

1. General

For all deliveries of ETS AG the following conditions are valid and supposed to be acknowledged on placing the order. Changes are only legal with a written confirmation by ETS AG. The purchaser has to call our attentions to legal and other guiding rules and instructions as well as standards which have to be taken into consideration for meeting the requirements. If ETS AG takes over the installation, also our general conditions of installation are applied.

2. Order Confirmation, Changes of Orders, Cancellations, Reservation of Ownership

For scope of supply and execution the order confirmation is authoritative. As far as there is no reaction within 8 days, the mentioned specifications are obligatory. Materials or additional services which are not included will be charged separately. Changes of orders and cancellations require the written agreement of ETS AG. Any costs resulting out of it are on the purchasers account. ETS AG reserves the right of Ownership until complete payment of a delivery. The purchaser is obliged to take part in measures necessary for protection of ETS property.

3. Prices / Payment Conditions

The prices mentioned in the documentation of ETS AG may be changed without notice. Further the conditions in the offer are valid. In case of a price increase the confirmed prices for firm and specified orders are valid for maximum 3 months over the date of price increase.

The confirmed payment conditions have also to be kept if after delivery of the goods ex works any delay will occur. It is no allowed to shorten or to retain payment due to objections, not yet issued credit notes or counter claims not approved by ETS AG. Payments have also to be done when irrelevant parts which do not make impossible the use of the delivery are missing or when subsequent works are necessary. For delayed payment a usual interest on defaulted payments will be charged. The due date is 30 days net.

4. Illustrations, Measurements, Weights and Execution

Illustrations, measurements and weights are obligatory. The right for changes in construction remains reserved. Materials can be replaced by others with the same quality. For special jobs ask for obligatory measurement sketches. Drawings, illustrations and other documentations remain the property of ETS AG who reserves also the copyright. The purchaser has to inform ETS AG about the technical function of the systems as far as they deviate from the general recommendations of ETS AG.

5. Time of Delivery

Time of Delivery will be indicated and kept as good as it can be foreseen. ETS AG may not be made responsible for delays due to force majeure, strikes and delays from the sub suppliers side. The confirmed date of delivery assumes to meet the agreed conditions of payment. Compensation claims or cancellation due to late delivery cannot be accepted. The delivery day is the day of shipment. If the delivery will not be accepted on the agreed date, ETS AG is authorized to charge it and to store it on costs and risk of the purchaser. For orders without firm delivery date ETS AG reserves the right to start manufacturing of the ordered goods only after receipt of the first make-and-hold order.

6. Shipment

Normally ETS AG delivers its goods ex works. With other suppliers a written approval of ETS AG is necessary. Additional transportcosts caused through extras desired by the purchaser (like express or special arrival times) have to be paid by the purchaser. For small deliveries of accessories and spare parts we charge an adequate "small quantities surcharge". Profit and risk pass over to the purchaser latest with the delivery of the goods ex works, also when the transport is organized by ETS AG. Claims for transport damages must immediately be notified to the forwarder, the post office or the railway company.

7. Returnshipments

On a voluntary basis ETS AG can take articles from the catalogue back from the purchaser as far as they are still brand-new and in the actual delivery program, however there is no obligation for a repurchase. The returnshipment has to be sent with a delivery note to an agreed place and is at the purchasers account. From the credit note the following costs will be deducted: checking costs, handling costs, freightcosts and eventual repair costs.

8. Inspection and Acceptance of the Consignment

The purchaser is obliged to check the delivery immediately after receipt. Should it not correspond to the delivery note or show visible defects, the purchaser has to assert it in written within 8 days. Later arriving claims will not be accepted. For defects which cannot easily be recognized the purchaser has to send a complaint as soon as he recognized them but latest before expiration of the guarantee period. Complaints do not cancel the payment terms. If the purchaser requires acceptance inspections, they have to be agreed in writing and are at the purchasers account. If acceptance inspections cannot be made within the agreed period due to reasons for which ETS AG is not responsible, the properties to determine with these inspections are regarded as in existence.

9. Guarantee

The guarantee period is 12 months after initial operation, at the most 18 months from delivery date. It covers the faultless condition of the delivered products. The technical data to include in the guarantee must be fixed particularly. All other data are reference values. Excluded from the guarantee are damages due to force majeure, systems and executions which do not meet the authoritative technical standard (e.g. use of unsuitable heat transfer medium), further disregarding of the technical guidelines of ETS AG regarding project work, installation, operation and maintenance as well as improper work done by others. Also excluded from the guarantee are parts and operating supplies which are subject to natural wear (gaskets, electrical parts, cooling agents, chemicals etc.). Further the guarantee does not include corrosion damages (especially when water recycling systems are connected or antiliming agents or unsuitable antifreeze solutions are added), damages on water heaters caused through aggressive water, too high water pressure, improper deliming, chemical or electrolytical influences, etc. ETS AG meets the guarantee engagement in either free of charge repair of defective parts in our works or placing the spare parts ex works at the purchasers disposal. ETS AG will not take over additional obligations, such as cost for exchanges, compensation for damages, costs for determining of damage reasons, experts opinions, follow-up damages (break-down, water pollution, damage to the environment, etc.). For repair works which cannot be carried out in our works the purchaser has to pay for travel costs, accommodation and a daily rate by person as per expenditure. These guarantee obligations are only valid when ETS AG has been informed in time about the damage. There is no guarantee when the purchaser or somebody else makes changes or repairs on the delivery without written approval from ETS AG: It is the matter of the purchaser to care for the general conditions to guarantee a normal execution of the performance records.

10. Venue

Venue for both parts will be the residence of ETS AG.

Tübach, September 1997