

Xovis General Purchase Conditions (GPC)

1. Validity

1.1 These General Purchase Conditions („GPC“) shall apply to all business relationships between Xovis AG („Purchaser“) and its suppliers, unless otherwise stated in the purchase contracts (or other individual agreements, together with the purchase contracts „Purchase Contract“) concluded between the Purchaser and the Supplier (Supplier and Purchaser together the „Parties“). In the event of a contradiction between the GPC and the Purchase Contract, the provisions in the Purchase Contract shall take precedence.

1.2 Amendments to these GPC or to the provisions in the Purchase Contract, including this Clause 1.2, require written form, whereby electronic correspondence (email) is sufficient.

1.3 General terms and conditions of the Supplier which conflict with these GPC are non-binding for the Purchaser even if the Purchaser has not expressly objected to them or accepts the Supplier's delivery without reservation in the knowledge of conflicting or supplementary terms and conditions of the Supplier. Commercial letters of confirmation (kaufmännisches Bestätigungsschreiben) from the Supplier are not binding for the Purchaser, even if they are not expressly contradicted.

1.4 By accepting an order, the Supplier declares his agreement with these GPC.

2. Offers & orders

2.1 An inquiry is intended to request the Supplier to submit an offer. Offers, advice, demonstrations and technical documents from Suppliers are non-binding and free of charge for the Purchaser until the order is placed. The Supplier shall submit the final offer in writing. The offer shall be binding for the Supplier for three months from the date of submission.

2.2 Orders of the Purchaser are valid only if they were transmitted in writing, by letter, fax or email. The Supplier shall confirm receipt of the order within three (3) working days. If the Supplier fails to confirm the order in due time, the Purchaser is entitled to unilaterally withdraw from the contract without compensation and without cost consequences. The Purchaser shall notify the Supplier of the withdrawal within ten (10) working days.

2.3 The Supplier is not entitled to assign his claims from the contractual relationship to third parties.

2.4 If the Supplier intends to discontinue the production or sale of contract products, he shall inform the Purchaser thereof as soon as possible, but no later than six (6) months before discontinuation of production or sale. In this case, the Supplier shall give the Purchaser the opportunity to purchase an annual quantity of the products previously purchased or, at the Purchaser's request, parts thereof, at the same price.

2.5 If possible, the Purchaser shall inform the Supplier in advance of any relevant discontinuations by the Purchaser's purchasers, customers and partners and their effect on the contractual products.

3. Remuneration & prices

3.1 The prices fixed by the Parties in the Purchase Contract are binding. Subsequent price increases are only permissible with the written consent of the Purchaser. Reference is made to Clause 7 below for any changes to orders. Retro-billing is excluded.

3.2 General price increases of, for example, catalogue articles (commodities) must be expressly accepted by the Purchaser.

3.3 All costs, insurances, customs duties, fees and taxes in connection with the transport shall be borne in accordance with Incoterms 2020 DAP.

3.4 Subject to deviating agreements, the fixed prices shall be understood to include value-added tax at the respectively valid rate.

4. Delivery, packaging & transfer of risk

4.1 Unless otherwise agreed, goods shall be delivered in accordance with Incoterms 2020 DAP and accompanied by delivery documents. The delivery documents shall contain the following:

- **Delivery note in duplicate**
- **“HS Code“ and country of origin declared on the delivery note separately for each item**
- **If preferential origin exists, this must be indicated on the delivery note and declared for each item**
- If required, material certificates & test certificates according to the agreed specifications

4.2 The order number, supplier number, article number and drawing number with revision (index) of the Purchaser, gross and net weights, number of packages, the date of dispatch or the date of provision and the place of destination (unloading point) and, if known, the recipient of the goods shall be stated in all shipping documents and, if the goods are packed, on the outer packaging.

4.3 In the case of imports, the Supplier must provide the following customs clearance documents:

- Transit accompanying documents
- Freight papers
- Customs or commercial invoice
- Preference certificates
- Certificate of origin
- other documents necessary for customs clearance

4.4 The Supplier shall apply the labelling regulations for products and packaging in accordance with the Purchaser's specifications.

