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## **GENERAL CONDITIONS OF PURCHASE**

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### **Article 1: Formation of the contract**

These General Terms and Conditions of Purchase ("**GTCP**") govern all purchases made by Emile Egger & Cie SA (the "**Company**") from its suppliers, whether of tools, equipment, parts, components, assemblies and sub-assemblies, raw materials or services (the "**Supply(s)**"). An order (the "**Order**") includes the purchase order issued by Emile Egger & Cie SA and sent to its supplier (the "**Supplier**"), these GTCs as well as the documents that define the characteristics of the Supplies (drawings, specifications, etc.). All orders are therefore subject to these GTC and to the specific conditions of the order, to the exclusion of any printed or handwritten clauses to the contrary. The mere fact of proceeding with the design, manufacture, delivery and invoicing of the supplies ordered implies acceptance of the order, its special conditions and these GTC by the supplier. Under no circumstances may the supplier invoke its own general clauses appearing on its business papers.

### **Article 2: Order validity**

Unless otherwise agreed, the supplier must confirm the order within seven (7) days of the order date; this confirmation constitutes acceptance of the order, these General Terms and Conditions and the specific conditions stipulated. In the absence of a response within this period, the supplier is deemed to have accepted all of the terms of the order.

When a confirmation is attached to the order, only this is valid and must be returned duly signed to Emile Egger & Cie SA.

Any comments from the supplier must be submitted, point by point, for approval to Emile Egger & Cie SA with the order confirmation.

### **Article 3: Revisions to the order**

The supplier must study any revisions that Emile Egger & Cie SA may legitimately request from it with regard to the subject of the order, its specifications, its quantity and/or its delivery. The supplier must respond to it to the fullest extent of its means. The price is adjusted to take into account the revision based on the rates and prices indicated in the contract.

### **Article 4: Compliance with regulations**

The supplier must ensure that the supplies ordered are produced in accordance with the laws, regulations and standards in particular with regard to health, safety, environmental protection, labor law, tax and customs regulations in force in each states involved in their production. The supplier also undertakes to ensure that the supplies meet in all respects the legal and regulatory requirements in force, in particular concerning the qualities, composition, presentation and labeling of the goods, the documents necessary for transport operations and formalities.



## **Article 5: Quality assurance – Controls and tests**

The quality assurance model adopted in relations between suppliers and Emile Egger & Cie SA is the model defined in the ISO 9001 standard. However, other provisions may be applied at the request of the supplier and after agreement by Emile Egger & Cie SA.

Emile Egger & Cie SA reserves the right to request, at any time, the implementation of a “Quality Assurance Plan” on supplies.

The supplier must authorize the performance of system, product or process quality audits carried out by Emile Egger & Cie SA auditors. The supplier must make available to Emile Egger & Cie SA the necessary means of control without this releasing it from liability or valid acceptance of the supplies. The scope of the audit must be agreed by the supplier in order to preserve possible manufacturing secrets. In the event of major deviations, an action plan can be defined between the different partners.

If the supplier notices non-conformity of the supply, this must be identified and the deviation reported to the Quality Department of Emile Egger & Cie SA. If applicable and only at the request of Emile Egger & Cie SA, the supply must be made available to its Quality Department for possible acceptance by formal exemption. Except for this exemption, the supplier remains responsible for non-conformities of the supply, for defects and defects which could affect it and for the consequences which could result therefrom. A formal exemption in no way affects the mandatory nature of the delivery deadline originally stipulated and the supplier is required to respond to it at all times.

The supply must meet in all respects the specifications mentioned on the order (plan, specifications, standards, particular specifications, etc.). The supplier must verify each time an order is received that it is in possession of the documents with the indices stipulated on the order and that the specifications given on the order are consistent. Failing this, he must immediately inform Emile Egger & Cie SA.

When the Emile Egger & Cie SA Quality Department detects a defect and opens a non-conformity report, the supplier undertakes to analyze the defect (determination of the root cause(s)) and to implement a corrective action plan so that the defect does not recur.

