

1. General

- 1.1 These General Terms and Conditions of Purchase (hereafter referred to as GTCP) shall apply to all purchases of standard products made by Kernkraftwerk Gösgen (hereafter referred to as KKG) unless otherwise agreed in writing.
- 1.2 The signed contract documentation is binding for both parties. No variation to these conditions, in particular also to the general terms and conditions of the supplier, shall be valid unless accepted in writing by KKG.
- 1.3 If any provision of these GTCP is held to be wholly or partially invalid, the remaining provisions shall not be affected thereby. The parties undertake to replace an invalid provision with a valid and enforceable provision which most closely meets the commercial intent of the invalid provision.

2. Orders

- 2.1 Orders, order amendments and additions to orders shall be valid only if confirmed in writing by KKG. Verbal orders, order amendments and additions to orders by telephone or in person require written confirmation by KKG to become binding.
- 2.2 The GTCP are attached to the order or to the order confirmation and form an integral part of the contract. Sketches, drawings, comments, specifications etc. form an integral part of the order or order confirmation, if mentioned as such therein.
- 2.3 Confirmation of the order including the necessary technical documentation shall be submitted to KKG within ten days of receipt of order. Failure to confirm the order is deemed as acceptance of the order to the conditions stated therein. Confirmation of the supplier which deviates from the order shall be valid only if accepted by KKG in writing.
- 2.4 Sec. 2.1 – 2.3 apply also to additions and amendments of orders made by KKG.

3. Subcontractors

- 3.1 If the supplier intends that a third party manufacture ordered units or components ordered from the supplier that are normally manufactured in the supplier's facilities, prior written consent shall be obtained from KKG. Even in the event of such consent, the supplier shall be wholly liable towards KKG for all supplies and services of the contract.
- 3.2 The supplier is obligated to pass on the confidentiality obligations as imposed by KKG (sec. 18) and regulations concerning the exchange of information (sec. 7) to the same extent on his subcontractors.
- 3.3 The supplier acknowledges and informs his subcontractors that KKG is entitled to procure supplies and services directly from the subcontractor after the expiry or termination of the contract with the supplier.
- 3.4 KKG is entitled to deduct in full from the purchase price direct payments made to subcontractors and to deduct claims from subcontractors made to KKG in connection with the goods and services supplied.

4. Price

- 4.1 Unless otherwise agreed, the price shall remain firm in the currency stated in the contract. Price includes all related costs for delivery DDP, Delivered Duty Paid Däniken (INCOTERMS 2000). INCOTERMS 2000 form insofar a part of the GTCP. Value Added Tax is to be accounted for separately as a percentage and as an amount.
- 4.2 For orders without a fixed price, the supplier shall submit a price quotation to KKG before executing the order. The order shall only become binding upon written acceptance of the quoted price. An exception applies for orders of up to CHF 500.--.
- 4.3 The supplier guarantees KKG to grant at least the same advantages as the most favoured third party in comparable circumstances.

5. Provision of Material

- 5.1 Material provided by KKG to execute an order shall remain also after use property of KKG, even if the value of the work is greater than that of the materials provided.
- 5.2 Unused material shall be returned to KKG on demand, or, at KKG's option be deducted at market value from the purchase price.

6. Performance, Delivery

- 6.1 Execution of the order shall be of skilled and careful workmanship using proper materials. Execution of the order shall in particular comply with any current legislation, regulations and relevant standards.
- 6.2 Part deliveries are not permitted unless agreed by KKG in writing. Under or over deliveries will not be accepted without prior consent.

7. Exchange of information

Information provided by KKG shall be used only for the purpose of the contract. Any further use of the information is prohibited.

8. Disposal, Ecology

- 8.1. All materials used shall comply with the most recent requirements with respect to the later disposal thereof. Should for any technical and / or economical reason ecologically-problematic materials be used, KKG must be made aware of this fact.
- 8.2 If the delivered products contain any ecologically-harmful substances (according to legal regulations at the place of performance), the supplier guarantees KKG to take back and dispose thereof in accordance with the legal regulations. This is also applicable for substances and materials which may have changed after use.

