

Sefar – General Terms and Conditions of Purchase

1. Exclusive Application

- 1.1 These General Terms and Conditions of Purchase (“**GTC**”) of the SEFAR Group (“**SEFAR**”) apply exclusively to all agreements (“**Contract**”) between SEFAR and the seller or supplier (“**Supplier**”) regarding products and services (“**Deliverables**”) provided by the Supplier.
- 1.2 Any terms and conditions of the Supplier that conflict with or deviate from these GTC are expressly rejected. Deviating conditions shall only apply if SEFAR expressly agrees to them in writing.
- 1.3 Specifications, objectives, and prices are defined in separate purchase orders. Upon acceptance of such orders, individual contracts are concluded. These GTC form an integral part of such contracts.
- 1.4 In the event of contradictions between various contractual documents, the following hierarchy shall apply:
 1. Mutually signed Contract between SEFAR and the Supplier
 2. SEFAR purchase order
 3. SEFAR GTC
 4. Supplier’s order confirmation
- 1.5 Any form of transmission enabling proof by text shall be deemed equivalent to written form.

2. Offer

- 2.1 The request for quotation requests the Supplier to submit a free quotation as a specialist. The offer shall be based on SEFAR’s descriptions and objectives, and the Supplier shall explicitly point out any deviations or if technical specifications impair or render impossible the suitability of the Deliverables for the intended use; the Supplier acknowledges a duty to inform. If the Supplier does not set a deadline in the offer, it shall be binding for 90 days.

3. Order

- 3.1 Orders must be in writing; as a general rule, this also applies to the acceptance of the order by the Supplier. Regardless of this, an order shall be deemed accepted if the Supplier does not object within 48 hours of receipt.
- 3.2 The Supplier must notify SEFAR of any deviations from the order. Such deviations become part of the Contract only upon SEFAR’s written confirmation.
- 3.3 The scope of delivery includes everything necessary for proper and operational functioning of the Deliverables, whether or not mentioned and described in the specifications.

4. Prices and Delivery Terms

- 4.1 Supplier’s prices are fixed prices in the currency specified in the order. INCOTERMS 2020, FCA destination, apply. Deviating delivery terms must be agreed in writing by the parties.
- 4.2 The Supplier is liable for transport damage due to inadequate packaging.
- 4.3 Each shipment must include a delivery note with all order-specific information. Partial and residual deliveries must be clearly marked as such on all shipping documents and invoices.

5. Payment Terms

- 5.1 All correspondence, confirmations, delivery notes, invoices, etc., must state the order number, item description, and part or drawing number.
- 5.2 A separate invoice must be issued for each order and delivery.
- 5.3 Payment is made at the end of the month following receipt of complete and defect-free delivery at SEFAR. Deviating payment terms must be agreed in writing by the parties.

6. Delivery Time and Consequences of Delay

- 6.1 Delivery is due on the agreed date at the destination. In fixed-date contracts, delay automatically constitutes default unless the parties agree otherwise due to early notification.
- 6.2 If a penalty for delay has been agreed, it shall be 1% per week of delay, for each commenced week of delay since the occurrence of the delay, but not more than a total of 5% of the net sale price of the delayed delivery. For partial delays affecting the usability of the full delivery, the penalty shall be calculated on the basis of the total affected value of those services whose use is impaired by the delay. SEFAR reserves the right to claim damages. Payment of the penalty does not release the Supplier from its obligation to fulfill the Contract.

- 6.3 The Supplier may only claim missing necessary services provided by SEFAR if requested in writing in due time.
- 6.4 Partial or early deliveries are allowed only upon agreement.
- 6.5 If the Supplier is in delay with delivery and, in the case of non-fixed-date contracts, a reasonable grace period has expired without success, SEFAR may refuse acceptance of the delivery, withdraw from the Contract, or claim damages for non-fulfillment. The penalty under clause 6.2 shall be offset against any damages for non-performance.
- 6.6 If it becomes evident before the due date that the Supplier will exceed the delivery deadline, SEFAR may also withdraw from the Contract and waive delivery.
- 6.7 SEFAR is also entitled to withdraw from the Contract if, during production, it becomes evident that the Deliverable will not be suitable for the intended use.

