

General Terms and Conditions of Sale

Effective November 22, 2018

1. General

- 1.1 These General Terms and Conditions of Sale are binding for all supply contracts and the contractual negotiations relating to such contracts, if declared applicable in the offer or order confirmation. Any of the customer's terms and conditions which are contrary hereto only apply insofar as they have been expressly approved by Sefar AG in writing.
- 1.2 A contract is concluded on confirmation by Sefar AG that it accepts the order. Offers made by Sefar AG which do not contain an acceptance deadline are not binding.
- 1.3 All agreements and legally relevant declarations between the customer and Sefar AG must be in writing in order to be valid.

2. Technical documentation, tools, samples and prototypes

- 2.1 Technical documentation is binding without the need for any further agreement.
- 2.2 Both parties to the contract reserve all rights to technical documentation, tools, samples, drawings and software which they have sent or made available to the other party. The receiving party shall recognize such rights and shall not, without the prior written authorization of the other party, place these goods, in whole or in part, at the disposal of third parties or use them for a purpose other than that for which they have been delivered.
- 2.3 The customer does not acquire any title to these goods even by remunerating the costs of technical documentation, tools or samples, and in particular does not acquire any rights of publication, duplication, revision or commercialization.
- 2.4 The customer warrants to Sefar AG that the implementation of orders in accordance with the customer's samples and drawings will not infringe third-party intellectual property rights.
- 2.5 All offered, confirmed and delivered articles which contain a "V" in the article number are to be considered exclusively as prototypes of the pre-series. The item numbers identified by "V" can be modified without any further notice or communication.

3. Regulations in the country of destination

The customer is obliged to notify Sefar AG in due time of any statutory, regulatory or other restrictions which apply to performance of the contract.

4. Inspection of the goods and services supplied

Sefar AG will inspect the goods supplied within the normal limits of its process control system (ISO 9001 Quality System). If the customer requires more extensive inspections, they must be agreed separately and paid for by the customer.

5. Delivery period

- 5.1 The delivery period commences as soon as the order has been accepted by Sefar AG and all technical matters have been resolved in full, and, where indicated, after receipt of advance payments or other securities to be provided by the customer under the order.

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- 5.2 The delivery period shall be reasonably extended:
- if the information required by Sefar AG for performance of the contract is not received in time, or if the customer subsequently changes it;
 - if agreed terms of payment are not met, letters of credit are issued too late, or the necessary import licenses are not received by Sefar AG in time;
 - if hindrances occur which Sefar AG cannot prevent despite using due care, irrespective of whether they affect Sefar AG or the customer or a third party. Such hindrances constitute force majeure and include epidemics, mobilization, war, revolution, major operational disruption, accidents, industrial disputes, late or deficient delivery of the required raw materials and semi-finished or finished products, the need to scrap major components, official actions or omissions by state authorities or public bodies, natural disasters.

6. Packaging

Sefar AG uses standardized cardboard boxes. Any special packaging must be specified and will be charged to the customer.

7. Excess or short delivery

No complaint can be made in respect of excess or short deliveries which are within the agreed tolerance. The quantity actually supplied will be invoiced.

8. Warranty, liability for defects

- 8.1 Sefar AG hereby warrants that the products delivered are free from material and manufacturing defects. The product characteristics conform exclusively to those described in the respective technical documentation.

Unless expressly agreed between the parties, Sefar AG does not give any assurances regarding the marketability or the fitness of the products for the use intended by the customer. Any and all liability on the part of Sefar AG, arising from or in connection with the use of the products, is thereby excluded, unless Sefar AG has given such an express assurance to the customer. Such assurance will cease to apply no later than the end of the warranty period.

