

# GENERAL TERMS AND CONDITIONS OF PURCHASE



## 1. General information

- 1.1 These General Terms and Conditions of Purchase shall apply to all purchases made by TELSONIC AG, Industriestrasse 6b, CH-9552 Bronschhofen (hereinafter referred to as TELSONIC), from its suppliers. Other terms and conditions, particularly suppliers' delivery terms, are only valid subject to prior express approval in writing by TELSONIC.
- 1.2 In the event of individual clauses of these terms and conditions of purchase being invalid, void or unenforceable, this shall not affect the validity of the remaining clauses. Invalid, void or unenforceable clauses shall be replaced with clauses serving the intended purpose insofar as is possible.

## 2. Conclusion of contract

- 2.1 Only purchase orders that have been issued or confirmed in writing by the "Purchasing" department of TELSONIC shall be valid. Additions and changes to purchase orders, whether they are made at the request of TELSONIC or at the request of the supplier, must also be issued or confirmed in writing in order to be valid.
- 2.2 Orders shall be confirmed by the supplier in writing within 5 days. TELSONIC must be informed immediately in writing of any technical changes compared to previous deliveries and of any changes to the order (i.e. delivery date adjustments) and requires a new order confirmation. Such changes entitle TELSONIC to change the order or to withdraw without compensation.
- 2.3 A binding requirement for the fulfillment of the contract is that the purchase order is accompanied by drawings and documents. In the absence of any agreement to the contrary, e-mails shall be deemed equivalent to written form.
- 2.4 Acceptance of delivery or transfer of payments by TELSONIC AG does not represent acceptance of the supplier's terms and conditions on the part of TELSONIC AG. Rather, TELSONIC considers the fulfillment of the purchase order by the supplier to constitute the supplier's acceptance of these terms and conditions, even if the supplier has expressly renounced them previously or made reference to other conditions in its order confirmation.

## 3. Prices and payment

- 3.1 Unless otherwise agreed, prices are fixed prices according to the currency listed in the purchase order.
- 3.2 The prices as defined in the above clause include all costs relating to packaging, insurance, carriage and customs, as well as taxes and deductions but exclusive of VAT.
- 3.3 These costs and VAT must be indicated separately on invoices. Unless otherwise agreed, payment shall not be made until after the goods have been received at the place of destination and the invoice has been issued, either within 30 days with 2% discount or within 60 days net.

## 4. Ownership and confidentiality

- 4.1 The ownership under material and immaterial goods law of drawings, tools, devices and material provided by TELSONIC to the supplier or purchased by the supplier in his own name but for the account of TELSONIC and all rights of use resulting therefrom shall remain exclusively with TELSONIC. The material shall be marked accordingly by the supplier and stored, maintained and insured against damage appropriately the supplier. The supplier is only permitted to use the material for the performance of the contract; in particular, the supplier does not have the right to use or publish the material for orders for third parties or to provide third parties with access to the material in any other context.
- 4.2 TELSONIC is entitled to demand the return of the material at any time. Should TELSONIC exercise this right as well as if TELSONIC ceases to make purchases or the supplier ceases delivery, the supplier must send the material back to TELSONIC immediately and bear all costs for doing this. Furthermore, at the request of TELSONIC, the supplier must confirm that the material being returned is complete, that no copies (whether in electronic or any other form) are in the supplier's possession and that any know-how obtained through the material will not be used again in any way. In all cases, the supplier irrevocably renounces any right of retention whatsoever to the material and any copies of the material.
- 4.3 The supplier promises to keep secret from third parties all information from TELSONIC and only to use information from TELSONIC for the purpose of the performance of the contract, regardless of whether or

not such information is marked as confidential. The supplier is permitted to share such information only insofar as this is necessary for the performance of this contract.

- 4.4 The supplier must obtain written permission if he subcontracts orders from TELSONIC to subcontractors or sub-suppliers.
- 4.5 The supplier shall take appropriate steps to ensure compliance with this obligation to secrecy by their employees, agents, suppliers and subcontractors.

## 5. Property right

- 5.1 The contractor shall be liable for ensuring that goods delivered by him or services rendered by him, insofar as they were not manufactured according to our drawings, do not infringe any domestic or foreign industrial property rights or other rights of third parties.
- 5.2 In particular, the contractor shall pay for all damages incurred by us due to the infringement of such a right and enter into any legal disputes and settlement negotiations at its own expense or bear any costs incurred by us as a result. In no case shall the contractor derive any claims against us from technical information provided. We are free to use of this information as we see fit.

