

1 General Terms of Business and Supply of KNF Flodos AG, CH-6210 Sursee

1. Conclusion of contract

- 1.1 Offers that contain no acceptance deadline are not binding.
- 1.2 The contract is considered to be concluded when the supplier delivers a written confirmation of order to the customer.
- 1.3 The written confirmation of order defines the scope and execution of supply. Requirements not included in it will be charged separately.
- 1.4 Any changes that the customer may require are to be notified to the supplier in writing within eight days of the date of the confirmation of order. As far as possible, they will be taken into account.

2. Prices

- 2.1 Prices are net at our works in Sursee including packing for road or rail transport. An additional charge will be made for special packing. In addition, for orders and deliveries within Switzerland, value added tax will be collected. All further costs e.g. for transport, insurance, permits etc. will be charged to the customer.
- 2.2 The supplier reserves the right to adjust prices if wage rates, raw material prices, or taxes or duties change between the date of confirmation of the order and the contractually agreed delivery date.

3. Payment

- 3.1 Prices are payable net within 30 days of the date of the invoice.
- 3.2 Dates for payment are binding even if transport and delivery are delayed or rendered impossible for reasons which are outside the control of the supplier.
- 3.3 Unless recognised in writing by the supplier, published in a public document, or stated in a final decision of a court of law, the debiting of counter claims is excluded. That applies even if the counter claims arise out of a defective delivery.

4. Reservation of proprietary rights

- 4.1 Goods supplied remain the property of the supplier until the price has been paid in full. The customer is obliged to inform the supplier if he changes the location of the goods supplied. It is at the discretion of the supplier whether he has this right of property entered in the Registry of Proprietary Rights and notifies the lessor of the property.
- 4.2 For illustrations, drawings, sketches, and other documents that accompany the offer or delivery, the supplier reserves both right of property and copyright. They must not be made available to third parties without permission from the supplier, and must be returned on request.
- 4.3 The resale of goods on which the supplier has reserved right of property is only permissible with the written permission of the supplier. In such cases, the customer must reserve the proprietary rights of the supplier on these goods in a legally binding way, and payment received for them must be passed immediately to the supplier.
- 4.4 If the customer fails to fulfil his obligation to pay, the supplier can demand the return of goods on which the right of property is reserved. The customer waives any right of retention he may possibly have.

5. Delivery date

The agreed delivery date will be fulfilled by the supplier as far as possible. The customer has no claim to damages or cancellation on grounds of late delivery.

6. Transport

- 6.1 Dispatch and transport from Sursee will be organised by the supplier at the cost and risk of the customer.
- 6.2 Any provision for transport insurance is a matter for the customer.
- 6.3 Benefit and risks arising from the goods pass to the customer with dispatch from our stores in Sursee. If dispatch is delayed for reasons under the control of the customer, benefit and risk pass to the customer on the day they are ready for dispatch

7. Inspection of the consignment and claims

The customer must inspect the consignment immediately it arrives. Any defects found must be reported to the supplier in writing without delay. If the customer neglects to carry out immediate inspection and present the defect report, the consignment is considered as approved.

8. Guarantee and liability

8.1 The supplier guarantees that when the goods ordered leave his works, they are in compliance with the contract and in perfect working order.

8.2 If the consignment is found not to comply with the contract, the customer must, without delay, give the supplier the opportunity to rectify the defects as quickly as possible. Parts, that can be shown to be unusable as a result of poor materials, bad design, or defective execution, are to be replaced by the supplier at his cost and within an appropriate period of time.

8.3 For parts not produced by the supplier himself, a guarantee only exists in so far as the supplier in turn has a right of guarantee against the manufacturer.

8.4 Damage to parts that are naturally subject to wear (e.g. diaphragms, valve plates, ball bearings etc.), or resulting from poor maintenance, overloading, chemical or electrolytic effects, or any other cause outside the influence of the supplier is excluded from the guarantee.

8.5 The guarantee lasts for twelve months from the date of dispatch of the goods from our stores in Sursee.

8.6 Any further claim of the customer outside the scope of this guarantee, particularly for damages, reduction of price, or cancellation of the contract, is excluded. This applies also to damages resulting from defects.

9. Withdrawal

In the event of unforeseen occurrences, such as acts of God, which have a considerable effect on the works of the supplier, or in cases in which necessary accessories are unobtainable the supplier has the right of complete or partial withdrawal from the contract. If the supplier is to make use of this right, he must inform the customer within a reasonable period after the extent of the occurrence has become apparent. Claims for damages from the customer are excluded.

10. Validity of these conditions

10.1 These General Terms of Business and Supply apply to all deliveries. Differing conditions from the customer are only valid if they are confirmed by the supplier in writing.

10.2 These General Terms of Business and Supply remain binding even if individual terms are ineffective.

11. Transfer of rights

The customer may not transfer his contractual rights to a third party without the express permission of the supplier.

12. Place of execution, applicable law, and court of jurisdiction

12.1 Legal relationships resulting from these General Terms of Business and Supply are subject to Swiss law.

12.2 The place of execution for all obligations is Sursee.

12.3 The court of jurisdiction for all disputes is Sursee.