- 8.2 The warranty on the specified characteristics lasts for two years and commences on delivery, provided that following storage conditions are satisfied: temperature 10 - 30 °C; dry / low humidity; protected from light / uv light. For organic products and products containing organic parts the warranty period is limited to the specified lifespan of such products.
- 8.3 The warranty will expire prematurely if the customer or third parties undertake improper operations, storage, modifications or repairs or if, in the event of a defect occurring, the customer fails to take all the appropriate measures to minimize the loss and does not give Sefar AG opportunity to rectify the defects.
- 8.4 The customer shall inspect the goods immediately upon receipt. Complaints relating to quantity and visible defects must be made in writing within seven working days, while complaints relating to non-visible defects must be made within seven working days of discovery.

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- 8.5 Any loss which is not demonstrably the fault of Sefar AG, such as losses due to natural wear and tear, inadequate maintenance, failure to observe operating instructions, overloading, inappropriate operating material, chemical or electrolytic effects, acts of third parties etc., is excluded from the warranty and there is no liability for it on the part of Sefar AG.
- 8.6 Where delivered products are defective, during the warranty period the customer may request either replacement of the defective goods or elimination of the defect by Sefar AG.
- 8.7 If a defect pursuant to Article 8.6 is not remedied by way of elimination or replacement by Sefar AG, within a reasonable period, the customer may ask for a price reduction or cancelation of the contract.
- 8.8 Any liability, contractual or otherwise, for consequential loss arising directly or indirectly from a defect, is hereby explicitly excluded.

9. Retention of title

- 9.1 Sefar AG retains title to the goods until it has received full payment according to the contract.
- 9.2 Sefar AG is entitled, with the customer's participation, to apply for the retention of title to be entered in the appropriate register.
- 9.3 The customer shall store the delivered goods at its own expense during the period of the retention of title. It shall be liable to Sefar AG for theft, fire, water and other risks. It shall, moreover, take all measures necessary to ensure that the title of Sefar AG is neither impaired nor avoided.

10. Prices

- 10.1 The prices stipulated relate only to the goods and services specified in the contract.
- 10.2 Value-added tax (VAT) is not included and will be charged separately when applicable.
- 10.3 Additional expenditure caused by the customer due to subsequent amendment of the order will be charged for separately according to the expenses incurred.
- 10.4 Tools, samples, drawings and other preparatory work will be invoiced separately even where the offer does not give rise to an order.
- 10.5 Inspections which exceed the normal limits as well as special packaging must be agreed and paid for separately. The customer shall bear the cost of certification of any kind (certificates of origin, supporting documents, verifications etc.).
- 10.6 Sefar AG reserves the right to apply a surcharge for orders below a minimum quantity.

11. Payment terms

- 11.1 Payment terms are 30 days net unless agreed and confirmed otherwise. Sefar AG reserves the right to charge interest on late payments.
- 11.2 Any foreign bank charges shall be borne by the customer.

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12. Default

If the customer fails to meet its obligations, Sefar AG is entitled, following prior written notice, to suspend work on other orders for the same customer or to withdraw from the contract, and the customer shall be obliged to return goods and services already delivered. Sefar AG will be entitled to claim the following compensation:

- a) all expenses in respect of handling, transportation and legal fees;
- b) default interest on the total amount of the contract for the period commencing on the due date until settlement;
- c) compensation for the reduction in the value of the returned goods.

Sefar AG expressly reserves the right to assert further claims to restore its position under the contract and to make good any loss arising from the default.

13. Place of jurisdiction and applicable law

- 13.1 The place of performance is Heiden, canton Appenzell Ausserrhoden, Switzerland.
- 13.2 The place of exclusive jurisdiction for all disputes arising under the contract or its terms of delivery is **Heiden, canton Appenzell Ausserrhoden, Switzerland**. Sefar AG shall, however, be at liberty to assert its rights before any competent court or any authority in Switzerland and abroad.
- 13.3 The legal relationship is governed by **Swiss substantive law**. The international rules regarding the conflict of laws as well as the United Nations Convention on Contracts for the International Sale of Goods (CISG) are excluded.