

General Sales and Delivery Conditions

1. General terms

1.1 The General Sales and Delivery conditions (hereinafter referred to as the "GSDC") of SELLITA WATCH CO S.A. (hereinafter referred to as "SELLITA") apply to all goods sold and delivered by SELLITA to his customers unless they are subject to modifications or additions in a written form agreed to by the parties.

1.2 Any terms differing from the present GSDC or being disadvantageous for SELLITA can be valid only if they have been accepted expressly and in a written form by SELLITA. The unconditional acceptance of an order by SELLITA shall not be considered as an acceptance of the customer's general terms and conditions of purchase.

1.3 The present GSDC do not apply in any case to labour or services.

1.4 In the absence of any written acceptance by SELLITA for modifications requested by the customer, the terms described in the present GSDC shall apply. Any future modification or adaptation of the present GSDC is reserved.

1.5 The customer hereby expressly waives application of any general conditions of his own.

2. Contract

2.1 The customer's orders must contain clear specifications concerning all execution details. The customer is responsible for the clarity and wording of his orders.

2.2 The contract is valid once SELLITA has addressed a written confirmation of order to the customer or upon delivery of the ordered product(s) to the customer.

2.3 The nature and scope of the services to be provided by SELLITA shall be described in the order confirmation.

3. Delivery terms

3.1 The terms of delivery set forth by SELLITA are not binding and are given for information purposes only. The deadline runs from the date mentioned in the order confirmation and ends once the product(s) to be delivered has left SELLITA premises.

3.2 If the ordered goods are not delivered within the indicated term, the customer shall neither claim compensation nor cancel the contract.

4. Prices

4.1 The prices quoted by SELLITA are in Swiss francs.

4.2 If SELLITA adjusts the prices of the products in the time between the conclusion of the contract and the delivery of the goods, the price valid at the day of delivery shall apply.

4.3 The prices are net, ex works, and do not include packaging, insurance and VAT.

5. Terms of payment

5.1 The customer is bound to settle all invoices in Swiss francs in full and without deductions.

5.2 Except any other terms of payment stipulated in the order confirmation or in the invoice, the invoiced amounts shall be

due within 30 days following the date of the invoice. This is a fixed term of payment, whose expiration places automatically the customer in default.

5.3 On expiry of the payment term mentioned under § 5.2. above, interest accrues on the sale price even if no reminder is issued by SELLITA. The interest rate is based on the official bank rate of the Swiss National Bank plus 4%.

5.4 If, after a period of 30 days following the expiry of the deadline mentioned under § 5.2. above, the customer has not fulfilled his obligation concerning receipt of goods and/or payment of the corresponding invoice(s), SELLITA shall be entitled to supply the goods ordered by the customer to a third party, regardless of any rights the original customer may have.

5.5 Set-off and right to retain goods without payment are excluded.

5.6 Should there be any doubt about the solvency of the customer, especially in case of delay in payment, SELLITA may request a prepayment or some guarantees before proceeding with further deliveries.

6. Proprietary rights and mixing chattels

6.1 The delivered goods remain SELLITA's property until their price is fully paid.

6.2 The customer authorises Sellita to undertake all necessary steps to officially register its proprietary rights according to the proceeding prescribed by Swiss law and at the customer's expense.

6.3 As long as SELLITA's proprietary rights apply, the

customer is liable for loss, destruction and damage of the delivered goods. He shall ensure, at his own costs, that the delivered products remain in good condition and are insured against theft, loss, fire, water and other risks. The customer shall also take any other measures to protect SELLITA's proprietary rights.

6.4. In the event of non-payment within the new deadline granted by SELLITA, the contract will be deemed to have been withdrawn and the customer will be required to return to his own expense all the goods delivered by SELLITA. All claims of SELLITA for damages are reserved.

6.5 In the event of SELLITA's products being mixed together with some customer's products, SELLITA acquires joint ownership rights in the new object in proportion to the value of its constituent parts.

7. Quality

7.1 SELLITA guarantees that the delivered products are free from any manufacturing and/or material defects. The defects due to components supplied by the customer are reserved.

7.2 Specifications given by SELLITA in relation with percentage of components or other values specific to its products shall only be considered as average values. The customer shall accept minimal differences which, despite all possible care being taken, are inherent the manufacture of a product and which, considering the use of the products, shall remain within acceptable tolerances.

