

General Terms and Conditions of Business

(translation - the German text is the basis and determinant for these General Conditions of Business dated 2004)

1.

Scope and applicable law

These contractual principles shall apply to all services carried out by the electroplater on the instructions of the customer. The following standards shall be binding upon the legal relationship between the electroplater and the customer in the priority order in which they appear:

- Special written agreements
- These General Terms and Conditions of Business
- For consultancy: Art. 394 ff. of the Swiss Code of Obligations (OR)
- For contracts for work and services: Art. 363 ff. of the Swiss Code of Obligations (OR)

2.

Customer documentation and material

Drawings, quality requirements, measuring points, material and work specifications, standards etc. shall be provided to the electroplater by the customer and shall be regarded as instructions. In the absence of detailed documentation, the electroplater shall be required to deliver a standard of workmanship and quality which is in line with the industry standard. In cases where the customer has requested final dimensions, the electroplater must be provided with workpieces of a pre-verified size. The customer must provide the gauges required to enable tolerance finishing. A run-out inspection must be carried out on all shafts, axles and such like prior to delivery.

The electroplater must carry out a general inspection of the material provided by the customer. Any significant deviations in terms of weight or quantity, and any obvious defects, must be reported to the customer, who must reach a decision regarding the subsequent course of action within a reasonable period of time.

3.

Quotations, contract conclusion

Price lists and verbal price information shall be regarded as guide pricing and shall not be binding. Quotations from the electroplater which have no time limit shall remain binding for 90 days.

Contracts shall be regarded as concluded once the electroplater has confirmed an order in writing; once the customer has accepted the quotations from the electroplater in writing; on acceptance of the delivered goods, insofar as the order is not rejected within a reasonable period of time following inspection of the goods.

4.

Execution

The electroplater undertakes to execute orders with due care and in accordance with the current state of the art. In the event that material defects are discovered, the electroplater shall report these to the customer. The latter must issue the necessary instructions to enable work to be continued. The electroplater may charge to the customer any additional costs which arise as a result of the customer's new instructions, insofar as the customer is responsible for the material defect(s).

5.

Delivery periods

Agreed delivery periods shall begin once all the instructions required for execution of the work have been provided and once all material has been delivered. In the event that instructions or material are subsequently found to be missing, any agreed periods shall be put on hold. Delivery periods shall also be put on hold in the event of defective supplies from third parties, significant disruption of operations or accidents. This suspension shall apply from the moment the electroplater notifies the customer of these production delays in writing and until such delays are rectified.

6.

Inspection, acceptance, right to request improvements

Following delivery of the workpieces, the customer shall inspect the work and inform the electroplater of any defects in writing within eight days. If the customer fails to do this, the work shall be deemed to have been approved as free of defects. The purchaser must report any hidden defects in writing within eight days of their discovery. Following expiry of the reporting periods, all warranty rights shall be lost.

In the event that a piece of work is found to be in breach of the contract at the time of acceptance, the customer shall give the electroplater the opportunity to rectify, at the electroplater's own expense, the defects for which the electroplater is responsible.

7.

Transfer of benefit and risk

The benefit and risk with regard to the finished workpieces shall be transferred to the customer once the goods are made available for return delivery, even if the return delivery is made at the expense of the electroplater.

8.

Prices, packaging, transport and insurance

Prices shall be quoted net ex works. Taxes, fees, duties and other incidental expenses shall also be borne by the customer.

The electroplater shall charge separately for packaging and containers, insofar as the customer's packaging used for the initial delivery cannot be used for returning the finished goods.

Transport costs shall be borne by the customer. The customer shall be responsible for arranging any necessary insurance cover.

9.

Payment terms/consequences of default

Invoices shall be issued when partial or complete orders are dispatched or reported as ready for collection. The electroplater shall be entitled to release the finished goods only on receipt of payment in cases where the customer is paying in cash.

In the event that the customer fails to pay within 30 days, standard default interest shall be owed from the 31st day, in accordance with Art. 104 para. 3 of the Swiss Code of Obligations (OR). No special reminder shall be issued.

10.

Warranty/liability

The electroplater shall guarantee that the work he provides is of a quality which is in line with the industry standard. No further guarantees shall be provided, in particular with regard to the usability of the workpieces for specific purposes. In cases where finishing work involves small parts, a scrap rate of up to 5% must be expected. If any further processing is performed on the workpieces by the customer, this shall preclude subsequent assertion of warranty rights.

In the event of damage or loss arising as a result of consultancy services provided by the electroplater, liability shall apply in accordance with contract law as defined in Art. 398 of the Swiss Code of Obligations (OR).

Under the terms of a contract for work and services, the liability of the electroplater with respect to damage caused to the product itself and any further damage shall be limited. In the event of damage or loss, liability shall extend to an obligation to make improvements and to provide compensation for direct pecuniary loss. The extent of the pecuniary loss shall only cover compensation for direct loss, insofar as this has been caused by the electroplater and is the latter's responsibility. The electroplater's liability for damages shall be limited to no more than the price paid for the finishing work carried out on the damaged workpieces. The electroplater shall assume no liability for indirect losses such as loss of profit, lost output, loss of customers etc.

If the finished product is intended for private use, the electroplater shall be liable in accordance with the Swiss Product Liability Law (PrHG).

11.

Place of performance and jurisdiction

The parties have chosen the **location of the registered office of the electroplater** as the place of performance and jurisdiction for their legal relationship.