

## Conditions of purchase of ESTECH Industries

hereinafter referred to as "ESTECH"



1. Scope of application
  - 1.1. The following conditions shall apply to orders placed by ESTECH and, unless otherwise agreed in the preceding order text, they shall be an integral part of the contract and have precedence over any possible order confirmations from the supplier. The legal provisions shall be used for any cases which are not provided for in this document.
2. Order
  - 2.1. Every order has to be confirmed by the supplier within 3 working days. This confirmation shall only be binding on ESTECH, if it does not deviate in any way from the order.
  - 2.2. Changes made to the text of the order by the supplier shall only be valid if they have been expressly accepted in writing by ESTECH before the order confirmation.
  - 2.3. Orders shall only be binding when they are placed in writing. Oral and telephone agreements must be confirmed in writing. This shall also apply to changes, supplements, specifications, etc.
3. Pricing
  - 3.1. Unless otherwise agreed, the stipulated prices are deemed to be fixed prices. They shall include all additional costs, such as packaging, transport costs, customs duties, insurance, etc.
4. Delivery date / delivery and acceptance / place of performance
  - 4.1. The delivery date shall only be deemed to have been met when the deliveries have arrived at the delivery address or the services have been effectively provided; furthermore, the delivery date shall not be deemed to have been met if the delivery is clearly defective.
  - 4.2. If, while an order is being processed, it becomes apparent that a delay in delivery may occur, then the supplier must inform ESTECH immediately about this in writing, together with a statement of the reasons and the extent of the foreseeable delay.
  - 4.3. If, due to the delay, ESTECH gets into supply difficulties, then the supplier shall be fully responsible for the consequential losses which ESTECH incurs as a result. If the delay is more than 15 days, then ESTECH shall be entitled to withdraw from the contract and to claim compensation for damages. The supplier shall have no right to cancellation.
  - 4.4. Deliveries before the agreed delivery date must not be made without ESTECH's written consent.
  - 4.5. Every delivery must be accompanied by delivery notes specifying the ESTECH order number, the type of packaging and the quantity and weight of the delivery. In terms of services, the hours worked and the materials provided by the supplier are to be confirmed by an ESTECH representative.
  - 4.6. The supplier has not fulfilled their delivery obligation until the arrival at ESTECH of the proper delivery and dispatch papers, along with the verification documents (e.g. materials certificates, quality documentation, etc.). During this period of time, ESTECH shall be entitled to store the delivery at the supplier's risk and expense.
  - 4.7. ESTECH's acceptance obligation shall be extended for force majeure, industrial disputes, operational breakdowns, lack of power and raw materials, riots and other unforeseeable or unavoidable events, for which ESTECH is not responsible, for the duration of the disruption and to the extent of its effect. ESTECH shall immediately inform the supplier of the start and end of the aforementioned impediments. In this respect, a delay in acceptance/payment cannot be invoked against ESTECH.
  - 4.8. The place of performance shall be the relevant location which is indicated on the order.

5. The supplier's obligation to inform
  - 5.1 Before any changes to manufacturing processes, materials or supplied parts for the products, transfer of manufacturing sites, and in addition before any changes of processes and facilities for testing the products or other quality assurance measures, the supplier shall notify ESTECH in good time, so that ESTECH can check whether the change might have a detrimental effect. The supplier must obligate third parties accordingly who they call on for the fulfilment of their obligations with respect to ESTECH. The supplier must also indicate a change of their service providers or suppliers during the supply of the goods. If it is not possible to rule out detrimental effects, the supplier shall ensure the delivery with unchanged parts until ESTECH has found an alternative solution. If the supplier cannot guarantee the delivery according to ESTECH's judgement and a written request to the supplier, then ESTECH shall be entitled to withdraw from the contract and to make a covering purchase. In this case, the supplier shall bear any additional verified costs arising from the covering purchase.
6. Transport / bearing of risks / insurance / packaging
  - 6.1 Transport to the place of performance shall be for the account and at the risk of the supplier. ESTECH shall assume the benefit and risk as from acceptance of the goods at the stipulated reception point. Each shipment must be accompanied by a delivery note and shall in each case only be accepted with reservations on the part of ESTECH. The goods items are to be prominently identified. Fast tracking or costs arising from express deliveries are to be agreed beforehand.
  - 6.2 The supplier shall be responsible for professional packaging. ESTECH reserves the right to give special instructions for professional packaging. ESTECH shall be entitled to return the packaging against a credit for the invoiced amount.
7. Payment / assignment
  - 7.1 Unless otherwise agreed, payment shall be made within 60 days, or 30 days with a 2% cash discount. The time starts on receipt of the invoice or, if the goods are received after the invoice, on the date of receipt of the goods.
  - 7.2 All payments shall be made subject to reservation of rights in relation to defects of any kind. If goods that are supplied prove to be defective, ESTECH shall be entitled to exercise a right of retention. Payments shall not mean any acknowledgement of fulfilment or waiver of warranty or compensation for damages. The same shall apply to the receipt for delivery when the goods are accepted.
  - 7.3 Receivables for the supplier arising from carrying out the order may be neither assigned nor pledged without ESTECH's prior written consent.
8. Material provided
  - 8.1 If the required material is provided by ESTECH, the supplier shall bear the risk for loss and damage. The liability for the materials shall in particular also be transferred to the recipient when ESTECH provides materials for contract processing/finishing. In the event of loss or damage in this case, the recipient shall be liable for all costs arising, including restoration of the materials provided.
  - 8.2 The supplier must check the materials provided by ESTECH within a reasonable period of time. Deviations of amount in terms of the quantity of items and obvious defects are to be reported without delay. ESTECH must then define how to proceed.
  - 8.3 The supplier must store the material provided by ESTECH in a professional way and insure it appropriately at their own expense.
9. RoHS (Directive 2011/65 / EU) and REACH (EC Directive 1907/2006)

