

General Terms and Conditions of Purchase - Trafag AG

1. General

Unless otherwise agreed in writing for particular cases these terms and conditions shall prevail for all our orders placed and services rendered (hereinafter "services"). Terms and conditions stipulated by the Supplier shall only be binding upon us if and to the extent we have expressly accepted them in writing.

Offers submitted to us will be free of charge and are not binding for Trafag AG. If no order is placed by us after documents have been made available to the Supplier, it is essential that the Supplier returns all documents together with any copies without being requested by us.

Our orders shall be binding if they are placed in writing. Oral agreements are only binding, when they are confirmed by us in writing. The same shall apply for all amendments, supplements, specifications, etc. The Supplier must acknowledge the order in writing without any delay.

2. Use Rights, Rights to Development Results

The Supplier shall grant to Trafag AG the non-exclusive, transferable worldwide and perpetual right to use the deliveries and services including related documentation, to integrate them into other products and to distribute them worldwide. The Supplier warrants that it disposes of the necessary license and distribution rights, and shall indemnify us in case of any third party claims in connection with the alleged infringement of those rights.

As far as construction or development results are created in connection with the supplies or services to be provided by the Supplier, we shall hold exclusive and sole title to the rights relating to such results, including unlimited use rights. Without our express written consent, construction or development results may neither be made available to third parties in whole or in part nor used for the Supplier's own or other purposes.

3. All Documents, Examination, Auxiliary Material as well as Free Issue Material

Documents (drawings, manufacturing, testing and delivery instructions etc.) shall neither be copied nor made available to third parties and be used for no other purpose but for completion of our order.

Operating, test- and measuring equipment, auxiliary material (samples, models, packaging material, etc.), tools and free-issue material, which we may make available to the Supplier, shall remain our property and shall be marked accordingly and may not be made accessible to third parties.

The Supplier shall preserve the aforementioned items with due care and insure them at its cost against fire, theft or other loss or damage.

With the conclusion of the contract the Supplier authorizes us to seek the registration of a reservation of title of the aforementioned objects in the official registers according to the laws of the respective countries, and undertakes to fulfill all formal requirements. The Supplier shall take all measures necessary to protect our property.

The documents and auxiliary material shall be returned to us intact any time upon our request, at the latest, however, upon delivery of the goods, or – if expressly agreed – be stored by the Supplier until otherwise instructed by us.

4. Prices and Terms of Payment

The agreed prices are firm prices. Changes in prices, orders or statements of work and/or related reservations shall only be binding if and to the extent they have been expressly acknowledged by us in writing. Each shipment shall be invoiced immediately upon shipping. A separate invoice shall be issued for each shipment indicating both VAT (if applicable) and our job order code. Invoices lacking this information will be rejected. Registered c.o.d. consignments are not accepted.

Our payments are effected irrespective of an examination of the goods upon receipt at their destination. Consequently our payments or partial payments do not constitute acknowledgement of quantity, price and quality, and shall not limit our ability to bring claims even after payment of the goods.

Unless agreed otherwise, payments shall be made within 14 days less 2% discount, or fully within 30 days net.

The payment period begins upon full completion of the delivery of goods ordered or services rendered.

5. Deliveries and Services of Supplier

The items and quantities specified in our orders shall be complied with. We reserve the right to return surplus parts to the Supplier against full compensation of our expenses, and in case of reduced quantity, to insist on the delivery of the full quantity ordered. We are entitled to return defective goods to the Supplier and to claim replacement through the supply of non-defective goods.

Deliveries of suppliers and sub-contractors are subject to our quality assurance system pursuant to ISO9001 / EN29001. Our suppliers and sub-contractors are appraised accordingly.

The Supplier warrants that the delivered products do not contain any radioactive contamination exceeding one tenth of the exemption values as defined by the Basic Safety Standards of the International Atomic Energy Agency (IAEA)

In cases of delivery delays, we are entitled to charge a penalty for each commenced week of delay amounting to 0.5% but not exceeding a total of 10% of the total value of the relevant contract. This penalty can be deducted from the invoice. Additional damages claims for proven losses are expressly reserved.

6. Packing and Shipping

Packing shall be adapted to the goods and the mode of transportation. Preference shall be given to environmentally friendly packaging material. Loss and damage of goods attributable to defective packing shall be at the Supplier's expense.

We shall be entitled to specify the type of shipment and the carrier. Otherwise the Supplier shall be obliged to choose the mode of shipment that is most favorable for us.

A delivery note shall accompany each delivery/partial delivery and shall clearly state our order code, article no. and description of goods, net and gross weight and / or exact number of pieces. Partial deliveries shall be indicated as such.

Each document concerning an order by us shall at least specify our order code. The Supplier is deemed not to have fulfilled his contractual obligation until we have received the proper delivery and dispatch documents as well as certificates, if any.

7. Dates and Periods of Delivery

The dates and periods of delivery fixed by us shall be binding (also for partial deliveries). They shall be deemed to have been complied with if the goods arrive at their place of destination, or if the relevant services have been completed, prior to the expiration of the dates and periods fixed by us.

