

## AEB General Conditions of Purchase of Aerne Engineering AG

- 1 Scope / General
  - 1.1 These General Terms and Conditions of Purchase shall apply to all our purchases unless expressly agreed otherwise in writing.
  - 1.2 General terms and conditions of delivery of suppliers shall only apply insofar as we have expressly accepted them in writing.
  - 1.3 In the event of contradictions between different contractual documents, the documents in the order listed below shall prevail: 1.3.1 contract signed by both parties 1.3.2 our purchase order 1.3.3 our terms and conditions of purchase 1.3.4 our request for quotation 1.3.5 supplier's offer 1.3.6 supplier's terms and conditions of sale
  - 1.4 Costs for the preparation of quotations shall not be reimbursed without a written agreement to this effect.
2. Form of order / confirmation / changes
  - 2.1 Our orders are only binding if they have been placed or confirmed by us in writing (fax, e-mail). The same shall also apply to supplements or amendments. Sketches, drawings, comments, specifications, etc. shall form an integral part of our orders, provided that they are expressly mentioned as such in them, dated and signed by us. Submissions by the supplier which deviate from our order shall only be valid if they are expressly accepted by us in writing.
  - 2.2 The order must be confirmed in writing by the supplier within a period of three working days after the order date. If this does not happen, we are entitled to revoke our order without the supplier being able to derive any claims from this.
  - 2.3 We are entitled, within reasonable limits, to demand changes to the agreed delivery item with regard to construction and design, even after receipt of the order confirmation. If additional costs are incurred as a result, we must be informed immediately. In order for these to be asserted, they must have been accepted by us in writing. We are to be reimbursed for reduced costs.
  - 2.4 The supplier is obliged to point out possible defects to us already when submitting the offer documents, in particular with regard to compliance with the state of the art in science and technology, environmental protection regulations or technical expediency.
3. Subcontracting
  - 3.1 If the supplier intends to have goods or works ordered from him manufactured by third parties, our consent must be obtained in good time, stating the subcontractors.
  - 3.2 The supplier shall be liable without limitation for the parts procured from his subcontractors.
  - 3.3 The supplier undertakes to transfer the confidentiality obligations imposed by us to the same extent to his sub-suppliers.
4. Prices
  - 4.1 Unless otherwise agreed in the order, all prices are fixed prices DDP destination (Incoterms 2010), including packaging (usually Arbon).
  - 4.2 Price adjustments are only possible on the basis of written agreements.
5. Provision of material
  - 5.1 Material supplied by us for the execution of an order shall remain our property even after processing or treatment. It must be marked and stored separately until it is processed. Unused material, residual material, processing waste and the like shall be returned to us upon request or shall be deducted from the purchase price at market prices.
  - 5.2 The materials provided shall be adequately insured against fire, water and theft at the supplier's expense.
6. Delivery period and consequences of delay, withdrawal from the contract
  - 6.1 Agreed delivery dates and delivery periods are binding. Decisive for their observance is the receipt of the contractual goods at the place of destination. If the delivery item is not delivered on time, the supplier shall be in default with the expiry of the deadline. The purchaser is released from the obligation to send a reminder.
  - 6.2 If the supplier must assume that the delivery cannot be carried out on time in whole or in part, he must inform us immediately, stating the reasons and the presumed duration of the delay. The supplier undertakes to make all reasonable efforts at its own expense to avoid or remedy delays in delivery or to procure replacements from third parties. The supplier may only invoke the absence of necessary documents or supplementary objects or individual parts to be supplied by us if he has requested these in good time or, where deadlines have been agreed, if he has sent a reminder without delay.
  - 6.3 Early deliveries shall only be accepted with our prior written consent. In this case, we shall deduct the costs incurred by us as a result of the early delivery (storage costs, etc.) from the purchase price.
  - 6.4 The supplier undertakes, irrespective of fault or proof of damage, to pay 1 % of the purchase price, up to a maximum of 10 %, as a contractual penalty for each commenced week of delay in delivery. Shortages of raw materials and delays of suppliers and sub-suppliers shall not be considered as force majeure. In addition, we are entitled to claim the proven damage caused by the delay in accordance with the statutory provisions.
