

# General Terms and Conditions of Purchase of Högg AG (GTCP)

## 1. Validity of these GTCP

All orders, contracts (purchasing) and call-offs of Högg AG are exclusively subject to the following Terms and Conditions of Purchase.

Högg AG does not recognise any conflicting or deviating terms and conditions of the Supplier, unless a written agreement has been made in this respect.

These General Terms and Conditions shall also apply if Högg AG accepts the Supplier's delivery without reservation in the knowledge of conflicting conditions of the Supplier.

The scope of delivery, specifications, objectives, delivery dates and prices shall be specified in separate purchase orders and, where applicable, in a quality assurance agreement. By the acceptance of the order the individual supply contracts come into existence. These GTCP form an integral part of these contracts.

## 2. Offer and orders

The inquiry of Högg AG requests the Supplier to submit a free offer. The Supplier must adhere to the specifications and descriptions of Högg AG and expressly point out any deviations.

If the Supplier does not specify a deadline in the offer, his offer is binding for 90 days.

Orders must be made in writing; in principle, this also applies to the order confirmation by the Supplier. Irrespective of this, the order shall be deemed accepted if the Supplier does not object within a period of 5 working days after receipt of the order.

In particular, the order, drawing and standard sheets (information on the drawing or order) are decisive for determining the quality. Further quality assurance agreements (QAA) can be concluded between the contracting parties as required and are also contract-relevant.

## 3. Prices and delivery conditions

The prices are fixed prices in the currency indicated in the order, 30 days net, excl. VAT, DDP, delivered, duty paid, CH-9630 Wattwil (SG). Deviating delivery conditions shall be specified in writing by the contractual partners. Payments do not imply recognition of the delivery or services as being in accordance with the contract.

The Supplier shall be liable for transport damage due to inadequate packaging. The burden of proof for correct packaging lies with the Supplier.

The permissible deviation from delivery dates is minus 10, plus 0 calendar days. Under-deliveries or over-deliveries of the ordered quantity as well as partial deliveries require the written consent of Högg AG. The Supplier informs Högg AG at an early stage about possible delivery difficulties.

If a Supplier is in default and a reasonable grace period has expired without success, Högg AG may refuse acceptance of the delivery, withdraw from the contract or claim damages for non-performance of the delivery obligation.

There is also the possibility of withdrawal if it can be foreseen in the course of production that the delivery item will not be suitable.

Any contractual penalty shall be regulated separately.

#### **4. Warranty, quality**

The Supplier warrants that the delivered goods are of the agreed quality and perform the agreed service, that they are new, correspond to the latest state of the art and do not show any defects impairing their value or their suitability for the intended use. The goods must comply with the applicable standards, laws, environmental and accident prevention regulations. The delivery shall include all assembly, operating or maintenance instructions that may be required.

In the event of non-compliance with the above warranty promises, Högg AG shall be entitled to rectification of defects, replacement delivery, price reduction or withdrawal (rescission) at its own discretion. In addition, irrespective of his fault, the Supplier must bear any additional costs of an extended incoming goods inspection, sorting or testing costs or the costs incurred in connection with the subsequent performance of the removal and installation of the goods as well as any costs of return and initial transport. Furthermore, if it is not possible to repair the goods at the place of destination specified in the order, any customs duties, fees or other charges shall apply.

In urgent cases (e.g. to avoid interruptions in production), Högg AG is entitled to remedy the identified defects itself without setting a deadline after having informed the Supplier and to invoice the Supplier for the resulting costs.

Högg AG shall notify the Supplier in writing of defects in the delivered goods, irrespective of whether they are discovered during the acceptance test, the incoming goods inspection or at a later point in time, within 60 days of their discovery (notice of defects).

The warranty rights of Högg AG expire 24 months after the date of receipt of the goods at the place of delivery.

The warranty period for replacement deliveries and repairs is 24 months.

The Supplier shall be liable for his subcontractors as for his own performance.

#### **5. Liability and insurance**

Unless otherwise stipulated in these Terms and Conditions of Purchase or in agreements between the parties, the Supplier shall be liable to Högg AG for all damages and losses incurred by Högg AG as a result of a breach of the Supplier's obligations arising from the contract concluded with Högg AG, including any claims by customers or third parties against Högg AG.

In order to cover the aforementioned claims and all other claims arising from the product, the Supplier undertakes to take out general business and product liability insurance with a cover of CHF 10 million per loss event. The insurance cover is to be maintained for at least 5 years after expiry of the corresponding supply contracts.

#### **6. Code of Conduct**

All products delivered to Högg AG must be manufactured in accordance with the Code of Conduct of Högg AG. The Code of Conduct can be found at [www.hoegg.ch/services](http://www.hoegg.ch/services).

#### **7. Use of substances harmful to health and the environment**

The supplier is obligated to inform Högg AG about the use of substances that don't comply with REACH (EG Regulation No. 1907/2006) and RoHS (EU Directive 2011/65/EU), whether this is the case for delivered goods or in its manufacturing process.

#### **8. Third-party property rights**

In the event of the assertion of industrial property rights by third parties, the Supplier shall bear all costs and damages incurred by Högg AG in this connection.

## **9. Applicable law, place of jurisdiction**

Swiss law, the individual contract and the present GPC shall apply. The conflict of laws and the UN Convention on Contracts for the International Sale of Goods are excluded.

Place of performance for delivery and payment is the destination named by Högg AG, unless otherwise agreed, CH-9630 Wattwil. The place of jurisdiction is the registered office of Högg AG. Högg AG is entitled to sue the Supplier at its registered office.

July 2018, Högg AG, CH-9630 Wattwil