4.5 In addition, the Supplier shall carefully pack the goods with packaging materials permitted on the shipping route and at the place of destination so that transport damage is avoided.

4.6 Furthermore, the Supplier shall select packaging materials in such a way that they are environmentally compatible and recyclable. Plastic and synthetic materials should be avoided wherever possible.

4.7 For quantities, weights and dimensions, the values determined by the Purchaser during the incoming goods inspection are decisive. The Supplier has the right to prove otherwise.

4.8 If possible, order quantities must be strictly adhered to. Under-deliveries and over-deliveries of maximum 3% will be tolerated unless it has been agreed by analogy that no quantity tolerance exists or another agreement has been made in writing.

5. Documentation of origin

5.1 In cross-border trade, the Supplier must enclose with the delivery items that valid proof of preference (movement certificate, declaration of origin on the invoice, etc.) which is required in the country of destination for preferential import customs clearance. Furthermore, the Supplier is obliged to submit annual supplier declarations as proof of origin for delivery items procured in Switzerland, unless a long-term supplier declaration is available, or in case the preliminary materials have changed (e.g. country of purchase, price, product quality etc.). The costs incurred in each case shall be borne by the Supplier.

5.2 The Supplier is responsible for the accuracy and completeness of the information on any proof of origin.

6. Delivery & consequences of delay

6.1 The indication of the delivery date refers to the arrival of the goods at the Purchaser's site. If delays in delivery are to be expected, the Supplier must notify the Purchaser in writing as soon as possible.

6.2 The Supplier must make the goods available in good time for loading and dispatch, taking into account the transport time to be agreed with the forwarder. In case the Supplier fails to meet the agreed dates or deadlines, he shall be in default without the need for a reminder.

6.3 A possible unconditional acceptance of the delayed delivery or service does not mean a waiver by the Purchaser of his claims due to the delayed delivery or service. This applies until complete payment of the remuneration owed by the Purchaser for the delivery or service provided.

6.4 Partial deliveries and premature deliveries are only permissible if the Purchaser expressly agrees to them.

6.5 The express written consent of the Purchaser must be obtained for partial deliveries and advance deliveries. Additional costs incurred due to non-observance of instructions, incomplete or delayed delivery of requested shipping documents or faulty delivery shall be borne by the Supplier.

6.6 If the delivery date confirmed by the Supplier is exceeded without notice to the Purchaser, the Purchaser shall be entitled to claim a penalty under Clause 6.7 and to (cumulatively) demand further damages for non-performance or delay. Payment of the contractual penalty shall not release the Supplier from his contractual obligations or any compensation for damages.

6.7 The contractual penalty for late deliveries shall be 0.5% of the agreed contract price per week from the third working day in the first four weeks and 1% per week from the fifth week. The maximum amount of the contractual penalty is 5% of the agreed contract price excluding VAT.

7. Changes

7.1 The Supplier is obliged to inform the Purchaser of all desired changes and to accept the Purchaser's requests for changes at any time. The Supplier shall inform the Purchaser in a written offer about the cost and deadline consequences caused by the desired changes. In principle, justified order changes do not lead to a price increase. Any price increase must be expressly mentioned and justified in the offer.

7.2 Changes may only be made if and to the extent that written confirmation has been received from the Purchaser. Otherwise, the making of changes does not entitle to any price and/or deadline adjustments.

8. Invoicing & payment

8.1 Invoices must be sent as a searchable PDF by email or in printed form (simple version) by separate post to the address communicated by the Purchaser in the Purchase Contract. Invoicing as cash on delivery will not be accepted.

8.2 The invoice must contain the following data:

- Complete order number
- Contact person of the Purchaser or name of the ship-to party
- Material number of the Purchaser & drawing number with revision (index)
- Description of the goods
- Delivery quantity & price per piece
- Information on partial and remaining deliveries
- Country and region of origin
- Customs tariff number (statistical commodity code)
- Invoice number & invoice date
- Name and place of service provider
- Complete address of the Purchaser

8.3 For domestic deliveries, an invoice with proof of value added tax must be issued. The invoice must meet all the requirements of the VAT Act (VAT number, service date, VAT rate).

