

## 1 General provisions

- 1.1 All our orders are exclusively subject to our Terms and Conditions of Purchasing. Changes or amendments to our Terms and Conditions require our written confirmation in order to be valid.
- 1.2 We hereby explicitly object to any contrary terms and conditions enforced by suppliers. Terms and conditions enforced by suppliers shall not be valid even if we do not explicitly object to them once again at a later point. Accepting the delivery does not mean consent with the supplier's terms and conditions.
- 1.3 Our Terms and Conditions shall also apply to future contracts as part of on-going Terms and Conditions of Business even if this is not explicitly expressed in the future.
- 1.4 The offer must explicitly indicate potential deviations between the offer and our request. Solely our order shall, in every case, be crucial to the scope of the delivery.
- 1.5 Our orders shall exclusively be binding once they have been agreed in writing. Verbal agreements or agreements concluded over the telephone shall only be legally valid following our written confirmation. Any changes, amendments and specifications, etc. shall also only become legally valid upon our written confirmation.
- 1.6 Our orders shall be confirmed in writing, stating our order data (order number, item number).
- 1.7 Subcontracting our orders in their entirety to third parties shall not be permitted without our written consent.
- 1.8 Any expenses incurred as a result of a non-observance of our instructions or incorrect as well as non-binding deliveries shall be borne by the supplier.

## 2 Prices and shipping costs

- 2.1 Stated prices shall apply as fixed prices unless specified otherwise.
- 2.2 For orders awarded without prices or featuring guide prices we shall reserve the right to approve the prices after having received the order confirmation.
- 2.3 In the event of a lack of an explicit pricing agreement, the prices calculated last for these or comparable services shall apply as part of on-going business relationships.
- 2.4 We do not consent to price adaptation or price increase provisions (including provisions for daily prices). Changes to prices shall be announced a minimum of three months prior to coming into force. Changes to prices and associated proviso shall exclusively be binding if and insofar as we have explicitly accepted these in writing.
- 2.5 Subject to contrary agreements, the supplier shall deliver the goods DAP Bischofszell (Incoterms 2020) to the destination stated in the order.

## 3 Invoice and payment

- 3.1 Invoices shall be submitted to us immediately following shipment of the goods unless agreed otherwise. They shall be sent to the invoice address listed in the order.
- 3.2 We shall specify whether payments shall be made within 14 days less a 3% cash discount or within 30 days without any discount, in each case following incoming goods checks and having received the invoice. The payment term shall commence at the earliest on the date the invoice has been received, however, not before having received the goods free from defects. Any potential currency risks shall be borne by the supplier.
- 3.3 A deduction of a cash discount shall also be possible if we add up amounts or enforce legitimate retentions.
- 3.4 Payment shall not mean acceptance of the delivery or services as per contractual terms and conditions. Payment shall always be made under the reservation that such payments can be reclaimed, in case the calculation retrospectively turns out to be incorrect or objections are raised as well as under the proviso of correctly receiving the goods.
- 3.5 We shall not agree to higher interest rates than those specified by law.