9. Delivery, Delays

- 9.1 Delivery dates specified by KKG are binding for the supplier. Relevant for compliance with the delivery deadline is receipt of the goods at the place of performance.
- 9.2 Date of delivery is deemed met when the specified delivery arrives at the place of performance on the date stipulated.
- 9.3 Advance deliveries shall not be accepted without prior written consent from KKG.
- 9.4 If the supplier has reason to assume that any part of the delivery cannot be delivered on the due date, he shall immediately notify KKG in writing specifying the reason and the new date of delivery.
- 9.5 KKG reserves the right to claim for any damages incurred by delayed delivery even if a penalty for non-performance of contract has been agreed upon.

10. Packaging, Transport, Insurance, Delivery note

- 10.1 All deliveries must be correctly packaged to ensure that they are adequately protected against damage of any kind during transport and storage. All mechanical components must be sufficiently protected against damage and corrosion. Insulating parts must be additionally protected from moisture.
- 10.2 Dispatch is at the cost and risk of the supplier. The supplier is responsible for insurance and bears the risk of loss and damage during transportation. Arrival clause DDP (Däniken) Incoterms 2000 applies. The terms of Incoterms 2000 form insofar a part of the GTCP.
- 10.3 Each delivery must be accompanied by a delivery note. For services, the number of hours worked and materials provided by the supplier must be confirmed by an authorised KKG representative. Each item must have a label or other clearly visible method of identification.
- 10.4 If the delivery note and /or documentation is missing, or if the delivery is not carried out as agreed or delivered earlier than scheduled, the goods will be stored at the supplier's risk and expense until the due delivery date or until the missing documentation arrives.

11. Transfer of Property and Risk

Property and risk in the goods shall pass to KKG after acceptance of the delivery at the place of performance. The same applies also for all deliverers and freight carriers.

12. Acceptance, Warranties

- 12.1 The goods will be checked on receipt by KKG for obvious defects, identity, shortages and transport damage. There is no obligation to further inspect the goods. Inspection of the goods (including the accompanying documentation) by KKG is not bound to a certain time limit, but shall be carried out as soon as possible after delivery of the complete order and the

