

Terms and Conditions of Purchasing, Hatebur Metalforming Equipment Ltd. (Version June 2020)

1. Purchase orders

1.1 Orders must be submitted in writing to be legally binding on Hatebur. Any verbal modifications made to the order must be confirmed in writing by Hatebur.

1.2 These terms and conditions of purchasing apply to all purchase orders Hatebur places with the supplier and are also binding on supplier's legal successors. Any conflicting or deviating supplier's terms and conditions shall only be valid if Hatebur expressly agrees to them in writing.

2. Order confirmations

2.1 Upon reception of Hatebur's written purchase order the supplier is obliged to fulfil the order and to deliver the ordered parts. The supplier shall confirm acceptance of the purchase order in writing and return it duly signed within 5 days. Until reception of the confirmation Hatebur is entitled to withdraw from the order without any obligation to indemnify the supplier.

2.2 Only Hatebur purchase orders and the signed order confirmation on Hatebur form (without any reservations) are legally binding. The supplier's own order confirmations shall neither be accepted nor checked.

3. Prices

The agreed prices are fixed prices and include all ancillary services required for the performance of the contract as well as all ancillary services or supplementary works resulting from these terms and conditions of purchasing.

4. Payment terms

Unless otherwise agreed, payments are due after delivery and examination of the goods. Payment terms are 60 days net or 30 days less 2% discount, from the due date and reception of the correct invoice. The invoice shall be issued to Hatebur in duplicate immediately after delivery. In case of payment delay of more than 30 days Hatebur shall pay default interest at a rate of 1% above the 3-months-CHF-Libor or a possible subsequent index.

5. Delivery date

5.1 The agreed delivery dates and deadlines are binding. In case of delay the supplier is in default without reminder. The receipt of the delivery item at the registered seat of Hatebur, or a destination specified in advance, is decisive for compliance with the delivery date.

5.2 In the event the supplier defaults, Hatebur can claim a minimum default compensation of

- 0.5% of the order value of the delayed delivery up to and including 4th week, however at least CHF 1'000

- 1 % of the order value of the delayed delivery as of 5th week, however at least CHF 2'000

starting at the agreed delivery date for each week or part thereof, up to max. 10 % as a penalty. The right to claim additional damages and legal claims due to the delay remain reserved. Exclusively force majeure events are considered impediments beyond the supplier's control; however, this shall in no event apply to shortage of staff or material. If a deadline has been missed or is likely to be missed, the supplier must inform Hatebur immediately. Upon request, an official confirmation issued by an authority of all force majeure events must be submitted to Hatebur. Should delivery be delayed considerably due to force majeure or other reasons beyond Hatebur's control, Hatebur can cancel the order completely or partially without obligation to pay any compensation to the supplier.

5.3 If delivery - with the consent of Hatebur - takes place earlier than specified in the order, the invoice must still contain the date of delivery indicated in the order. In this case this date shall be considered to be the date the invoice is received.

5.4 Until delivery is completed, the supplier shall report manufacturing status within a reasonable time if so requested by Hatebur.

6. Delivery

6.1 Excess deliveries and short deliveries are not allowed.

6.2 Hatebur shipping instructions shall be strictly followed. The supplier shall be liable for any disadvantages, costs and possible damages caused by non-compliance.

6.3 Partial shipments shall be specifically marked as such.

6.4 Every shipment shall include a delivery bill. A corresponding duplicate shall be sent via fax or e-mail to Hatebur Umformmaschinen AG, CH-4153 Reinach.

6.5 The supplier shall ensure availability of supplied goods or corresponding spare parts for at least 10 years after delivery, or in the event of continuous supply, after the last delivery.

7. Execution and acceptance

7.1 Parts that are manufactured according to Hatebur drawings must be in compliance with drawings and with the specified tolerances. The corresponding Hatebur quality specifications (HQV) shall be observed.

7.2 The supplier shall ensure that all parts are checked for dimensional accuracy and material quality before shipment. If parts are supplied incorrectly, the supplier shall be charged min. CHF 150.- per shipment plus possible return costs for resulting inconveniences. Hatebur reserves the right to additional claims. Upon request by Hatebur, inspection reports shall be issued. If acceptance by one of Hatebur's inspectors has been agreed upon, the supplier agrees to make all necessary preparations to allow for a proper acceptance in his facility, particularly to keep all required technical facilities and employees available. Acceptance by the Hatebur inspector does not limit the warranty obligation according to item 12. If no acceptance in the facility of the supplier is agreed the goods are deemed to be delivered at the place of destination however shall not deemed to be accepted.

7.3 The supplier shall ensure that the goods are in compliance with the legal require-

ments applicable at destination (e.g. occupational safety) and technical regulations (e.g. EU machinery directive), and that they can be installed and operated or used accordingly, and include the corresponding technical instructions and information. Should Hatebur require technical documentation of the supplier in order to establish its own documentation the supplier shall deliver such documentation free of charge and upon first request.

8. Defects and claims

8.1 Should defects be detected during the processing of raw material provided by Hatebur or third parties which impair the suitability of the component, the supplier must interrupt the operation without delay and immediately inform Hatebur.

8.2 Abnormal or defective parts resulting from processing or material defects shall only be shipped with abnormality report if approved by Hatebur and subject to Hatebur regulations on delivery of parts that are not in compliance with the order and drawings. These regulations can be requested from Hatebur.

8.3 If a supplier is engaged by Hatebur to only perform assembly of machines, equipment or other devices, and if he receives the necessary parts from Hatebur or third parties, any returns of rejected parts to supplying companies, or possible rework on these parts, shall be carried out only in accordance with Hatebur regulations on return shipments and/or reworking. The regulations can be requested from Hatebur.

