

General Terms of Purchase (Version: February 2018)

1. Scope

- 1.1 These General Terms of Purchase shall apply exclusively. Subject to derogations in written agreements, they shall exclude any contrary or deviating terms and conditions used by the supplier and shall apply to all orders placed by Hunkeler AG Paper Processing, Wikon (HAG).
- 1.2 In addition to the provisions of these General Terms of Purchase, both parties shall only be bound to agreements made in writing (letter/e-mail).

2. Offer

- 2.1 An enquiry invites the supplier to make a written offer free of charge. By submitting a written offer, the supplier is also acknowledging the feasibility of the order. Deviations from the enquiry must be clearly indicated. The scope of delivery is solely determined by HAG's written purchase order. If the supplier has not indicated how long the offer is valid for, it shall be deemed to be 90 days.

3. Purchase order, order confirmation and conclusion of contract

- 3.1 Purchase orders and retrievals of goods and services (incl. in a framework agreement) are only binding if HAG issues such in writing. In any case, a written order confirmation shall be sent. Oral agreements and agreements made by telephone, amendments, supplements and specifications, etc., must be acknowledged in writing by both parties in all cases to become valid.
- 3.2 If the supplier notices errors or uncertainties regarding the content of the purchase order, in particular with reference to feasibility, amounts, price or date, it shall draw attention to these without delay.

4. Prices

- 4.1 Unless otherwise agreed, prices indicated are fixed prices and remain unchanged until the complete order has been processed.
- 4.2 The agreed delivery terms are based on INCOTERMS 2010 as amended from time to time. In case of conflicts, they shall take precedence over these General Terms of Purchase.
- 4.3 In case of delayed submission of requested documents or material certificates, HAG reserves the right to extend the agreed payment term correspondingly.

5. Executing the order

- 5.1 In the absence of technical specifications, or material/quality guidelines, any issues that are still outstanding are to be clarified in writing with HAG before the purchase order is carried out.
- 5.2 Changes in starting/raw materials, production process, sub-suppliers or production plant used may only be made when the supplier receives the prior written consent of HAG.
- 5.3 Working with sub-contractors and sub-suppliers does not absolve the supplier from its exclusive responsibility for the whole purchase order.
- 5.4 When executing the purchase order, the supplier shall comply with regulations governing quality assurance pursuant to the current version of ISO 9001.
- 5.5 The supplier shall also provide a written declaration of the origin of the goods pursuant to customs law (certificate of preferential origin) containing all the details required and duly and legally signed. This certificate is to be forwarded to HAG no later than with the first delivery. The supplier shall inform HAG without delay should the delivery, or part thereof, be subject to export restrictions, changes with regard to preferential origin, etc., in accordance with national or any other law. For goods, the customs tariff number shall be indicated. For listed goods, also the national list number and the list number of the USA if the goods are subject to US re-export provisions. Proof of preferential origin as well as declarations of conformity and conformity marks of the country of origin and/or destination shall be presented unsolicitedly; proof of non-preferential origin on request.
- 5.6 The supplier shall comply with all laws and regulations applicable to the product (for example Machine Directive, Electromagnetic Compatibility Directive, RoHS, WEEE, REACH), as amended, and submit the prescribed declarations of conformity and the related documentation. All technical equipment shall comply with recognised rules of engineering and health & safety and accident prevention regulations and has to be equipped with safety features to protect against accidents and occupational diseases.
- 5.7 The supplier has taken reasonable measures to ensure that the supplier's supplies and services meet the requirements of Section 1502 of the Dodd-Frank Act regarding the use of so-called conflict minerals (e.g., tantalum, tungsten, tin or gold); the materials supplied by the supplier to the client do not contain any conflict minerals that directly or indirectly finance or favour armed groups in the Democratic Republic of Congo or neighbouring states.