  - 6.5 After reaching the period (10 weeks) which entitles us to claim the maximum contractual penalty, we have the right to withdraw from the contract at any time by written notice. If it is apparent in advance that the delivery date cannot be met, we may exercise the right of withdrawal even before the delivery date is reached. The same applies if it becomes apparent that the supplier's efforts pursuant to 6.2 cannot prevent the delay. In such cases, the supplier shall reimburse us for all payments made plus interest on arrears of 5%. We expressly reserve the right to claim further damages in accordance with the statutory provisions.
  - 6.6 We also reserve the right to withdraw from the contract at any time against payment of incurred, proven costs without stating reasons and to reclaim any advance payments made. Further claims for damages on the part of the supplier are excluded to the extent permitted by law.
7. packaging, dispatch and delivery notification
  - 7.1 The packaging must be carried out in such a way that the goods are effectively protected against damage and corrosion during transport and any subsequent storage. The supplier shall be liable for any damage resulting from improper packaging.
  - 7.2 The supplier is obliged to mark the goods. Unless otherwise stated on the order, each component/assembly shall be labelled with the Aerne article number.
  - 7.3 The supplier shall be liable for all costs and disadvantages resulting from non-compliance with our instructions for transport, customs clearance, etc. The supplier shall take out a transport insurance policy. The supplier shall take out transport insurance and have sufficient business liability insurance. Upon request, the supplier shall provide us with corresponding insurance certificates.
  - 7.4 We are entitled to specify the mode of dispatch and the carrier. Otherwise, the supplier shall be obliged to choose the mode of dispatch which is most favourable for us.
  - 7.5 The supplier undertakes to take back packaging materials in return for a credit note for the amount invoiced to us.
  - 7.6 Customs clearance is to be carried out at the following agency, provided that the costs are borne by Aerne Engineering AG: BKM Customs & Consulting GmbH, Industriest. 12, CH-9320 Arbon  
e-mail: zoll@b-k-m.ch, Tel.: +41 71 447 15 15, Fax: +41 71 447 15 16  
Send all necessary documents to the agent in time:  
Advice note template, customs invoice, export declaration ( e-dec ), Poss. EUR1 ( for goods value over € 6000.00).
  - 7.7 Maximum weight per pallet is limited to 1 ton. If this cannot be adhered to, written notification must be given prior to delivery.
8. Documents
  - 8.1 Each consignment must be accompanied by a detailed delivery note (dispatch note) containing our references. The invoice shall be sent to us by separate post.
  - 8.2 All correspondence (letters, delivery notes, invoices, etc.) must contain the following elements: Purchase order number, order date, our item number, quantities, customs tariff number, country of origin, gross/net weight, type of packaging.
  - 8.3 Invoices must be issued in accordance with the formal requirements of the relevant VAT legislation. The invoice address is always: Aerne Engineering AG, Blumenaustr. 4, CH - 9320 Arbon.
  - 8.4 Invoices which do not comply with the regulations under points 8.2 and 8.3 will be rejected and payment will be suspended until a complete copy has been received.
9. Deliveries of plant and machinery
  - 9.1 Unless expressly agreed otherwise, protective devices are part of the scope of delivery. If these are missing on delivery or after work has been carried out, they shall be supplied and fitted without delay and free of charge.
  - 9.2 The scope of delivery also includes assembly, operating and operating instructions as well as spare parts lists or other documentation necessary for proper use or required by law.
  - 9.3 We are entitled to carry out inspections of the progress of work and acceptance tests at the supplier's manufacturing plant.
  - 9.4 If an acceptance test is agreed to determine the performance, it shall be carried out in accordance with the usual rules of technology.
  - 9.5 Work in the factory: In the event of work in our factory or on construction or assembly sites, our safety instructions and regulations for external companies shall apply in addition to these Terms and Conditions of Purchase.
  - 9.6 The supplier guarantees the delivery of all spare and wear parts for a period of 10 years.
10. Transfer of ownership and risk
  - 10.1 The risk shall pass to us when and insofar as the delivery has been properly handed over at the specified destination or has been accepted by us.
  - 10.2 If the required shipping documents for a delivery are not provided in accordance with the regulations or are provided late, the delivery shall be stored for the account and at the risk of the supplier until the arrival of the shipping documents.
