



General Terms and Conditions of Purchase of SERTO AG

1. Scope of Application

- 1.1. The following General Terms and Condition of Purchase apply to all contracts and agreements, which are signed between SERTO AG (SERTO) and a third party ("Supplier") and whose subject is the supply of goods and/or services (together "services").
- 1.2. These General Terms and Condition of Purchase form an integral part of all offer enquiries, orders and individual contracts between SERTO and the Supplier.
- 1.3. Herewith, the application of the general contractual and business terms and conditions of the Supplier is excluded, even when they have not specifically been objected to.

2. Conclusion of Contract and Amendments to Contracts

- 2.1. The individual contracts come into force with the unconditional acceptance by SERTO of the offer provided by the Supplier in form of a legally binding order submitted by SERTO pursuant to item 2.2 of the General Terms and Condition of Purchase.
- 2.2. Offers and orders are only legally binding, when they are made in writing. Offers and orders submitted orally or by telephone require the written confirmation by mail, fax or e-mail within 3 working days to become legally binding.
- 2.3. In the event that the Supplier submits an offer based on an offer enquiry made by SERTO, the Supplier must fully observe SERTO's specification for offer enquiries, and must explicitly refer to them in case of deviations. The Supplier must suitably justify any deviations from offer enquiries. The Supplier is bound to its offer for the terms stated in the offer, but at least for 60 calendar days.
- 2.4. In the event that the Supplier omits confirming an order of SERTO within 3 calendar days after its receipt in writing, SERTO shall be entitled to cancel the order without incurring any costs.
- 2.5. Due to the lack of any other written agreements, SERTO will not owe the Supplier any remuneration or compensation for the preparation, submission or adjustment of offers, or for visits, demonstrations or other preparatory work of the Supplier. SERTO's right to reject or not to accept an offer of the Supplier without giving any reasons remains reserved.

3. Scope of Delivery and Service

- 3.1. The Supplier shall be responsible for obtaining all essential data required for the fulfilment of the contract in good time.
- 3.2. Within reason SERTO can demand changes to the delivery item with regard to construction and execution of the Supplier. The Supplier must implement these changes within a reasonable period. With regard to the effects, in particular with regard to added or reduced cost as well as delivery dates, mutually acceptable arrangements must be made.
- 3.3. The Supplier shall ensure that SERTO can be supplied with the delivery items or parts thereof for a period of 5 years on reasonable conditions, even after the supplier relationship has been terminated. Discontinuations of products must be announced 12 months in advance, and significant changes to products at least 3 months before taking effect.

4. Delivery date / Late Delivery / Tolerances for Delivered Quantities

- 4.1. The given delivery dates must be confirmed as dates of arrival at SERTO. Agreed dates and deadlines are binding. Delays of deliveries must be communicated to SERTO no later than 48 hours before maturity. In case of deliveries with more than 2 days delay the delivery must take place using a 24-hour express service or a courier at the expense of the Supplier. SERTO is exonerated from the duty of having to send reminders.
- 4.2. Deviations from the ordered quantity are never permissible (tolerance for delivered quantity = 0%, unless a differing tolerance for delivered quantities has been indicated on the order). In case of underdeliveries below the permitted tolerance level SERTO shall be entitled to demand prompt subsequent delivery free of charge.

5. Invoice / Prices / Payment Terms

- 5.1. The Supplier shall deliver its invoices together with all data and documentation required for their verification to SERTO, after the services have been fully and duly delivered, as there is no other written agreement. The Supplier must include the order number assigned by SERTO in its order on the invoices. Until a due invoice has been delivered, SERTO shall have the right to refuse payment.
- 5.2. The agreed prices shall be fixed prices. After the term of the price validity has expired, the prices remain valid for an unlimited period. Applications for price increases must be submitted no later than 3 months before their coming into force, and they shall be subject to negotiations between SERTO and the Supplier. Such negotiated price increases shall have no retroactive effect on orders or contracts already placed and confirmed.
- 5.3. Unless agreed differently, payment is due within 14 days at a discount of 2 % or within 30 days without any deductions. The payment terms start with the receipt of the contractually agreed services and a due, verifiable and promptly delivered invoice. In the event that early delivery is accepted, the term does not start before the agreed delivery date.

