are processed or used must equally be removed. We reserve the right to refuse acceptance of surplus or incomplete deliveries. Missing articles or amounts must be supplied under the conditions originally agreed upon.

- 4.3 If deliveries are delayed or do not comply with our contract, the supplier is liable for any resulting damages and any further resulting consequential damages. Part-shipments only accepted after consultation of Folex and additional forwarding-costs borne by supplier.

- 4.4 In case of delay we insist on eventual delivery unless otherwise stated. After a suitable term, however, we are entitled to cancel the order. Deliveries must not precede the date agreed upon without our explicit consent. Payment occurs within the period of time specified in 7, but is counted from the set date of delivery.

### 5. FORWARDING

- 5.1 The supplier forwards the goods to us at his own risk. His responsibility ceases upon delivery.
- 5.2 The supplier is liable for any damages occurring during transport as the result of inadequate packing.
- 5.3 We refer to our „Instruction sheets for delivery of goods“. For goods sent by train/ship or from abroad we require a separate letter of advice.

### 6. INVOICE

- 6.1 Invoices and delivery notes must contain:
  - a) Number of order and items
  - b) Weight or amount, and name and number of article(s).
  - c) All items have to be listed and priced separately.

### 7. CONDITIONS OF PAYMENT

- 7.1 Unless specially agreed, payment is due at the end of the month following delivery; a discount of 2 per cent applies; no bills can be drawn on our name.

### 8. DESTINATION

- 8.1 As far as clients and suppliers are concerned, and unless otherwise stated, destination for payments and deliveries by railway is Schwyz, and, for deliveries by road, Seewen SZ.
- 8.2 It is understood that the above terms of contract are acknowledged by the supplier on his acceptance of an order.
- 8.3 Swiss law is applicable.
- 8.4 Court of arbitration is Schwyz (Schweiz).