

## **General Contractual conditions of Bystronic Laser AG/Bystronic Pte Ltd**

### **1. General**

The contract is understood to be finalised upon reception of written confirmation of order acceptance (order confirmation) by Bystronic. If these general contractual conditions are declared applicable in the offer or in the order confirmation they are to be considered binding. Any other conditions of the customer's are only valid if accepted by Bystronic in writing.

### **2. Supply and services**

Supplies and services of Bystronic are listed in the order confirmation including any annexes.

### **3. Projects and technical documents**

Prospects and catalogues are not to be considered valid unless pursuant to the necessary agreements. The data in the technical documents is only valid if expressly guaranteed. Bystronic reserves all rights regarding the projects and technical documents. The customer recognises these rights and undertakes not to make these documents available, either partly or fully, to third parties without explicit authorisation by Bystronic. It also undertakes not to use them for purposes other than those agreed.

### **4. Safety standards and devices**

The customer is obliged to make known to Bystronic, at the latest upon placing the order, any directives concerning the supply, plant operation and prevention of illnesses and accidents.

The customer is expressly made aware of the fact that due to safety and quality reasons mounting and dismounting of components as well as any repair and maintenance work of the machines and systems delivered by Bystronic must exclusively be performed by either employees of Bystronic (including related group companies) or by third parties' representatives expressly authorised by Bystronic to perform such work.

Without specific agreements the supplies and services will correspond to the directives and standards established by the customer and made known to Bystronic in conformance with this contract.

### **5. Prices**

All the prices are understood to be net, ex-works, with packaging excluded, in Swiss francs, VAT excluded. All additional costs (e.g. transport, insurance, export permits, transfer, imports, other permits and certificates) are at the customer's charge. All types of taxes, duties, customs charges and the like, which will be required by contract, are also at the customer's charge and will be refunded to Bystronic if the latter is obliged to make such payment.

### **6. Conditions of payment**

The customer will make agreed payments to Bystronic without any deductions for discounts, expenses, taxes, duties, customs duties and the like. Unless agreements are stipulated otherwise, payment of the machines will be made as follows: 30% pre-payment, 60% when ready for shipment and 10 % after commissioning. For invoices relating to assistance interventions, the term of payment is 10 days; all invoices of a different nature are to be paid 30 days net from the date of the invoice. If the down-payment is not paid in accordance with the contractual terms, Bystronic has the right to keep to or withdraw from the contract and in both cases to claim compensation for damages. If the customer does not maintain the established terms of payment, it will be obliged, without

prior notice, to pay an interest rate calculated as of the established expiry date and equal to the rate normally in force at the office of the relevant branch of Bystronic; it shall, however, be at least 4% more than the discount rate of the Banca Nazionale Svizzera. The right to claim further damages is reserved.

### **7. Exclusive ownership**

Bystronic will remain owner of the supplies until reception of the entire amount of the payments established under the contract. The customer will be obliged to comply with the measures needed to preserve Bystronic's property. To finalise the contract the customer authorises Bystronic to make, at the expense of the customer itself, recordings or notes concerning the property right in public registers, books or the like, in accordance with the national laws in force, and to fulfil all the formalities thereto connected. For the entire duration of Bystronic's property right the customer will take care of the objects supplied and will ensure them against theft, breakage, fire, flood and any other risks. It will also take all the measures needed to ensure that Bystronic's property right is neither restricted nor alienated.

### **8. Terms of delivery**

The term of delivery will ensure as of the stipulation date of the contract, when the necessary formalities have been fulfilled, that the down-payment has been made and the most important technical points have been clarified. Fulfilment of the term of delivery presupposes observance of contractual duties by the customer. The terms of delivery will be extended if Bystronic fails to receive on time the indications needed to fulfil the contract. The terms of delivery will also be extended in the event of unforeseen circumstances which, in spite of Bystronic's care and attention, prevent it from maintaining the stipulated terms of delivery and if the customer or third parties should delay works or fulfilment of the contractual obligations.

In the event of delay, the customer is obliged to notify Bystronic in writing of a subsequent term. If such term should not be observed for reasons attributable to Bystronic, the customer will have the right to refuse the delayed delivery of the supply. If, for financial reasons, it should be unable to accept partial delivery, the customer will have the right to withdraw from the contract and to demand return of payments made upon returning the delivered supplied. If, instead of a precise date, a delivery term were to be established, the last day of the stipulated term of delivery will be considered valid. This is to be understood as the last term of delivery and the above-mentioned measures will be applied.

