

General Terms and Conditions of Delivery and Warranty

Quotations and Conclusion of Contract

1. Our quotations are without obligation and subject to change. The contract is concluded by our written acceptance of your order and is subject to the proviso that the essential prerequisites for the execution thereof are fulfilled and, in particular, that any required permits are obtained in due time.

2. We reserve the copyrights to our drawings, plans and other documents. Without our written consent such documents may neither be copied, rendered accessible to third parties nor used for the fabrication of the respective objects.

Pricing

3. Unless otherwise stipulated our prices are in Swiss Francs, net cash, for delivery ex Rapperswil works, without packing. In the event of delivery periods exceeding six months our prices shall be construed as cost estimates; in the event of increases in costs for labor or materials up until delivery of the merchandise we are entitled to adjust our prices accordingly.

4. Work or deliveries which are not included in our order confirmation such as in particular installation, commissioning and instruction, as well as fees and other charges, will be invoiced to the customer.

Delivery period

5. The delivery period commences on conclusion of the contract. The contract shall be construed as having been fulfilled if the merchandise is ready for shipping on the elapse of the delivery period. The delayed delivery of parts which do not have a substantial effect on the use of the delivered object shall not be construed as a delivery deferral.

6. The delivery period is extended automatically and accordingly:

a) in the event of unforeseen circumstances in our operations or in those of our sub-suppliers which incur a delay; construed as circumstances of this type are in particular disruptions of operations (strikes, lockouts, lack of labor, materials and energy for which neither we nor the sub-supplier can be held

responsible, faulty castings, reject workpieces or delays in manufacturing which are not due to gross negligence), obstruction of transports, prohibitions by and limitations of authorities, cases of force majeure (fire, structural collapse, floods, epidemics, civil unrest, mobilization, war and the like) or other factors which are beyond our will or control;

b) in the event of circumstances caused by the orderer or for which the orderer can be held responsible, in particular if he fails to fulfill his contractually obligations punctually, if he fails to observe the payment terms, if he fails to take preparatory measures in time or if he subsequently makes changes in the order.

7. In the event that for reasons as per points 6a and b circumstances or conditions which were not caused by us deliveries will be impossible in the foreseeable future, we are entitled to withdraw from the contract without indemnification or, in the event of said reasons merely delaying deliveries, to adjust the contractual conditions to the eventually changed conditions accordingly.

8. A deferred delivery does not give the orderer the right to withdraw from the contract, nor to indemnification of the direct or indirect damage from the deferral unless such a right has been agreed upon in writing, the deferral has been verified to have been caused by us and the orderer cannot be accommodated with a replacement delivery.

Payments

9. Payments are to be made according to the payment provisions agreed upon and, unless otherwise stipulated, in actual Swiss Francs in Rapperswil.

10. Payments may not be withheld or reduced due to deficiencies of the object delivered, or due to counter-claims of the orderer. On deferred payments we will charge deferral interest of 6.5 % per annum from the date the payment is due.

Retention of title

11. The object delivered remains our property until complete receipt of the payments.

Warranty

12. In the event of deficiencies in the delivered object due to inadequate design, poor material or poor workmanship we take the responsibility that under conditions of 1-shift operation over a period of 24 months (in the case of day and night operation for 12 months) from the readiness for shipment that all unusable and damaged parts are repaired or replaced at our discretion. Replaced parts become our property.

13. We take no responsibility for other deficiencies of the delivered object, in particular for such deficiencies which are due to natural wear, excess use, improper operation, negligent maintenance, improper cleaning, inexpert construction work, unsuitable subsoil, deficient assembly or commissioning by the orderer or by third parties, unsuitable operating equipment, unusual operating conditions (chemical, electrical effects and the like).

14. In the event of deficiencies of the delivered object the orderer generally has no right to further and other entitlements, in particular to refusal to accept delivery, to reduce the contract price, rescission of the contract, indemnification of the direct damage (personal injury, property damages), withdrawal from the contract and the like. If we are unable to rectify a deficiency, and if the value of the delivered object or its capability of performing normal work is substantially reduced, the orderer is entitled to file a claim for corresponding reduction in the purchase price.

15. In the event of deficiencies of the delivered object the orderer can demand rectification only and not until he has fulfilled his obligations pursuant to the contract.

16. The claims of the orderer in the case of deficiencies of the delivered object become null and void immediately and in full if the orderer does not place the deficient delivered object at our disposal or renders it accessible for inspection and rectification of the deficiencies claimed on our first request within a reasonable period of time, or if he makes alterations or repairs or has alterations and repairs made to the delivered object by unauthorized third parties without our written consent. The orderer is entitled to rectify deficiencies on the delivered object himself or to have them rectified by a third party only if we are in default with the repair or if such action is the only way to avert a substantial risk for operational safety. We must be notified of such circumstances immediately, and the orderer can demand

indemnification of the verified costs which otherwise be incurred to us.

17. Our warranty is valid for replaced or repaired parts in the same manner as for the delivered object. The warranty period for the delivered object is extended by the period of the interruption in the orderer's operations caused by the repair work.

18. The orderer shall report to us in writing deficiencies of the delivered object for which he claims warranty coverage immediately after such deficiencies occur. The warranty entitlement elapses within 6 months after submission of the timely warranty claim.

19. We will bear the costs for the procurement of the replacement objects and the repair of the delivered object in our factory. All other costs shall be borne by the orderer, in particular those of the provision of his helper personnel and of the his working aids and materials.

20. In the event of outside makes being supplied we provide only those warranties which your suppliers provide to us.

Place of performance

21. The place of performance for delivery and payment is Ruppertswil.

Governing law and venue

22. With regard to the content and interpretation of our quotations and delivery contracts, Swiss law is exclusively applicable. The venue for arbitration of all disputes arising from our quotations or with the delivery contracts concluded with us is Aarau.

Validity of the general terms and conditions

23. Deviations from these General Terms and Conditions of Deliveries and Warranties are only admissible if they are expressly agreed upon in writing. The terms and conditions of the orderer which are in contradiction to our General Terms and Conditions are only applicable if they have been expressly accepted by us.