

## GENERAL PURCHASE CONDITIONS

### 1. General

- 1.1 All Polycontact AG orders and contracts (with Polycontact AG as purchaser) are subject exclusively to the following terms and conditions. Upon receiving and/or carrying out an order or contract, and for future deliveries and services of all kinds, the supplier acknowledges these purchase conditions as binding.
- 1.2 Any supplier conditions that deviate from these are herewith negated. They are only valid if and when the purchaser has acknowledged them in writing. Receipt of deliveries and services by the purchaser is based exclusively on these conditions and contains no acknowledgement of conditions put forth by the supplier.

### 2. Quotations, contracts (orders), changes

- 2.1 The supplier is responsible for informing the purchaser of any deviation, separately and in detail for each individual deviation, from the purchaser's enquiry for production or replacement samples, or for any specifications, quality guidelines or tenders sent to the supplier in conjunction with said enquiries. Otherwise, the submitted documents, specifications, quality guidelines and tenders will be considered an integral part of the supplier quotation.
- 2.2 The order, together with its attachments (drawings, specifications, technical stipulations, quality guidelines and other documents), will be considered accepted if the supplier does not dissent in writing within 3 days of the date of issue.
- 2.3 Deviations or changes to the order are only valid if the supplier specifically informs the purchaser and the purchaser accepts and confirms them in writing.
- 2.4 Forwarding of orders or contracts to third parties is not permitted. Excluded from this stipulation are subcontracts for partial processing or post-processing of the ordered goods, as long as they are done according to the quality demands of the purchaser and the supplier accepts all responsibility for quality assurance.

### 3. Pricing, services, assumption of risk

- 3.1 Deliveries and services are free supplier works (work specified in the order / release order) and foreign deliveries are to be duties and taxes paid. The purchaser bears the import sales tax. Customs clearance is the responsibility of the supplier. The agreed prices are set for the duration of the contract as long as nothing else is agreed in the contract.
- 3.2 Costs, taxes, duties and other charges that may have taken effect after the order was placed are the responsibility of the supplier.
- 3.3 Any risk is first transferred to the purchaser after successful handover of the goods at the agreed destination unloading point.

### 4. Changes on the production side

- 4.1 Changes in the type or assembly of the ordered goods, or in the materials necessary to fulfil the order, such as design or size changes, that deviate from the technical specifications, drawings or descriptions of the purchaser are not permissible. The supplier is liable for all costs and damages, including consequential damages resulting from any discrepancies.
- 4.2 The purchaser has the right to demand reasonable changes in the construction and design of the deliveries and services of the supplier. Any effects of these changes, such as extra / reduced costs, will be amicably resolved between the parties.

### 5. Deliveries and services deadlines, discounts for late deliveries

- 5.1 The agreed deadlines for deliveries and services are an integral part of the contract. Decisive for the punctuality of a delivery or service is the time at which the goods entered the specified purchaser works (Number 3.1). If a delivery period is agreed, it begins with the date the order was issued.
- 5.2 As soon as the supplier anticipates that an agreed delivery deadline will be completely or partially unmet, they are responsible – independent of the causes of the delay – for notifying the purchaser immediately of the reasons and the potential length of the delay. Taking the operations of the purchaser and any legal obligations into consideration, if notification is done early enough then an adjusted deadline can be arranged. If the supplier does not give sufficient notice, they cannot claim any hindrance vis-à-vis the purchaser.
- 5.3 If the delivery is late, even for delays not caused by the supplier and delays announced by the supplier with sufficient notice, the purchaser has the right, irrespective of any further legal claims, to withdraw fully or partially from the contract without notice, to procure replacement goods from a third party at the expense of the supplier and to demand damage compensation or a discount from the supplier on the contractually agreed price. The discount is 0.5% of the contract price for every started week of delay after the agreed contractual delivery or service deadline, with a maximum of 5%. Rights to advanced claims for compensation remain.
- 5.4 Under or over deliveries will only be accepted after agreement from the purchaser (partial deliveries). Deliveries are considered fulfilled when they correspond to the deadline, quantity and quality specified in the order. Invoices can only be issued upon complete delivery (one order item=one invoice).

### 6. Delivery note

- 6.1 All deliveries to the purchaser must be accompanied by a delivery note upon which the delivered goods are listed in writing according to the order and with at least the following information visible: Content / quantity and delivery, number and date of the order, purchasing order number, position, item number and supplier manufacturing and batch number.
- 6.2 The supplier is liable to the purchaser to ensure that proper labelling is done for all deliveries where labelling is required. The labelling must also be done in the shipping documentation.