8.4 Unless expressly agreed otherwise in writing, the Purchaser shall pay either within fifteen (15) days with a 2% discount or within sixty (60) days without discount. Only the Purchaser is entitled to set off claims.

9. Warranty

9.1 For twenty-four (24) months from delivery, the Supplier shall fully warrant that the work performed by himself or the goods processed, manufactured and/or delivered by himself are free from defects.

9.2 The supplier guarantees the condition and quality specified in the respective Purchase Contract.

9.3 The Purchaser shall be entitled to give notice of defects of any kind at any time during the entire warranty period of two (2) years. He is therefore released from the statutory inspection and complaint obligations. A service provided by the Supplier shall be deemed defective within the meaning of these warranty provisions if he does not comply with the specifications laid down in the Purchase Contract or is not suitable for the intended use or is only suitable for limited use.

9.4 The Supplier is obliged to repair or replace defective work and goods free of charge within a reasonable period of time, but no later than within fifteen (15) days at the Purchaser's option. If the Supplier is unable to remedy defects complained of by the Purchaser within a reasonable period of time, but not more than fifteen (15) days, the Purchaser shall be entitled:

- either to remedy the defect himself at the Supplier's expense or to have it remedied by a third party
- or to demand a reasonable price reduction
- or to withdraw from the contract.

9.5 The Supplier shall be fully liable to the Buyer for all damages incurred by the Buyer as a direct or indirect consequence of defective performance of the Purchase Contract.

9.6 If a product processed, manufactured and/or delivered by the Supplier leads to personal injury or damage to property as a result of defects, the Supplier shall be obliged to assume liability for any resulting claims and to indemnify the Purchaser and his customers in this respect in full.

9.7 The Supplier's liability for damages shall also extend to the Purchaser's costs and expenses in connection with the information and warning of customers and the recall of products, etc. The Supplier undertakes to take out business and product liability insurance with sufficient cover and to send the Purchaser the corresponding insurance confirmation upon first request.

10. Problematic or unregistered substances

10.1 The Supplier shall ensure that all substances used which fall under the EU Chemicals Regulation No. 1907/2006 (REACH Regulation) and EU Directive No. 2011/65/EU (RoHS Directive) (in their most recent versions or replacement regulations) are registered or approved by the Purchaser in accordance with those regulations and taking into account the contractual use of the substances. This also applies to suppliers outside the EU.

10.2 At the Purchaser's request, the Supplier shall provide suitable evidence of the fulfillment of this obligation. Safety data sheets must be kept up-to-date and electronically available, or submitted automatically when a product is first delivered.

11. Secrecy & property rights

11.1 The Purchaser and the Supplier undertake to treat all information arising from the business relationship (both from an actual, technical and commercial point of view) as confidential, irrespective of whether such information has been marked as confidential or not. This does not apply to information that was already known to the other Party or to the market prior to disclosure. The obligation to confidentiality shall remain in force for a period of five years even after termination of the business relationship, unless the Parties have agreed a longer period. However, the disclosure of confidential information to group companies, consultants, customers and other third parties is permissible for the Purchaser, insofar as these parties necessarily need to know the information in order to achieve the purpose of the contract between the Supplier and the Purchaser on the one hand and between the Purchaser and these parties on the other hand.

11.2 At our request, all documents and information must be returned to us or destroyed immediately after the order has been processed. Excluded from this Clause are publicly accessible information or information that the Supplier has developed independently.

11.3 The Supplier shall be liable for ensuring that the use of the products supplied by it does not directly or indirectly infringe any domestic or foreign industrial property rights or other rights which do not have special legal protection. In addition, the Supplier shall be liable for any direct or indirect damage which could result for the Purchaser from an infringement of such rights. In such a case, the Supplier shall also indemnify the Purchaser against any reasonable legal proceedings or defense costs incurred.