## 4 Delivery and packaging

- 4.1 The delivery deadlines and delivery dates stated in our order (also in the event of agreed part deliveries) shall be binding. The delivery deadlines shall commence as of the date of our written order. They shall be deemed as complied with when the goods have arrived at the destination we specified and the goods have been approved by us prior to expiry of the deadlines.
- 4.2 If the supplier can foresee that timely delivery is entirely or partly not possible, they shall immediately notify us in writing, stating the reasons and estimated duration of the delay.
- 4.3 Non-compliance with the delivery date or a delivery date of a part delivery shall constitute a delay without requiring a reminder and this shall give us the right to renounce the delivery without granting a grace period and terminate the contract, in the event of a delayed part delivery we shall have the option of demanding a termination of the contract for the part delivery or the contract on a whole or damage compensation due to non-compliance. Our reaction shall exclusively be interpreted as an extension of the deadline if we have explicitly declared the extension of the deadline in writing. If the goods are delivered prior to the delivery date or part delivery date, we shall be entitled, but not obliged, to accept the early delivery. In the event that we opt for acceptance, the agreed delivery date shall be crucial in terms of the start of the payment, warranty and limitation period. If we decline acceptance of the early delivery, we shall be entitled to return it with or without renouncing our claim to performance of payment and at the risk of the supplier and it must be actively or passively kept at the disposal of the supplier. In the case of order-based or works contracts we shall have the right, but not be subject to an obligation of checking the continued execution with inspections. The supplier's responsibility for contractual compliance shall not be affected by this.
- 4.4 In addition to the conventional accompanying documents each delivery/part delivery shall include a delivery slip in duplicate. Delivery slips and shipment notifications shall state the delivery by item, type and quantity and also include our exact order data (complete order number, order date and item number) excluding information on pricing. Part deliveries shall be highlighted as such.
- 4.5 We shall have the right, but not be obliged, to provide the supplier with instructions and specifications in terms of the shipment type, shipment route, means of transport, haulage company and actual carrier.
- 4.6 The packaging shall be adapted to the goods and the intended type of transport. The supplier shall bear the exclusive responsibility for a packaging free from defects. Loss or damage of the goods as a result of insufficient packaging shall be to the detriment of the supplier.
- 4.7 In any case, we shall have the right to return packaging material to the supplier. Providing that, as per our order, we bear the packaging costs, the return of packaging materials suitable for recycling shall exempt us from any related payment obligation.
- 4.8 If faster transport is necessary as a result of a delayed delivery (express delivery/service), the supplier shall bear the additional freight costs. Added costs for any express shipments that were not requested shall be borne by the supplier.
- 4.9 The guidelines of the packaging directives/environmental protection legislation shall be complied with.

## 5 Notifications of defects

- 5.1 The supplier shall check the quantity and quality of the goods as well as their compliance with the specifications stated in the order prior to shipment. The supplier shall notify us of any defects in writing.
- 5.2 Checks of the delivered goods as well as any due notifications of defects shall be made as soon as possible, yet without being subject to any associated deadline. To this end the supplier renounces any objection to the delayed notification of defects.
- 5.3 The performance of payments and any works approvals shall not be deemed as renouncing notifications of defects.
- 5.4 For any goods that are directly delivered to a processing agent commissioned by us, the obligation to check said goods shall only apply to us at the point in time when we receive the product manufactured by the processing agent or at the point of downstream processing by us at the point of further processing.

- 5.5 Deliveries of larger quantities of the same parts, in particular small vendor-supplied components, shall be inspected by us on the basis of the statistical sampling procedure. The supplier shall renounce any potential objections that the obligation to inspection as per Article 377 of the Commercial Code (HGB) or Art. 201 of the Rights to Obligation (OR) are not maintained. If sampling results in the finding of insufficient parts, we shall be permitted to reject the entire delivery without any further checks or have further checks carried out at the expense of the supplier.
- 5.6 In the event of on-going deliveries or deliveries following product approval, the supplier shall be obliged to inspect the item subject to delivery for any deviations and modifications in the event of any changes to the production conditions within their company, in particular in the event of a replacement of tools, machinery or the introduction of new production methods and notify us of any such deviations and modifications in writing. This shall also apply to any product modifications.

## **6 Quality standard and liability for defects**

- 6.1 The supplier shall be liable for the goods demonstrating the agreed properties, being suitable for the use intended in the contract and also not featuring any defects reducing their value or impairing their suitability.
- 6.2 The supplier shall be obliged upon our request to provide a sample, specimen and/or drawing/data sheet. The properties of a sample or specimen as well as the data in the data sheets have been agreed as guaranteed properties. This shall also apply to the data in works test certificates.
- 6.3 With the performance of our order the supplier shall guarantee unreservedly and without restriction that each delivered item demonstrates the properties stated in its brochure, by sales representatives or in sales documentation, complies with the public standards applicable at the destination (e.g. SUVA, SIA, SUDB, SEV, etc.), meets the specifications and performance characteristics demanded in the order and, in particular, does not feature any production, design and/or development faults that impair its suitability for the intended use or its value. If the delivery items serve as technical tools, they must particularly meet the occupational health and safety and accident prevention regulations at the destination and feature the occupational health and safety equipment required at the place of use.
- 6.4 The warranty and guarantee period shall be two (2) years following handover of the goods at our plant. The supplier shall further reject any objection to a limitation of actions for two (2) years following expiry of the warranty and guarantee period. In the event that we demand replacement deliveries and/or rectification of the defects, the deadline for the warranty and guarantee period shall extend by another twelve (12) months. The supplier shall also be liable for defects that have been caused partly or fully by packaging that is inappropriate to the delivery item's sensitivity to transport or as a result of insufficient instructions for handling on the packaging. The supplier shall also be liable for services and deliveries by sub-suppliers or subcontractors to the same extent as they are liable for their own services and deliveries. In the event of defects, we shall have the choice of either eligibility to rescission of sale, reduction, rectification or replacement delivery or elimination of the defects at the expense of the supplier by us or by third parties that we shall be permitted to commission. The supplier shall, in any case, bear any costs incurred for elimination of the defects, in particular also the costs of any return or destruction (scrapping) of the faulty delivery item. The supplier shall also be liable to any direct or indirect, consequential or immediate damage arising from a defect (including consequential harm caused by a defect), regardless of whether the defect was caused by the supplier or was caused by the lack of a guaranteed property of the item.
- 6.5 The supplier shall be obliged to implement sufficient quality assurance measures. We shall be permitted to check the quality assurance measures implemented by the supplier, carry out supplier audits and/or demand audit trails or certificates at any time. The supplier shall be obliged to allow inspection of the production and testing processes for the items we have ordered at any time. If we provide the supplier with testing equipment, its functionality shall be verified prior to each use. Neither the provision of test equipment, nor our potential acceptance, cooperation or commissioning of or participation in supplier-based quality assurance measures, shall exempt the supplier from any responsibilities to guarantee a certain quality. The acceptance of sampling testing or a relocation of our incoming goods checks to supplier premises shall not exempt the supplier from an obligation to liability for defects for any defects that have actually not been discovered in this process, even if these would have been identifiable in principle.

