

## 1. Area of application

- 1.1. Our Terms and Conditions of Purchase apply exclusively; we do not recognise general terms and conditions of the Supplier which contradict or deviate from our Terms and Conditions of Purchase, unless we have expressly approved their application in writing. Our Terms and Conditions of Purchase also apply if we, in awareness of terms of the Supplier which contradict or deviate from our Terms and Conditions of Purchase, accept or pay for the delivery of products and services of the Supplier (hereinafter: Object of the Contract).
- 1.2. Our Terms and Conditions of Purchase also apply for all future deliveries and services of the Supplier to us and until our new Terms and Conditions of Purchase come to apply.

## 2. Contract conclusion and contract modification

- 2.1. Orders, transactions, blanket orders, as well as any changes and amendments to such, must be made in writing.
- 2.2. Verbal agreements before or upon contract conclusion must be confirmed in writing by Purchasing to be considered in effect.
- 2.3. Verbal agreements after conclusion of the contract, in particular subsequent changes and additions to our Terms and Conditions of Purchase, including this clause obliging the written form, as well as side agreements of any kind, must also be confirmed in writing by Purchasing to be considered in effect.
- 2.4. Cost estimates and offers are binding and not subject to compensation unless otherwise explicitly agreed.
- 2.5. We expect a written order confirmation within five business days after order receipt at the latest. If the Supplier does not accept the order within five business days after receipt, we are entitled to withdraw it. Blanket orders become binding when the Supplier does not object within five business day after receipt.
- 2.6. The Quality Assurance Guidelines for Suppliers (QAA) are a component of this contract.

## 3. Deliveries

- 3.1. Deviations from our quantity contracts, orders, or other written agreements are only permitted after our previous written approval.
- 3.2. The agreed deadlines and time limits are binding. The goods must be received at the delivery location specified in the order in order to comply with the delivery deadline. If "DAP or DDP pursuant to Incoterms 2010" is not agreed, the Supplier is to provide the goods "FCA pursuant to Incoterms 2010" in due time and in consideration of the time to be agreed with the forwarder for loading and shipment.
- 3.3. If the Supplier has handled setup or installation, and if nothing else has been agreed, the Supplier shall bear all necessary ancillary costs, such as travel costs, the provision of operation materials, etc., subject to contradictory agreements.
- 3.4. If the agreed deadlines are not met, legal regulations shall apply. If the Supplier predicts difficulties with regard to production, the supply of input material, compliance with the delivery deadline, or similar circumstances, which could prevent the Supplier from meeting the agreed delivery deadline or agreed quality, the Supplier is to inform us in writing without delay and to provide the reasons for such as well as the extent of the foreseeable delay.
- 3.5. Deliveries by the agreed delivery deadline are not to be made more than three days earlier or one day later without written approval.
- 3.6. The unconditional acceptance of a later delivery or service does not constitute a waiver for compensation claim resulting from the late delivery or service; this shall apply until full payment of the fee we owed for the respective delivery or service.

- 3.7. Partial deliveries are not permitted as a general rule, unless we have expressly approved such or find them reasonable.
- 3.8. Unless proven otherwise, the values in respect to quantities, weights, and measures which we determine during the inspection of incoming goods are decisive.
- 3.9. We have the right to use software that is part of the scope of product delivery, including its documentation, with the agreed features to the extent necessary for the contractual use of the product and to the extent permitted by law. We may also create a backup copy without express agreement.

## 4. Force majeure

Force majeure, labour disputes, involuntary work interruptions, riots, official measures, and other unavoidable events shall entitle us, without prejudice to our other rights, to withdraw from the contract, in whole or in part, provided such events are not of insignificant duration and result in a significant reduction in our demand.

## 5. Dispatch note and invoice

The information specified in our quantity contracts, orders, or other written agreements shall apply. The invoice is to be submitted in single copy to the address printed and include the invoice number and other tracking information; invoices are not to be included with consignments.

## 6. Pricing and transfer of risk

If no special agreement has been made, the prices are understood to be "DDP pursuant to Incoterms 2010" including packaging. The value-added tax is, if it applies, to be indicated separately. The Supplier bears the risk until goods acceptance on our part or on the part of our authorised representative in the location where the goods are to be delivered in accordance with the agreement.

## 7. Terms of payment

If no special agreement has been made, the invoice shall be settled within 60 days net without discount after payment due date and receipt of both invoices as well as goods or the provision of the service. Payment is subject to invoice verification. Claims arising from the execution of the order may not be assigned or pledged without prior written consent.

