



1. General information

- 1.1 These general terms and conditions for the purchase of production facilities are valid for all orders placed by ETA SA Manufacture Horlogère Suisse (hereinafter "ETA"). General terms and conditions of the Supplier are only applicable if they are expressly acknowledged in writing by ETA.
- 1.2 The Supplier's offers are free of charge and non-binding upon ETA. This also applies to an offer request from ETA. The Supplier is obliged to comply with ETA's offer as to quantity, quality, technical requirements, delivery time and execution. The Supplier must expressly mention any deviation from the ETA offer request.
- 1.3 The following documents are applicable in list order: (i) ETA order; (ii) specifications; (iii) These general terms and conditions; (iv) The Supplier's offer; (v) Confirmation of the order by Supplier.

2. Orders

- 2.1 Orders may be placed by post, email or EDI. In its order, ETA shall define the nature, the scope and the delivery time with binding effect. Any exemption requires the written consent of ETA.
- 2.2 The order is subject to Incoterms 2010 (DDP – delivered duty paid) with the place of delivery defined in the order.
- 2.3 Any order must be confirmed by the Supplier within ten (10) working days by post, email or EDI. ETA is authorized to cancel at any time and without charge any order that has not been confirmed by the Supplier.
- 2.4 If ETA cancels an order that is already confirmed, the Supplier shall cease the work immediately. With the exception of an order cancellation based on art. 366 para. 1 of the Swiss Code of Obligations, ETA shall compensate the Supplier to a reasonable extent upon being provided with proof of work already performed and other expenses. Any other claims of the Supplier are excluded.
- 2.5 The partial or total assignment of the order to a third party requires the prior written agreement of ETA.

3. Monitoring of order processing

- 3.1 ETA is entitled to monitor the processing of the order. For this purpose, ETA shall be granted access to the Supplier's premises during usual working hours and after having notified the Supplier within a reasonable timeframe.
- 3.2 At the request of ETA, the Supplier is also required to provide a progress report.
- 3.3 The on-site inspection and the presentation of proof of progress do not affect ETA's rights.

4. Delivery

- 4.1 Delivery must be made on the delivery date (deadline for performance) to the place of delivery indicated on the order. Any delay in delivery (including the reasons for and duration of the delay) must be communicated to ETA immediately and in writing.
- 4.2 Risks and profits as well as ownership shall pass to ETA upon final acceptance of the production facility, in the absence of an acceptance process, upon delivery.
- 4.3 A delivery note containing the order number, article description, quantity, gross and net weight, date of delivery, delivery address, consignee and sender must be attached to each delivery.

- 4.4 Technical and user documentation related to the production facility must be issued on delivery.
- 4.5 The delivery must be accompanied by a declaration of conformity to Swiss and European standards.
- 4.6 ETA may refuse early deliveries. ETA may also refuse deliveries which have faulty packaging or markings, or deliveries which do not contain all the required documentation.
- 4.7 If delivery is not made on the delivery date, ETA shall in its absolute discretion have the following options: a) Insist on delivery and claim damages, or; b) After determining a grace period, waive delivery and claim damages, or; c) After determining a grace period, rescind the contract and claim damages.
- 4.8 ETA may exercise its rights at any time after the occurrence of the delay.
- 4.9 In the event of delayed delivery, ETA may, in addition to the aforementioned rights, deduct 0.5% of the invoice amount per week of delay. The deduction shall not, however, exceed 10% of the invoice amount.
- 4.10 In all cases, art. 366 of the Swiss Code of Obligations remains reserved.

5. Prices and payment conditions

- 5.1 Unless stipulated otherwise in the order, the payment period is 30 days after final acceptance of the production facility. In the absence of an acceptance process, payment is made after delivery of the production facility, receipt of invoice and declaration of conformity in accordance with the contract.
- 5.2 Agreed prices are fixed and include all ancillary costs. Down payments are made only against bank guarantee payable on first demand from a Swiss bank.
- 5.3 For each delivery, an invoice must be drawn up and contain the VAT amount and ETA's order number. Invoices must be sent under separate cover.
- 5.4 Claims of the Supplier may only be assigned to third parties with the prior written consent of ETA.

6. Warranty

- 6.1 Unless stipulated otherwise in ETA's order or the specifications, the warranty period is 24 months after final acceptance. If there is no acceptance process, the warranty period is 24 months upon delivery. When a replacement or repair occurs, a new warranty period of 24 months commences for the replaced parts.
- 6.2 The Supplier guarantees that at the time of risk transfer and for the entire duration of the warranty, the production facility shall be free from any defect (material and/or legal) and that it shall fulfil the promised or expected requirements.
- 6.3 The Supplier guarantees that, at the time of delivery, the production facility shall comply with the legislation, standards and directives in force in the countries of production and destination.
- 6.4 During the warranty period, ETA may at any time assert its rights. ETA is therefore not obliged to verify the production facility or to report any defects immediately. In case of defect or non-conformity, ETA may at its absolute discretion: a) demand a repair, or; b) demand a replacement, or; c) demand a reduction in the purchase price, or; d) rescind the contract. The right to claim damages is reserved in all cases.

7. Spare parts and software

- 7.1 The Supplier must ensure that spare parts are available for a period of ten (10) years after final acceptance, or if there is no acceptance process, upon delivery. If this is not possible, the Supplier shall propose to ETA an alternative solution fulfilling the same function as the missing part.
- 7.2 The Supplier shall ensure the software is available and compatible with current operating systems and hardware models for a period of ten (10) years after final acceptance, or if there is no acceptance process, upon delivery. Software updates must also be made available to ETA free of charge during the aforementioned period.
8. Other obligations of the Supplier
- 8.1 The Supplier shall hold harmless ETA from any third party claim concerning a violation of intellectual property and shall assume all costs arising therefrom.
- 8.2 The Supplier shall comply, and shall procure that all of its officers, employees, subcontractors and any other person acting on his behalf shall comply, at all times with all applicable laws and regulations relating to anti-bribery and anti-corruption.
- 8.3 The Supplier shall be liable in full for any person acting on its behalf and its subcontractors.

9. Confidentiality

- 9.1 The order, specifications, all materials, plans, drawings, technical documents, samples and other non-public information which is made available to the Supplier by ETA must be treated confidentially and may not be disclosed to third parties (hereinafter "confidential information").
- 9.2 The Supplier shall not disclose any of the confidential information to any third parties without the prior written consent of ETA. This obligation of confidentiality remains valid after the execution of the contract. Confidential information must be returned to ETA at its first request (except for the offer and order).
- 9.3 ETA's name may be referred to for advertising or marketing purposes only with the prior written agreement of ETA.

10. Applicable law and competent jurisdiction

- 10.1 These general terms and conditions for the purchase of production facilities and all orders thereon are subject to Swiss law, excluding the Swiss Rules of Private International Law and the United Nations Convention of 11 April 1980 on contracts for the international sale of goods (CISG).
- 10.2 The court(s) at the place of the registered office of ETA (Grenchen, Switzerland) shall have exclusive jurisdiction. ETA is, however, entitled to take action against the Supplier at its registered offices or one of its branches.