- 9.1 All order and delivery items must comply with the RoHS regulatory requirements (Directive 2011/65 / EU) and REACH (EC Directive 1907/2006), in particular concerning substances of very high concern (SVHCs Substances of Very High Concern).
  - 9.2 If any order and delivery items are not in conformity with these guidelines, the supplier must explicitly indicate this on the offer and order confirmation. However, ESTECH is not obliged such deliveries and can reject them at the expense of the supplier
- 10 Guarantee and warranty
- 10.1 As a competent specialist, the supplier shall guarantee that the delivery items are free from defects. This guarantee shall in particular cover the flawlessness of the material, the processing, design, assembly, testing and any instructions, as well as services and software.
  - 10.2 Under the guarantee, the supplier must above all repair or replace defective parts as quickly as possible, if needs be at the end customer's site as well. Repair or replacement is carried out as chosen by ESTECH. The supplier shall also bear the disassembly and assembly costs associated with this. Furthermore, ESTECH shall be entitled to set a timescale for the supplier to repair or replace the defective parts.
  - 10.3 The guarantee and warranty period is 24 months and starts on the day when the individual delivery item is commissioned at ESTECH's end customer's site. The right to a longer legal or contractual guarantee period shall be reserved.
  - 10.4 Obvious defects can still be notified within 8 weeks after delivery of the goods by the supplier, and hidden defects within 12 weeks after they are discovered; the plea of the statute of limitations shall be waived for this period.
  - 10.5 If no rectification or replacement is carried out within the period set by ESTECH, ESTECH can withdraw from the contract and purchase a replacement from a third party, irrespective of the supplier's culpability. The supplier shall bear the costs of the replacement purchase.
10. The supplier must archive all the documents and papers which are relevant to the order, thus ensuring 100% traceability. A full inspection of records must be ensured by the supplier for at least 13 years after the conclusion of the contract.
11. Liability
- 11.1. To cover the general liability risk, the supplier undertakes to take out liability insurance with a sum insured of at least 2 million CHF and to prove the existence of the cover.
  - 11.2. If claims are made against ESTECH based on product liability, the supplier must hold ESTECH harmless to the extent that they would themselves be directly liable (amount of damages, court costs, legal costs arising from the use of a lawyer, etc.). At ESTECH's request, the supplier must also provide ESTECH with an appropriate advance on costs for court and lawyers' fees. Likewise, the supplier must also reimburse the costs to ESTECH which are incurred by ESTECH as a result of loss prevention measures (e.g. recall campaigns); this shall also apply to identifiable and impending serial faults.
  - 11.3. If the supplier's employees or agents work on the business premises of ESTECH or at the sites of ESTECH's customers, they must comply with the accident prevention regulations and all other safety regulations, along with the relevant rules of the works. Losses arising from the failure to comply with these regulations must be borne by the supplier. Apart from that, they shall also be liable for any negligent behaviour of their employees or agents, even if the negligence is only slight. ESTECH's liability shall be restricted to losses caused by ESTECH through gross negligence or deliberately. This shall not apply to physical injuries.

11.4. ESTECH presumes that its suppliers comply with all valid environmental protection laws, RoHS directives, regulations concerning conflicting materials, etc. The supplier shall be liable for claims arising from violations, especially against prohibitions and restrictions.

## 12. Retention of title and right to cancellation

12.1. Retention of title of any kind by the supplier shall be excluded, unless otherwise explicitly agreed in individual cases.