## 8. Defect claims, recourse, and warranty

- 8.1. The Supplier, as an expert specialist, guarantees that the delivery objects will be free of any defects. In particular, this includes proper materials, processing, construction, installation, inspection, and any instruction, as well as services and software.
- 8.2. Acceptance shall be subject to an inspection to ensure there exist no defects, as well as to verify the correctness, completeness, and suitability. We are authorised to examine the Object of the Contract, if and as soon as this is feasible in the course of normal business; we will file complaints for any defects discovered immediately after their discovery. In this respect, the Supplier waives the right to object to notices of defects.
- 8.3. Statutory provisions for material and title defects shall apply unless specified otherwise in the following.
- 8.4. We have a fundamental right to rectification.
- 8.5. Under warranty, the Supplier is to repair or replace any defective parts as quickly as possible, sometimes on-site with the end customer as necessary. The choice between repair and replacement belongs to us or the end customer. The Supplier shall also bear the related disassembly and assembly costs. We are also authorised to establish a deadline for the Supplier with respect to repairing or replacing the defective parts.

- 8.6. The warranty period is 36 months and begins on the day on which the individual delivery items are put into initial operation on the premises of the final customer or at one of our locations. Longer legal or contractually agreed warranty periods are reserved.
- 8.7. If the Supplier does not begin rectifying the defect immediately after our request to do so, we have the right, in urgent situations, in particular to prevent severe hazards or avoid great losses, to rectify these defects ourselves or commission a third-party for such purpose at the cost of the Supplier. Material defect claims lapse in 2 years unless the item had been used for a building in accordance with its standard use and has caused this defect. The limitation period for material defect claims begins upon delivery of the Object of the Contract (transfer of risk pursuant to agreed Incoterms 2010).
- 8.8. In the case of title defects, the Supplier shall also exempt us from any existing claims from third parties. There is a limitation period of 10 years with regard to title defects.
- 8.9. For parts of the delivery that have been serviced or repaired within the limitation period for our defect claims, the limitation period begins to run again on the date on which the Supplier has completely fulfilled our claims for rectification.
- 8.10. If, as a consequence of the improper delivery of the Object of the Contract, we incur costs, in particular transport, work, and material costs or costs for receiving controls exceeding the normal scope, the Supplier is to bear these costs. This applies for any direct or indirect costs, any costs we and the customer incur until
- 8.11. If we take back products we manufactured and/or sold as a result of a defect in the Object of the Contract delivered by the Supplier, or if the sales price was lowered due to this, or if we were otherwise subject to any claim due to this, we reserve the right to pursue recourse from the Supplier, however it is not necessary to establish another deadline for our notices of defects.
- 8.12. We are authorised to request that the Supplier provide compensation for expenses that we incurred with respect to our customer because this customer has a compensation claim against us for the expenses required for the purpose of rectification, in particular transport, travel, labour, and material costs.
- 8.13. Notwithstanding what is specified in section 8.7, the limitation period in the cases of sections 8.11 and 8.12 shall not begin earlier than 2 months after the date on which we have fulfilled the claims made against us by our customer and no later than 5 years after delivery by the Supplier.
- 8.14. If a material defect appears within 6 months after the transfer of risk, it is assumed that the defect already existed when the risk was transferred, unless this assumption is incompatible with the nature of the item or the defect.

## 9. Product liability and recalls

In the event that we are subject to a product liability claim, the Supplier is obligated to indemnify us of such claims, provided that the damage had been caused by a defect in the Object of the Contract delivered by the Supplier. In cases of strict liability, however, this shall only apply if the Supplier is at fault. If the cause of the damage lies within the area of responsibility of the Supplier, the Supplier shall bear the burden of proof to that extent. The Supplier shall assume all costs and expenses in the above cases, including the costs of any legal action or recall campaign. Statutory provisions shall apply otherwise.

## 10. Execution of work

Persons who carry out work on work premises in fulfilment of the contract must follow the provisions of our operational procedures. There is no liability for accidents that befall these persons on work premises, unless these accidents were

caused by a wilful or grossly negligent breach of duty on the part of our legal representatives or vicarious agents.

## 11. Provision of supplies

Any materials, parts, containers, or special packaging provided by us shall remain our property. These are only to be used in accordance with their intended purpose. The processing of materials and assembly of parts is carried out for us. It is understood that we are co-owners, in proportion to the value of the supplies to the value of the entire product, of the products manufactured using our materials and parts, which are kept to this extent by the Supplier for us. The Supplier shall bear the risk and any costs for loss or damage for the items supplied.

## 12. Export controls and tolls

12.1. The Supplier is obligated to inform us of any approval obligations or limitations to the export of its goods in accordance with Swiss, European, US export and customs regulation as well as of the country of origin of its goods in its business documents and send, in due time, the following information for goods that require approval before the first delivery to the address [proc.ch@oskar-ruegg.com](mailto:proc.ch@oskar-ruegg.com):

- our material number,
- description of goods,
- all applicable version numbers including the Export Control Classification number pursuant to U.S. Commerce Control List (ECCN),
- commercial country of origin,
- statistical goods number (HS Code),
- a contact person at its company to handle any inquiries.