9. Provision of material

9.1 Any parts provided to the supplier by Hatebur or third parties on behalf of Hatebur to complete the order remain the property of Hatebur.

9.2 The quantitative receiving inspection of these goods must be performed by the supplier.

9.3 The supplier undertakes proper identification, storage, management and insurance of the provided parts at his cost, to the extent required to complete the order.

9.4 The supplier must organize storage of parts provided by Hatebur in such a manner that Hatebur can access them and have them released in writing when replacement for fulfilling the order is ensured. The replacement of a part requested for delivery will be arranged by Hatebur.

9.5 In the event of a decrease in value or loss of parts provided at the supplier's location, for which according to item 9.3 the supplier has assumed identification, storage, management and insurance, the entire repair or replacement costs must be borne by the supplier.

10. Confidentiality

10.1 The supplier agrees to treat drawings, parts lists or other documents and information provided by Hatebur strictly confidential and to use them only for execution of the Hatebur order. In case of use for himself or third parties, the supplier becomes liable for any damages. The documents and data remain the property of Hatebur and shall not be made available to third parties. Furthermore, it is not permitted to make photocopies or other duplications without written approval from Hatebur. Saved data have to be deleted after use. The supplier agrees to impose such obligations on his personnel and any legal successor as well.

10.2 Transferring the order and its execution to third parties requires written approval from Hatebur. This is particularly applicable if the supplier intends to pass the order or part thereof on to sub-suppliers.

10.3 The supplier agrees to indemnify Hatebur for damages caused by wrongful, unapproved use and evaluation of drawings and documents.

10.4 The supplier agrees to return drawings, parts lists and other documents received for the execution of the order to the shipping address, together with the goods.

10.5 The price payable by Hatebur according to item 3 also includes free assignment of all rights on suggestions of supplier (e.g. technical solutions), which are required for the utilization of know-how or patent application for an invention. Unless otherwise agreed, such assignment to Hatebur occurs automatically and without further notice.

10.6 Without prior written approval from Hatebur, the supplier shall not advertise his business relation with Hatebur, nor inform third parties about it.

10.7 The supplier shall not disclose prices for parts that he has been assigned to manufacture according to Hatebur drawings and documents. Hatebur shall be informed about such inquiries.

11. Models, devices and special tools

Any models, devices and special tools provided by Hatebur to the supplier remain the property of Hatebur. After completion of the order, they shall be properly stored at the expense of the supplier. They shall not be used for deliveries to third parties unless Hatebur gave written permission to do so.

12. Warranty

12.1 The supplier's warranty obligation applies to Hatebur. Should a customer of Hatebur request warranties from the supplier the supplier shall inform Hatebur immediately. No measures shall be taken without the explicit approval of Hatebur.

12.2 The supplier assumes warranty for faultless execution according to the laws and prescriptions at the place of destination of the goods, all contractual requirements and drawings and documents provided by Hatebur, as well as for material without defects - if delivered by supplier or sub-supplier, for a period of 24 months from commissioning of the goods at Hatebur's customer. The burden of proof for the goods to be free of any defects applies to the supplier. Hatebur is entitled to notify defects any time during the warranty period. Until the expiration of the warranty period the supplier undertakes to repair or replace parts that have become defective or useless due to use of bad material or due to inadequate execution within a reasonable period at his own expense in his facility or - upon request by Hatebur - at the operating location of the machine. All costs in this regard, such as material, transport and travel expenses, other additional charges and resulting damages shall be borne by the supplier. In

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urgent cases, except in minor cases subject to prior notification of the supplier, Hatebur is entitled to have executed on-site repairs of the machine at the expense of the supplier. Replaced parts become the property of the supplier at the place of replacement. All warranty requests claimed during the warranty period become time-barred 5 years from start of the warranty period.

12.3 The same warranty obligations apply to all machines and devices produced by the supplier on behalf of Hatebur according to his own drawings.

13. Right of withdrawal

Hatebur has the right to suspend or cancel the order completely or in part if e.g., for any reason, the order for which the parts are intended cannot be implemented. The supplier has the right to invoice costs that have actually been incurred up to that time to Hatebur, in proportion to the agreed upon prices. Hatebur will not accept any additional claims, particularly no claims for compensation and lost profits, or other direct or indirect damages.

14. General

14.1 Upon approval by the supplier, Hatebur is entitled to inspect the ordered parts during regular business hours with customers or interested persons for progress monitoring or sales negotiations. Other visits shall only take place when accompanied by Hatebur staff or after explicit approval by Hatebur.

14.2 Hatebur is entitled to delegate a contact person to the supplier. If necessary, the supplier shall provide the contact person with a suitable work area.

14.3 The supplier, who performs complete assemblies on behalf of Hatebur, agrees to train Hatebur technicians upon request and to remunerate them according to their productive performance. During this period the supplier is responsible for the technicians.

14.4 Use of a Hatebur order for advertising purposes is not permitted. In particular, the supplier shall not allow any competitor of Hatebur to inspect the parts ordered by Hatebur. The supplier is liable for all damages caused by non-compliance with this provision.

14.5 The supplier is entitled to assign his claims to third parties only after prior written approval of Hatebur. Payments to the supplier relieve Hatebur from his obligations nevertheless.

15. Arbitration clause, applicable law

15.1 Disputes, disagreements or claims due to or in connection with this contract, including its validity, invalidity, breach or cancellation, shall exclusively be settled by the ordinary courts of Basel/Switzerland.

15.2 The legal relationship is governed by the substantive law of Switzerland.

The application of the rules of the Swiss international private law (IPRG) and the United Nations Convention on Contracts for the International Sale of Goods, dated April 1, 1980 („Vienna Convention“) is excluded.