



## **General Terms and Conditions** (version V001 of March 26 2021)

### **1. Scope and purpose**

- 1.1 These General Terms and Conditions of Sale (hereinafter "GTC") govern the conclusion, content and performance of contracts relating to the products and services offered by Affolter Group SA (hereinafter "Affolter").
- 1.2 These GTC are applicable subject to modifications made by the parties according to a separate written agreement.
- 1.3 These GTC take precedence over any customer general conditions.
- 1.4 These GTC are supplemented by special conditions relating to the different types of product sold.

### **2. Transfer of profits and risks**

- 2.1 The place of performance is Valbirse.
- 2.2 Unless otherwise advised by the customer, the place of delivery corresponds to the customer's premises.
- 2.3 The customer may, when ordering and provided that they expressly request it, define the packaging of the delivery. In this case, Affolter agrees to use the defined packaging. If no packaging is defined, the products are delivered in Affolter's standard packaging. Packaging is always carried out with the greatest care.
- 2.4 Unless otherwise indicated, all products are delivered Ex Works (Incoterms 2010).
- 2.5 At the express request of the customer, Affolter shall undertake, as agent of the customer and without assuming any responsibilities for this fact, transport insurance for the benefit of the customer and at the latter's expense.
- 2.6 Packaging is always carried out with the greatest care; we decline all responsibility for damage which may occur during the journey. Transport is always carried out at the risk and peril of the recipient, even when the shipping costs are our responsibility. We therefore invite our customers to have any damage, breakage, loss, delay or other problems related to transport noted by the transport company before accepting the shipment, reserving the right of recourse. Damage resulting from the omission of this formality is entirely the responsibility of the recipient.

### **3. Deliveries**

- 3.1 The delivery times that Affolter mentions in its offers and order confirmations are indicative. They are counted from the day of confirmation of the order and obtaining official authorizations for import and export (if necessary), payments and others. No penalty for delays is due and the order cannot be canceled for late delivery.
- 3.2 The delivery time is deemed to have been met when the products are made available at the place of performance.
- 3.3 Affolter reserves the right to postpone the delivery date or to withdraw from the contract without payment of damages to the customer if it is prevented or delayed from fulfilling the contract in such a way that it can no longer reasonably be expected to fulfil its obligations, particularly in the event of force majeure (e.g., wars, epidemics, pandemics, strikes, fires, etc.).

### **4. Reception**

- 4.1 The customer agrees to receive and inspect the products immediately upon delivery.
- 4.2 In the event of insufficiency, error or defects, the customer shall notify Affolter within one week of the date of delivery. In the event of non-compliance with this responsibility, the products are deemed to be accepted as delivered and no guarantee shall be given.

### **5. Payments**

- 5.1 Unless otherwise stipulated, all prices are net in Swiss francs. Affolter reserves the right to modify its prices in particular if the costs of the material should undergo significant changes.
- 5.2 Unless otherwise agreed in writing, customs duties, import taxes, transit and exporter fees, registration fees, all legal costs and other charges shall be borne by the customer.
- 5.3 Invoices must be paid within the period indicated in the order confirmation, or on the invoice. Unless otherwise agreed in writing, payments shall be made in Swiss francs.
- 5.4 In the event of late payment and without formal notice, default interest of 9% is due. The payment of default interest does not release from the obligation to make the payment under the terms of the contract. Potential deliveries of other products to the customer may be stopped until the overdue amounts have been paid.

### **6. Title retention**

- 6.1 Ownership of the products is only transferred to the customer when Affolter has collected the full price agreed.
- 6.2 The customer authorizes Affolter to request an entry in the register of retention of title agreements in accordance with Art. 715 of the Swiss Civil Code (customer domiciled in Switzerland) or in any other similar register in their country of domicile (customer domiciled abroad).
- 6.3 The customer may not freely dispose of the delivered objects as long as the retention of title is in force. In particular, they may not sell, rent or pledge them.
- 6.4 Affolter is entitled to make use of its right of ownership by taking back the delivered item when the agreed payment terms are not met. The related expenses and shipping costs are the customer's responsibility.

### **7. Guarantee**

- 7.1 In the event of defective products, the customer can ask Affolter to remedy the defects free of charge. Affolter reserves the right to remedy defects either by repair or replacement. The customer's right to withdraw from the contract or to request a reduction in the price is excluded, as is a claim for damages within the meaning of Art. 368 para. 1 and 2 CO.
- 7.2 If the announced defect is not clearly and formally defined by the customer, Affolter reserves the right to refuse to replace the parts in question.