The customer will not be entitled to raise objections regarding any delay in delivery, except for those rights listed in this paragraph. This restriction is no longer applicable in the event of fraud or grave negligence by Bystronic, whereas it will be applicable in the event of fraud or grave negligence by external staff.

### **9. Warranty**

The statutory warranty rights and liability claims of any kind, specifically claims for consequential harm arising from defects, shall be deemed to be waived and replaced by the contractually agreed warranty provisions.

### **10. Transfer of benefits and risks**

Risks and benefits will be transferred to the customer upon forwarding. If forwarding should be delayed upon the



customer's request or for other reasons not caused by Bystronic, the risks will be transferred to the customer on the originally planned forwarding date. As of this time, supplies will be stocked and ensured at the customer's charge and under its liability.

#### 11. Forwarding, transport and insurance

Transport will be at the customer's charge and liability. The customer shall send on claims which concern forwarding or transport immediately to the last carrier, upon reception of the supply or documents. Insurance against damages of any type is at the customer's charge.

#### 12. Check, test and inspection of the supplies and services

The customer is obliged to check, within the envisaged term, the supplies and service and to notify Bystronic immediately in writing of any discrepancies. Failure to do so will mean that supplies and services are considered accepted. Bystronic is obliged to remove any discrepancies notified according to the directives in this document, and the customer shall offer it the possibility to do so. After such actions, upon request by Bystronic or the customer, test and inspection will be carried out.

Execution of test and inspection and definition of the valid conditions to do so (the conditions of the previous paragraph still being valid) require a specific agreement. Except for different agreements, the following is valid: Bystronic shall notify the customer of execution of test and inspection so that he or one of his representatives may be present. A test and inspection report will be drawn up by the customer and Bystronic or by their representatives. In such document the test and inspection performance methods will be specified, whether or not the result is positive, whether or not reservation was expressed or whether or not the customer even rejected it. In both the latter cases mentioned, the indicated non-conformance will be listed individually in the report.

In the event of slight non-conformance, especially if it does not have a basic influence on the operativity of the supply, the customer cannot refuse acceptance and shall sign the test and inspection report. Bystronic shall immediately eliminate such non-conformance.

In the event of consistent non-conformance from the contract or any important irregularities, the customer shall give Bystronic the opportunity to remove them within an appropriate term. A new final inspection shall be then carried out. If considerable examples of non-conformance should be noted again, the customer may claim a discount. If these shortcomings should be to such an extent as to compromise partially or entirely the supply and performances, the customer has the right not to accept the faulty part or to withdraw from the contract, if this should be economically unacceptable. Bystronic has the sole obligation of returning amounts paid for returned parts.

Test and inspection will be considered as having been performed with a positive result even if they have not taken place owing to reasons not attributable to Bystronic, in the established term, if the customer refuses to accept test and inspection without having the right to do so or to sign the report, and as soon as the customer uses the supplies or services of Bystronic.

The customer does not have any right over the supplies or services except for those mentioned in point 12.

#### 13. Guarantee in the event of faults

The guarantee covers a period of 12 months or a maximum of 2000 hours of operation, taking the first term reached as valid.

The guarantee starts with forwarding from the factory or with the agreed test and inspection of the supplies and services, or, if Bystronic should carry out assembly, at the end of the same. If forwarding, test and inspection or assembly should be delayed for reasons not attributable to Bystronic, the period of guarantee will end at the latest 15 months after the notice of forwarding. For any replacement parts the guarantee period starts with a new duration of 6 months from replacement or a max. term of no longer than double the above duration. The guarantee automatically ends if the customer or third parties make inappropriate interventions or repairs or if the customer, having encountered a fault, fails to adopt immediately all the precautions needed to limit damages and fails to give to Bystronic the possibility of intervening to remove the fault. The guarantee also becomes invalid if the customer uses replacements or materials that do not correspond to Bystronic's specifications.

Bystronic undertakes, as soon as possible, to replace or repair (incl. Workmanship for installation), at its own choice, upon the customer's written request, all the parts of Bystronic's supply which, during the guarantee period, owing to poor material or bad execution, prove faulty or unusable. The replaced parts will become Bystronic's property. Costs of repair at Bystronic's factory are at the latter's charge.

The guaranteed characteristics are understood to be only those indicated as such in the order confirmation or expressly in the specifications. The guarantee has a max. validity until the end of its duration. If test and inspection should be established, the guarantee is considered as executed when the required characteristics have been ascertained during the test and inspection. If these requisites should not be met, partially or entirely, the customer is entitled to an intervention by Bystronic. The customer shall grant Bystronic the necessary time and opportunity. If the repair should fail to solve the fault, either partially or entirely, the customer is entitled to a discount.