7. Documentation

- 7.1 The Supplier shall provide SEFAR as soon as possible, but at the latest upon delivery or immediately upon any changes, with all documents required by SEFAR to comply with trade compliance (see clause 12.1) for export, import, and re-export, in particular:
- All relevant information and documents regarding preferential and commercial origin of goods (e.g. indication of country of origin, declarations of origin on invoices, certificates of origin, etc.), information on export control classifications (e.g. ECCN), and customs tariff numbers (e.g. HS code), where applicable;
 - all relevant documents and certificates for the classification of hazardous materials; and
 - all relevant declarations of conformity (including CE marking of the EU) and EU declarations of manufacturers.
- 7.2 The Supplier is also responsible for obtaining all required export and import licenses, permits, and authorizations.

8. Inspection

SEFAR shall only be obliged to inspect deliveries upon receipt for obvious defects or for such defects that SEFAR can report in good faith for other reasons. SEFAR shall notify the Supplier of such defects within 14 days after delivery. All other defects may be reported by SEFAR at any time during the warranty period, and the Supplier hereby waives the defense of late notification of defects.

9. Warranty, Liability and Indemnification

- 9.1 The assurance of specific properties of a Deliverable is defined in the respective supply contracts. Irrespective thereof, the Supplier warrants that the Deliverable and all parts, materials, semi-finished products, and auxiliaries used in its manufacture:
- Are free from defects that impair functionality, operational reliability, or the expected service life under known operating conditions;
 - are delivered inspected and controlled, and are of such a nature that their proper use and due care do not endanger life or health; and
 - comply with the recognized rules of technology and all applicable international and national laws, regulations, and directives, particularly regarding design, safety, occupational safety, fire protection, and environmental protection.
- 9.2 The Supplier is responsible for ensuring that only those production materials, semi-finished goods, and auxiliary substances are used which comply with the agreed quality requirements. For this purpose, the Supplier shall establish an appropriate supplier management system. Furthermore, the Supplier is responsible for complying with all applicable legal and safety regulations for restricted, toxic, and hazardous substances, as well as the environmental, electrical, and other relevant requirements for the Deliverable in the respective manufacturing and distribution countries, including Directive 94/62/EC, REACH, and the RoHS Directive.
- 9.3 The Supplier shall ensure that the delivered products conform to the agreed specifications and are certified in accordance with the agreed standards.
- 9.4 The warranty period shall be 24 months beginning with delivery to SEFAR. During the warranty period, any defects — including failure to comply with guaranteed data and the absence of assured characteristics — shall be remedied by the Supplier immediately and free of charge (including all incidental costs) upon request. In all other respects, SEFAR shall retain full statutory warranty rights. Irrespective of this, SEFAR may, at its discretion, demand delivery of a defect-free item or rectification of the defect. When exercising this right, it shall be reasonably considered whether the Supplier is able to perform rectification according to the nature of its business. The Supplier shall in any case bear all costs necessary for the purpose of rectification or replacement.

- 9.5 The right to rescission or reduction shall only arise for SEFAR after rectification or replacement has failed. Rectification or replacement shall be deemed to have failed particularly if the Supplier delays it beyond reasonable deadlines set by SEFAR or refuses to carry it out.
- 9.6 If rectification by the Supplier is not reasonable for SEFAR due to urgency, other urgent operational reasons, or the Supplier's inability to rectify, SEFAR shall have the right to have the rectification performed by a third party at the Supplier's expense without setting a grace period. In this case, SEFAR shall notify the Supplier of the defect without delay.
- 9.7 A new 24-month warranty period shall apply to replacements and repairs.
- 9.8 The Supplier is liable, within the scope of individually guaranteed characteristics, for all damages — including consequential damages — caused by the Deliverables supplied by the Supplier.
- 9.9 The Supplier agrees to indemnify and hold SEFAR harmless from all liabilities, claims, damages, losses, or expenses (including court and reasonable attorney fees) arising from a breach of the Supplier's obligations.
- 9.10 The Supplier is liable for subcontractors and suppliers as for its own performance.

10. Product Liability, Indemnification, Insurance

- 10.1 To the extent that a product defect is attributable to the Supplier, the Supplier is obliged to indemnify SEFAR upon first request from any third-party damage claims, provided the cause lies within the Supplier's domain of control and organization.
- 10.2 As part of this obligation, the Supplier shall also reimburse SEFAR for all expenses arising in connection with any recall action carried out by SEFAR. To the extent reasonable, SEFAR shall inform the Supplier of the nature and scope of any recall measures to be conducted.
- 10.3 The Supplier undertakes to maintain liability insurance and product liability insurance with appropriate coverage. Proof of insurance coverage shall be provided to SEFAR upon request.