12.2. The Supplier is obligated to inform us immediately of any changes to approval obligations of its goods delivered to us resulting from technical or legal changes or regulatory determinations.

## 13. Documents and confidentiality

13.1. All business or technical information made accessible to us (including characteristics that can be learned from items, documents, or software delivered as well as other properties or knowledge), if and as long as such information is not publicly known, is to be kept confidential with respect to third parties and may only be provided, within the operations of the Supplier, to those persons who must be included for use for the purpose of making deliveries to us. These persons are also subject to the obligation of confidentiality. This information shall remain our exclusive property. Without our previous written consent, such information may not be duplicated, except to make deliveries to us, or used for advertising purposes. All information originating from us (including any copies or records made) as well as items we lend out must be immediately returned to us or destroyed in their entirety upon our request. We hereby reserve the right to such information (including copyrights and the right to register industrial property rights such as patents, registered designs, semiconductor protection, etc.). Insofar as these have been made available to us by third parties, this reservation of rights also applies in favour of these third parties. If a separate non-disclosure agreement has been signed, the provisions in this non-disclosure agreement shall apply.

13.2. 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 recreated tools, may neither be used by the Supplier nor offered or delivered to third parties. This also applies to our print orders.

## 14. Place of performance

The place of performance is any location to which the goods are to be delivered in accordance with the order.

## 15. Code of Conduct for suppliers

- 15.1. The Supplier hereby undertakes not to offer or grant or demand or accept any benefits, within the business relationship with us either in business dealings or in dealing with public officials, that violate applicable anti-corruption regulations.
- 15.2. The Supplier also hereby undertakes not to enter into any agreements or concerted practices with other companies within the business relationship with us which have as their purpose or effect the prevention, restriction, or falsification of competition in accordance with applicable antitrust laws.
- 15.3. The Supplier hereby ensures that it will comply with applicable laws on the determination of a general minimum wage and to obligate subcontractors it commissions to the same extent. Upon request, the Supplier shall provide evidence of compliance with the preceding assurance. In the event of a breach of the above assurance, the Supplier shall indemnify us against claims of third parties and is obliged to refund fines imposed on us in connection with this.
- 15.4. The Supplier will comply with respective legal regulations on dealing with employees, environmental protection, and occupational safety, and the Supplier will work to reduce adverse effects on people and the environment in its activities. For this purpose, the Supplier shall set up and develop, to the extent feasible, a management system in accordance with ISO 14001. Furthermore, the Supplier will follow the guidelines of the Global Compact Initiative of the UN which are essentially related to the protection of international human rights, the abolition of forced and child labour, the elimination of discrimination in hiring and employment, as well as environmental responsibility ([www.unglobalcompact.org](http://www.unglobalcompact.org)).
- 15.5. In the event that a violation of the obligations in sections 15.1 to 15.4 is suspected, the Supplier must immediately explain the possible violations and inform us of the measures taken to rectify such. If the suspicion proves to be justified, the Supplier must inform us within a suitable period of time regarding which internal measures have been taken in order to avoid future violations. If the Supplier does not comply with this obligation within a suitable period of time, we reserve the right to withdraw from contracts with the Supplier or to terminate such contracts with immediate effect.
- 15.6. For serious legal violations on the part of the Supplier and for violations against the rules specified in sections 15.1 to 15.4, we reserve the right to withdraw from existing contracts or to terminate such contracts with immediate effect.

## 16. Retention of title and right of withdrawal

- 16.1. The Supplier is excluded from retaining any title, provided nothing else has been expressly agreed on a case-by-case basis.
- 16.2. If bankruptcy or estate proceedings are opened against the assets of the Supplier, then we may exercise an unrestricted right of withdrawal.

## 17. Right of inspection

- 17.1. We, as well as our customer or client, are authorised to inspect the progress of work. By doing so, the Supplier obligation of contract compliance is neither changed nor restricted in any way.

## 18. General provisions

- 18.1. Should a provision in these terms and conditions and later agreements made be or become ineffective, the validity of the remaining conditions shall not be affected as a result. The contract partners are obligated to replace the ineffective provision with a provision that comes closest in terms of economic effect.
- 18.2. The court of jurisdiction and place of performance for all legal disputes, which result directly or indirectly from contractual relationships which underlie these Terms and Conditions of

Purchase, is the registered office of our purchasing company, unless agreed otherwise. We are further authorised to file a suit against the Supplier at our discretion in the court of the Supplier's registered office or branch office, or in the court of the place of performance.

- 18.3. The law of the registered office of our ordering company shall apply, excluding international private law and the Hague Uniform Laws on the International Sale of Goods, the UN Convention on Contracts for the International Sale of Goods (CISG), and other conventions, unless there exists a contrary contractual agreement.

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