If these shortcomings should be such as to prevent repair in a set period of time and the supplied parts for the purpose indicated should not be usable, either entirely or to a considerable extent, the customer is entitled to refuse acceptance of the faulty part or to withdraw from the contract if any other intervention should prove economically unacceptable. Bystronic is obliged to return only the amounts paid for returned parts.

The guarantee does not cover damages not resulting from poor material or bad execution, such as those due to natural wear, use or incorrect maintenance operations, failure to observe operating standards, overuse, unsuitable production means or – unless proven otherwise – in case of any mounting and dismounting of components as well as repair and maintenance work not performed by either employees of Bystronic (including of related group companies) or third parties' representatives expressly authorized by Bystronic. The warranty does further not apply to damages caused by chemical or electrolytic agents, building works or assembly not carried out by Bystronic



(especially as far as changes are concerned) and for other reasons not attributable to Bystronic.

The customer is not entitled to make any complaints other than those listed so far, with regard to faulty material or execution. As far as the customer's claims regarding incorrect instructions or the like are concerned, or non-conformance to the secondary clauses, Bystronic will only respond in the event of fraud or grave negligence.

#### 14. Breach of contract, poor execution, consequences

The customer is entitled to agree an extension, by threatening to withdraw from the contract in the event of a breach of contract, in not expressly mentioned cases of poor or non-execution of the order, especially if Bystronic, without just cause, should start execution of works relating to supplies that are so late as to make compliance with the envisaged terms impossible. If it can be foreseen that execution of the works will not comply with the contract for reasons caused by Bystronic, if deliveries or services are performed for reasons caused by Bystronic on the contrary to what is envisaged under the contract. If the term of the contract should elapse without Bystronic having taken any steps to solve the matter, the customer is authorised, with regard to supplies or services performed out with the terms of the contract or with a clearly foreseeable execution differing from the contract, to withdraw from the contract and to demand the return of the amounts paid in advance. In this case, in the event of request for compensation of damages by the customer and exclusion of further liabilities, reference is made to paragraph 15, compensation of damages is restricted to 10% of the contract price of supplies and services.

#### 15. Withdrawal by Bystronic from the contract

If any unforeseen event should considerably change the economic content or consistency of supplies or services or influence to any great extent the works of Bystronic the contract will be reviewed. If this should prove unacceptable from an economic point of view, Bystronic will be entitled to withdraw from the contract or part of it. If Bystronic should wish to make use of the right to withdraw, it shall notify the customer immediately after assessing the extent of the occurrence, even if an extension has already been established. In the event of withdrawal from the contract, Bystronic is entitled to refund the supplies and service already produced. Claims for compensation for damages owing to the withdrawal from the contract are excluded.

#### 16. Exclusion of further guarantees by Bystronic

In this document, all possible breaches of contract and the corresponding legal consequences are handled as are all the customer's claims, irrespectively of the legal reasons for which they are made. All claims concerning damages, reduction, withdrawal from the contract not expressly mentioned are excluded. The customer is not entitled under any circumstances to compensation for damages which do not concern the object of the supply, such as production loss, losses of orders and profits, and other direct and indirect damages. This limitation of the guarantee loses its validity in the event of fraud or grave negligence by Bystronic whereas it will be valid in the event of fraud or negligence by assistants. The restriction of this liability does not have any value if the legislation in force does not allow for this.

#### 17. Bystronic's right to compensation

If, due to deeds or omissions of the customer or its assistants, persons or goods of third parties should be

damaged and Bystronic should be required to pay damages, Bystronic is entitled to compensation from the purchaser.

#### 18. Assembly

On the basis of separate agreements to be stipulated in due course, upon execution of the works, Bystronic will make the necessary assemblers available. Costs pertaining to work times, travel and waiting, return travel, board and lodging and tool transport will be charged. The customer will make available free of charge the assistants needed to execute assembly works.

#### 19. Governing law and court

The authoritative court of law for the customer and Bystronic is **Niederönz, Switzerland or Singapore** if the contract is signed with Bystronic Pte Ltd. Bystronic is, however, entitled to summon the customer at the customer's head office.

The legal relationship between the parties is governed by Swiss law. The relevant legislation on rights of purchase according to the Vienna convention will not be applied.

**Bystronic Laser AG**  
**Bystronic Pte Ltd**

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