

GENERAL SALES CONDITIONS

1. Tenders

- 1.1. Tenders which do not stipulate an acceptance date are not binding.

2. Conclusion of contract

- 2.1. The contract is deemed concluded when, on receipt of an order, we confirm its acceptance in writing. Verbal agreements are valid only if they are confirmed in writing.

3. Scope and execution of contract

- 3.1. The scope and execution of the contract shall be as specified in our confirmation of order. Material or work not referred to therein shall be charged separately

4. Technical documents

- 4.1. Technical documents, such as drawings, descriptions, illustrations and the like, and all weight data, shall serve as an approximate indication only, provided they have not expressly been specified as binding. We reserve the right to make any alterations considered necessary.
- 4.2. Technical documents are to be treated in confidence by the purchaser. They remain our exclusive property and may be neither copied nor reproduced nor communicated to a third party in any way whatever nor used for the construction of the goods or parts thereof. They may be used for operation and maintenance.
- 4.3. All documents submitted with tenders which do not result in an order shall be returned to us on request.

5. Regulations in force at destination

- 5.1. The purchaser must inform us of all laws, governmental and other regulations, which must be observed during the execution of the contract.

6. Price

- 6.1. Our prices are net ex works, excluding packing, in freely available Swiss francs or any agreed currency, without any deductions whatsoever. All additional costs, such as charges for packing, carriage, insurance, fees for export, transit, import and other permits and certifications shall be borne by the purchase. He is also liable for all kinds of taxes, fees, customs duties and other charges.

If we have included in our offer or contract price or indicated in our offer or confirmation of order the charges for packing, carriage, insurance and other additional costs, we reserve the right to adjust our prices should the tariffs, on which they are based, be modified.

- 6.2. Price adjustments after conclusion of the contract are made provided that;
- sliding prices have been agreed;
 - the delivery time is subsequently extended for

one of the reasons stated in section 9.2.;

- the extent of the agreed delivery or work involved has been changed, or ;
- the goods or execution have been changed because the information submitted to us by the purchaser did not correspond to the actual circumstances or was incomplete.

7. Terms of payment

- 7.1. Payments shall be made to Relhdis SA by the purchaser with no deductions for cash discount, expenses, taxes or dues of any kind, in accordance with the conditions stated in the confirmation of order. Payment is deemed effected when Swiss francs or agreed currency have been made freely available to us in Switzerland.

If partial consignments are invoiced, payment shall be made for each individual consignment in accordance with the agreed terms of payment.

- 7.2. The due dates of payment shall also be observed if transport, delivery, commissioning or acceptance of the goods is delayed or prevented by circumstances beyond our control. The purchaser shall not withhold or reduce payments on account of complaint, claims or counterclaims not accepted by us. Payment shall also be made if unimportant parts are missing, which do not prevent the goods from being used, or if subsequent work on the goods is found to be necessary.

- 7.3. If the purchaser does not observe the agreed due dates of payment he shall without formal notice be liable to pay interest on overdue amounts from the due date at a rate depending on the usual interest rate prevailing at the purchaser's domicile but exceeding the discount rate of the Swiss National Bank, valid at that time, by at least 4 per cent, provided that a higher rate of interest has not been agreed. Payment of such interest does not release the purchaser from his obligation to make payments on the agreed dates.

8. Property right

- 8.1. The goods supplied by us remain our property until full payment has been received. The purchaser undertakes to cooperate in taking any measures necessary for the protection of our property.

9. Delivery time

- 9.1. The delivery time commences as soon as the contract has been concluded, all official formalities, such as import and payment permits, have been obtained, payments due with the order have been made, any agreed securities furnished and the essential technical points have been settled. The

delivery time shall be deemed duly observed if the goods are ready in the works by that time.

9.2. The delivery time shall be reasonably extended :

if the information required by us to execute the order is not received in time or if subsequent changes which delay delivery are made by the purchaser;

if hindrances occur which, despite our due care, we cannot avoid, such as epidemics, mobilisation, war, riots, strikes, picketing, lock-outs, serious breakdowns, accidents, labour conflicts, delayed or deficient delivery of necessary raw materials or semi-manufactured and manufactured products, the need to scrap important components, official or other measures of whatever kind, transport difficulties, natural catastrophes;

if the purchaser is behind schedule with the work he has to carry out, or late in fulfilling his contractual obligations, in particular if he fails to observe the terms of payment.

9.3. The payment of liquidated damages for late delivery can only be imposed when it has been expressly agreed upon in writing and when it can be proved that the delay is our fault and as far as the purchasers can show that he has suffered a loss due to late delivery. Should we, however, put a replacement at the purchaser's disposal, liquidated damages cannot be imposed.

9.4. The payment of liquidated damages for late delivery. If such have been agreed upon, shall for each full week's delay not exceed ¼ per cent, and in total not exceed 5 per cent of the sales price ex works of the delayed part of the goods (i.e. excluding all expenses for packing, Customs duties, dues of all kinds, erection, etc.). In case the delivery time exceeds 6 months the purchaser has no right to impose any liquidated damages for the first two weeks' delay.

