

General Terms and Conditions of Business for Orders

Zehnder Group Produktion Gränichen AG, CH-5722 Graenichen
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Art. 1 General

1. These General Conditions for ordering and purchasing apply to all purchase orders placed by the Zehnder Group Produktion Gränichen AG or any of its affiliated companies (hereinafter referred to as "Zehnder") and to all deliveries of both goods and services to the Group. Supplier conditions that deviate from these General Conditions are valid only if and to the extent they have been expressly accepted by Zehnder in advance and in writing. In the event of discrepancies or contradictions between the present General Conditions and the contract, the provisions of the contract shall prevail. In addition to the General Conditions and to the contractual provisions, the terms and conditions of the Swiss Federal Code of Obligations shall apply.
2. All agreements and legally relevant declarations of the contractual parties must be made in writing in order to be valid.
3. Unless otherwise stipulated in writing between the parties, all offers by the supplier, including drawings, demonstrations and visualizations, shall be made free of charge.

Art. 2 Purchase order

1. The type, scope and time of the services to be provided or of the goods to be delivered by the supplier shall be set out in writing between the parties for each individual case and are binding. Unless otherwise agreed, the scope of delivery shall include, in addition to the goods or services expressly specified in the order, all means (including complete documentation in electronic form and in German and/or English) required for proper execution and function of the ordered goods or services. In the case of the development of customized software, the supplier shall transfer the source code to Zehnder, unless otherwise agreed in writing.
2. Any objections on the part of the supplier shall be communicated in writing to Zehnder within 5 days after the purchase order is received.
3. By submission of the offer, the supplier acknowledges to be aware of all pertinent facts and circumstances regarding the calculation, design and execution of the delivery including accessories.
4. In the event that an order is placed with no indication of price or recommended price, Zehnder reserves the right to approve the price after receipt of the order confirmation.
5. If Zehnder requires an order confirmation from the supplier, the contract shall become effective upon receipt by Zehnder of such written purchase order confirmation from the supplier.
6. The subcontracting of orders to third parties is permitted only with the express prior approval of Zehnder. In such case, the supplier acts in his own name, for his own account, at his own risk and is liable for the actions of the third party to the same extent as if they were his own.

Art. 3 Changes in the purchase order

1. Zehnder has the right to change the orders at any time with regard to the quantity or the service to be provided. A reasonable alteration to the price payable shall be made to reflect such increase, decrease or variation of the purchase order. If Zehnder notifies the supplier of its intention to do so, the supplier shall inform Zehnder in writing within five (5) working days of the amount of the resulting additional or reduced costs and of any changes to the schedule. Zehnder shall thereafter inform the supplier as to whether the order shall be changed as indicated or remain unchanged with its original provisions in effect.
2. Changes compared to the order may be proposed by the supplier, provided that they result in an improvement. Changes must be approved by Zehnder in writing.
3. All costs arising from subsequent changes to the specification or the order shall be borne by the supplier if the changes were made by the supplier without Zehnder's approval.

4. Zehnder shall have the right to cancel orders placed at any time without being liable to pay damages or other compensation to the supplier. Payments for goods and services delivered or rendered prior to the withdrawal of the order are not affected.

Art. 4 Documentation

1. Any and all documentation, such as drawings, models and samples, etc., made available by Zehnder remains the property of Zehnder. They shall be used by the supplier exclusively in the interest of Zehnder. No such documentation is permitted to be used in any way or disclosed to third parties without the express written approval of Zehnder.
2. All documentation shall be returned without delay to Zehnder upon request; the supplier is not granted any right of retention.
3. The supplier shall provide Zehnder with all important technical documentation, e.g. drawings with main dimensions, material lists, plans, diagrams, test specifications, etc. in two copies in binding form for inspection and response, in a timely fashion prior to the fabrication or to the provision of the delivery. Submission to and approval of the documentation by Zehnder do not release the supplier from its responsibility for compliance with the warranties and obligations assumed under the contract. The supplier shall provide Zehnder with detailed instructions for the assembly, disassembly, monitoring as well as the operation and maintenance of the entire delivery in duplicate at the latest upon delivery.

