

GENERAL TERMS and CONDITIONS OF PURCHASE (GTCP)

valid from 1 September 2020

1. General

1.1. Unless otherwise expressly agreed in writing, these General Terms and Conditions of Purchase (hereinafter referred to as "GTCP") apply to all purchases of goods and services (hereinafter referred to as the "Scope of Delivery") made by Tanner & Co. AG Verpackungstechnik, ATS-Tanner Banding Systems AG and BFT Produktions AG (hereinafter referred to as "the ATG Group") from the supplier (hereinafter referred to as the "Supplier"). The Supplier's terms of sale and delivery and similar do not apply unless they were expressly accepted by the ATG Group in writing.

1.2. In the event of conflicts between different contractual documents, the following order of priority applies:

1. the contract signed by both parties;
2. the ATG Group's order;
3. the GTCP;
4. the inquiry from the ATG Group;
5. the Supplier's offer.

1.3. The Supplier acknowledges that after a single application of the GTCP they automatically apply, as amended, for each further purchase of the Scope of Delivery. The Supplier will inform itself about the current form of the GTCS which can be found at www.ats-tanner.com.

1.4. All forms of communication which allow proof to be provided in textual form such as fax or e-mail are equivalent to written form.

2. The ATG Group's inquiry, the Supplier's offer, the ATG Group's order

2.1. All offers and all additional information about the Supplier's Scope of Delivery are free of charge. The offer must correspond to the inquiry, the attached sketches, drawings, comments and specifications etc. as well as the GTCP; any deviations must be clearly indicated.

2.2. The offer is binding for at least two months from receipt by ATG Group.

2.3. If the Supplier already supplies a specific product in a similar form to a competitor of the ATG Group, the Supplier must so inform the ATG Group immediately.

2.4. The sketches, drawings, comments, specifications etc. on which the order is based as well as the GTCS constitute an integral part of the order.

3. Sub-contracting

3.1. If the Supplier intends to have the Scope of Delivery or parts thereof manufactured by third parties, he must disclose the name of the sub-contractor to the ATG Group in good time and obtain the latter's consent.

3.2. The Supplier undertakes to impose the same obligations of confidentiality on his sub-contractors as are imposed on the ATG Group (see the section "Confidentiality").

4. Delivery time and consequences of delay, withdrawal from the contract

4.1. The ATG Group expects delivery to be on the agreed date. Early delivery is only permitted with the prior consent of the ATG Group. In this case, costs arising from the early delivery (storage costs, transport

costs etc.) may be deducted from the purchase price.

4.2. The delivery is considered to have been made on time if it has been properly received and a receipt given by a responsible person at the destination at the agreed time during the usual receiving hours as stated in our website.

4.3. If the Supplier is obliged to suspect that the delivery cannot be made on time, either in whole or in part, he must so inform the ATG Group, stating the reasons and the likely period of delay. The Supplier undertakes to make all reasonable efforts to avoid or remedy delivery delays or to procure replacements from third parties. The Supplier can only invoke the absence of necessary documents and suchlike to be delivered to the ATG Group if he has requested these in writing in good time or has requested them to be supplied at agreed dates, and has promptly requested the documents from the ATG Group if the documents were not forthcoming.

4.4. Delivery on time is of prime importance to the ATG Group. Irrespective of fault or proof of loss or damage, as a contractual penalty the Supplier undertakes to pay 0.3% of the purchase price for each working day of delivery delay up to a maximum of 10%. Shortages of raw materials and delays by suppliers and sub-contractors are not deemed to be force majeure. The ATG Group also reserves the right to assert claims for further loss or damage to the full extent in accordance with the provisions of law.

4.5. Once delay has occurred, the ATG Group reserves the right to withdraw from the contract at any time and to award the contract to a third party. In this case the Supplier must return all payments already made and pay default interest at 5%. We reserve the right to assert claims for further loss or damage in accordance with the provisions of law.

4.6. The ATG Group further reserves the right to reduce the order at any time without giving reasons or to withdraw from the contract against payment of proven, accrued costs. Further claims for damages by the Supplier are excluded to the extent permitted by law.