### 7. Guarantee

- 7.1 The supplier assumes the responsibility of delivering goods and services that are free of defects, correctly and appropriately made, manufactured, designed and produced with the latest technology, free from ecologically and toxicologically damaging effects, flawlessly assembled, which fulfil the contractually agreed requirements and/or supplier performance specifications and which match the documentation accompanying the order (drawings, specifications, descriptions).
- 7.2 All guarantees extend also to the parts procured by the supplier from sub suppliers.
- 7.3 The warranty period, subject to the following conditions, is 24 months after a product has been put into operation or use. Defects, especially material defects, that first appear after the delivered goods are put into operation or use (especially after the initial registration date or operation of a vehicle by a third party) can also be claimed even after the warranty period has expired or after further processing, assembly or installation within 30 months after they are discovered; the supplier thus waives rights to the period of limitation.
- 7.4 After the unsuccessful removal of defects, irrespective of any further legal or contractual rights of the purchaser, and in the case that the accepted warranty is breached, the purchaser has the right to:  
-upon returning a rejected delivery, to demand a replacement delivery from the supplier; or

- upon returning rejected goods, to procure and replace them with third-party goods of its choosing, at the expense of the supplier; or  
-to rectify the said defect itself or through a third party; or  
-to receive a reduction on the agreed price of the delivery or service; or to partially or fully cancel the order / contract.

The supplier bears all costs incurred by the purchaser in these cases. In addition, the supplier is liable for all damages to the purchaser caused by defective deliveries or services, even insofar as they did not originate from goods in the delivery or service. Materials and/or wage costs incurred in vain by the purchaser while repairing the defect or having it repaired by a third party are to be reimbursed by the supplier.

- 7.5 If the delivery or service was only partially rejected or rejected at a later time, the purchaser retains the aforementioned rights with regard to the complete delivery / service.

- 7.6 The purchaser is required to inform the supplier of the defect(s) within 2 weeks of discovery; for obvious defects, notification must be made within 2 weeks of the complete delivery. The supplier hereby waives any rights to object a delayed notice of defects.

### 8. Deficiency of title, third party trademark

- 8.1 All deliveries and services of the supplier must be exempt from the rights of third parties. The supplier is liable to the purchaser for all damages arising from usage, installation or sale of delivered goods as a result of possible breach of third party rights.
- 8.2 The supplier guarantees that the use of the delivered goods by the purchaser or its customers will not infringe on any trademark or trademark registration (trademark) of a third party. The supplier releases the purchaser from all claims made by third parties in the case of infringement upon such trademarks by the purchaser or its customers. The supplier is obligated to support the purchaser or its customers in any legal dispute brought against the purchaser or its customers for such infringements of trademark, and especially to enter into such legal disputes at its own expense. If the purchaser receives notification that the delivered goods infringe on a trademark, the purchaser has the right to either demand damage compensation based on non-compliance or to withdraw from the contract.

### 9. Stoppage of payment, financial difficulties

If the supplier finds itself in financial trouble or suspends payment or is unable to make payment or desires an allowance or an out-of-court settlement, the purchaser has the right to fully or partially withdraw from the order. This is also valid in the case that the contract has already been fully or partially fulfilled by one or both of the contractual parties, as long as the supplier warranty obligation still applies. Supplier claims to reciprocation and damage compensation are ruled out in these cases.

### 10. Right of withdrawal

In cases of natural catastrophes, unrest, official measures, worker strikes (warning strikes, strikes and lock-outs), cessation or limitation of operations and similar circumstances that diminish the purchaser's consumption or its customers consumption, or that hinder the purchaser from offloading or receiving the ordered goods, the purchaser is freed from its obligation to accept and retains the right to withdraw from the contract for as long as the circumstances or their effects are current. In the case of hindrance to offload or accept the goods, and upon the request of the purchaser to do so, the supplier is required to store the goods at its own expense and risk. Supplier claims to reciprocation and damage compensation are ruled out in these cases.

### 11. Invoices

- 11.1 All invoices are to be sent separately and in duplicate to the purchaser and must include order number, position, order date, terms of the order and the delivery note.
- 11.2 If the weights or quantities in the invoice do not agree with those determined by the purchaser or by the purchaser receiving station, the latter are then valid.

### 12. Payment, charging, retention, abandonment

- 12.1 Depending on the purchaser preference, payment is made with 2% discount within 14 days of receipt of the invoice or within 60 days net. The payment period begins when the delivery is received and the agreed delivery deadline has expired. This is valid if not otherwise agreed in a contract.
- 12.2 The purchaser has the right to charge all counterclaims against supplier payment requests and/or to assert retention rights against the supplier to which the purchaser is entitled. This is also valid when the payment dates of the opposing claims are different.
- 12.3 Supplier payments do not imply an exemption from the enforcement of warranty claims.

- 12.4 The supplier can only make payment requests of the purchaser after prior agreement from the purchaser. For goods transferred to the supplier under an extended retention of title, the approval of the purchaser is required.

### 13. Samples, test equipment, tools, technical documentation and other resources

- 13.1 Models, test equipment, casts, tools, forms, samples, preliminary drafts, plans, projects, cost calculations, drawings and other resources or documentation provided to the supplier or produced by the supplier according to purchaser specifications remain the property of the purchaser. The supplier is responsible for verifying the usability of technical documentation and resources provided by the purchaser.

- 13.2 Documentation is not to be used for any other purposes than the stated purpose, duplicated or made available to third parties. That also applies to documentation produced by the supplier according to the purchaser specifications. All documentation made available to the supplier, or generated according to the purchaser specifications, is to be returned to the purchaser with all other copies and/or duplicates as soon as they are no longer necessary for the delivery or service.

