

General Terms and Conditions of Sale and Delivery

1. Scope

The present general terms and conditions apply for all sales and deliveries made by Eterna Movement Ltd (hereinafter "EMC") to its customers, unless otherwise agreed between EMC and the customer in writing.

If the present terms and conditions do not set forth a specific provision, the provisions of the Swiss Code of Obligations apply. The acceptance of any item ordered by the customer shall constitute the unconditional acceptance of the present General Terms and Conditions of Sale and Delivery. Any general terms and conditions of the customer are non-binding even if EMC did not expressly refuse and/or reject them.

The present terms and conditions also apply to subsequent orders and in general, to future orders of all EMC products.

2. Price, Payment and Order Acceptance

Unless otherwise stated, prices are in Swiss Francs (CHF) excluding VAT.

Payment terms are 50% at time of order and 50% prior to delivery.

An order is not considered accepted, and work on the order will not begin, until confirmation of the arrival of the prepayment of 50% at the time of order has been received from EMC's bank account.

3. Packaging and Tooling

EMC invoices for packaging at cost and does not have any obligation to accept returned packaging.

If specific tooling and/or engineering services are required for a customer's order, such tooling and/or services shall be quoted as part of the sales contract and invoiced separately.

4. Shipping Costs / Insurance / Tariffs

Unless otherwise agreed in writing, deliveries shall be Ex Factory (Ex Works, EXW, Incoterms 2010). Packaging, transport, insurance, customs formalities etc. are the sole responsibility of the customer.

All increases of rates and fees such as transportation, insurance costs, customs duties, etc. that occur after signing of the contract will be charged to the customer.

5. Lead Times and Delays

EMC indicates the availability of its products and estimated lead times for delivery in good faith based, among other things, upon information it receives from its suppliers.

EMC is not liable for delays in delivery, namely but without limitation in case of force majeure, such as: War or war preparations, sabotage, strikes, lock-outs, riots, demonstrations, revolutions, governmental orders, shortage of raw materials, floods, storms, fires, or other reasons and events beyond its immediate control.

6. Inspection of Delivered Products

Customer shall control the delivered products within 15 (fifteen) working days after delivery. Any complaints regarding the quantity or quality of the delivered products shall only be valid if EMC is notified thereof in writing (e-mail is sufficient) within 15 (fifteen) working days after delivery and, if requested, EMC is given the opportunity to inspect the goods on-site. Freight will be reimbursed by EMC for any legitimate returns it is notified of, and agrees to, during this period.

7. Acceptance Criteria

EMC considers that if 95% of its delivered products lie within the technical specifications and aesthetic standards of Swiss Watch Industry, the entire shipment is deemed acceptable.

8. Payment Delays

If the customer does not comply with the payment terms for a delivery or is unable to make the payment, all outstanding payments fall due immediately regardless of the payment terms. EMC is further entitled to claim the immediate payment of all outstanding amounts, and has the right to withhold deliveries of products until satisfactory payment arrangements have been made. Interest on delayed payments will be charged at 5% per annum. If the customer defaults on a payment, EMC also has the right to withdraw from the contract and customer shall indemnify and hold EMC harmless from all damages resulting thereof. In addition, EMC has the right to cancel any other orders placed by the customer and to claim full prepayment or any other suitable security.

9. Retention of Title

Products delivered by EMC shall remain the sole property of EMC until payment has been received in full.

The customer is obliged to cooperate in measures necessary for the protection of EMC's property. Conclusion of the sales contract (acceptance of the order, see Paragraph 2) results in the customer's agreement to registration of the retention of title in the Swiss Title Retention Register (Art. 715 ZGB).

EMC is also explicitly entitled to physically retrieve the abovementioned products in the event of default on payments (see Paragraph 8).

10. No-Resale

EMC movements are intended to be used only by the customer (brand) to which they are sold and in its watches. No further sale of these movements to third parties is allowed. EMC is entitled to recovery of any financial and/or other damages resulting directly or indirectly from such actions on the part of the initial customer and to charge a penalty (liquidated damages) of 100% of the purchase value to the initial customer.

11. Cancellation Charges

Order cancellations for any reasons other than the quality of the supplied products, as long as this is agreed to by EMC, will be subject to cancellation charges. These charges will depend on the amount of work performed since the prepayment was received and will include, but are not limited to, the following: The value of all assembled movements at the order price; additional custom components manufactured for the order; all machinery, tooling and fixtures (including software) for such custom components; any and all additional materials for custom components; and any and all engineering services performed in the course of production (modifications, etc.). In addition, all cancellations will be subject to an administrative fee corresponding to 10% of the order value. The charges will first be deducted from the prepayments made, and EMC has the right to collect any remaining outstanding charges should the prepayment itself not suffice.

12. Warranty and Seller's Liability

EMC warrants that its products are free of any material defect in quality and functionality for a period of 24 months after delivery. Any mishandling, inappropriate stocking conditions, abuse or other actions on the part of the customer or third parties causing defects to the products supplied by EMC after receipt and acceptance by the customer, automatically voids this warranty.

In the case of a customer's justified claims or complaints, EMC's liability is limited only to the monetary amount of the respective purchase order. EMC's maximum obligation is to provide at its sole discretion for repair or replacement of the defective products, free of charge for the customer. The customer shall have no other rights or remedies against EMC. Specifically, customer does not have any other claim or right such as cancellation of the order (unless agreed to by EMC, see Paragraph 11), price reduction or compensation for damage, including but not limited to direct, indirect or consequential damage, or compensation of other costs occurred in relation to the defective goods. Obligatory statutes of Swiss law remain unaffected. The customer is not entitled to take information given verbally by EMC staff as an express guarantee of the specifications of the products for a specific use and cannot hold EMC liable for such information. The same applies to information supplied in e-mails by EMC employees not authorised to impart such information. Under no circumstances is EMC liable for specifications and/or designs supplied by the customer unless such specifications and/or designs are specifically analyzed and signed off by the technical department of EMC. Under no circumstances can EMC be held liable for the use of its products for reasons or applications other than those intended, which are simply to tell and measure time in a wrist- or other type of watch or clock.

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13. Place of Performance, Legal Venue and Applicable Law

Place of execution and the exclusive venue for all disputes arising from or in relation to the relationship between EMC and the customer shall be 2540 Grenchen, Switzerland. EMC however shall also reserve the right to prosecute the customer within its own relevant jurisdiction.

Substantive Swiss law shall apply exclusively to these terms and conditions, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods.

Grenchen, August 2017


Teguh Halim
Member of the Board

18/2017