5. Prices and terms of payment

5.1. The prices are fixed prices delivered DAP (according to Incoterms 2020 or the latest version) to the ATG Group's factory in CH-5616 Meisterschwanden, including packaging but excluding VAT. Where applicable, the Supplier must ensure that the ATG Group is listed as the importer with regard to Swiss Import Tax and that all conditions are met in the import tax assessment so that the ATG Group can claim the input tax deduction in its VAT return. The Supplier is responsible for defects.

5.2. Unless specified otherwise in the contract and subject to the performance of the Supplier's contractual obligations, the ATG Group will pay within 30 days of receipt of the Scope of Delivery, the documents to be supplied with the delivery and the invoice.

5.3. If the invoice amount is paid within a period of 14 days after receipt of the invoice, ATG Group is entitled to a discount of 2% of the invoice amount excluding taxes, which are to be shown separately, otherwise the invoice amount is definitive.

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5.4. ATG Group reserves the right to offset payment against counter-claims. The Supplier waives the facility of offsetting. The Supplier may only assign receivables from the ATG Group to third parties with the written consent of the ATG Group.

6. Transport, packaging

6.1. The packaging must be selected by the Supplier such that the goods are effectively protected against damage and corrosion during transport and subsequent storage. For each delivery, the Supplier must ensure ongoing compliance with all laws and regulations applicable to the transport and delivery of the goods in question. The Supplier is liable for any damage.

6.2. If special care must be taken during unpacking or onward transport, the Supplier must so inform ATG Group in good time.

6.3. The Supplier is responsible for all costs and harm resulting from failure to comply with instructions on transport, customs clearance etc. issued by the ATG Group.

7. Insurance

7.1. The Supplier has an adequate business liability insurance, which covers business liability, product liability, fire and water damage.

7.2. The insurer must be a well-established and recognized company. If so requested, the Supplier must provide evidence of the confirmation of insurance cover issued directly by the insurance company.

8. Documents

8.1. Each delivery must be accompanied by a detailed delivery note with the necessary information, to be specific, the references and date of the order including order number, the number of packages and their weight as well as the precise description of the delivered products, in particular the article number, its designation, drawing number including index, country of origin, preference certificate of origin, customs tariff number so that seamless traceability is possible. In addition, the documents required for the installation, commissioning, use and maintenance of the Scope of Delivery as well as certificates of conformity and inspection reports must be enclosed with the required documentation (e.g. in hard copy form).

8.2. All correspondence must contain the references of the ATG Group. The consignment note must indicate the point of receipt at the ATG Group. The invoice is to be sent in duplicate by separate mail to the invoice address stated on the order and must comply with the legal, tax and customs requirements to the extent necessary. If so required by the ATG Group, the Supplier must amend and resend a non-compliant invoice free of charge.

9. Transfer of ownership and risk

9.1. Ownership passes to the ATG Group at the time of completion. In every case the ATG Group automatically becomes the owner of goods or raw materials for which pre-payments or partial payments were made. Between transfer of ownership and delivery, the Supplier must store the Scope of Delivery free of charge for the ATG Group and mark it as the property of the ATG Group. The Supplier must store and insure the Scope of Delivery without remuneration as if ownership had not passed.

9.2. Risk passes to the ATG Group at the time of the hand-over of the delivery at the agreed destination.

9.3. If the specified delivery documents are not delivered in accordance with the requirements or are delivered early, the Scope of Delivery will

be stored at the Supplier's expense and risk until the arrival of the documents.

10. Acceptance, warranty, guarantees

10.1. Prior to delivery, the Supplier must carefully check that the Scope of Delivery conforms to the ATG Group's order. By delivering the Scope of Delivery the Supplier warrants that the Scope of Delivery does not have any defects impairing its value or its suitability for the intended use, that it has the warranted properties and that it complies with the prescribed performance and specifications and the provisions of public law. Any prior checks carried out by the ATG Group do not release the Supplier from his responsibility and are not deemed to be acceptance. Subject to giving one day's notice, the ATG Group may at any time and without incurring any charge carry out checks to verify the progress of the work.

10.2. The obligation of checking the Scope of Delivery is waived. Receipt of the delivery or full or partial payment of the Scope of Delivery is not deemed to be acceptance.