- supplier will be notified of any faults as soon as possible. To this extent the supplier waives the objection to delayed notification of defects.
- 12.2 If inspection reveals no significant defects, the goods will be provisionally accepted by KKG. Receipt of the delivery, full or partial payment of the goods or services does not constitute acceptance.
- 12.3 The supplier explicitly guarantees that the items supplied are free of any defects which might impair their value or their suitability for their intended use, and that they possess the stated characteristics and the prescribed performance figures and specifications, and that they conform to any relevant laws, regulations and any other provisions.
- 12.4 The warranty period is in normal case two years from the day of provisional acceptance of the delivery or the date of the commissioning of parts or materials respectively, (whichever occurs later), but at most, three years after receipt of the goods.
- 12.5 The warranty period will be extended by such time during which the defective delivery item can not be used and is in repair.
- 12.6 If repair work or replacement deliveries have to be carried out, the warranty for the repaired parts or replacement parts shall be renewed as from the time of provisional acceptance or the commissioning of these parts respectively.
- 12.7 On expiry of the guarantee period und when any defects have been remedied, the delivery item is deemed accepted.
- 13. Legal consequences of mal or non-performance**
- 13.1 Should the delivery have serious defects or deviate substantially from the contract such that the delivery is unusable, or such that acceptance can not reasonably be expected, KKG has the right to refuse the delivery, terminate the contract and claim compensation.
- 13.2 If the defects or deviations from the contract are less serious, KKG grants the supplier a reasonable time period to carry out the necessary remedial work under warranty. The supplier must repair or replace, if necessary with another more suitable construction, at his own expense all defective parts and equipment which can be attributed to a constructional, material, manufacturing or assembly fault of the delivered goods or goods which in any way do not meet contractual requirements, at our option on our premises, as quickly as possible. Indirect advantages which arise for KKG from the subsequent correction of faults shall not be considered.
- 13.3 Defects established in materials during use or during processing are from the supplier during the guarantee period, without consideration of time which has elapsed since the delivery, to be replaced immediately without cost to KKG.
- 13.4 Should defects not be remedied or not be successfully remedied within a reasonable period of time, as well as in urgent cases, KKG is entitled at the supplier's cost to remedy the defect themselves or to have the defect remedied by a third party. Should KKG waive their right to have the fault remedied, or in the event that the fault was only partly remedied, KKG is entitled to deduct the reduction in value from the purchase price.
- 14. Limitation**
- Claims under guarantee and all other claims by KKG due to poor or non-fulfilment of the contract become time-barred after a period of one year following expiry of the warranty.
- 15. Liability**
- 15.1 The supplier shall be liable, under exclusion of consequential damages such as power outage or loss of profit, for all damages caused to KKG or third parties by faults of the delivery, the deliverers, its assistants or subcontractors.
- 15.2 The supplier indemnifies KKG for all claims of compensation from third parties for financial losses or damage to property or persons, including expense incurred for legal costs and lawyers' fees, arising from the delivery of defective materials or goods.
- 16. Invoice and Payment**
- 16.1 Invoices shall be sent immediately after delivery of the goods. Each order must be invoiced separately and in detail.
- 16.2 Unless special conditions have been stipulated, payment is made net within 30 days after receipt of invoice and provisional acceptance of the delivery.
- 16.3 Relevant for calculating the payment deadline and eligibility to early payment discount is the date of receipt of the **correct** invoice at KKG.
- 16.4 Payment does not constitute any waiver of warranty rights.
- 17. Assignment/Pledging**
- The supplier may not assign or pledge any of its rights of the contract without written consent from KKG.
- 18. Secrecy**
- The supplier shall treat any details of the contract and all information on technical, business and operational matters as strictly confidential. The obligations of confidentiality shall remain in force beyond termination of the contract.
- 19. Safety Instructions**
- In addition to these GTCP, safety instructions and regulations apply for access to all KKG buildings, compounds and / or construction or installation sites. Failure to comply with safety instructions and regulations renders the supplier, his subcontractors and assistants liable for damages incurred for KKG therefrom. To this extent, KKG repudiates any liability.
- 20. Copyright Violation and Patent Infringement**
- The supplier indemnifies KKG against any violation of copyright and patents infringement of the goods and is obligated to conduct any proceedings lawsuit at his own expense and to hold harmless KKG against any damages and claims arising therefrom.
- Furthermore, the supplier is liable for any further direct or indirect damages and claims toward KKG which result from a violation of such rights.
- 21. Applicable Law, Language and Place of Jurisdiction**
- 21.1 The legal relationship is governed by Swiss law. Application of the Convention on the International Sales of Goods (CISG, the Vienna Convention in force in Switzerland since 01.03.1991) is expressly and entirely excluded.
- 21.2 Disputes between KKG and the supplier shall be judged by the ordinary court if the parties can not agree on an arbitration proceeding.
- 21.3 Place of jurisdiction for all legal disputes is Olten. KKG reserves the right to assert their rights also at the place of jurisdiction of the supplier.
- 21.4 Differences in opinion shall not entitle the supplier to interrupt work and to refuse any contractual performance and shall not entitle KKG to refuse any due payment.
- 21.5 In case of any dispute, the German language shall prevail.
- 22. Place of Performance**
- 22.1 Place of performance for services and / or delivery of the supplier is Däniken.
- 22.2 Place of performance for services and / or deliveries made by KKG is Olten.