## 6. Place of performance, transport and packaging

- 6.1 Unless the parties have expressly agreed otherwise in writing, delivery shall be made to TELSONIC AG, Industriestrasse 6b, CH-9552 Bronschhofen. Unless otherwise agreed, delivery shall be "free to the door" as chosen by us. Import transactions are based on "DDP excl. VAT, Incoterms 2020" to the place of delivery specified by us.
- 6.2 The supplier is under an obligation to quote our purchase number on all shipping documents and delivery notes. For imported goods, the supplier must include a certificate of origin (movement certificate, EUR1) with the delivery.
- 6.3 The quality assurance documents drawn up by the supplier must be included with the delivery. The contractor is under an obligation to send a safety data sheet conforming to DIN 52900 to TELSONIC prior to delivery if the goods covered by the purchase order contain materials for which a safety data sheet has to be drafted.
- 6.4 Unless otherwise specified, the goods shall be carefully packed and transported in accordance with customary commercial practice.
- 6.5 The supplier shall be liable for damage during transport resulting from inadequate or unsuitable packaging, even if TELSONIC arranges transport of the goods.

## 7. Delivery date, delivery delay, delivery quantity

- 7.1 The delivery dates prescribed in the purchase orders are binding. The delivery date is met if the delivery arrives at the place of destination before the deadline expires. The supplier is in default as soon as an agreed delivery date is not met; a reminder does not have to be sent. TELSONIC is entitled to forego setting a reasonable period for subsequent performance and proceed directly to asserting the legal claims applicable in the event of default. Partial deliveries require the prior approval of TELSONIC and must be clearly marked on the delivery note or shipping advice as "partial delivery".
- 7.2 The supplier must inform TELSONIC immediately as soon as he becomes aware that he cannot deliver in compliance with the terms of the contract (noncompliance either in terms of quality or time). The parties can agree a new delivery date in writing as long as the goods or services can still be used by TELSONIC. Paragraph 6.1 shall apply in the absence of a written agreement to the contrary.
- 7.3 For each commenced week of delay in delivery, TELSONIC may claim a penalty of 0.5% of the purchase order value up to a maximum of 5%. The payment of the contractual penalty does not relieve the supplier of their obligation with regard to continued compliance with the terms of the contract.
- 7.4 A strike at the supplier or a subcontractor absolutely does not count as force majeure.

## 8. Delivery note

- 8.1 Each shipment shall be accompanied by detailed delivery bills reflecting our purchase order text including our company-specific article and purchase order number as well as date.

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## 9. Invoice

9.1 Invoices must always be sent separately to TELSONIC and must not be enclosed with the shipment. Invoices must bear our purchase order designations, item numbers, and purchase order number and date in accordance with the delivery bills.

## 10. Warranty

10.1 The supplier warrants that the contract products meet the agreed specifications and quality agreements, that they are suitable for the presumed use, that they comply with the acknowledged state-of-the-art, that they are free from defects in design, material and execution and that they conform to all applicable national and international standards, regulations and requirements. The supplier is under an obligation to enclose, at their cost, the declarations and confirmations required by TELSONIC attesting that the contract products conform to all applicable regulations (including declarations of origin, safety and health requirements, etc.) in sufficient number and in the language requested by TELSONIC. The supplier shall allow TELSONIC to view the results of hazard analyses and the safety concept pertaining to the contract products on demand.

10.2 The supplier must ensure that quality is consistent where repeat purchases are concerned. Changes affecting quality are only permitted subject to the prior written agreement of TELSONIC.

10.3 TELSONIC shall inform the supplier if defects are identified in the contract products supplied. In the case of a warranty claim due to defects in delivery, TELSONIC is free to choose to cancel the purchase order or accept a reduction from the supplier or a third party, either with or without making a claim for damages or reimbursement of expenses in each case.

10.4 The warranty period is 24 months from acceptance of the contract goods or end products by the customers of TELSONIC.

However, the warranty period is a maximum of 48 months from delivery of the goods by the supplier to TELSONIC. The warranty period restarts in the case of replacement or repairs. TELSONIC is under no obligation to check or even spot-check the contract products following receipt and report any defects immediately. TELSONIC has the right to exercise warranty rights for the entire delivery or just for a partial delivery. The limitation of all foregoing claims comes into force 2 years after the discovery of the defect/damage by TELSONIC, at the latest 5 years after delivery.

