General Conditions of Sale of ERAM Ltd

1. **Scope.** The present conditions of sale, unless modified in writing, are applicable to all orders. Other terms and conditions contained in the Customer’s documents are only applicable with our prior written acceptance.

2. **Intellectual Property Rights.** We retain at all times title to our drawings, models and other documents and samples, as well as all intellectual property rights in connection therewith. Such drawings, models, other documents and samples, shall be neither used nor transmitted to any third party without our prior consent.

3. **Quotations / Orders.** All our quotations are made without obligation. Any order placed shall be binding only once it is accepted by us in writing.

4. **Prices.** We expressly reserve the right to adjust our prices at any time after reception of the order in case our production costs increase. Production costs are the cost of raw material, as well as in general any other costs mentioned as such in the quotation. An increase is deemed to occur whenever goods or services can no longer (temporarily or permanently) be purchased or obtained on the market at the price which the quotation was based on. Unless otherwise agreed, our prices are net, ex works. Should the exchange rate fluctuate by 5 %, we reserve the right to adjust immediately our price in an appropriate way.

5. **Tooling.** The contribution of the Customer to the tooling charges is calculated independently of the component prices. This contribution shall be paid with first delivery of the ordered goods. The tooling shall remain our property and in our possession even if the Customer contributed to the tooling charges. Charges for replacement and modification [on the basis of drawings] shall be at the Customer’s expenses.

6. **Payment Terms.** Invoices shall be paid net, without any deduction, within 30 days from the invoice date. All bank charges incurred in connection with any payment shall be borne by the Customer. In case of delay of payment the Customer shall pay an 8% default interest p.a., without the need for us to send any default notice.

7. **Retention of Title.** We shall at all times retain title to the delivered goods until full payment of the purchase price, costs and default interests as the case may be, and full satisfaction of all claims against the Customer in relation to the commercial relationships. ERAM Ltd is authorized to take any necessary action, at the Customer’s expense, necessary to create or maintain a valid retention of title. The Customer shall be obliged to store such goods separately and with due care, to indicate clearly our title and to inform any third party thereof. Should the retention of title become void, in particular following transformation, joining or mixing with goods sold or in any way transferred to a third party, the Customer hereby irrevocably assigns to ERAM Ltd its claims and rights towards such third party under said sale or transfer. The Customer shall also be obliged to insure the value of the goods against usual risks, such as water damages, breakage, fire and theft, and hereby irrevocably assigns to ERAM Ltd its claims and rights towards the insurer.

8. **Delivery Dates.** In case of force majeure, the delivery date shall be postponed accordingly. Any events beyond the control of ERAM Ltd, such as strikes, wars, supply shortages (including power shortages) and lockout are deemed to be cases of force majeure, regardless of whether such events occur at our site or at the site of one of our suppliers. The Customer shall not be entitled to claim any indemnity or damages for any delay.

The delivery schedule, the agreed number of deliveries (minimum shipment) are integral parts of the order. If it is not complied with, any supplementary delivery will be invoice at a flat rate of CHF 800.00.

9. **Benefits and Risks /Shipping.** Benefits and risks with respect to ordered goods shall pass to the Customer upon the goods leaving our site. The Customer shall assume all risks and costs in relation with the transportation of the goods, as well as all costs in relation with packaging and insurance.
10. **Partial Deliveries / Differences in Quantity.** We reserve the right to make partial deliveries. Deliveries up to 10% more or less than the total quantity to deliver shall be allowed and shall be taken into account when invoicing.

11. **Order Amendment by the Customer.** If an order is modified by the Customer (quantity, dimensions or any other specification), the Customer shall bear all the costs incurred by ERAM Ltd as a result of such modification, in particular the costs for parts that are already rough machined or finished as well as raw material and tooling costs. In case ERAM Ltd is not in a position to manufacture or deliver the goods further to a modification of the order by the Customer, clause 15 here below shall apply.

12. **Claims.** Any claims regarding weight and quantity of parts (subject to clause 10) shall be made in writing and reach us within 10 days from the date of reception of the goods. Without such notification, the delivery shall be deemed accepted.

13. **Warranty.** The Customer shall inform ERAM Ltd of any possible defect by e-mail or fax within 10 days from the date of reception of the goods, failing which the warranty shall expire. The warranty shall be void in case the delivered goods have been transformed, machined or assembled by the Customer. The warranty shall be limited to the repair or replacement, at our sole discretion, of those parts which prove a defect of material or a manufacturing defect. Any claims for damages or reduction of the price are hereby excluded. Return of goods following statistic controls shall only be allowed provided that the principles for such control have been duly approved by each party and written acknowledgement of return has been issued to the Customer. In any event, the warranty expires three months after the date of invoice.

14. **Order Cancellation by the Customer.** An order may only be cancelled by the Customer provided that the Customer bears the costs of the raw material, of the parts either finished or at intermediate manufacturing stage, as well as research and tooling charges.

15. **Order Cancellation by ERAM Ltd.** In case ERAM Ltd is not in a position to carry out an order due to events or circumstances beyond the control of ERAM Ltd, we reserve the right to cancel the contract with immediate effect without entitling the Customer to any claim for any compensation.

16. **Violation of Patent and Other Third Party Rights.** By placing an order with us, the Customer shall guarantee that such order does not infringe or violate any third party’s rights of any nature whatsoever. The Customer shall undertake to hold ERAM Ltd fully harmless from and against any claim by a third party in case of such violation.

17. **Exclusion of Liability.** Any liability of ERAM Ltd (save gross negligence or wilful intent) and liability for auxiliary persons of ERAM Ltd shall be excluded, in particular with respect to consequential damages (for instance interruption of production and disruption of work) and lost profit. We decline any liability regarding the fitness and suitability of the goods.

18. **Applicable Law and Jurisdiction.** All our relations with the Customer, including acquisition and loss of ownership title and retention of title, shall be subject to **Swiss substantive law**, to the exclusion of the United Nations Convention on the International Sales of Goods of 11 April 1980.

**The competent courts at the seat of ERAM Ltd shall have the exclusive jurisdiction for all disputes between the parties.** However, ERAM Ltd shall also be entitled to start any proceedings at the domicile of the Customer, or before any other competent court.