11. Acceptance, warranty and guarantees
  - 11.1 Upon receipt, insofar as the ordinary course of business permits, we shall inspect the goods for obvious defects, identity, shortages and transport damage. There shall be no further obligation to inspect. We shall notify the supplier of any defects within a reasonable period of time after their discovery. In this respect, the supplier waives the defence of delayed notification of defects. 11.2 The supplier expressly guarantees that the goods are free from defects.
  - 11.2 The supplier expressly warrants that the delivery item does not have any defects that impair its value or its suitability for the intended use, that it has the warranted characteristics and that it complies with the prescribed performance and specifications as well as the relevant laws, regulations and other provisions.
  - 11.3 If it becomes apparent during the guarantee or warranty period that the delivery or parts thereof do not comply with the guarantee pursuant to section 11.2 through no fault of ours, the supplier shall be obliged, at our discretion, to immediately repair the defects or have them repaired on site at its own expense or to supply us with a replacement free of defects. All additional costs arising from the repair or replacement delivery, namely costs for the removal and return transport of the defective goods or replacement delivery and installation of the replacement goods, shall be borne by the supplier.

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- 11.4 If the supplier is late in remedying defects or if there is an urgent case, we are entitled to remedy the defects ourselves or have them remedied at the supplier's expense and risk.
- 11.5 For all deliveries, unless otherwise agreed in the contract, the warranty and guarantee period is 24 months. This period starts from the acceptance by AERNE ENGINEERING AG or from the economic commissioning of the parts or materials delivered under the order, whichever is later.
- 11.6 The warranty period is extended by the time during which a plant is not in operation due to repair.
- 11.7 In the event of differences regarding quality values, the result of control samples or examinations shall be decisive. The costs of these samples shall be borne by the party in the wrong.
- 11.8 Replacement deliveries and repairs shall be warranted to the same extent as the delivery item itself, whereby the warranty period for repaired or replaced parts shall start anew from the new delivery or commissioning.
- 11.9 The statutory warranty claims remain reserved.
- 11.10. If the rectification according to 11.3 fails, the statutory warranty claims remain reserved.
- 11.11. The supplier shall be liable to us for direct and indirect damage (including in particular all consequential damage) caused or contributed to by deliveries of defective material or goods. For this purpose, he must have sufficient business liability insurance. At the request of AERNE ENGINEERING AG he must provide the corresponding proof. Furthermore, the supplier is liable for all costs of measures to avert damage, in particular also for the preventive replacement of products and for other costs of a recall campaign.
- 12 Supplier information - substance prohibitions
- 12.1 The supplier shall provide the following information in offers and order confirmations:
- Indication of whether the delivery and/or service is subject to export authorisation and indication of the relevant list item number according to Swiss export law.
- Indication of a listing of the delivery and/or service according to the U.S. Commercial Control List (U.S. CCL) and the relevant list number
- Indication of the commodity code number and the country of origin of the supply and/or service.
- 12.2 Existing substance prohibitions resulting from legal standards shall be complied with by the Supplier. The supplier must ensure that the deliveries and/or services provided by himself or by third parties commissioned by him, including their packaging, do not contain or release any risk substances which are hazardous to the environment or health and which are not permitted by law for the use intended by us and notified to the supplier. The cases of application permitted in exemption regulations as well as all CMR substances (carcinogenic, mutagenic, toxic to reproduction) are to be avoided. Deviations from this are to be credibly justified to us and will only be permitted by us if a substitution of the substance by a non-hazardous substance is not possible.
- 12.3 For each delivery and/or service, the supplier shall provide us with the evidence of legal conformity and the legally required information (e.g. safety data sheets, type examination certificate, test certificates, technical certificates, other certificates, proof of qualification), as a rule already with the offer but at the latest with the order confirmation. The supplier must enclose these certificates as well as all documents required for placing on the market (e.g. installation/conformity declarations) with each delivery and label the deliveries in accordance with the legal requirements. The same shall apply in the event of changes to the scope of delivery and/or performance with an effect on the use intended by us at the named place of use, also taking into account a foreseeable misuse, which affect the aspects listed under § 12 para. 2 for restrictions on delivery and/or performance.