10.5 Payments made by TELSONIC do not count as foregoing of warranty claims. In all cases, TELSONIC can demand compensation for damage it sustains directly or indirectly due to non-performance or defective performance. Defects can be reported at any time during the entire warranty period and/or after processing and/or resale. The supplier is liable for their sub-suppliers and subcontractors as they are for themselves.

## 11. Product liability and product recall

11.1 During the entire time that the supplier supplies products to us, they shall maintain product and public liability insurance providing adequate cover for risks from liability and our indemnity against liability. This insurance shall meet the following conditions:

- Territorial validity world-wide incl. USA/Canada
- Assembly and disassembly costs included

11.2 The supplier shall provide written proof of the existence of such insurance at the request of TELSONIC. If TELSONIC is prosecuted by third parties on the basis of the provisions of applicable product liability law because contract products are faulty as defined by said provisions, the supplier shall indemnify TELSONIC AG against these claims. TELSONIC shall inform the supplier as soon as such claims become known to it so that the supplier has the opportunity to defend himself against unjustified claims. The supplier undertakes to accommodate legal proceedings targeted against TELSONIC at first request or to represent TELSONIC at the proceedings at its own costs and/or to bear the associated consequences in terms of cost and compensation.

11.3 If TELSONIC feels that there is an urgent need to recall TELSONIC products due to contract products being faulty, TELSONIC shall inform the supplier without delay unless there is imminent danger. The supplier

shall bear the costs of the recall process insofar as the recall was necessitated by faults in the contract products he supplied. If there are multiple causes for a recall, the costs shall be borne proportionately if TELSONIC is responsible for one or a number of these causes. Claims by TELSONIC against the supplier in this context expire by limitation in the same way as claims by the aggrieved third party against TELSONIC (i.e. according to the rules of the applicable product liability law).

## 12. Duty to inform and inspections

12.1 The supplier undertakes to inform TELSONIC immediately in writing of any and all problems occurring which involve the contract product. TELSONIC and its employees and advisers have the right to conduct inspections at the supplier's premises after giving prior notice of this. The supplier is under an obligation to cooperate. Following discussions with TELSONIC, the supplier shall make financial and personal contributions to rectifying the problem. Where access is granted to the trade secrets of the supplier, TELSONIC shall protect them.

## 13. Material Compliance

13.1 Suppliers of TELSONIC undertake to comply with the material compliance standards customary in the industry at all times. This includes at least and including successor versions:

- RoHS Directive 2011/65/EC, Delegated Directive EU 2015/863
- REACH Regulation (EC) No 1907/2006
- POP Convention
- OzDS, Montreal Protocol
- Conflict Materials

## 14. Code of Conduct

14.1 TELSONIC expects its suppliers to adhere to the following principles in accordance with the UN Global Compact:

- Respect for internationally proclaimed human rights
- No involvement in human rights violations
- Employees' right to trade union activity
- Exclusion of all forms of forced labor
- Prohibition of child labor
- Exclusion of any discrimination
- Precautionary approach towards environmental hazards
- Initiative to promote greater environmental awareness
- Development and dissemination of environmentally friendly technologies
- Exemplary behavior in the business environment (no corruption, bribery, conflicts of interest, money laundering, etc.).

## 15. Dissolution of contract

15.1 TELSONIC can terminate its purchases with immediate effect at any time without giving reasons by sending a written notice of cancellation to the supplier and dissolve the associated contract. The supplier ceases fulfillment of its contractual obligations immediately on receipt of the written notice of cancellation. In this case, TELSONIC shall pay the supplier the invoice value of the contact products actually supplied to TELSONIC up until the time at which the notice of cancellation arrived. There is no further liability on the part of TELSONIC.

15.2 Each party has the right to cancel its contractual relationship at any time without notice if there are substantial reasons for doing so. A substantial reason is any circumstance making it unreasonable for the canceling party to adhere to the contract in good faith, particularly any serious breach of contract or repeated breach of contract despite warnings by the other contracting party as well as the commencement of bankruptcy or composition proceedings against the other party.

## 16. Choice of law, place of jurisdiction

16.1 Swiss substantive law shall apply exclusively to the exclusion of conflict-of-laws rules and the UN Convention on Contracts for the International Sale of Goods dated April 11, 1980 (Vienna Convention).

16.2 Exclusive place of jurisdiction is Bronschhofen, Switzerland. TELSONIC reserves the right to assert rights also at the supplier's place of business.

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