9.5. In the event of late delivery the purchaser has no right to claim indemnity nor to cancel the contract.

10. Testing and acceptance of goods

10.1. Testing of the goods before shipment is carried out in accordance with our test procedures. Additional tests shall be agreed specifically on conclusion of the contract and shall be charged to the purchaser.

10.2. The purchaser shall examine the goods within a reasonable time and inform us immediately in writing of all defects and deficiencies for which we are responsible according to our contractual obligations. If the purchaser omits to do this, the goods shall be deemed to have been accepted.

10.3. Acceptance tests are carried out only if they have been agreed in writing with the purchaser. As far as circumstances allow, such tests will be carried out in our factory. If, for reasons beyond our control, the acceptance tests cannot be carried out within the specified time, the qualities to be determined by these tests shall be deemed proved.

10.4. If it is found from one of the afore-mentioned tests that the goods do not fulfil the terms of the contract, the purchaser shall without delay make available to us suitable opportunity to remedy any deficiency.

10.5. The purchaser shall have no other rights in case of deficient delivery, in particular to claim damages and to cancel the contract.

11. Packing

11.1. Packing is not returnable. However, if it is declared the supplier's property, it shall be returned carriage paid.

12. Transfer of use and passing of risk

12.1. The benefit and the risk of the goods involved are transferred to the purchaser not later than the date of their leaving the supplier's works, even if delivery is carriage paid, CIF, FOB or under similar clauses, or if transport is arranged and supervised by us. If dispatch is delayed or prevented by circumstances beyond our control, the goods will be stored at the purchaser's expense and risk.

13. Transport and insurance

13.1. Special requests concerning forwarding and insurance must be made known to us in due course. The goods are transported at the purchaser's expense and risk. Complaints regarding transport shall be submitted by the purchaser to the last carrier immediately on receipt of the goods or shipping documents.

13.2. It is up to the purchaser to take out insurance against damage of any kind. Even if insurance cover is arranged by us, it shall be taken out on behalf of the purchaser and at his expense and risk.

14. Setting to work

14.1. In any cases travel and hotel expenses of our staff, as well as transport expenses of commissioning instruments, shall be borne by the purchaser.

14.2. Setting to work will be invoiced separately.

15. Guarantee

15.1. During the guarantee period we undertake upon written request of the purchaser to repair or replace at our discretion and as soon as possible any parts of the goods delivered which can be proved to be damaged of unfit due to bad material, faulty design or poor workmanship. Replaced parts shall become our property.

15.2. We shall bear the costs only of repairing or replacing the defective parts in our factory. If, for reasons beyond our control, all additional costs arising therefrom particularly travel expenses shall be borne by the purchaser.

15.4. The guarantee period is 12 months. It begins when the goods are ready for dispatch or at the end of the setting in operation, when this latter is made by Relhdís SA.

If dispatch or commissioning are delayed for reasons beyond our control, the guarantee period shall end not later than 18 months after the goods are ready for dispatch.

15.5. For replaced parts the guarantee period begins anew. It ends not later than 24 months after the beginning of the guarantee period for the main goods or, if dispatch, or commissioning are delayed

for reasons beyond our control, not later than 30 months after the main goods are ready for dispatch.

- 15.6. The guarantee does not cover damages resulting from normal wear and tear, improper maintenance, failure to observe the operating instructions, incorrect operation, excessive loading, the use of unsuitable material, the influence of chemical or electrolytic action, the action of overvoltages and lightning, from corrosion, erosion, cavity and such like, unsatisfactory foundation, building or erection work not undertaken by us and other reasons beyond our control.
- 15.7. The guarantee expires if the purchaser or a third party undertakes alterations or repairs to the goods without our written consent, or if the purchaser does not immediately take appropriate steps to prevent any damage from becoming more serious and to enable us to rectify the defect.
- 15.8. If on expiry of the guarantee period the purchaser has made no specific written claims under the terms of the guarantee, we are released from our guarantee obligations.
- 15.9. We accept liability for goods supplied by subcontractors only to the extent of their guarantee obligations.

Any other specific warranty conditions supersedes the above, in particular the "Relhdis warranty conditions" of August 1st 2005

16. Liability

- 16.1. We undertake to carry out the order in accordance with the terms of the contract and to fulfil our guarantee obligations. We shall not be liable to the purchaser for any further claims.

17. Place of performance

- 17.1. The place of performance is Relhdis SA, both for us and for the purchaser, even if delivery is made carriage paid, CIF, FOB or under similar clauses.

18. Jurisdiction and law applicable

- 18.1. The court or jurisdiction is in Neuchâtel, both for us and for the purchaser. However, we also reserve the right to appeal to the competent court in the purchaser's country.
- 18.2. The contract shall be governed by Swiss law.

19. Validity

- 19.1. These general sales conditions are valid in all respects not otherwise settled by mutual written agreement. Special conditions stipulated by the purchaser which are in contradiction with these general sales conditions are valid only if we have accepted such special conditions in writing.

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