



1. General

- 1.1 These General Terms and Conditions of Purchase shall apply to all orders of ETA SA Manufacture Horlogère Suisse (hereafter «ETA»). General Terms and Conditions of the Supplier shall only be an integral part of the contract if they are expressly acknowledged in writing by ETA.
- 1.2 Costs of the Supplier in connection with the drafting of offers shall not be compensated.

2. Order

- 2.1 Orders may be made by letter, fax, email or EDI. ETA shall stipulate the kind, extent and date of delivery or service in the order, which shall be binding. Deviations therefrom must be approved in writing by ETA.
- 2.2 The order shall be subject to «DDP» Incoterms 2010 with place of delivery (place of destination) in accordance with the order of ETA.
- 2.3 Any order must be confirmed by the Supplier within three (3) business days by letter, fax, email or EDI. ETA is entitled to cancel as yet unconfirmed orders at any time at no cost.
- 2.4 If ETA cancels orders which are already confirmed, the Supplier shall cease the work immediately. 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.

3. Delivery

- 3.1 Delivery must be made on the confirmed delivery date (deadline for performance) to the place of delivery indicated on the order.
- 3.2 Both benefit/risk and title shall pass to ETA upon delivery of the goods at the place of delivery.
- 3.3 A delivery slip with the following information must be attached to each delivery: order number, item number, name of item, number of items, origin of the goods, gross and net weight, delivery date, delivery address, ordering party and sender.
- 3.4 Partial deliveries or early deliveries may be rejected by ETA. The same shall apply to deliveries with defective packaging, marking or documentation.
- 3.5 If delivery is not made on the confirmed delivery date (deadline for performance), ETA shall in its absolute discretion have the following options to:
- Insist on delivery and claim damages; or
 - Insist on delivery of a delivery quantity reduced by ETA and claim damages; or
 - After setting a short grace period, waive delivery and claim damages; or
 - After setting a short grace period, rescind the contract and claim damages.
- ETA is not obligated to exercise the option immediately after the occurrence of the delay; Art. 190 Code of Obligations (OR) shall not apply.

4. Price and payment

- 4.1 The agreed prices are fixed prices and include all ancillary costs.
- 4.2 Payment shall be due 30 days after delivery and invoicing in accordance with the contract. Down-payments shall be made by ETA only in exchange for a bank guarantee.
- 4.3 ETA reserves the right to withhold payment in the case of defects in the delivered item.

- 4.4 A separate invoice showing the VAT and indicating the ETA order number must be issued for each delivery.
- 4.5 The Supplier must at all times indicate in each invoice and on every delivery slip the origin of the goods contained therein for the purpose of customs law. This obligation shall apply both to goods of preferential origin and to imported goods from third party countries (with which Switzerland has not entered into a free trade treaty). The Supplier shall be liable in the case of improper or false statements of ETA for all resulting loss or damage.
- 4.6 Claims of the Supplier may only be assigned to third parties with the written consent of ETA.

5. Warranty

- 5.1 The Supplier shall check the quantity and quality of the goods prior to shipment.
- 5.2 The warranty period is 24 months from delivery of the goods; it shall commence anew for replaced and repaired parts upon delivery thereof. The Supplier shall be liable for ensuring that the goods have no actual or legal defects and that they fulfil all warranted or stipulated characteristics.
- 5.3 The Supplier warrants that the goods are produced in accordance with all applicable statutory standards of the country of manufacture and country of destination. Regardless of the place of production, the goods must fulfil the requirements of the Swiss Federal Law of 12 June 2009 on Product Safety (PrSG; SR 930.11), Directive 2001/95/EC dated 3 December 2001 on General Product Safety, Directive 2011/65/EU dated 8 June 2011 (Directive amending Directive 2002/95/EC (RoHS) dated 27 January 2003) and Regulation (EC) No. 1907/2006 (REACH) dated 18 December 2006 as amended from time to time.
- 5.4 ETA may notify any defects throughout the 24 month warranty period. The requirement to examine and notify immediately as defined in Art. 201 OR (or Art. 367 OR) shall not apply.
- 5.5 In the event of the delivery of defective or non-conforming goods ETA shall have the following options in its absolute discretion:
- Remediation; or
 - Delivery of non-defective goods; or
 - Reduction in the purchase price; or
 - Rescission of the contract.
- The right to claim damages is reserved in all cases.

6. Additional obligations of the Supplier

- 6.1 The Supplier shall notify ETA in writing at least 6 months in advance of any change in the product or production process, which might lead to a change in the characteristics of the delivered goods. The Supplier shall be liable to ETA for loss and damage and costs arising from failure to give notification. Further quality assurance measures may be agreed in a quality agreement between ETA and the Supplier.
- 6.2 The Supplier shall indemnify ETA in respect of all third party claims associated with the delivery arising from product liability and from the infringement of intellectual property of third parties and shall indemnify ETA in full for the associated costs.

- 6.3 Where, due to the goods delivered by the Supplier, it becomes necessary to recall the goods on the grounds of product liability or product safety, the Supplier shall refund ETA the associated costs.
- 6.4 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.
- 6.5 The Supplier shall be liable in full for any person acting on its behalf and its subcontractors.

7. Intellectual property rights, tools and machinery

- 7.1 All rights to plans, drawings, technical documents, tools, machinery and other resources which are provided to the Supplier by ETA shall remain in the ownership of ETA.
- 7.2 Where the ETA order is for the individual manufacture of small parts and components as defined in a Work Contract (Art. 363 ff. OR), title to all intellectual property rights to the construction and development results relating thereto shall pass to ETA.
- 7.3 The Supplier may use the plans, drawings, technical documents, tools, machinery and other resources of ETA and any construction and development results exclusively for the purpose of processing orders. Use for its own or other purposes is not permitted. They must be returned to ETA upon demand or no later than after delivery of the goods in perfect condition, and in the case of machinery and tools taking normal wear and tear into account.
- 7.4 Products labelled with logos or trademarks of ETA or a customer of ETA should be delivered exclusively to ETA. Production rejects or defective goods must be destroyed by the Supplier unless ETA instructs otherwise in writing.

8. Confidentiality

- 8.1 All plans, drawings, technical documents and other information not in the public domain which is provided to the Supplier by ETA must be treated confidentially and may not be disclosed to third parties.
- 8.2 Giving ETA's name for reference purposes requires the prior written consent of ETA.

9. Applicable law and jurisdiction

- 9.1 **These General Terms and Conditions of Purchase and all orders based thereon are subject to Swiss law**, without consideration of the conflict of laws rules of international private law. Application of the UN Convention on Contracts for the International Sale of Goods dated 11 April 1980 (CISG) is excluded.
- 9.2 **The court(s) at the place of the registered office of ETA (Grenchen, Switzerland) shall have exclusive jurisdiction.** ETA is, however, also authorised to bring a claim against the Supplier where the Supplier has its registered office or a place of business.
- 9.3 These General Terms and Conditions of Purchase are available in English, French and German, the latter being the official text.

09.07.2012