- 6.6 The supplier shall be obliged to reimburse our expenses for our efforts within the context of supplier-based quality assurance measures. We shall be permitted to offset our liabilities from this transaction or other transactions with such expenses, regardless of their maturity.

## 7 Product liability, insurance

- 7.1 We shall notify the supplier of any product faults on the delivered goods of which we become aware of if the fault has led/may lead to an accident with fatal consequences, bodily harm or material damage and we will coordinate how to proceed with the supplier. The supplier will support us in dealing with injured parties and release us from any claims, providing these are based on a product fault on the delivered goods or the violation of a collateral duty by the supplier and for which we are or the supplier is responsible or as a result of which the supplier's product liability obligation is affected. The supplier shall also notify us of risks arising from its product in the event of unintended use.
- 7.2 The supplier shall reimburse us for all expenses incurred within the context of a product liability case and the corresponding damage, in particular also the costs resulting from a recall campaign. Should a recall campaign as part of product liability become necessary, we shall coordinate with the supplier the downstream process, as far as possible and feasible in the situation.
- 7.3 The supplier shall be obliged to maintain product liability insurance with an insured sum of at minimum CHF 15 million per personal injury and/or material damage and an insured sum of at minimum CHF 0.5 million per damage case and calendar year for installation and removal costs, valid worldwide. If Max Hauri AG is entitled to further damage compensation claims, these shall remain unaffected.

## 8 Retention of title, ownership, tools, confidentiality

- 8.1 The supplier shall be entitled to deliver subject to a simple retention of title. We do not consent to any further, enhanced or extended regulations on a retention of title.
- 8.2 The parties agree that as part of the processing or connection of our property with objects that are not our property, we shall be granted co-ownership of the new object amounting to the value of our property in relation to the remaining, processed objects. This shall also apply if objects and goods are directly delivered to the supplier by third parties on our behalf and on our account for processing by the supplier. As part of the calculation of our co-ownership any production costs, overheads and other implicit costs shall be excluded from consideration. At this point in time, we shall already agree upon storage of these objects for us by the supplier free of charge.
- 8.3 Tools remain our property; they shall exclusively be used for the production of goods which we have ordered. The supplier shall insure the tools we own against fire and water damage as well as against theft and machine breakdown to an insured value equating to the replacement value at the supplier's expense. Upon conclusion of the contract the supplier shall authorise us to have the retention of title of tools handed over to the supplier entered in official registers as per the relevant national legislation and take care of all associated formalities. The supplier shall take all measures required to protect our property. The contractual parties shall already agree at this point in time that the ownership of all tools the supplier produces or which the supplier commissions to have produced on our behalf shall be fully transferred to us, providing we reimburse the supplier for tool costs according to the agreement. This shall also apply to all drawings and documents the supplier produces according to our specifications. If we contribute to the tool costs, the supplier shall already grant us a certain co-ownership at this point in time which equates to the portion of the tool to which we contributed. At this point in time, we shall already agree upon storage of these tools, drawings and documents for us by the supplier free of charge.
- 8.4 Any documents we have handed over, in particular those mentioned in the order, shall not be duplicated or made accessible to third parties without our written consent and they shall exclusively be used to fulfil our order and not for any other purposes. Staff and any associated third parties shall be obliged to maintain this level of confidentiality. Upon our request the documents and tools shall be returned at any time, at the latest upon delivery of the goods, in an undamaged condition, or, if this has been explicitly agreed, stored by the supplier until this provision is revoked. There shall be no reason to justify any right of retention.
- 8.5 Providing the supplier makes goods, tools or documents available to third parties with our consent, e.g. to sub-suppliers, the aforementioned provisions shall be transferred.

