

Terms Concerning Costs for Tools, Production Facilities and Testing Equipment (BWK)

(Edition February 2008)

These Terms Concerning Costs for Tools, Production Facilities and Testing Equipment (in the following the phrase "costs for tools" always implies all three kinds of costs) are an integral part of our General Terms and Conditions of Business which we have submitted you by postal mail (PDF on www.kubo.ch). These terms are applicable in each case when the fabrication of a tool is necessary for the production of the ordered pieces and in which the customer pays a percentage or the totality of the costs of this tool. Differing agreements are valid only with our written confirmation.

1. Tool Cost Sharing

In case of any orders for which a special tool is required to produce the parts, a share of the costs will be invoiced to the customer. Tool cost shares are not depreciated. The amount agreed upon with the customer includes a share of the material and production costs for the tool, the maintenance and the storage of the tool for its whole lifecycle in such a way that the production of the ordered amount of parts is guaranteed.

If the life cycle of the tool is not finished when the production of the first order is completed, more orders can be produced with the same tool until the tool becomes unusable. In case of a subsequent order, a new cost share will be due.

Property

With the payment of the cost share, the customer does not acquire any right to the property of the tool or of the construction principles. The customer does not have any property rights, even if he is willing to pay the difference between the cost share and the total costs of it. Nevertheless, in most cases, we will satisfy the request of the customer once he has settled the payment for before mentioned difference.

Except for standard products like O-rings, oil seals etc. we guarantee that the tool for which the customer has paid his share of the manufacturing costs will only be used for the fabrication of pieces for himself or for third firms expressly stated by him.

2. Total Costs of Tools

An agreement upon the absorption of the totality of the tool costs is made only upon request of the customer. The total costs for a tool include the expenses for the design and the construction, the material and production costs, the maintenance,

the storage and the fixing of the tool until the completed production of an amount of pieces agreed upon with the customer is achieved. They don't however imply the future rights for the use of the construction principles. There is no amortisation.

Upon request, the maximum amount of pieces that can be produced with a tool is communicated to the customer. This figure however is mostly depending on the technical complexity of the pieces and on the customer requirements concerning specifications and respect of tolerances. A possible subsequent change of tolerances or materials of the pieces can have a major impact on the maximal amount of pieces!

With the tool, we are liable to produce only pieces for the customer himself and/or for third parties expressly stated by him. Until the production of the stipulated amount of pieces, the risk of premature wear of the tool, braking and loss is ours. After this moment, the tool passes into the property of the customer, but remains in our premises or in our production site.

Should we, for technical reasons, not be able any more to produce the pieces before reaching the stipulated amount, the customer has the right to request the handover of the tool.

3. Storage Period

Once the tool is fully worn out (latest after having reached the stipulated amount of pieces or else, upon agreement, also later), or if at least three years have passed since the last delivery of pieces made with the tool, the tool will be scrapped at our premises. The customer will be notified in advance. The construction documents remain our property.