

Standard Purchasing Terms of Loepfe Brothers Ltd. | 2020

1 General provisions

- 1.1 Loepfe shall base its entire purchasing operation on these Standard Purchasing Terms (SPT). They shall be deemed to be accepted by the supplier by acceptance of order.

2 Contract signing

- 2.1 Only orders issued in writing or confirmed in writing shall be valid. Loepfe expects an order confirmation within five days of receipt of the order. Deviations from the order contained in the order confirmation shall only be recognized if Loepfe subsequently consents to them. On all pieces of correspondence, delivery tickets and invoices, order and item numbers as well as our reference are to be given. Acceptance of delivery or payment by Loepfe shall not constitute any recognition by Loepfe of the standard business terms of the supplier. Rather, we consider performance of the service ordered by the supplier as recognition of our Purchasing Terms, even if the supplier has previously objected to them or referred to other terms in its order confirmation.

3 Subcontracting to third parties

- 3.1 The all-inclusive subcontracting of orders from Loepfe by the supplier to third parties shall not be allowed without the explicit consent of Loepfe.
- 3.2 In case of allowable subcontracting the supplier shall be liable for the conduct of the third party in the same way as for its own conduct. In case of disallowed subcontracting to third parties the supplier shall additionally be liable for chance and force majeure.

4 Prices

- 4.1 The prices set shall be deemed to be fixed prices and include all indirect costs of whatever kinds.

5 Delivery

- 5.1 The deadlines given shall be understood as arrival dates at the destination. If deliveries are not on time, Loepfe may grant a second deadline or withdraw from the contract and award the order elsewhere. Title to the goods shall pass to Loepfe upon surrender to Loepfe or surrender to the third party designated by Loepfe. Up until passing of title, the supplier shall bear the risk of deterioration or demise of the goods.
- 5.2 If the supplier has to assume that on-time delivery is partially or fully impossible then it must inform Loepfe immediately of this, indicating the reasons and the tentative duration of the delay. Extra costs such as express delivery, etc. in the event of delay in delivery must be borne by the supplier.
- 5.3 Partial or advance deliveries shall only be allowed with the consent of Loepfe.

6 Quantity tolerances

- 6.1 Overage or underage in delivery when compared with the order may only occur with the explicit written consent of Loepfe.
- 6.2 In case of overage, Loepfe shall be entitled to return the overage without notice to the supplier at the latter's expense.

7 Shipping, risk, insurance and packing

- 7.1 The terms listed in the order shall apply to shipping.
- 7.2 Without agreement to the contrary, the passing of risk to Loepfe shall be assumed to occur upon delivery.
- 7.3 Proper packing, labelling and taking out shipping insurance shall be the responsibility of the supplier. The costs for this shall be borne by the supplier unless otherwise agreed to in writing.
- 7.4 The terms of 2020 Incoterms shall basically apply to shipping.

8 Warranty, guarantee and liability

- 8.1 The supplier shall provide warranty that it complies in all of its production and sales sites to the particular national and local regulations, rules and laws (e.g., labor laws, tax laws, environmental laws, etc.).
- 8.2 The supplier shall provide warranty that the supplied item is free of any defects impairing its value or its functioning, that it has the assured properties and that it corresponds to the required performance and specifications. The supplied item must meet the requirements of the relevant national laws, accident prevention rules, regulations, etc. at the supplier's production site and at the destination site, in particular Switzerland and the European Union. In addition, the supplier shall at its own expense obtain certificates of origin or additional documents, if they are necessary for import and export and/or for fulfilment of other statutory requirements or standards.
- 8.3 The supplier shall provide warranty that the regulations of the European Union (in particular EC Regulation 1907/2006, REACH Regulation) are being complied with and that the products and components of the products do not contain any materials, substances or products which are prohibited under the corresponding laws and regulations at the manufacturing site or at the destination site, in particular in Switzerland and the European Union.
- 8.4 The supplier shall provide the guarantee for its deliveries that it will remedy any defects at no charge or supply defect-free replacement to Loepfe. Costs incurred in doing so shall be borne by the supplier. In urgent cases or in case of dilatoriness of the supplier Loepfe shall be entitled, after informing the supplier, to remedy the defects itself at the expense of the supplier or to replace the defective goods. The supplier shall be liable for any damage caused by the item supplied unless it can show that it and its recruited auxiliaries are not at fault. This liability shall also be assumed directly by the supplier in relation to third parties damaged. For repeated deficient deliveries Loepfe shall charge the supplier with a flat-rated expense of CHF 250.00 per incident, statutory claims not being affected by this and may be claimed at any time by Loepfe.
- 8.5 The supplier's warranty shall also extend to parts manufactured by sub-suppliers unless otherwise explicitly agreed in writing.
- 8.6 Unless otherwise agreed, the warranty period shall be 24 months. It shall commence upon acceptance of the goods by Loepfe.
- 8.7 Warranty shall in the same way be provided for replacement delivery and improvement as for the supplied item itself. The warranty period shall begin to run again as of improvement and/or delivery.