- 13.3 The supplier is expected to view the order and the accompanying documentation and information as trade secrets and to handle them in confidence. The supplier is liable for all damages caused to the purchaser by infringement of these property rights. The purchaser is mutually obligated to protect the trade secrets of the supplier.

- 13.4 Materials or parts provided to the supplier remain the property of the purchaser and may not be used before the purchaser issues the order. The supplier is liable for damages, deterioration, loss or destruction, even in the case that the supplier did not cause this.

### 14. Product liability / quality control

- 14.1 In the case that the purchaser – regardless of the legal grounds – is filed against by a customer or other third party and/or makes a claim in conjunction with product damage and/or the effects of product damage, the supplier is obligated to release the purchaser from liability for those claims, as the cause of the damages is to be handled by the supplier and/or the supplier is directly liable for the customer or other third party – regardless of the legal grounds. The supplier absorbs all costs and charges associated with the damages for which the supplier is responsible, including the costs of any legal proceedings that take place.

- 14.2 The supplier is obligated to ensure the sound quality of the deliveries to the purchaser and to verify the deliveries directly before shipping. The burden of proof is incumbent on the supplier that the products delivered were in no way defective upon their departure from the supplier warehouse. As far as the verification results and any further documentation relate to the goods delivered to the purchaser, they are to be used as proof of quality and filed for at least 20 years. The purchaser has the right to full disclosure of the supplier records / documents relating to the goods delivered to the purchaser. The supplier is responsible for setting up the manufacturing processes necessary for the production of the goods to be delivered in order to guarantee the manufacture of products that are free from defect, that are in adherence of the contract and that reflect the latest in modern technology. Upon purchaser request, the supplier is required to prove these things.

- 14.3 The supplier is required to possess comprehensive product liability insurance that covers all possible risks to the products to be delivered. The supplier must prove this product liability coverage upon request from the purchaser.

### 15. Fulfilment location, court jurisdiction relating to sales people

- 15.1 The fulfilment location is the works specified in the purchaser order / call (Number 3.1) and is responsible for all contractual claims and commitments, unless it is expressly noted that the location is to be elsewhere.
- 15.2 Jurisdiction is **Chur**, whereby the purchaser, if it so wishes, can call on the court with jurisdiction in the area where the supplier is located.

### 16. Partial invalidity, applicable rights

- 16.1 If individual conditions or portions of certain conditions in this purchase agreement are, or prove to be, ineffective or unenforceable, or are declared ineffective by a legal or official decision, the effectiveness or executability of the remaining conditions are unaffected. The ineffective or unenforceable condition shall be replaced by an effective and enforceable condition that best represents the business interests of the parties involved.
- 16.2 Swiss law is valid.

## ADDITIONAL AGREEMENTS FOR SKELETON CONTRACTS

### 17. General

- 17.1 For skeleton contracts, the agreements outlined below are valid supplementary to the purchase conditions outlined above. In the event that the purchase conditions above and the agreements outlined below contradict one another, the latter are to be effective.
- 17.2 In addition to these agreements for skeleton contracts, the documentation on the backside of the order form is also valid.

### 18. Pricing, delivery, validity period of prices

The prices specified in the order are fixed for the time period entered. With sufficient time before the expiration of this time period, the purchaser and supplier will agree on new fixed prices and their period of validity. If the purchaser and supplier cannot make an agreement, the previous prices apply until an agreement can be made. These rulings are valid then for the subsequent price, that is, the newly agreed price and time period.

### 19. Scope of delivery, order, order release

- 19.1 The delivery quantities specified in the skeleton contract are an estimation of the expected, i.e. predicted, annual demand of the purchaser. Refer to Number 22.1. The exact scope of delivery is taken from the purchaser order.
- 19.2 The supplier is obligated to have one month worth of pre-production stock on hand at all times.

### 20. Breach of safety regulations and similar

If the purchaser is filed against for breach of official safety regulations or other legal reasons (e.g. product liability), the purchaser has the right, based on the principle of utmost good faith, to demand reimbursement according to the provisions vis-à-vis applicable rights (principles of liability) from the supplier for the damages incurred by the purchaser, as long as the deliveries or services were defective and responsible for the damages, unless the supplier can prove that the damages were unavoidable and unforeseeable.

### 21. First delivery

For first deliveries, the first two shipments are to be designated as such on the delivery note and the containers.

### 22. Fluctuations in demand, full or partial withdrawal, termination of orders

- 22.1 The supplier knows that the goods being ordered are, in the end, products that are then further fabricated by the purchaser for supply to the automobile industry and that the needs of the purchaser are subject to the fluctuations in this industry.
- 22.2 The purchaser has the right to fully or partially withdraw from the contract if one of its customers withdraws from one of the contracts awarded to the purchaser or limits the scope of its product range as a result of a model change, design changes, technical modifications or any other reason that the purchaser cannot control. The purchaser is, in the case of such a withdrawal, not obligated to damage compensation.
- 22.3 The purchaser has the right to terminate an order with a period of notice of 6 months to the end of a month. Damage compensation, severance, or equalisation of any kind for the supplier are excluded from such terminations.