- 5.8 Should the product deviate from defined specifications, HAG shall reserve the right to invoice a processing fee of CHF 150.00 regardless of any other claims it may be entitled to.
- 5.9 The supplier shall perform a quality assurance test before sending the goods/ordered items; this test shall be documented. Generally, HAG does not inspect the goods when they are received. A complaint shall be made for any defects upon detection. The supplier guarantees that the delivery has the agreed characteristics and others that HAG may expect in good faith, even without separate agreement (e.g. fitness for intended purposes, current state of the art, legal conformity, etc.).
- 6. Delivery times and consequences of delays**
- 6.1 Delivery shall be executed at the agreed date (fixed date) and at the named place of destination. A delivery note shall be included in each delivery, and each delivery item shall be clearly marked.
- 6.2 Delivery notes shall contain the following information:
- a. our purchase order number, order item, material number
 - b. order number, name of contact person
 - c. exact delivery quantity and designation of the goods
 - d. information about partial or remaining deliveries
- 6.3 The supplier shall report any anticipated delays immediately when known. If the delivery date is not met, the supplier shall be in default with expiry of the date. HAG shall be freed of its duties to remind.
- 6.4 The supplier may only cite the absence of any documents, objects or single parts required for the delivery as the reason for the delay if these items were to be provided by HAG and the supplier has requested them in good time. In this case, the delivery time will be extended accordingly.
- 6.5 If the supplier has advanced notice that the delivery time cannot be met, HAG is entitled to withdraw from the contract and waive delivery. In such cases, the supplier is not entitled to any compensation.
- 6.6 Overdeliveries require HAG's prior written consent. If the supplier produces for stock, without a corresponding order, HAG is not obliged to accept the goods.
- 6.7 Deliveries prior to agreed dates require the prior written consent of HAG. Without such consent, HAG is entitled to return the goods delivered early to the supplier at the latter's cost and risk, or shall store the goods at an external location until the original date of delivery and shall postpone payment of the supplier's invoice until the agreed date of delivery.
- 7. Transport, transfer of risk, insurance and packaging**
- 7.1 Use and risk are transferred when the goods are delivered to the named place of destination and are specified by INCOTERMS 2010 when the contract is drawn up. In case of conflicts, they shall take precedence over these General Terms of Purchase.
- 7.2 Additional costs incurred due to partial deliveries or freight surcharges (e.g. express deliveries) as a result of delays in delivery will only be accepted if they were caused by HAG and were consented to in writing in advance.
- 7.3 The supplier is fully responsible for the proper packaging of the goods. Packaging has to be capable of effectively protecting the goods against damage and corrosion during transport and during any short-term storage of up to 60 days. The supplier is liable for all damage arising from improper packaging, customs delays caused by supplier, as well as damages arising from non-observance of transport instructions.
- 8. Disposal**
- 8.1 If the goods delivered contain hazardous materials as determined by law, the supplier guarantees that HAG can return the goods.
- 8.2 For all shipments, HAG is entitled to return for disposal all packaging, lashings, etc. to the supplier free of charge.
- 9. Spare parts**
- 9.1 The supplier shall ensure that spare parts or compatible replacements are available for all products delivered by it on reasonable terms during minimum 15 years after the last delivery or after phasing out.
- 10. Warranty and complaints**
- 10.1 Warranty covers a period of 24 months from the receipt of the goods. HAG expects the goods delivered to be faultless in quality and is not obliged to check the suppliers' goods for defects at delivery, nor to make spot checks. Notification of defects can be given at any time during the entire warranty period prior to and/or after processing and/or after re-sale. Notification of defects is to be given as soon as the defects become known. If goods are found to be defective during the warranty period, HAG is free to terminate the contract, reduce the invoice price or demand the defects to be remedied by the supplier itself or by a third party. HAG is also entitled to call for replacement goods to fulfil the order, either with or without claims for damages. HAG may apply this uniformly to the entire order or to specific parts of the order. If defects are remedied or a replacement delivery is made, the warranty period shall begin again. In addition, HAG is to receive compensation for all damage arising in connection with the defects.

- 10.2 HAG is entitled to pass on to the supplier all costs and expenses incurred by its customers in connection with warranty coverage for damaged and/or defective goods delivered by the supplier.
- 10.3 The supplier shall ensure that electrical components, as well as all parts of which the product specifications require traceability, can be traced. Upon request, HAG shall be allowed to inspect all production documents. If a problem is discovered, it must be possible to trace back the goods so that the amount of damaged parts/products in circulation can be limited.
- 10.4 The supplier guarantees that no rights of third parties will be infringed upon by the use or supply of the goods delivered. In this sense, the supplier shall indemnify and hold HAG free of legal action and shall do everything to render the use of the service possible.
- 11. Technical documentation / Confidentiality**
- 11.1 All specifications, drawings, purchase orders, etc. which HAG provides to the supplier for the manufacture of the goods to be delivered may not be used for any other purpose and may not be duplicated or disclosed to third parties. HAG is entitled to any copyrights. Upon request, all documents, including all reproductions or copies, are to be returned to HAG without delay, and all electronically saved data shall be deleted. If delivery is not effected, the supplier shall return all documents together with all copies to HAG without being requested to do so.
- 11.2 Publications used for advertising purposes in which HAG, the HAG logo or HAG products are either mentioned or graphically represented require the prior written consent of HAG.
- 11.3 Sub-contractors and sub-suppliers contracted by the supplier shall be bound to keep the same level of confidentiality as the supplier itself. Should sub-contractors or sub-suppliers infringe upon their duty to maintain confidentiality, the supplier shall be held jointly and severally liable with the sub-contractors and/or sub-suppliers.
- 12. Inspection rights and work at HAG**
- 12.1 HAG is entitled to monitor the execution of its purchase order. This shall not change or restrict the supplier's duty to fulfil its obligations in accordance with the contract. After giving advance notice, HAG is entitled to carry out quality audits at the supplier's or at its sub-suppliers.
- 12.2 For work carried out on HAG's premises or on behalf of HAG, general and local security measures are to be followed in addition to these General Terms of Purchase.
- 13. Invoices and Terms of Payment**
- 13.1 A separate invoice shall be sent for each delivery immediately after having dispatched the goods. The invoice must contain the same information as the delivery note (refer to 6.2).
- 13.2 Unless otherwise agreed, payment is to be made either net 60 days after receipt of the goods and invoice, or 30 days after receipt of goods and invoice with a discount of 2%; HAG reserves the right to offset counterclaims or deduct monies due to HAG.
- 13.3 The supplier is not entitled to assign receivables against HAG to third parties.
- 14. Place of performance and jurisdiction**
- 14.1 The place of performance for shipments and payment is 4806 Wikon, Switzerland.
- 14.2 The place of jurisdiction for the supplier and HAG is 6130 Willisau, Switzerland. HAG is also entitled to sue the supplier at its place of business.
- 14.3 Swiss law shall apply under the exclusion of the provisions of the United Nations Convention on Contracts for the International Sale of Goods (Vienna Convention).
- 14.4 Should a provision of this document be or become invalid, this shall not affect the validity of the other provisions. These General Terms of Purchase replace all previous versions.