The supplier is responsible for the quality of the supplies and their compliance with the order. The documents certifying this must clearly establish the conformity of the batch of supplies delivered with the specifications of the order as well as the traceability of the supplies. The provision of these documents for each delivery may be required as a special condition appearing in the specifications or in another contractual document.

The existence of checks carried out upon receipt or on finished products by Emile Egger & Cie SA does not relieve the supplier of its responsibility to provide a compliant supply, without defects or defects.

## **Article 6: Delivery times**

The delivery times mentioned in the orders are stipulated as “strict delivery times” and must be strictly respected. In the event of agreement by Emile Egger & Cie SA on early delivery, payments will only be made in accordance with the initial contractual payment terms.

If delivery risks being delayed beyond the scheduled date, the supplier must immediately inform Emile Egger & Cie SA in writing.



In the event of exceeding the delivery times provided for in the order, even if only for part of the order, Emile Egger & Cie SA reserves the right to its sole choice, without prejudice to any actions for damages and interest whatever the cause of the delay:

- without formal notice, to demand delivery by rapid service, at the supplier's costs.
- without formal notice, to reduce or cancel without compensation the order or the part of the order not delivered on time, and to obtain supplies from another supplier.

The subsequent additional costs, including additional supply costs, are then fully deferred to the defaulting supplier, and can be deducted from the amounts owed to it.

- after written notice to the supplier, to apply the penalties set out below, which the supplier expressly accepts hereby.

Without prejudice to any higher compensation, the supplier bears all penalties or re-invoicing that Emile Egger & Cie SA may incur in the performance of its contracts with its customers.

#### **Article 7: Late penalties**

Without prejudice to any higher compensation, the delay penalty is set at two point five per cent (2.5%) of the amount of the disputed delivery per week of delay, up to a maximum of ten per cent (10%) of the amount of the order in question. These amounts include the price of the goods and/or services as well as any related ancillary costs (postage, delivery charges, etc.). Any week started is due.

Penalties may be subject to compensation with the amount of sums owed to the supplier, which the latter expressly accepts by these CGA.

#### **Article 8: Place and terms of delivery of the goods**

Any delivery of goods by the supplier or its carrier must be made to the location specified on the order and within the time slots communicated to the supplier. Delivery must be accompanied by a delivery note mentioning the order number, the items delivered, the quantity, the date of dispatch, the weight and the packaging, as well as a transport slip mentioning the address of delivery, weight and packaging.

Supplies must be delivered in appropriate packaging. Packaging is carriage paid and cannot under any circumstances be returned without prior written agreement.

Signing the delivery note and the transport slip only has the effect of noting the arrival of the packages. From then on, the supplier always remains guarantor of the conformity of the order and the goods covered by the latter..

##### For purchases of supplies in Switzerland :

Except in special cases expressly provided for in the order, delivery takes place free of postage and packaging, as well as net of all duties to the place of delivery indicated in the order, all risks of loss and damage being borne by payable by the supplier to this location. It is up to him to possibly ensure accordingly.

##### For purchases of supplies outside Switzerland :

In the absence of any other exemption, delivery is made in D.A.P. – incoterms 2010, headquarters of Emile Egger & Cie SA, excluding VAT.



### **Article 9: Transfer of ownership**

Ownership of the goods is transferred when full payment has been made.

### **Article 10: Terms of acceptance**

Emile Egger & Cie SA reserves the right to notify, by any means commonly used, losses, damages, or non-compliance of supplies observed during unpacking or subsequent inspections.

Any supplies that do not conform to the specifications of the order or to the usual quality criteria and current standards may lead to the outright refusal of the goods by Emile Egger & Cie SA, either upon delivery or within a reasonable time required to carry out the appropriate inspections after delivery.

In this case, and without prejudice to the rights and remedies available to Emile Egger & Cie SA, the company reserves the option, at its sole discretion:

- To terminate all or part of the order by any means commonly used, without the supplier being entitled to any compensation.
- To require the supplier, at their expense, to replace or bring the rejected supplies into conformity within the negotiated timeframe.
- To pass on to the supplier the costs and indemnities incurred by Emile Egger & Cie SA in fulfilling its contracts with its customers.

