

General Conditions of Purchase

1. Placing of orders and acceptance

- 1.1 Only orders and agreements made in writing are binding.
- 1.2 The supplier must immediately confirm the order in writing. If we do not receive the order confirmation within 14 days of the order date, we are entitled to cancel the order without the supplier being able to derive any claims from this.

2. Delivery time

- 2.1 Agreed delivery dates are binding. The receipt of the delivery at the specified destination is decisive for compliance with the delivery date.
- 2.2 If the supplier can see that it is not possible for them to deliver on time in whole or in part, they must inform us immediately, stating the reasons and the expected duration of the delay. If we encounter delivery difficulties due to the supplier delay, the supplier shall be fully liable for any consequential damages incurred by us. If the delay is more than 15 days, we are entitled to withdraw from the contract and to claim damages.
- 2.3 Partial deliveries are only permitted if we agree to them in writing.
- 2.4 Our obligation to accept delivery shall be extended in the event of force majeure, labour disputes, operational disruptions, shortages of energy and raw materials, unrest and other unforeseeable or unavoidable events for which we are not responsible, for the duration of the disruption and to the extent of its effect. We shall inform the supplier immediately of the beginning and end of the aforementioned obstacles. In this respect, we cannot be held liable for a delay in acceptance or payment.

3. Information duties of the supplier.

- 3.1 The supplier shall notify us in good time before changes in production processes, materials or vendor parts for the products, relocation of production sites, and also before changes in procedures and equipment for testing the products or other quality assurance measures so that we can check whether the change could have an adverse effect. The supplier shall impose a corresponding obligation on any third parties that they use to fulfil their obligations to us. The supplier must also notify us of any change in their service providers and suppliers during delivery of our goods. If disadvantageous effects cannot be excluded, the supplier shall ensure that we are supplied with unchanged parts until we have found an alternative solution. If the supplier is unable to ensure our delivery at our discretion and upon written request to the supplier, we shall be entitled to withdraw from the contract and to procure cover. In this case, the supplier shall bear all proven additional costs from the procurement of cover.

4. Delivery and acceptance

- 4.1 Each delivery must be accompanied by delivery notes stating our order and material numbers, the name of the person in charge, the type of packaging and the quantity and weight of the delivery.
- 4.2 The invoice must be sent electronically to finance.switzerland@kernworld.com after delivery.
- 4.3 The supplier has not fulfilled their delivery obligation until we have received the proper delivery and shipping documents (including the required documents of the quality assurance agreement QSV). Until then we are entitled to store the delivery at the supplier's expense and risk. The payment period for invoices shall only commence upon receipt of all agreed documents.

5. Pricing and payment

- 5.1 The prices used in the order are fixed prices including packaging and are free to destination, unless otherwise agreed. An increase of these prices requires our approval. We reserve the right to cancel the order or to waive the contract if the prices confirmed by the supplier do not suit us.
- 5.2 All payments are made subject to the rights of any defects. If delivered goods are defective, we are entitled to exercise a right of retention. Payments do not constitute recognition of performance or waiver of warranty or compensation.

6. Packaging

- 6.1 The products to be delivered shall be packaged in accordance with standard commercial practice or, at our request, shall be provided with special packaging in accordance with our instructions.

7. Transfer of risk

- 7.1 The risk shall pass to us when the delivery has been properly handed over to us at the specified destination or has been accepted by us. The same shall also apply if transport persons or carriers are involved. The supplier must take out adequate transport insurance and provide proof of this on request. The goods become our property immediately upon delivery to us; we do not recognize any reservation of title.

8. Warranty

- 8.1 The warranty period is **24 months**. In the case of individual parts, the period begins with the acceptance (contract for work) by or delivery (purchase contract) to us, in the case of machines or plant parts with the signing of the final acceptance protocol.
- 8.2 The supplier guarantees that the delivery item is free of legal or material defects at the time of handover to us or our customer and that it complies with the latest state of the art, the rel-

evant laws, protection and accident prevention regulations and the usual and technical quality assurance standards (e.g. SEV, DIN, VDE, VDI, TÜV, CE, ROHS). In the event of differences in the form of these standards, the Swiss version will prevail.

- 8.3 Upon receipt, we will inspect the goods for obvious defects, identity, shortages and transport damage. There is no further obligation to inspect incoming goods. We shall notify the supplier of any defects or other deviations within a reasonable period of time. The supplier waives the objection of a delayed notice of defects.
- 8.4 In case of defects, we are entitled in urgent cases or after the unsuccessful expiry of a reasonable period of grace to remedy the defects ourselves at the supplier's expense, to have them remedied by a third party or to procure a replacement elsewhere.
- 8.5 The supplier must bear all expenses for the purpose of repair or replacement at the respective place of use of the goods. We shall inform the supplier of the place of use on request.
- 8.6 If we take back our own products as a result of the defectiveness of the supplier's product or if the purchase price was reduced because of this or if claims were made against us in any other way, we reserve the right of recourse against the supplier. An otherwise usual setting of a deadline is not required. The supplier must also reimburse us for the necessary expenses. Notwithstanding the provision in clause 8.1, the aforementioned claims shall become statute-barred at the earliest two months after the date on which we have satisfied the claims against our customer, but at the latest after five years.
- 8.7 If a material defect becomes apparent within 6 months of delivery, it is assumed that the defect was already present at the time of delivery.
- 8.8 The warranty period begins again for repaired or replaced parts.