9 Invoice and payment

- 9.1 Invoices must be sent to Loepfe in accordance with the relevant regulations.
- 9.2 Payment shall be made, unless otherwise agreed, sixty days after receipt of the invoice, but at the earliest sixty days after receipt or acceptance of the goods. Reservation is made for offsetting with counter-claims due.
- 9.3 Assignment of claims, unless explicitly consented to by Loepfe, shall not be recognized.

10 Examination of deliveries, defect complaints

- 10.1 The supplier shall produce and test the products according to the latest state of the art for agreed properties and for its manufacturing and testing procedures as well as for any supplemental specifications by Loepfe. The supplier must document the texts per product and upon request provide the documents to Loepfe.
- 10.2 Loepfe shall within an appropriate period of time test deliveries in regard to externally recognizable defects and shall immediately report any such defects to the supplier. Concealed defects shall be complained of immediately upon their discovery. Absolute setting of deadlines for reporting of defects shall however not be recognized by Loepfe.
- 10.3 Payments made shall not include any waiver of claims.

11 Provision of materials, production and testing aids, tools and models

- 11.1 For orders where provision of materials has been agreed, the supplier must requisition the quantity needed on time. The material to be provided shall be delivered without charge to the supplier.
- 11.2 The material delivered may only be used in carrying out a corresponding job order. The material shall, up until receipt of the supply item, remain Loepfe's property.
- 11.3 Production and testing aids, tools and models provided to the supplier by Loepfe or fully or partially paid for by Loepfe may not be used to complete orders by third parties. The production and testing aids, tools and models shall remain the property of Loepfe. They must be surrendered to Loepfe at any time.
- 11.4 Provision of materials, production and testing aids, tools and models must be properly stored and serviced by the supplier. They must in addition be adequately insured by the supplier, unless otherwise agreed in writing.
- 11.5 Any liquidation of the tools, data media, etc. may only occur with written consent by Loepfe.
- 11.6 The supplier shall insure Loepfe's property against fire, theft and other damages.

12 Product liability

- 12.1 The supplier shall be responsible for all claims asserted by third parties due to personal injuries and property damage, which are due to a defective product supplied, and shall be obliged to hold Loepfe harmless against any liability resulting therefrom. If Loepfe is obliged, due to a defect in a product supplied by the supplier, to carry out a product recall action in relation to third parties, the supplier shall bear all costs associated by the recall action.
- 12.2 The supplier shall be obliged, at its own expense, to maintain product liability insurance with adequate coverage. The supplier shall at any time upon request send Loepfe a copy of the insurance policy.

13 Proof of origin and export restrictions

- 13.1 The supplier shall, upon request, provide Loepfe with a completely filled-in and signed statement on the customs law origin of the goods (so-called proof of origin), at the latest with the first delivery. The supplier shall guarantee that all goods supplied meet statutory regulations, in regard to both the country of origin as well as the country of destination.
- 13.2 In case of complete or partial current export restrictions, the supplier shall be obliged to immediately provide Loepfe with information.
- 13.3 Suppliers from Member States of the European Union shall be obliged to provide Loepfe, on their own initiative, within 30 days of acceptance of the order and subsequently during the first two months of every calendar year with long-term supplier declarations in accordance with the applicable European regulation of the day. Should this not be possible in a specific instance, the supplier must then provide corresponding proof of origin at the latest upon invoicing.

14 Technical documents and confidentiality

- 14.1 All information, blueprints, etc. given to the supplier by Loepfe for manufacture of the supply item may not be used, reproduced or made available to third parties. Loepfe shall be entitled to any patent rights. Upon request, all documents together with all cut-outs or reproductions must be returned to Loepfe immediately. If a contract is not signed, the supplier must, on its own initiative, surrender the documents to Loepfe.
- 14.2 The supplier must consider the order and the work or deliveries associated with it as a commercial secret and consequently must treat it confidentially. Even information where the name of Loepfe is not cited is prohibited.
- 14.3 Samples, photos and references may only be published with written consent by Loepfe.

15 Intellectual property law

- 15.1 The supplier shall hold Loepfe harmless in regard to the supply items against claims deriving from infringements of intellectual property rights of third parties such as patents, copyright, trademarks and similar things. The supplier shall put itself under an obligation to join in any litigation proceedings initiated against Loepfe, at the latter's request, or to conduct the proceedings together with Loepfe at its own expense, and/or to assume the costs and compensation consequences associated with the proceedings.

16 Applicable law and choice of jurisdiction

- 16.1 Swiss law shall be exclusively applicable to contractual and business relations between Loepfe and the supplier.
- 16.2 For the adjudication of all disputes resulting from or in connection with the contract, the regular courts in the registered office jurisdiction of the buyer shall constitute the sole forum.