The aforementioned measures may be taken cumulatively.

In the event of the rejection of supplies, the supplier shall be notified and must arrange for the removal of the rejected goods, at their own expense and risk, within eight (8) days following the rejection notification. If this period elapses, Emile Egger & Cie SA may have the goods removed by any means it deems appropriate, at the supplier's expense and risk.

The settlement of the entire invoice for the rejected supplies will be held pending until the acceptance is regularized by one of the following means: replacement or bringing the supplies into conformity, or issuing a partial or full credit note. All consequent expenses incurred by the company are invoiced to the supplier and may be subject to offsetting against the amounts owed to the supplier, which the supplier expressly accepts under these terms and conditions.

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### **11: Pricing, Payment Terms, and Invoicing**

The price of the order is the price indicated on the order or the result of the price calculation terms specified in the order. It is firm, non-revisable, and corresponds to a purchase delivered to the delivery location specified by Emile Egger & Cie SA. Unless otherwise specified, the prices mentioned on the orders are understood to be free of carriage and packaging charges. The established price is always considered exclusive of taxes.

A change in price can only result from an amendment to the order.

Invoices must be sent exclusively by mail to the Accounting Department of Emile Egger & Cie SA and must necessarily include the order number and the delivery slip number(s). They must include all legal mentions.



According to the Ordinance on the Issuance of Proof of Origin of May 23, 2012:

- For approved exporters: They must include on their invoice the standard statement along with their customs authorization number: "The exporter of the products covered by this document (customs authorization number [XXX]) declares that, unless otherwise clearly indicated, these products have the preferential origin [XXX]."
- For non-approved exporters: The origin must be clearly indicated on the invoice, which is legalized by the Chamber of Commerce if requested by the buyer. An EUR. 1 or EUR-MED document or a certificate of origin must be provided along with the invoice.

Shipment cannot occur before deliveries, and the preparation of invoices must comply with the information provided in the order. Unless there are specific conditions, payment of invoices is made within thirty (30) net days from the receipt of the documents at the headquarters of Emile Egger & Cie SA.

The company may refuse to pay advances related to partial deliveries initiated solely by the supplier.

The supplier agrees that corrections of amounts billed to Emile Egger & Cie SA (made necessary due to material invoice errors, shortages, or rejections upon receipt) may result in the withholding of payment for the respective invoices until the corresponding credits are received.

Unless otherwise agreed, the banking fees associated with the payment of invoices are the responsibility of the beneficiary.

#### **Article 12 : Warranty**

Unless otherwise specified, in addition to the legal warranty for hidden defects, the acceptance of orders implies a warranty (parts, labor, and travel) for the supplies against any defects in design, manufacture, assembly, or operation, against any material defect, or any other fault, for a minimum period of twelve (12) months, starting from the date of commissioning.

In the event that the supplies are burdened with a defect as mentioned above or any other fault, Emile Egger & Cie SA may require the supplier, without prejudice to the rights and remedies available to the company otherwise. :

- to repair or replace the supplies promptly, at the supplier's expense and risk. In the event that the supplier is unable to do so, Emile Egger & Cie SA reserves the right to carry out or have carried out, at the supplier's expense, the necessary corrective actions;
- to refund the full amount paid for these supplies;
- to compensate for the consequences that the defects or faults cause to Emile Egger & Cie SA's customers and/or to the company itself.

In any case, Emile Egger & Cie SA is authorized, as well as its customer, to return defective or faulty supplies to the supplier, at the expense, risk, and peril of the latter, including the costs related to their shipment.

The supplier cannot use the payment of an invoice as grounds to oppose the claims of Emile Egger & Cie SA or its customers concerning the corresponding supplies.

