



General Terms and Conditions of Business of Andy Hug Ltd

1. Entering into a contract

A contract shall be brought about between the Customer and Andy Hug Ltd once the contract is signed or if Andy Hug Ltd provides written confirmation of an order. Supplementary information, amendments or incidental agreements shall only be deemed binding if Andy Hug Ltd confirms these in writing.

Andy Hug Ltd is to be informed in writing of objections to a confirmation of order within 5 days of dispatch. If the period between the confirmation of order and the proposed start of the services or the delivery date is less than 10 days, Andy Hug Ltd must be informed of the objections at least 5 days beforehand.

Andy Hug Ltd's offers are non-binding and do not constitute any warranted characteristics or availability.

Andy Hug Ltd shall render services and supply goods solely on the basis of these General Terms and Conditions of Business. Andy Hug Ltd reserves the right to use different, written, agreements. The Customer's general terms and conditions of business, which Andy Hug Ltd has not signed or acknowledged, are deemed non-binding.

2. Prices and terms of payment

In the absence of details to the contrary, the prices are net prices without value added tax. Shipping and transport costs shall be borne by the Customer.

Andy Hug Ltd's invoices shall fall due for payment in full within 10 days. Incomplete payments shall be subject to a subsequent flat-rate processing fee.

In the event of default in payment, which shall be deemed given without further notification on the 11th day following receipt of the invoice, Andy Hug Ltd may charge interest on arrears of 10% as well as a flat-rate processing fee.

Andy Hug Ltd may postpone further services and deliveries if the Customer has defaulted in payment. If the Customer's ability to pay cannot be assessed, Andy Hug Ltd may request advance payment or a security. Subsequent delays and costs shall be borne by the Customer.

The Customer's claims may only be set off following written approval by Andy Hug Ltd. The invoices shall fall due for payment even if the Customer provides notification of defects.

Andy Hug Ltd shall remain the owner of the goods earmarked for delivery until payment in full of all outstanding claims. The Customer hereby consents to Andy Hug Ltd making arrangements, at its own discretion, with the pertinent authority to have the reservation of title recorded.

3. Performance

Dates shall be deemed binding if Andy Hug Ltd has confirmed these in writing as binding. Andy Hug Ltd is entitled to provide partial performance. In the event of default the Customer is to grant Andy Hug Ltd an additional period of time. If the Customer intends to refuse the performance once the additional period has expired without being used, it is to inform Andy Hug Ltd without delay in writing. Performance on the part of Andy Hug Ltd shall be deemed honoured with regard to partial performance that has already been provided.

Andy Hug Ltd shall render its services professionally and with all due care. The Customer is aware of and gives its consent to Andy Hug Ltd rendering services via third parties it has commissioned. Solely Andy Hug Ltd shall be entitled to issue instructions to such parties rendering services unless instructions by the Customer are required to ward off imminent peril.

Goods – either in total or as partial deliveries – shall be supplied ex works (Incoterms 2000) at Andy Hug Ltd's own choice from its premises or manufacturing location to the address stated by the Customer by post, courier or in another manner chosen by Andy Hug Ltd. Goods shall be delivered at the Customer's cost and risk. The Customer is to inform the transport undertaking in writing without delay of possible damage in transit and simultaneously inform Andy Hug Ltd.

In the event that a regulation within the meaning of the EU Distance Selling Directive or a comparable regulation applies to a goods delivery, the Customer shall be informed in this respect that it has the right to revoke the purchase during a period of 7 workdays. Such cancellations are to be directed in writing to Andy Hug Ltd, Ruessenstrasse 5, CH 6330 Baar, by stating the date and order/contract number.

4. Liability

Liability on the part of Andy Hug Ltd for faulty implementation or delivering faulty goods shall be restricted at most to the compensation agreed upon for the order. Andy Hug Ltd shall not be liable for any kind of consequential damage, in particular drops in profits or higher procurement costs that may arise from faulty performance or delayed deliveries.

If Andy Hug Ltd processes material supplied by the Customer, solely the Customer shall be liable for the characteristics of the material and suitability for the proposed purpose in the event of violation of third-party industrial proprietary rights. Andy Hug Ltd shall not in any way be responsible for the content in the case of manufacturing information carriers and processing information and data. The Customer shall ensure that it has at its disposal all the necessary rights and does not supply any material or information whatsoever that violates laws or infringes upon third-party rights. Any kind of third-party claims and subsequent legal and follow-up costs shall be borne solely by the Customer. The Customer undertakes in any case to indemnify in full Andy Hug Ltd and third parties upon whose services Andy Hug Ltd may have called.

5. Notification of defects

The Customer is to inspect the services rendered and goods delivered by Andy Hug Ltd within five days following acceptance or receipt of the service. If no notification of defects is given during this period, the services and goods shall be deemed complete, in perfect condition and authorised. The Customer accepts the tolerance levels and short quantities that are customary in this line of business.

The Customer is to inform Andy Hug Ltd in writing, without delay once it becomes aware of defects, at the latest however 3 months following delivery, if it intends to derive rights from faulty contractual performance. The contract shall in any case be deemed honoured with regard to the scope of partial services that have already been realised and are usable.

Andy Hug Ltd shall replace or repair faulty goods. However, as a general rule there is no right of return. Andy Hug Ltd may, at its own discretion, grant a price reduction in line with the reduction in value instead of repair or replacement. If the goods manufacturer provides a guarantee, Andy Hug Ltd may, in the event of faulty delivery, assign to the Customer its claims against the goods manufacturer. The Customer shall not be entitled to withdraw from the contract due to a faulty delivery, and it shall be required to pay for the goods delivered as per agreement within the agreed deadlines.

If Andy Hug Ltd processes the Customer's material, Andy Hug Ltd shall guarantee perfect processing. Solely the Customer shall be responsible for the perfect nature and suitability of the material to be processed by Andy Hug Ltd. The Customer undertakes to issue special instructions regarding treatment and processing etc. prior to awarding the contract. Solely the Customer shall be liable for all subsequent damage if the material is not in perfect condition or suitable.

6. Covenant against assignment

Rights and obligations resulting from this contract may not be assigned to third parties without prior approval by the other party. The authorisation of Andy Hug Ltd to call on third parties to honour its obligations resulting from this contract is excluded from the above sentence. In this respect Andy Hug Ltd shall remain responsible in dealings with the Customer for rendering the services as per agreement.

7. Secrecy / data protection

The Customer undertakes to maintain secrecy regarding the agreed terms of contract (in particular the prices).

Andy Hug Ltd and third parties that may be commissioned undertake to maintain absolute secrecy regarding all information from their customers' sphere of influence gained in conjunction with their services.

8. Validity of contractual provisions

In the event that individual provisions of these General Terms and Conditions of Business or additional agreements between the Customer and Andy Hug Ltd prove to be invalid or impracticable, this shall not affect the contractual relationship as a whole. Moreover the affected provisions are to be replaced by way of analogy in the form of legally valid provisions that come as close as possible to the intended purpose of the regulation.

9. Applicable law and place of jurisdiction

The business relations between the Customer and Andy Hug Ltd are subject to Swiss law. Application of the United Nations Convention on Contracts for the International Sale of Goods (Vienna Sales Convention) is expressly eliminated by way of agreement in the case of delivering goods abroad.

Zug is deemed the sole place of jurisdiction for all disputes resulting from this contract.

The German version shall be deemed authoritative in the event of differences between the German and English texts.

AGB Andy Hug Ltd, status 06.2005