Art. 5 Delivery dates / delivery delay

1. The delivery dates are understood as the dates and times of delivery of the goods and/or the performance of services at the stipulated date and time and at the stipulated place. Place and date shall always be of the essence.
2. The agreed-upon delivery schedules shall be complied with. To avoid imminent deadline overruns, the supplier undertakes to arrange at his own cost urgent or express delivery. In addition, Zehnder reserves the right to decide whether it will insist on performance and claim compensation for delay or whether it will waive performance of the contract if the deadline is exceeded. The assertion of claims for compensation remains reserved in all cases. Deadline overruns due to force majeure remain reserved; the delivery deadline shall be extended appropriately in such cases.
3. Force majeure shall mean war, acts of terrorism and significant environmental disasters, insofar as the events or their consequences were not foreseeable, unavoidable and beyond the reasonable control of the supplier at the time of the conclusion or execution of the contract.
4. For each full week of delay the penalty shall amount to 2%, up to a total of 10% maximum, calculated on the contractual price of the delayed portion of the delivery. A delivery is deemed to be late if, unless otherwise agreed in writing, it does not arrive at Zehnder on the agreed delivery date. Alterations to this provision require an agreement in writing.
5. Compensation for delay represents a penalty for non-fulfilment pursuant to Art. 160 Swiss Code of Obligations. The payment of the compensation for delay does not release the supplier from its obligation of fulfilment of the delivery in accordance with the contract. The right to claim damages and other rights under this agreement shall remain reserved in all cases.

Art. 6 Delivery, transport and insurance

1. The products shall be carefully packed by the supplier. Zehnder reserves the right to reject deliveries with defective packaging, wrong marking or documentation as well as partial or advance deliveries which have not been agreed upon in writing or to receive them and to store them at the cost and the risk of the supplier until the agreement is duly fulfilled.
2. Upon prior notice Zehnder and their representatives shall be granted free access to the workshops of the supplier and to those of his subcontractors, and they shall be given all of the requested information regarding the state of the work, the quality of the material used, etc. Neither the exercise of the inspections by Zehnder referred to above nor the performance of acceptance tests shall release the supplier from full responsibility for compliance with contractually accepted guarantees and obligations.

3. Freight and packaging, insurance costs, expenses, licensing fees and all public levies shall be borne by the supplier. Unless otherwise agreed, the delivery shall be made free of charge, inclusive of all incidental expenses, to the plant named by Zehnder or at the specified locality or construction site (place of performance of the supplier). The Arrival Clause DDP pursuant to Incoterms 2020 applies unless expressly agreed to otherwise.
4. Every shipment shall be accompanied by a delivery note containing all technical specifications, the delivery destination and the number of the order.

Art. 7 Shipment and storage

Readiness for shipment shall be notified to Zehnder in writing. In the event that the shipment of the material needs to be postponed past the agreed-upon delivery date at the request of Zehnder, the supplier shall store the material at his plant or at another suitable location for 6 months free of charge.

Art. 8 Acceptance of Delivery

1. Zehnder shall not be deemed to have accepted the delivery item until it has had reasonable time to inspect it following delivery or, in the case of a defect in the delivery items, until a reasonable time after such defect has become apparent. After completion of the inspection, Zehnder shall inform the supplier if the goods are damaged or if there is transport damage due to insufficient packaging. Such damage shall be borne by the supplier.
2. If any delivery item delivered to Zehnder does not comply with Article 6 and 11 of these terms and conditions, or are otherwise not in conformity with the order, then, without limiting any other right or remedy that Zehnder may have under these terms and conditions, Zehnder may reject the delivery items and request replacement of the delivery items or recover all payments made to supplier by Zehnder.

Art. 9 Invoicing

Invoicing takes place immediately after delivery is completed. Purchase order number and bank account details shall be listed on all documents, e.g. confirmations, delivery notes, invoices and similar documents).