11.4 Furthermore, the Supplier undertakes to the aforementioned points not to use their information directly or indirectly (**non-use**), not to disclose (**non-disclosure**) such information to the public as well as to third parties and not to circumvent (**non-circumvention**) these conditions in any way. This also applies for the provisions defined in Clause 12.

12. Purchaser's property

12.1 All documentation, documents, drawings, models, matrices, samples, computer programs, tools, etc. made available to the Supplier by the Purchaser shall remain the unrestricted property of the Purchaser. Such items may not be handed over to third parties or made available for inspection, copied or destroyed without the Purchaser's written consent.

12.2 All materials as well as semi-finished and finished products handed over to the Supplier for processing, assembly, testing or finishing shall remain the unrestricted property of the Purchaser. The Supplier is obliged to maintain the corresponding objects and to adequately insure them against fire, explosion, theft and damage by natural forces. The Supplier shall bear the risk of damage and loss until the return of the Purchaser's property transferred to it.

12.3 The Supplier shall provide precise information on how and to what extent damage or non-utilization has occurred in respect of the preliminary materials and components provided.

12.4 Unless otherwise agreed, this data on rejects and non-use shall be disclosed for each delivery. In the absence of any other agreement, the Supplier shall also indemnify the Purchaser for the replacement of the preliminary materials and components delivered to the Supplier which exceed the reject rate of 1%.

12.5 The Supplier shall be liable to the Purchaser for all damages incurred by the Purchaser in connection with handing out the aforementioned items.

12.6 The assertion of retention rights concerning the property of the Purchaser made available to the Supplier is excluded.

13. Minimum standards to be maintained by the Supplier

13.1 The Supplier undertakes to ensure compliance with fundamental ethical standards, such as in particular respect for human rights in accordance with local law and the UN Universal Declaration of Human Rights, renunciation of forced labor, renunciation of child labor, no discrimination against employees, compliance with applicable environmental regulations and standards and renunciation of any form of corruption, both in its own activities and acts of fulfillment and with regard to its suppliers and other contractual partners.

13.2 The Supplier has no direct or indirect business or other connections with terrorists, terrorist organizations or other criminal or anti-constitutional organizations. In particular, the Supplier shall ensure the implementation of applicable embargoes, the Swiss and European anti-terrorism and anti-crime regulations applicable in the context of the supply relationship as well as the corresponding US American or other applicable regulations within the framework of its business operations by means of suitable organizational measures.

13.3 The Supplier shall enable the Purchaser to inspect its premises at any time upon request. The Supplier shall provide information and access to relevant documents and records, as well as enable access to production processes, storage and transport of products.

14. Force majeure & right of withdrawal

If one of the Parties is prevented from fulfilling its obligations under the purchase contract due to force majeure, the Party concerned shall be released from fulfilling its obligations for the duration of the hindrance and a reasonable start-up period thereafter. Any deadlines for performance shall be extended by the period of the delay or the period during which performance was not possible due to one of the above events. This shall also apply if such events occur during an ongoing delay. Cases of force majeure or events equivalent to them shall include, among others, fire, accident, flooding, war, strike, lockout, failure of public supply systems or epidemics, destruction of production facilities, insurrection or shortage of energy or other causes beyond the control of the Party invoking this provision. Each Party shall be obliged to inform the other Party of the existence of such delays caused by force majeure.

15. Severability clause

Should any provision of these GPC or of the Purchase Contract be or become void, the remaining part of the GPC or of the Purchase Contract shall not be affected thereby. In the event that a clause is void or ineffective, it shall be replaced by an effective clause that comes as close as possible to the economic purpose of this provision. The same procedure shall be followed when a gap becomes apparent.

16. Place of fulfillment, place of jurisdiction & applicable law

The contractual relationship is exclusively subject to **Swiss law** to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 („Vienna Sales Convention“) and to the exclusion of any conflict of law rules. **Place of performance and jurisdiction is the registered office of the Purchaser.**