Failure to observe the agreed dates and periods of delivery (also for partial deliveries) shall entitle us to renounce the supplies or services contracted without granting a grace period, and to rescind the contract. Legal claims for damages shall be reserved. The penalty pursuant to clause 5 as well as statutory damages claims are expressly reserved.

For deliveries that are received earlier than agreed, we shall reserve the right to pay the respective invoice at the agreed time of delivery.

If an urgent shipment (freight, express delivery, etc.) is necessary due to late delivery the additional freight charges shall be borne by the Supplier. Additional expenses for express deliveries not requested by us shall also be borne by the Supplier.

8. Examination, Warranty, Liability for Defects

The Supplier shall examine the quantity and quality of the goods before they are shipped.

The Supplier warrants that the agreed supplies and services are free from defects, that they are both in proper condition and made with high-quality raw materials fit for the intended use, and that the Supplier has good title to them.

An inspection of incoming goods only takes place with respect to visible defects and/or deviations in kind or quantity of the goods.

The obligation of immediate examination and notification according to Art. 201 CO shall be waived. We shall be entitled to raise warranty claims at any time during a two year warranty period, which shall begin to run at the time of delivery or formal acceptance, if agreed, depending on which event occurs later.

Our right to claim for rescission of sale, price reduction, repair or replacement as well as damages (Art. 205 et seq. and 368 CO) is reserved. Furthermore, we reserve the right to retain the payment fully or partly until (i), if we require replacement, the Supplier has fulfilled his duty to deliver a non-defective replacement, or (ii) the factual circumstances regarding any claim to rescission of sale, price reduction or damages have been settled bindingly.

In urgent cases Trafag shall be entitled - after notice - to remedy the defects itself or to have them remedied by a third party, in both cases at the Supplier's expense.

9. Product Liability

We will immediately notify the Supplier of any lack of safety in the product known to us, if such defect caused or could cause an accident resulting in death, personal injury or material damage, and discuss the steps to be taken together with the Supplier. The Supplier shall support us in the dispute with an injured party and indemnify us in the event of legitimate claims, including for costs of any recall action attributable to defects in the goods for which the Supplier is responsible, regardless of whether they are our own product or those of our subcontractor.

10. Liability

The Supplier shall fully indemnify us from any harm or claims in connection with supplies or services, as well as from any claims of third parties, regardless of their legal cause, be it warranty, default, product liability, infringement of industrial and intellectual property rights or any other cause.

11. Hazardous Substances and Conflict Material

The Supplier must observe the Regulations regarding Hazardous Substances when delivering the goods, in particular by accordingly packing and labeling the goods and explicitly indicating hazardous substances on the bill of delivery.

The Supplier shall not use any conflict minerals for the production for the goods being ordered, referring to Section 1502 of the US-American Dodd Frank-Acts, [and the Code of Conduct of Responsible Business Alliance \(RBA\)](#) and shall only purchase products which contain no such conflict minerals from sub-suppliers.

12. Code of Conduct for Suppliers

The Supplier is obliged to comply with the applicable legal regulations, especially the ones of the country of manufacture and the country of destination. Furthermore, the Supplier will comply with the principles of the UN Global Compact Initiative [and the Code of Conduct of Responsible Business Alliance \(RBA\)](#).

13. Export Regulations

The Supplier shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regulations") for all products to be delivered and services to be provided. The Supplier shall also obtain all necessary export licenses, unless we or another third party other than the Supplier are required to apply for the export licenses pursuant to the applicable Foreign Trade Regulations.

The Supplier shall advise us in writing as early as possible, but not later than two weeks following the date of order, and also in case of any alterations to the order, of any information and data required by the buyer to comply with all Foreign Trade Regulations for the Products and Services applicable in the countries of export and import as well as re-export in case of resale, in particular:

- the "Export Control Classification Number" according to the U.S. Commerce Control List (ECCN) if the Product is subject to the U.S. Export Administration Regulations; and
- all applicable export list numbers; and the statistical commodity code according to the current commodity classification for foreign trade statistics

and the HS (Harmonized System) coding; and the country of origin (non-preferential origin);

- and upon our request: Supplier's declaration for preferential origin (in case of European suppliers) or preferential certificates (in case of non-European suppliers).

If the Supplier violates any of its obligations, it shall be liable for any expenses and/or damage incurred by us.

14. Final Provisions

Confidentiality:

The Supplier shall not make available to any third party any information obtained from us nor disclose the present business relationship. If we agree to any subcontracting to a third party, the Supplier shall ensure such third party provides the same confidentiality.

Place of performance:

Place of performance for supplies or services to be provided by the Supplier is the place of destination; for the payment it is the domicile of purchaser. Benefit and risk shall pass to us upon the completion of services or completion of the shipment at the place of destination.

Applicable Law:

The present contractual relationship shall be governed by Swiss substantive law, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 ("the Vienna Law on the International Sale of Goods").

The exclusive place of jurisdiction for any disputes resulting from or relating to the contractual relationship with the Supplier and/or these General Terms and Conditions of Purchase shall be Zurich, Switzerland. Nevertheless, we shall be entitled to bring claims against the Supplier at the latter's domicile.

Authoritative language:

These General Terms and Conditions of Purchase are also available in German. In the event of contradictions, the German version is considered the authoritative.

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