Art. 10 Payment

1. Payments shall be made within 60 days net after receipt of the invoice. Other terms of payment must be determined in writing by the contracting parties.
2. Place of fulfilment for payments is the domicile of the supplier.
3. Should the definitive acceptance not take place until after test operation, then 10% of the final delivery price shall remain unpaid as a warranty retainer until the warranty period has elapsed. The warranty deposit shall serve as a security for the obligations of the supplier ensuing from the warranty provisions. It will be released by Zehnder when the warranty has elapsed if no deficiencies have been found in the delivery or if the supplier has completely fulfilled his warranty obligations. The warranty deposit shall not accrue interest.

Art. 11 Warranty and liability

1. The supplier warrants that the products supplied by him and/or his subcontractors comply with all agreed specifications, including all specified material, workmanship and the like, documentation and quality requirements, or in absence thereof are fit for the intended purpose or the purposes for which products of the same type would ordinarily be used and shall comply with the functionality and performance requirements as reasonably expected by Zehnder according to supplier's information, documentation and statements. The products shall exhibit the guaranteed qualities and are free of material and manufacturing defects as well as legal deficiencies. The properties of the goods listed in the order shall be deemed warranted properties. The supplier undertakes to maintain a suitable quality management system and to have at his disposal the required means and apparatus required for quality testing. Quality and material pursuant to the order are binding for the supplier. The goods and deliveries shall be

manufactured and executed in accordance with proven design and principles, taking into account the latest state of the art of science and technology and the use of materials which are best suited for the purpose which the goods are intended for to serve. A maximum of operational safety shall be ensured. The product shall be designed in a manner that revisions and repairs remain limited to a minimum and are able to be carried out within the shortest possible time and with the least possible effort and expense. In addition, the delivery must correspond in every respect to the applicable government agency provisions and to the applicable professional regulations.

2. The supplier warrants that the design and workmanship will be free from deficiencies, that the equipment in its entirety will function correctly and is fit for any particular purpose expressly or impliedly made known to supplier in the order and/or order related documents.
3. The warranty period for all deliveries is five years from acceptance of the delivery. Zehnder shall be entitled to give notice of a defect during the entire warranty period. Art. 201 para. 1 Swiss Code of Obligations or Art. 367 para. 1 Swiss Code of Obligations are excluded in this sense.
4. In the event that the products are deficient or defective or have become damaged during transport, then Zehnder has the right to demand a replacement of the delivery items or, at Zehnder's sole discretion, request the repair of the defective items by the supplier at no charge. The right to claim damages remains reserved in any case.
5. If Zehnder has already resold the deliveries to customers, the supplier shall be obliged to carry out the rectification of defects at the customers' premises at its own expense, even if the customers concerned have not notified Zehnder of any defects or the like or the warranty or guarantee period granted by Zehnder to its customers has expired. In particular, the supplier shall rectify the contractual products, i.e. possibly remove and repair or replace the contractual products at the customers' premises.
6. During the warranty period, the supplier will, as quickly as possible and at his own cost, repair or replace (if necessary with parts of another suitable design) all parts and equipment, which show defects in design, material, workmanship or assembly or which otherwise fail to meet the contractual specifications.
7. If a deficiency pursuant to Article 11.1 or 11.2 or 11.5 is not rectified within a reasonable period of time by a replacement delivery or an elimination of the deficiency by the supplier at no extra charge, then Zehnder, at its own discretion and at supplier's own expense, is entitled to carry out, or to instruct a third party to carry out, any additional work necessary to make the delivery items comply with the order, or deduct an appropriate amount from the price corresponding to the reduction in value or withdraw from the contract. The assertion of claims for compensation of damages remains reserved in all cases.
8. In the event of deficiencies having to be rectified or replacement deliveries made, the warranty period for the parts affected by these measures begins on the day of the rescheduled acceptance. In the case of work, alterations and replacement part deliveries which are of fundamental importance for the functioning of the delivery, a new warranty period shall be accorded for the entire consignment. The new warranty period shall, however, in no case last for more than five years after the initial acceptance of the delivery or of a portion of the delivery.