Any replaced supply is subject to a warranty of the same scope and duration as the warranty for the initial order. Furthermore, at the end of the warranty period, the supplier ensures, to the best of their ability, the availability of the delivered supplies. All consequential expenses incurred, directly or indirectly, by Emile Egger & Cie SA are



invoiced to the supplier and may be subject to offset against the amounts owed to the supplier, which the supplier expressly accepts under these terms and conditions.

### **Article 13: Termination of the Contract**

In the event of a supplier's failure to meet any of its obligations, regardless of the cause of the failure, except in cases of force majeure, Emile Egger & Cie SA reserves the right to terminate, by operation of law, all or part of the order without compensation, without prejudice to the rights and remedies available to Emile Egger & Cie SA otherwise.

In exceptional cases, Emile Egger & Cie SA reserves the right to terminate an order due to reasons attributable to its customer, after notifying the supplier. In such instances, Emile Egger & Cie SA compensates the supplier for all costs legitimately incurred in the execution of the order, with the understanding that the supplier takes all necessary measures to minimize its losses. The compensation in no case exceeds the amount of the order. Emile Egger & Cie SA then becomes the owner of the goods supplied, produced, or in progress.

### **Article 14: Industrial and Intellectual Property - Confidentiality**

All tools, models, equipment, plans, software, specifications, and other informational items provided by Emile Egger & Cie SA under the contract shall at all times remain its property and may only be used by the supplier for the purposes of fulfilling the contract. The supplier must keep these documents and other informational items confidential and return them to Emile Egger & Cie SA upon request. Regarding external design offices or subcontractors, the supplier must take care to avoid any disclosure detrimental to the interests of Emile Egger & Cie SA. In no case and under no circumstances, except with the prior written agreement of Emile Egger & Cie SA, shall its orders lead to direct or indirect advertising by the supplier.

In the event of the supplier's failure to comply with these obligations, Emile Egger & Cie SA reserves the right to terminate, by operation of law, without compensation, any ongoing order, without prejudice to the rights and remedies available to the company otherwise.

The supplier guarantees that the delivered goods conform to the order and are not subject to any claims of industrial or intellectual property (patents, trademarks, designs, copyrights, etc.).

In any case, the supplier is required to indemnify Emile Egger & Cie SA from any action related to unfair competition or infringement of industrial property rights concerning the supplies covered by the contract, brought by third parties against either Emile Egger & Cie SA or its customer, and the consequences of such actions, regardless of the time elapsed after the physical receipt of the supplies.

Inventions, patents, designs, trademarks, and models, and, more generally, all industrial property rights that may be generated through the execution of these General Conditions of Agreement, are exclusively the property of Emile Egger & Cie SA.

### **Article 15 : Documents – Notices**

The supplier undertakes to provide Emile Egger & Cie SA with all technical documents, including but not limited to drawings, diagrams, maintenance, user, operation or instruction manuals, operating software, calculation notes, certificates of conformity, safety data sheets, related to the delivered supplies and necessary for a proper assessment of the quality of these supplies, as well as for their proper operation and maintenance.



All documents are written in French, German, or English.

#### **Article 16 : Insurance**

The supplier undertakes to fully indemnify the consequences of bodily, material, and immaterial damages, including costs and convictions resulting from acts or omissions, whether during or after the execution of the contract, caused by the supplier, its subcontractors, employees, or agents, or resulting from its supplies or those of its subcontractors.

The supplier subscribes to and maintains in force an insurance policy covering its liability (operation and post-delivery - material and immaterial damages - consequential and non-consequential damages) and must be able to provide proof of this insurance at any time upon request by Emile Egger & Cie SA.

#### **Article 17: Assignment and Subcontracting**

The supplier refrains from assigning the order, subcontracting its execution, or contributing it to a group or company without the prior written consent of Emile Egger & Cie SA. Even after obtaining this consent, the supplier remains responsible to Emile Egger & Cie SA for the complete execution of the order within the specified timeframes. The supplier is responsible for all services performed and supplies delivered by all of its subcontractors.

