

**1. General**

- 1.1. These general terms and conditions regulate the conclusion, content and execution of contracts regarding the manufacture and delivery of goods by AG Cilander (the vendor).
- 1.2. With the remittance of the order confirmation by the AG Cilander the buyer accepts these terms and conditions.

**2. Delivery**

- 2.1. The agreed delivery time shall be considered to have been observed when, in the absence of timely shipping instructions from the buyer, the merchandise is ready for shipment upon expiry of the delivery date.
- 2.2. In the case of delivery scheduling agreements, a six-week period of notice for finishing is to be granted.
- 2.3. Goods which have not been accepted after the agreed and confirmed acceptance period by means of an order confirmation can be invoiced to the buyer.
- 2.4. The Seller reserves the right to bring the orders by means of partial consignments to the delivery.
- 2.5. If, for unforeseen reasons and force majeure, (eg: strike, conflagration, explosion, flood, lack of operating and raw materials, obstruction of energy supply, machine breakage, government action, war, etc..) this may result in partial or total disruption of any type of proper manufacturing occurs, thus the execution of the order is delayed, the seller is exempted from the obligation to timely delivery and the agreed delivery period is extended by the duration of the disturbance and its consequences. If the Seller becomes unable to carry out the order as a result of the partial or total disruption of proper manufacture, or if the order is lost due to force majeure or official decisions regarding the execution of the order of required materials or rights due to the Seller under the terms of sale, the Seller shall be exempted from the obligation to deliver. In such cases, compensation claims for non-performance or non-timely performance are excluded.
- 2.6. If the Seller defaults on delivery, the buyer shall grant a period of grace of six weeks for subsequent delivery. All claims of the Purchaser on the basis of delayed delivery are excluded until the expiry of the date for subsequent delivery.
- 2.7. The tolerances for an under- and over delivery are as follow: for orders up to 1000 m: 6% short measure allowance + shrinkage, for orders over 1000 m: 3% short measure allowance + shrinkage. No shortage settlements are issued for orders and dye batches up to 180 m.

**3. Payment**

- 3.1. The invoice will be issued on the day of delivery or provision of the goods.
- 3.2. Possible surcharges on the rates for dyeing and finishing following awarding of the contract shall be borne by the buyer.
- 3.3. Samples shall be provided and invoiced in accordance with the terms issued for same by the Swiss Textile Federation. The invoice shall be issued for the price of the sampled goods. Sample discounts are not granted.
- 3.4. Special discounts, sales fees and gratuities of any kind shall not be granted.
- 3.5. The invoices shall be payable in chronological order to the conditions stated in the order confirmation.
- 3.6. Payments will always be used to settle the oldest due debits and the default interest accrued thereon.
- 3.7. Decisive for the adherence to the terms of payment is the credit of the full invoice amount to the account of the seller. Payment terms that fall on a Sunday or public holiday end on the next working day. Unauthorized deductions will be charged.
- 3.8. Payments after the due date will be charged a reasonable default interest, which is 5% above the discount rate of the Swiss National Bank applicable at the time of invoicing with a minimum of 8%. Losses incurred in the sale in foreign currencies between the expiry and payment date shall be borne by the buyer. The relevant daily rates in Switzerland are decisive.
- 3.9. Payment must be made by bank or postal transfer, credit card or check, bills of exchange are not accepted. The settlement with disputed counterclaims, the withholding of due invoice amounts as well as unjustified deductions of any kind (for example: for postage, transfer and insurance fees) are inadmissible.
- 3.10. For payments by credit card the resulting 4% commission of the credit card organization will be added to the total invoice amount.
- 3.11. Before full payment of due invoice amounts, including default interest, the seller is not obliged to any further delivery from any current contract.
- 3.12. If the buyer is in arrears with a due payment or if there is a significant deterioration in his financial circumstances, the seller may demand a payment before delivery of the goods for all outstanding deliveries, with the elimination of the payment deadline.
- 3.13. Duties, taxes, VAT and fees that are subsequently collected for reasons that are not the responsibility of the seller, such as a missing Export confirmation, inadequate or incorrect customs clearance, which have been made or commissioned by the buyer, will be charged in any case.

**4. Place of Performance and Risk Assumption**

- 4.1. The seller delivers, unless otherwise agreed: EXW (Incoterms 2010). The shipment of the purchased goods takes place without other agreement at the risk of the buyer at the most favorable freight tariff. If customs, customs clearance, freight, handling and / or insurance costs are included in the sales price of the goods, all increases between the time of purchase and delivery shall be borne by the buyer.
- 4.2. Place of fulfillment for the delivery is the factory of the seller or the corresponding production site, for the payment of the seat of the seller in Herisau.

**5. Observance of Confidentiality**

- 5.1. The Parties treat as confidential all facts that are neither obvious nor publicly available. The confidentiality is to be maintained from the beginning of the discussions between buyer and seller and remains unlimited after termination of the contract. Reserved are statutory information requirements.
- 5.2. If the Provider wishes to advertise or publish this contractual relationship, it requires the written consent of the Purchaser.

**6. Warranty**

- 6.1. The buyer must check the condition of the goods immediately upon receipt, in any case before their processing or processing. Open defects are to be reported immediately after receipt of the objected goods. Hidden defects are to be reported immediately after their discovery, but at the latest within 6 months after receipt of the Goods are claimed. Notifications of defects must in all cases be made in writing, stating the defect and the piece number and enclosing a sample of the rejected goods.
- 6.2. Small commercial or technically unavoidable deviations in quality, color, width, weight and finishing cannot be objected to. The delivered goods are finished unless otherwise agreed. Agreed product specific shrinkage values or agreed by the seller apply. Pieces from different color batches are to be processed separately. Notices of defects resulting from non-compliance with this provision as well as non-compliance of clear instructions from the seller are excluded.
- 6.3. In the case of justified complaint, the buyer has the exclusive right to a single repair or replacement of goods. Insofar as the goods have already been processed, the seller shall pay compensation, which shall in no case exceed the invoice value of the amount of fabric delivered by him, insofar as it is processed and demonstrably faulty.
- 6.4. Compensation claims shall expire, in particular, if the merchandise was treated in any manner without the approval of the seller.

**7. Assignment and Pledging as Collateral**

- 7.1. The delivered goods remain the property of the seller until they are paid in full. However, the buyer may sell or further process the goods in the course of proper business operations. Any pledging or assignment of these goods in favor of third parties is excluded without the consent of the seller. In case of seizure of this product by a third party, the buyer must notify the seller immediately. If the buyer sells the goods delivered to him, no matter in which condition, he hereby assigns to the seller all receivables due to him from sales with full ancillary rights pending the complete settlement of all debts from deliveries of goods.

**8. Applicable Law and Court of Jurisdiction**

- 8.1. The General Terms and Conditions of Business and, in addition, the provisions of the Swiss Code of Obligations (OR) apply. The applicability of the UN Convention on the International Sale of Goods of 11th of April, 1980 (Vienna UN Sales Convention 0.221.2 I 1.1) and international private law are excluded.
- 8.2. The exclusive place of jurisdiction for all disputes arising from or in connection with this contract is Herisau, Switzerland.

**9.0 Changes, additions, collateral agreements or the partial or total cancellation of the contract are only valid if made in writing.**