## 9 Surrender, pawning, offsetting

- 9.1 The transfer of the obligations and/or the surrender of rights of the supplier resulting from the contracts concluded with us shall not be permitted, in full or in part, without our written consent. Without our consent to transfer obligations, the seller remains jointly and severally liable to us as the contractual partner in any case.
- 9.2 Accounts receivable to which we are entitled shall not be pawned or surrendered without our prior, written consent.
- 9.3 The supplier shall not be permitted to offset any amounts with counter-claims to which we are entitled.
- 9.4 We shall be permitted to offset any claims for payment brought forward by the supplier with any accounts receivable to which we are entitled on the basis of our own right or surrendered right, regardless of the maturity of the claim.

## 10 Subcontracting

- 10.1 In the event of order-based or works contracts the supplier shall not be authorised, neither in full nor in part, to have our order carried out by third parties without our prior written and explicit consent. In the event of unauthorised subcontracting (also merely in part) we shall be entitled to terminate the contract or fully or partly waive the supplier's services in addition asserting damage compensation.

## 11 Approving reference samples

- 11.1 In the event of order-based and works contracts we shall be entitled to demand that the supplier only commences with series production once we have tested reference samples and explicitly approved them for series production. We shall also be entitled to predicate the use for series production on our prior, explicit and written approval for the production of production equipment (e.g. tools, moulds and gauges). In the event that we demand an obligation to obtain approval, our approval shall not exempt the supplier in any way from the associated obligation to liability for defects in relation to unidentified defects in reference samples and/or production equipment and in any series-production output manufactured on the basis of approved reference samples and production equipment.

## 12 Force majeure/retrospective changes to the contract

- 12.1 The corresponding other contractual party shall be notified as quickly as possible of any occurrence of a force majeure event (e.g. natural phenomena, armed conflict, internal unrest, strike action, lock-outs, decrees by public authorities, etc.). Each contractual party shall be authorised to withdraw from the contract for the entire duration of the event. If we or our consumers already have no use for goods prior to their delivery as a result of a force majeure event that has occurred at our or at the consumers' premises, the supplier shall exclusively be entitled to remuneration for the already incurred procurement or manufacturing costs. We shall immediately be reimbursed for any advance payments beyond this. The supplier shall not be permitted to implement changes to the specifications and properties, design, technology, formula, etc. on which our order is based without our prior, written and explicit consent. We shall not be subject to any obligation to consent to suggested changes, even in the case that they would not be associated with exceeding the deadline or budgeted costs.

## 13 Property rights

- 13.1 The supplier shall be liable for the fact that its goods and services do not infringe any third-party property rights. The supplier shall exempt us from any potential third-party claims.

## 14 Contractual language

- 14.1 The contractual language shall be German. In the event of disputes relating to the interpretation of the General Terms and Conditions of Purchasing, the German text shall exclusively be authoritative as the original text. Translations from German to other languages shall merely have informative character.



## **15 Place of performance**

- 15.1 The place of performance for deliveries and services shall be the agreed destination; place of performance for payment shall be the domicile of the ordering company.
- 15.2 In the event of insufficient delivery the goods shall be stored at the expense and risk of the supplier.

## **16 Place of jurisdiction and applicable legislation**

- 16.1 The place of jurisdiction for potential legal disputes shall be the domicile of the ordering party. If the ordering party appears as plaintiff, it shall also be permitted to file a case at any other, responsible court.
- 16.2 Exclusively the legislation valid at the domicile of the ordering party shall be applied to the contractual relationship on which this order is based excluding the conflict of laws provisions, and the United Nations Convention on Contracts for the International Sale of Goods (dated: 11 April 1980).