Art. 12 Exemption and Indemnification

1. The supplier warrants that the delivery or use of the goods supplied by him does not infringe the rights of third parties (e.g. patents, brands, industrial property rights, rights to computer software) and undertakes to indemnify, keep indemnified, defend and hold harmless Zehnder from and against any and all claims, proceedings, liabilities, damages, costs and expenses of whatsoever nature made against or incurred by Zehnder arising out of the supply of goods and/or services by the supplier or its failure to observe the terms contained herein or the supply of such goods by Zehnder to its customers.
2. The supplier shall be liable and shall compensate, indemnify and hold Zehnder and its directors and employees harmless for all damages and losses inflicted on them through or in connection with the delivery, the supplier or the supplier's personnel, including but not limited to losses such as power failures, production stoppages, loss of profits and other indirect damages. This liability is limited to a maximum of CHF 5,000,000 per order. For orders with a value of more than CHF 5,000,000, the limitation on liability shall be agreed to separately in each case.

In the event that personnel are injured, property is damaged or other direct or subsequent damages are caused by actions or failures to act on the part of the supplier, and if claims are asserted against Zehnder for this reason, then Zehnder shall have an unlimited right of recourse against the supplier superseding the limitation in Article 12.2.

Art. 13 Industrial property rights

1. Zehnder shall be entitled to all rights to the work results created by the supplier for Zehnder. The supplier is obliged to transfer to Zehnder all property and intellectual property rights to which it may be entitled. The supplier is prohibited from using the work results in any form, in whole or in part, for himself or for third parties, from developing them further or from passing them on to third parties without the express written consent of Zehnder. The supplier shall have the right to use them to the extent necessary for the performance of the contractual obligations.
2. In the case of contracts which (also) include software services, the supplier shall transmit all program documents to Zehnder. If software has been developed specifically for Zehnder, Zehnder shall be granted an exclusive, transferable and perpetual right of use for all types of use, this applies in particular to source codes.

Art. 14 Confidentiality

The supplier undertakes to treat all information and documents of which he becomes aware in connection with the fulfilment of the contract with strict confidentiality. Supplier shall restrict disclosure of such information and documents to such of its employees, agents or sub-contractors as need to know the same for the purpose of the delivery to Zehnder. Supplier shall ensure that such employees, agents, sub-contractors or other third parties are subject to and comply with the same obligations of confidentiality as applicable to supplier and shall be liable for any unauthorized disclosures. This obligation is subject to no time limitation.

Art. 15 Business Ethics

1. The supplier hereby warrants that it will not, directly or indirectly, and it has not knowledge that other persons will, directly or indirectly, make any payment, gift or other commitment to its customers, to government officials or to agents, directors and employees of Zehnder or any other party in a manner contrary to applicable laws (including but not limited to the U.S. Foreign Corrupt Practices Act and the UK Bribery Act) and shall comply with all relevant laws, regulations, ordinances and rules regarding bribery and corruption.
2. Nothing in these terms and conditions shall render Zehnder liable to reimburse the supplier for any such consideration given or promised.
3. The supplier's material violation of any of the obligations contained in this Clause "Business Ethics" shall entitle Zehnder to terminate this agreement with immediate effect and without prejudice to any further right or remedies on the part of Zehnder under this agreement or applicable law. The supplier shall indemnify Zehnder for all liabilities, damages, costs or expenses incurred as a result of any such violation of the above-mentioned obligations and termination of this agreement.
4. The supplier shall ensure that it receives in due time a copy of Zehnder's Supplier Code of Conduct. The supplier is aware that he may download the Supplier Code of Conduct also from Zehnder's website <https://www.zehndergroup.com/de/unternehmen/rechtliche-angaben#collapse8981>. The supplier agrees to perform, and shall ensure that all of its agents, employees, directors and subcontractors perform, its contractual obligations under this agreement with substantially similar standards of ethical behavior.