6. Delivery Terms / Risk Transfer / Packaging / Commercial Documents

- 6.1. The deliveries are made DAP (Incoterms 2020) to the place determined by SERTO, unless otherwise determined in the order, including packaging.
- 6.2. In case of deliveries of goods SERTO's guidelines on logistics and packaging in their corresponding applicable version must be observed. The Supplier shall be liable for the packaging protecting the goods against loss, dirt, and damage, as well as against unauthorised access. The Supplier shall be liable for any damage caused by improper packaging.
- 6.3. Every delivery must include a detailed delivery note in two copies showing SERTO's order number.
- 6.4. For deliveries from preferential countries the Supplier must provide the preferential proof of origin for every delivery in its correct form, unless a long-term supplier declaration is available.

7. Quality Management / Warranty / Liability for Defects

- 7.1. The Supplier must constantly monitor the quality of its services. The Supplier is obliged to control the quality of the manufactured products. SERTO shall conduct spot checks of the incoming goods. Defects shall be reprimanded according to the conditions of the correct course of business. The Supplier shall waive the objection to a delayed notice of defect, even when the defect is not discovered during the inspection of incoming goods, but instead only during the processing.
- 7.2. The exact number of items and their weight is not checked immediately after delivery. In the event that deviations in the number of items and their weight are noticed during subsequent stages of the incoming goods process, SERTO shall be notified about the deviation after delivery in a separate complaints letter. This shall also apply if the content does not coincide with the order or the delivery documents.
- 7.3. The Supplier shall herewith recognise the right to a delayed notice of defects by SERTO also with regard to deviations in the number of items and their weight, even when SERTO has signed the delivery notes or bills of lading concerned.
- 7.4. The Supplier shall herewith recognise SERTO's right to a delayed notice of defect with regard to deviations in the number of items and their weight, if parts of the packaging (e.g. strapping, films, tightening straps, etc.) had to be removed to be able to determine the exact number of items/delivery quantities.
- 7.5. The Supplier shall ensure and warrant that the services provided by the Supplier (including the delivery of goods and the provision of work results) do not provide of any defects. Services are inadequate, if they do not fulfil the agreed requirements SERTO assumes in good faith.
- 7.6. Unless there is an explicit alternative agreement between the parties in an individual contract, the warranty period shall be at least 24 months and start with the unconditional acceptance of the services by SERTO or, if no acceptance has been agreed, with the correct use of the services the Supplier has provided by SERTO.
- 7.7. In the event that the services provided by the Supplier show defects, SERTO can either (i) demand the rectification of the defects by the Supplier by the deadline set by SERTO; (ii) reduce the remuneration owed for the defective service by a reasonable amount; (iii) request a third party to remedy the defects at the expense of the Supplier or remedy them itself; or (iv) terminate the individual contract concerned.
- 7.8. The warranty period shall start anew for services the Supplier has improved or provided again.

8. Provisions

The articles, containers, special packaging, measuring means or similar items provided by SERTO (provided items) shall remain the property of SERTO. The Supplier shall be liable for the items provided by SERTO, if these are damaged in the manufacturing process. The Supplier shall not have a right of retention for the provided items regardless for what reason.

9. Force Majeure / Longer-term Delays of Delivery

- 9.1. Events of force majeure free the Supplier and SERTO for the duration of the disruption and to the extent of their effect from their service obligations. The party concerned must promptly inform the other contractual partner and undertake everything within reasonable bounds to limit the effects of these events. The party concerned must promptly advise the other contractual partner about the end of the disruptions.
- 9.2. In case of a longer-term delay of delivery, suspended payments or the initiations of insolvency proceedings, the contractual partner shall be entitled to cancel the contract with regard to the non-fulfilled part of it.

10. Confidentiality / Information

The Supplier shall be obliged to treat all information provided to it, such as for example drawings, instructions and know-how, confidentially. This information must not be made available to third parties (including sub-suppliers) without the written consent of SERTO. These obligations persist for a duration of 6 years, even after the end of the corresponding individual contracts.

11. Applicable Law / Legal Venue

These General Terms and Conditions of Purchase are exclusively subject to Swiss law. The public legal venue at SERTO's domicile is the only competent court for any disputes.

12. Final Provisions

- 12.1. If there are no explicit alternative agreements between the parties in an individual contract, the provisions of these General Terms and Conditions of Purchase shall override the provisions in an individual contract in case of contradictions between them.
- 12.2. In the event that there is a delivery agreement between the Supplier and SERTO, the provisions of the delivery agreement shall have priority if there any deviations.
- 12.3. The use of the business relations with SERTO or the use of its business names and marks for promotional purposes by the Supplier is only permissible after the prior written consent of SERTO.

Version December 2021