#### **Article 18 : Subcontractors**

Orders placed with suppliers who are the subcontractors of Emile Egger & Cie SA are subject to all the clauses of these General Conditions of Agreement that concern them. The products provided by Emile Egger & Cie SA for subcontracting operations remain its property under all circumstances, and Emile Egger & Cie SA has the right to reclaim them at any time at the premises of its subcontractors. For this purpose, Emile Egger & Cie SA is already authorized, as well as its employees and agents, to enter their premises.

The delivery of Emile Egger & Cie SA's products transfers the risks to the subcontractor: maintenance, security, insurance, and all other risk coverage measures for the goods, from the time of delivery, are the responsibility of the subcontractor. The subcontractor is and remains responsible for all risks of deterioration, loss, partial or total destruction of the goods entrusted to them, regardless of the cause of the damage, even if it is a fortuitous event or force majeure.

In this regard, the subcontractor proactively provides Emile Egger & Cie SA with a certificate of insurance in which the products entrusted to them are declared as insured against all risks and all claims they may cause (liability insurance) and against all risks and all claims they may suffer (damage insurance).

The subcontractor commits to storing the goods entrusted to them in a healthy location designated for this purpose and in compliance with the safety standards in force in the areas of safety and handling. This location should have a sign indicating that the products belong to Emile Egger & Cie SA, with wording such as: "Products owned by Emile Egger & Cie SA."

The subcontractor is directly responsible to Emile Egger & Cie SA and/or to its client for any non-conformities, defects, or faults that may affect the products entrusted to them and that are the direct or indirect result of the subcontracting operations assigned to them. The same applies in the case of a delivery delay that can be directly or indirectly attributed to them. In this regard, Articles 6, 7, 10, and 12 of these General Conditions of Agreement define the responsibilities they incur.



In the event that products entrusted to the subcontractor for subcontracting operations are found to be affected by non-conformity, defects, or faults, the subcontractor must, upon request from Emile Egger & Cie SA, provide all the documents demonstrating that they have carried out their service under the required and necessary conditions so that the entrusted products could not have been affected by non-conformity, defects, or faults during this process. In the absence of such documentation, if the non-conformity, defect, or fault can be linked to the execution of their service, the subcontractor is then responsible for all the consequences.

#### **Article 19: Dispute with a Supplier**

In the event of a dispute with a supplier, only documents written in French, German, or English are considered valid.

#### **Article 20: Disputes with Third Parties**

If a third party initiates legal action against Emile Egger & Cie SA based on the supplier's performance of the contract or their supplies to Emile Egger & Cie SA within the scope of the order, the supplier must cover their expenses and, upon request from Emile Egger & Cie SA, join with them to ensure the defense in the relevant legal proceedings.

#### **Article 21: Changes in the Legal Status of the Supplier**

The supplier undertakes to notify Emile Egger & Cie SA within fifteen (15) days of its occurrence of any changes in the composition of its capital, management, legal form, or financial structure, as well as any judgments it may be subject to, such as judicial reorganization or liquidation of assets.

#### **Article 22: Applicable Law and Jurisdiction**

The applicable law for the order (general conditions, specific conditions, etc.) is Swiss law. Emile Egger & Cie SA and the supplier expressly waive the application of the United Nations Convention on Contracts for the International Sale of Goods concluded in Vienna on April 11, 1980.

All disputes related to the interpretation or execution of the orders are subject to the exclusive jurisdiction of the court at the registered office of Emile Egger & Cie SA, even in cases of third-party claims, multiple defendants, or related matters.

#### **Article 23: Special Conditions for International Procurement of Supplies**

In deviation from Article 8 (Place and Conditions of Goods Delivery):

- The prices of supplies acquired outside the European Union, in the absence of any other deviation, are considered established as D.A.P. - Incoterms 2010, at the headquarters of Emile Egger & Cie SA, excluding VAT;
- The prices of supplies acquired within the European Union, in the absence of any other deviation, are considered established as D.A.P. - Incoterms 2010, at the headquarters of Emile Egger & Cie SA, excluding VAT.