Art. 16 Data Protection

1. The parties shall comply with the relevant provisions of the data protection act at all times. Within the scope of the respective contract, the parties shall be entitled to collect, process and use and disclose the data of the contractual partner for all purposes related to the performance of the contract. The consent also includes the use for marketing purposes.

2. The parties acknowledge that each party may collect, process, use and disclose data of the other party's personnel, managers and other employees for all purposes related to the business relationship between the parties. Each party shall be solely responsible for informing its personnel, officers and other employees of the other party's collection, processing, use and disclosure of their personal data, and shall therefore, as necessary, obtain the consent of its personnel, officers and other employees and maintain appropriate records thereof.
3. In addition, the parties mutually and expressly authorize each other to process data about the other party or its employees, officers and other employees in any form and to disclose such data to any group companies or third parties abroad. These recipients may also be located in countries where there may not be an equivalent level of data protection. The parties expressly consent to the transfer of data to these countries. In these cases, data protection with the Group companies or third parties is ensured by contractual standard data protection clauses in accordance with Art. 46 (2) lit. c of the EU General Data Protection Regulation.
4. The parties expressly declare that all necessary consents have been obtained; each party has the right to request the declaration of consent from the other party at any time.

Art. 17 Information Management Incidents

1. The Contractor shall react adequately in case of an information or cyber security incident. The contractor agrees to report such incidents including personal data breaches according to art 33 GDPR affecting Zehnder Group Produktion Gränichen AG or any of its affiliates or subsidiaries immediately and not later than 48 hours after having detected such incident. These incidents shall be reported to security@zehndergroup.com. The notification shall at least contain the information set forth in Art. 33 (3) GDPR. The notification to Zehnder does not exempt the Contractor from a notification to the supervisory authority as set forth in Art. 33 GDPR.

Art. 18 Applicable law, place of jurisdiction, disputes

1. This agreement shall be governed by Swiss law. The application of the United Nations Sales Convention on Contracts for the International Sale of Goods (UN Sales Convention, in force since 1 March 1991) is expressly excluded in full.
2. The parties agree to Aarau/ Aargau Switzerland, as the exclusive place of jurisdiction.
3. Differences of opinion do not entitle the supplier to interrupt the work or to refuse to perform any work or deliveries pursuant to the contract. Likewise, the supplier is not entitled to withhold payments which have become due.

Art. 19 Final provisions

1. Changes and additions to the original contract / purchase order must be made in writing. Signatures of the parties in digital form including simple electronic signatures (SES) pursuant to Art. 2 lit. a ZertES are equivalent to the written form.
2. The invalidity or unenforceability of any term or any right arising pursuant to these terms and conditions and/or the order shall not adversely affect the validity or enforceability of the remaining terms and rights, and these terms and conditions and/or the order shall be given effect as if the invalid, illegal or unenforceable provision had been deleted and replaced by a provision with a similar economic effect to that of the deleted provision if this can be achieved by another provision.
3. Neither Party shall be entitled to assign its rights and obligations under these General Conditions to a third party without the prior written consent of the other Party, except that assignments, in whole or in part, (sub-) licenses, novation, or any kind of other legal transfers or restructurings among affiliates of Zehnder or within the Zehnder group of companies (or any legal successor thereof that acquires the relevant business of the group) in any legal form (the "Intra-Group Transfers") are hereby permitted without requiring prior written consent of the supplier, pre-approved by the supplier and will be notified by Zehnder to the supplier as and if necessary. Such Intra-Group Transfers are thereafter also permitted for the receiving Zehnder group entity or its successors.

4. The accounts receivable owed to the Supplier may not be deducted, assigned or pledged without the prior written consent of Zehnder.
5. The German version of the General Conditions shall prevail, unless the parties have agreed or the circumstances indicate that English is the contractual language between the parties. In this case the English version applies exclusively.
6. Zehnder may amend these General Terms and Conditions at any time. The current version shall apply.