11. Service and Repairs

- 11.1 The Supplier undertakes to ensure a repair and maintenance service by qualified personnel for a period of at least 10 years after delivery of the respective Deliverable.
- 11.2 The Supplier guarantees the availability of original spare parts for a period of at least 10 years after delivery of the respective Deliverable.
- 11.3 Repairs and maintenance work shall be carried out under reasonable conditions.

12. Compliance with SEFAR Code of Conduct, Laws, and Ethical Business Practices

- 12.1 The Supplier undertakes to ensure, and shall ensure that its employees, directors, representatives, agents, suppliers, and sub-suppliers fully comply at all times and in every respect with:
- The principles set out in the SEFAR Code of Conduct for Suppliers and in these GTC, as applicable and published on SEFAR's website, as well as principles of ethical business conduct;
 - all applicable laws, regulations, and directives, domestic and foreign, particularly but not limited to those relating to anti-corruption and bribery, human and labor rights, health and safety, and environmental protection (e.g., Directive 94/62/EC, REACH and RoHS, the German Supply Chain Due Diligence Act, Regulation (EU) 2017/821 regarding supply chain due diligence obligations for EU importers of minerals from conflict-affected and high-risk areas, etc.);
 - all applicable national and international customs and foreign trade laws as well as all relevant export control laws, economic sanctions, customs, and trade regulations issued by Switzerland, the EU, the USA, the UN, and other relevant authorities ("**Trade Compliance**").
- 12.2 The Supplier shall pass on its obligations under this clause 12 to its own supply chain and guarantee compliance at every level of the supply chain.
- 12.3 The Supplier must notify SEFAR in writing within 5 working days of any suspected or known breaches of the obligations under this clause 12 and shall cooperate fully in all investigations. SEFAR has the right to terminate the Contract without liability for damages or costs to the Supplier if SEFAR reasonably believes that the Supplier's performance violates the obligations set out in this clause 12.

13. Right of Inspection

- 13.1 SEFAR shall be entitled to monitor the progress of the work; such inspections shall not alter or limit the Supplier's obligation to fulfill the Contract as agreed.

14. Assembly

14.1 If the Supplier is also obligated to carry out assembly, it shall be deemed included in the delivery price unless a separate remuneration is agreed.

15. Drawings and Operating Instructions

15.1 Before starting production, the Supplier shall, upon request, provide SEFAR with detailed execution drawings for approval. Approval by SEFAR shall not release the Supplier from responsibility for functional suitability and feasibility. The final execution plans, maintenance and operating instructions, and spare parts lists required for proper servicing of the delivery must be provided to SEFAR free of charge upon delivery.

16. Confidentiality and Exclusivity Agreement

16.1 The Supplier shall not use business and manufacturing secrets or customer data disclosed by SEFAR in connection with the performance of contracts for purposes outside the scope of this Contract, nor disclose them to third parties. In particular, the Supplier is prohibited from manufacturing or having manufactured comparable products for other customers using manufacturing know-how provided by SEFAR. The Supplier shall ensure through appropriate contractual arrangements that this confidentiality obligation is also imposed on its employees, suppliers, and sub-suppliers.

16.2 This provision shall apply for an unlimited period. It shall, however, expire if and to the extent the manufacturing knowledge made available by SEFAR in illustrations, drawings, calculations, or other documents becomes publicly known.

17. Third-Party IP Rights

17.1 The Supplier warrants that the delivery and use of the offered items do not infringe any third-party intellectual property rights (e.g., patents, designs, models). Otherwise, the Supplier shall indemnify SEFAR in this regard.

18. Governing Law and Jurisdiction

18.1 Applicable Law: All contracts concluded under these GTC and the present GTC themselves shall be governed exclusively by Swiss law. Conflict-of-law rules and the UN Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

18.2 Jurisdiction: The place of jurisdiction shall be the registered office of SEFAR AG.

19. General Provisions

19.1 Amendments and supplements to the GTC and all Contracts concluded on their basis, as well as amendments and supplements to such Contracts, must be in writing. This also applies to any agreements that cancel this written form requirement in whole or in part.

19.2 Rights and obligations arising from these GTC or Contracts based on them may not be transferred without the mutual written consent of the parties.

19.3 Should individual provisions of these GTC be or become invalid, this shall not affect the validity of the remaining provisions. In such case, the parties undertake to agree on a valid replacement provision that most closely reflects the invalid provision in intent and purpose.