- 12.4 The supplier shall be obliged to declare the substances contained in its deliveries and/or services with the designation of the associated CAS registration numbers ("Chemical Abstracts Service"), the weight proportions in the homogeneous material and the safety data sheets, insofar as these substances are listed in one of the following standards:
- REACH (EC Regulation 1907/2006), in particular REACH candidate list for substances subject to authorisation;  
Chemicals Prohibition Ordinance (implementation of Directive 76/769/EEC and related amendments);  
Chemicals Ozone Layer Ordinance;
- Electrical and Electronic Equipment Act (implementation of Directive 2002/95/EC and Directive 2002/96/EC);  
Battery Act (implementation of Directive 2006/66/EC).
- 12.5 The supplier shall confirm to us the origin of the deliveries in compliance with the statutory provisions (e.g. by supplier or origin declaration or EUR1). In the supplier's declaration, the supplier shall state the originating status of the delivery in accordance with the applicable rules of origin of the country of destination which we have notified to him. A reference to the deliveries is established by stating our article number and/or our order number on the supplier's declaration.
- 12.6 Our payment obligation is subject to receipt of all the information and documents required above.
13. Industrial property rights of third parties
- 13.1 The supplier shall be liable for ensuring that the use of the goods delivered by him does not directly or indirectly infringe any domestic or foreign intangible property rights and shall indemnify us and our customers against all claims of third parties arising from an infringement of such rights. In addition, the supplier shall be liable for any further direct or indirect damage incurred by us as a result of an infringement of such rights. This shall not apply insofar as the supplier manufactures goods exclusively according to our drawings and models and he does not know or must know that the manufacture of these goods constitutes an infringement of rights in the aforementioned sense.
14. Samples, drawings, means of production
- 14.1 Documents of all kinds, such as samples, drawings, models and the like, which we make available to the supplier or which the supplier produces at our expense, shall remain our property or shall become our property upon production. We hold all rights to these documents. As soon as they are no longer required - e.g. for the execution of the order - they are to be returned to us free of charge without request. They may not be made accessible to third parties.
- 14.2 The means of production provided to the supplier or produced according to our specifications may not be reproduced or sold, transferred by way of security, pledged or passed on in any other way without our express written consent, nor may they be encumbered in any way with the rights of third parties or used for third parties. The same applies to the goods produced with the aid of these means of production.
- 15 Secrecy
- 15.1 The supplier undertakes to keep secret from third parties all information which he receives from us consciously or by chance within the scope of the business relationship, e.g. technical information, trade secrets and details of our orders, e.g. quantities, technical design, conditions etc. as well as knowledge which he gains from our information.
- 15.2 The inclusion of our company in a reference list, the reference to our business connection or the use of our order for advertising purposes is only permitted after obtaining our written consent.
- 15.3 Documents and other items of any kind, such as samples, drawings, tools, models, etc., which we make available to the supplier shall be returned to us free of charge as soon as they are no longer required for the execution of the order. Such objects may neither be used by the supplier for his own purposes nor made accessible to third parties.
- 16 Invoicing, terms of payment
- 16.1 Provided that the goods, the documents to be supplied and the invoice have been duly delivered, payment shall be made within 30 days net from the date of the invoice, unless otherwise stipulated in the contract. The period shall in no case commence before the agreed delivery date. In the event of a defect, we shall be entitled to suspend payment for the defective part of the delivery until proper subsequent performance.
- 16.2 If the invoice amount is paid within a period of 14 days after receipt of the invoice, we shall be entitled to a discount of 2% of the invoice amount.
- 16.3 In the case of advance payments, the supplier shall provide an irrevocable bank guarantee payable on first demand in the amount of the advance payments. The bank guarantee must be issued by a first-class Swiss bank.
17. Place of performance, applicable law and place of jurisdiction
- 17.1 The place of performance for the delivery is the agreed place of destination. The place of performance for payment is our registered office.
- 17.2 Swiss substantive law shall apply to the exclusion of conflict of laws and the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 17.3 The place of jurisdiction is Arbon, but we reserve the right to assert our rights at the supplier's domicile.
- 17.4 If a provision of the contract proves to be null and void, all other provisions shall remain unaffected thereby.
- Status, February 2021