### **8. Liability**

Affolter's liability is limited exclusively to the above warranties, as well as to the warranties defined in the Special Conditions. Any compensation for direct or indirect damage or for any reason whatsoever is excluded. Affolter will not assume any liability whatsoever on the basis of the contract or any other liability in connection with the contract for any loss of income, loss of profits, loss of business volumes or for any loss or indirect and consequential damage due to the defects.

### **9. Origin of products**

Affolter declares that its products are of Swiss preferential origin, unless otherwise specified.

### **10. Languages**

In the event of contradictions between the different versions of these General Terms and Conditions, the French version prevails.

### **Place of jurisdiction and applicable law**

*The place of jurisdiction is Valbirse, canton of Bern, Switzerland. The applicable substantive law is Swiss law, excluding the Vienna Convention on the International Sale of Goods.*



**Special Conditions of Sale relating to contracts for the design and manufacture of pinions, wheels, gears and other watchmaking and non-watchmaking products**  
(version V001 of March 26 2021)

## 1. Scope and purpose

These Special Conditions of Sale (hereinafter "SC") govern the conclusion, content and performance of contracts for the design and manufacture of pinions, watchmaking wheels, gears and other watchmaking and non-watchmaking products offered by Affolter Group SA (hereinafter "Affolter") as a sub-contractor. These SC supplement the General Terms and Conditions of Sale of Affolter Group SA.

## 2. Tooling

The costs of participation in tooling necessary for the production of the parts are invoiced at the time of the order confirmation.

## 3. Services and design

3.1 Affolter is only bound by its prospectuses or catalogs in the event of an express warranty.

3.2 The design, engineering, manufacturing, inspections, installations and specific tooling required are reviewed and agreed upon individually and on a case-by-case basis.

3.3 The contracts are executed on the basis of the drawings provided by the customer to Affolter. Therefore, the customer undertakes to provide Affolter with all the specifications concerning the references to be manufactured upon conclusion of the contract. In this context, the customer shall deliver the necessary drawings to Affolter, namely:  
- drawings with dimensions and tolerances; and  
- drawings in DXF format.

3.4 Where applicable, any additional information necessary for the production of the product may be provided by the customer at the request of Affolter. Delays in the transmission of information are reflected in the same proportion on delivery times.

3.5 The drawings and other technical data of the customer are treated in a strictly confidential manner by Affolter. Within this framework, Affolter creates new internal manufacturing drawings which are used in the workshops. Access to customer drawings is strictly limited to a select circle of people within the company.

3.6 Affolter and the customer remain the owners of their respective drawings and technical data allowing the manufacture and assembly of all or part of the product which has been transmitted to one or the other before or after the conclusion of the contract. Without the express permission of the customer or Affolter, they shall not be used, copied, reproduced, transmitted or communicated to third parties in any way whatsoever.

## 4. Change

4.1 Affolter agrees to modify or cancel contracts in progress under the following cumulative conditions.

4.2 Any change during the contract shall be implemented after analysis of Affolter's work-in-progress and with new deadlines. If work-in-progress must be scrapped following a change, part of the costs must be charged to the customer. The customer also bears the actual costs of Affolter, namely the costs of tooling, production and industrialization depending on the extent of the modification.

4.3 Changes of deadlines, the assumption of costs for scrap parts and the actual costs shall be agreed in writing between the parties.

4.4 Affolter and the customer undertake to use their best efforts to modify the original contract.

4.5 If, exceptionally, negotiations fail, the customer is released from the initial contract after having paid the actual costs.

4.6 Unless otherwise agreed by the parties, the volumes defined in the contracts shall be adhered to with a tolerance of +/-10% by Affolter. If the number of parts delivered is different from the contractually defined volume, the invoice shall be modified accordingly (unit prices shall apply).

4.7 In the event of a contract for small quantities, namely equal to or less than 250 parts, the batch price is binding and will not be modified, as long as the volume of parts delivered is within tolerances of +/-30%.

## 5. Warranty

Warranty claims are subject to a 12-month limitation period after receipt of the products.

## 6. Quality

6.1 In the event of a subcontracting contract for one or more operations on products from the customer, the goods remain the property of the customer. Affolter undertakes to limit scrap on these products as much as possible. If the scrap rate is still higher than the acceptable rate estimated by the customer, Affolter undertakes to provide a clear explanation of the problems encountered and suggestions for improvements. The costs due to the scrapping of these products shall in no case be charged to Affolter, regardless of the amount involved.

6.2 Regarding tooling, Affolter is committed to keeping them available for manufacturing without time limit. However, in the event of tooling obsolescence, a price offer shall be submitted to the customer and an agreement shall be reached between the parties to cover the replacement costs.