12.2. If bankruptcy or administration proceedings are instigated concerning the supplier's assets, ESTECH shall be entitled to an unrestricted right of withdrawal.

## 13. Property rights

13.1 The supplier shall ensure that, through the use of the goods supplied, ESTECH does not infringe any property rights, such as patent or utility models, other rights or commercial or trade secrets of third parties – with this also applying to the country of use. In this respect, they must hold ESTECH harmless in terms of any claims by third parties. In addition, the supplier shall be liable for any further indirect or direct losses incurred by ESTECH due to an infringement of such rights.

13.2 This right shall not apply, provided that the supplier manufactures goods exclusively in accordance with our drawings and models and that they did not know that the manufacture of these goods infringed the rights of third parties.

13.3 When contracts for work of any kind are awarded (e.g. research and development orders), ESTECH shall be exclusively and fully entitled to the results of the work and to any intangible property rights arising from it. ESTECH shall be alone entitled to decide whether property rights are registered. If copyrights arise with an order, the supplier shall grant ESTECH exclusive usage and exploitation rights for the work with these not being restricted in terms of time or place. For software development, the supplier undertakes that all their own copyrights or those of their employees are assigned and/or transferred to ESTECH. This shall also apply to the source codes.

## 14 Means of production, samples, drawings

14.1 Tools which are made on behalf of ESTECH and which are paid for on a pro-rata basis or in full by ESTECH. Jigs or equipment shall become the property of ESTECH on full payment. The transfer of ownership shall be substituted by the supplier keeping these items for ESTECH free of charge and with the due care and diligence of a prudent businessperson. ESTECH's ownership is to be made clear on the items themselves and in the accounts books.

14.2 Documents and items of all kinds, such as samples, drawings, tools, models, etc. which ESTECH provides for the supplier are to be returned to us on ESTECH's request. Such resources must not either be used by the supplier for their own purposes or made available to third parties. The supplier may not under any circumstances assert a right of retention on these.

14.3 Products which are made according to documents drawn up by ESTECH (such as drawings, models and the like) or based on confidential information provided by ESTECH or using ESTECH's tools or copies of those tools, must not either be used by the supplier themselves or offered or supplied by them to third parties.

## 15 Occupational safety / environmental management

15.1 The supplier is committed to occupational safety and environmental protection and excludes negative effects in the procurement and manufacture of the products purchased from ESTECH on people and the environment whenever possible.

## 16 Non-disclosure

16.1 All information, drawings, etc. which ESTECH hands over to the supplier for the manufacture of the delivery item must not be used for other purposes, duplicated or made available to third parties. ESTECH shall be entitled to all copyrights and other intangible property rights of any kind. Unless otherwise agreed, if the contract is ended in any way, all documents, together with all copies or duplicates, must be returned to ESTECH. If delivery does not take place, the supplier must hand over the documents to ESTECH without any request to do so being needed.

16.2 The supplier must handle the order and the work or deliveries relating to it confidentially.

16.3 The supplier's technical documents or those of their subcontractors shall be handled confidentially by ESTECH. They shall remain the intellectual property of the supplier or the subcontractors.

16.4 The supplier undertakes not to disclose any details of the order, such as the quantity of items, technical design, conditions, etc. to third parties. If the supplier wishes to use the contractual relationship for advertising purposes or to publicise it, this shall require ESTECH's prior written consent.

16.5 In the event of infringement(s) of this duty of confidentiality, the supplier undertakes to pay a contractual penalty amounting to 30% of annual turnover. In addition, where the violations are particularly serious, ESTECH shall be entitled to terminate the whole contractual relationship with the supplier without notice and without compensation and, if applicable, to claim back any payments already made. A particularly serious violation is deemed to have occurred if the supplier passes on the knowledge they have acquired or received to third parties that are in competition with ESTECH. In addition to the contractual penalty, the right to demand further compensation for damages shall be explicitly retained.

## 17 Right of inspection

17.1 ESTECH and its customers or clients, along with regulatory authorities, shall be entitled to inspect the progress of the work. This does not either alter or restrict the duty of the supplier in terms of contractual performance.

## 18 Applicable law and place of jurisdiction

18.1 The legal relationship shall be subject to Swiss substantive law. The place of jurisdiction shall be the domicile of the company placing the order.

18.2 Should individual provisions of these conditions of purchase be wholly or partially invalid, the remaining provisions shall remain valid.

These conditions of purchase shall apply for the following companies

ESTECH Industries AG, Seon (AG)

Angenstein ESTECH AG, Aesch (BL)

FAES-PWR ESTECH AG, Rüti (ZH)

Fischer Frech-Hoch ESTECH AG, Meisterschwanden (AG)

RCM ESTECH AG, Burgdorf (BE)

Version of 07 September 2020