7.3 SELLITA is not liable for products which have been transformed or modified by the

customer and shall not provide any guarantee for these products. In that case, SELLITA reserves the right to claim damages and infringement of its intellectual property rights.

8. Intellectual property

8.1 Intellectual property rights over the delivered products exclusively belong to SELLITA.

8.2 Each product shall be marked with SELLITA's brand-name and reference number, neither of which may be modified in any way by the customer.

8.3 SELLITA reserves the right to modify its products, product lines or ranges at all times.

9. Warranty and liability for defects

9.1 The customer must inspect the condition of the goods immediately after the delivery.

9.2 If any defect appears after reasonable observation, or if some errors in the delivery and/or quantities were to be discovered, the customer shall inform SELLITA within 15 days after receipt of the goods.

9.3 If the customer discovers defects which could not have been discovered during the verification mentioned under § 9.1 above, he must notify SELLITA by written as soon as he becomes aware of them. The warranty deadline mentioned under § 10.2 is unaffected.

9.4 If the customer does not respect his obligations mentioned under § 9.1 to 9.3 above, he is deemed to have accepted the goods as delivered by SELLITA.

9.5 If the customer's claims are justified, SELLITA shall replace the goods or deliver the missing goods. If SELLITA cannot exchange the goods or provide the missing goods, SELLITA shall take them back or offer a price reduction, at the customer's choosing.

9.6 The goods to be exchanged shall be returned to the following address with a note mentioning the reason for the exchange:

Sellita Watch Co SA
Case postale 1417
Crêt-du-Loche 11
2301 La Chaux-de-Fonds

10. Limitation of the warranty and liability for defects

10.1 The guarantee mentioned under § 9 above covers only the products delivered by SELLITA.

10.2 The period of guarantee is valid for one year from the date of delivery.

10.3 SELLITA shall not be responsible for any costs incurred for assembling or disassembling, or for any direct or indirect costs arising from the products themselves, their use or any defects they may have. In particular, SELLITA declines all responsibility for any costs ensuing or any other costs, notably loss of income.

10.4 The customer shall not claim any compensation for negligent nonfulfillment of the terms of the contract or of legal obligations on the part of SELLITA.

11. Transport

11.1 If the parties have not agreed to any specific transport

means, they might be determined by SELLITA.

11.2 The transport costs will be charged to the customer.

11.3 In the event of damage during transport, the customer has to direct his claim to the transport company directly within the special time limit provided to this effect.

12. Transfer of benefit and risks

12.1 The benefit of and the risks attached to the products are transferred to the customer when the products are sent by SELLITA. If the agreed delivery date is postponed, either at the request of the customer or for reasons for which SELLITA is not responsible, the risks are transferred to the customer on the day originally agreed upon for the delivery. From that time onwards, the goods will be stored at the customer's expense and risks.

13. Force majeure

13.1 In case of war, unavoidable production stoppages, strikes, lock-outs, power failures, unavailability of basic materials, fire or major transport problems due to which it is impossible to conduct normal business within a reasonable period of time, as well as in the case of any other disasters that affect SELLITA or its suppliers, SELLITA is no longer under obligation to deliver the goods ordered as long as such exceptional circumstances prevail and in proportion to the severity, neither shall SELLITA be bound to supply the goods at a later date.

13.2 Under such circumstances SELLITA is entitled to cancel

all or part of the contract without compensation.

14. Partial invalidity

14.1 If certain provisions of the present GSDC are invalidated, this shall not affect the validity of the remaining clauses.

14.2 The invalidated provision shall be replaced by a clause that will enable the parties to obtain the desired commercial result in an efficient and legally practical way.

15. Language

15.1 The present GSDC are available in English, German and French, the latter being the official text and prevailing on the other versions in case of interpretation or contradiction.

16. Applicable law and place of jurisdiction

16.1 The law of Switzerland shall exclusively apply to the contractual relations between SELLITA and its customers.

16.2 Any disputes arising between the parties shall be submitted solely to the competent courts of La Chaux-de-Fonds, Switzerland. SELLITA can however introduce any proceedings against the customer at the competent courts at the legal domicile of the customer.

16.3 The parties expressly waive the application of the United Nations Convention on the International Sales of Goods (CISG) of 11th April 1980.

Valid from September 1st 2014.