9. Liability

- 9.1 In order to cover the general liability risk, the supplier is obliged to take out liability insurance with a sufficient amount of cover and to provide evidence of the existence of cover at our request.
- 9.2 If a claim is made against us on the basis of product liability, the supplier must indemnify us to the extent that they themselves would be directly liable (amount of damages, costs of legal proceedings, costs of legal action by recourse to a lawyer, etc.). Upon our request, the supplier must also provide us with an appropriate advance on costs for court and lawyer. The supplier must also reimburse us for costs incurred by us as a result of damage prevention measures (e.g. recall actions); this also applies in the case of recognisable and imminent serial defects.
- 9.3 If employees or representatives of the supplier work on our business premises or at customers' premises, they must observe the accident prevention regulations and all other safety regulations as well as the respective company rules. Damage resulting from non-compliance with these regulations shall be borne by the supplier. The supplier is also liable for any simple negligent behaviour of their employees or agents. Our liability is limited to damage caused by us through gross negligence or intent. This does not apply to physical injury.

10. Property rights of third parties

- 10.1 The supplier guarantees that the use of the delivered goods does not violate any industrial property rights, such as patent or utility models, other rights or business or trade secrets of third parties - not even in the country of use. In this respect, they shall indemnify us against any claims of third parties.
- 10.2 In addition, the supplier shall be liable for any further direct or indirect damage which we suffer from an infringement of such rights.
- 10.3 This right does not apply if the supplier manufactures goods exclusively according to our drawings and models and they did not know that the manufacture of these goods would infringe the rights of third parties.

11. Manufacturing equipment, samples, drawings

- 11.1 Tools manufactured on our behalf and paid for by us become our property upon full payment. The transfer of ownership is replaced by the fact that the supplier stores the items for us free of charge with the care of a prudent businessperson. Our ownership is to be marked on the objects themselves and in the business books. If we have only partially paid for tools, gauges, devices, models, etc., we can demand their return from the supplier at any time against payment of the residual value.
- 11.2 Documents as well as objects of all kinds, such as samples, drawings, tools, models, etc., which we make available to the supplier, must be returned to us at our request. Such means may neither be used by the supplier for their own purposes nor made available to third parties. Under no circumstances may the supplier assert a right of retention.
- 11.3 When awarding contracts for work of any kind (e.g. research and development contracts), we are exclusively and fully entitled to the results of the work as well as the resulting intellectual property rights. The decision as to whether industrial property rights are to be registered is solely ours. If copyrights arise in connection with an order, the supplier shall grant us exclusive rights of use and exploitation of the work, unrestricted in terms of time and place. When developing software, the supplier undertakes to assign and/or transfer to us all copyrights of its own or its employees. This also applies to the source codes.
- 11.4 Products manufactured according to documents designed by us (such as drawings, models and the like) or according to our confidential information or with our tools or copied tools may neither be used by the supplier themselves nor offered or delivered to third parties.
- 11.5 The supplier undertakes not to provide all details of our orders, such as quantities, technical design, conditions, etc. etc. to third parties. The inclusion of our company in a reference list or use of our order for advertising purposes is only permitted after obtaining our written consent. The supplier undertakes to pay a contractual penalty of 30% of the order value in the event of violation(s) of this confidentiality obligation as well as in the event of violation(s) of the provisions of this clause 11 in general. Furthermore, in the event of particularly serious violations, we shall be entitled to terminate the entire contractual relationship with the Supplier without notice and without compensation and to demand the return of any payments already made. A particularly serious breach is deemed to have occurred in particular if the supplier passes on its acquired or received knowledge to third parties in competition with us. In addition to the contractual penalty, we expressly reserve the right to claim further damages.

12. Provision of materials

- 12.1 Materials provided by us remain our property. They shall be stored clearly and separately and clearly marked as our property. The supplier is liable for damage to or loss of the material provided, even if they are not responsible for this. The supplier must take out adequate insurance against fire and water damage and against theft at their own expense.
- 12.2 The material may only be used for its intended purpose and must be returned to us if it is not required for the order.
- 12.3 After processing the materials provided, we shall acquire co-ownership in accordance with the value ratio of the manufactured item.

13. Assignment

- 13.1 An assignment or pledge of the rights accruing to the supplier from the contract may only be made with our written consent.

14. Place of performance, Place of jurisdiction and Applicable law

- 14.1 The place of performance for all deliveries and services is the destination specified by us.
- 14.2 Place of jurisdiction is the court responsible for our place of business. However, we are also entitled to appeal to the court responsible for the supplier's registered office.
- 14.3 Swiss law applies, excluding the UN Convention on Contracts for the International Sale of Goods (CSIG).
- 14.4 Should individual provisions of these terms and conditions of purchase be invalid in whole or in part, the remaining provisions shall remain valid.

Konolfingen, 17 November 2020