10.3. If it becomes apparent during the guarantee or warranty period that the Scope of Delivery or parts thereof, without any fault on the part of the ATG Group, do not meet the requirements as set out in the documents which were supplied, the Supplier is obliged, at the ATG Group's option, to remedy the defects or have them remedied on site within one week at the Supplier's own expense or to deliver a defect-free replacement to the ATG Group free of charge. Functional impairments of the Scope of Delivery are deemed to be damage to property. All additional costs arising from the repair, rescission or replacement delivery, in particular costs for the removal and return transport of the defective Scope of Delivery or parts thereof, will be borne by the Supplier.

10.4. If the supplier is late in remedying the defects or if the matter is urgent, the ATG Group is entitled to remedy the defects itself or have them remedied at the expense and risk of the Supplier.

10.5. Defects will be notified after they have been detected. Notification of defects is not bound by any time limit; in addition, the Supplier waives the objection of late notification of defects.

10.6. The warranty and guarantee period is at least 2 years. The period begins with acceptance by the ATG Group or with the economic commissioning (*wirtschaftliche Inbetriebnahme*) of the Scope of Delivery, whichever event occurs last.

10.7. The warranty period is extended by the time required to remedy any defects.

10.8. In the event of a replacement delivery, the Scope of Delivery which is to be replaced will be made available for use free of charge until the replacement delivery is available and ready for operation. The warranty period applies to replacement deliveries and repairs, and will begin to run anew from the time of re-commissioning.

10.9. The right to statutory warranty entitlements remains reserved.

10.10. The Supplier will make spare parts and components available as well as appropriate customer service at market conditions for a period of 10 years after the commissioning of the Scope of Supply. If the Supplier cannot meet this obligation, he will so inform the ATG Group immediately in order to agree an appropriate solution.

10.11. The Supplier will compensate the ATG Group for material damage, personal injury and all financial losses, including pure financial losses

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which arise from the defective delivery, to be specific, loss of production and loss of profit as well as consequential losses.

- 10.12. The Supplier will indemnify the ATG Group for claims for damages by third parties arising from material, personal, financial and consequential loss or damage, including related court and lawyer's fees, which were caused by or were contributory causes resulting from deliveries of defective material or defective goods.

11. Provision of materials

- 11.1. Material which ATG Group delivers to the Supplier for the execution of an order remains the property of the ATG Group. Such material must be labeled and stored separately.
- 11.2. If a new item is created by combining or mixing, the ATG Group in every case acquires joint ownership in proportion to the value of the material it supplies. The right to claims for settlement under the Swiss Code of Obligations (*Obligationenrecht*) is reserved.

12. Intellectual property rights, patents, software

- 12.1. All documents which ATG Group makes available to the Supplier remain the unrestricted property of the ATG Group. The Supplier must surrender these to the ATG Group or destroy them upon first request.
- 12.2. All new outcomes of any nature whatsoever arising from the manufacture of the Scope of Supply belong to the ATG Group in their entirety with regard to the intellectual property rights and without limitation in terms of time and material. The ATG Group alone decides whether and to what extent they are to be legally protected. The Supplier is prohibited from using the outcomes for any purpose other than for the production of the Scope of Delivery.
- 12.3. If so requested, the Supplier will provide the ATG Group with a set of the plans prepared for the product and its components free of charge with the delivery or at a later date.
- 12.4. The intellectual property rights of the parties existing before the start of the execution of the Scope of Delivery remain with the relevant owner. If the ATG Group becomes aware of confidential information, the Supplier must indicate the confidential nature in writing.
- 12.5. The Supplier is liable for and indemnifies ATG Group in full that the Scope of Delivery does not infringe any third party rights and that the Scope of Delivery of the ATG Group can be used without disturbance.
- 12.6. The Supplier guarantees that any software supplied for the operation of the Scope of Delivery is furnished with a free license associated with the product in favor of the ATG Group and its customers. In the case of product-specific software, this software is automatically deemed on delivery to be the exclusive and unrestricted wholly owned property of the ATG Group and the Supplier will hand over the source code, the software and the relevant documentation to ATG Group upon first request.

13. Confidentiality

- 13.1. All information received by the Supplier in connection with the performance of the contract will be treated as confidential and may not be passed on to third parties or used for any other purpose; this restriction does not apply to sub-contractors. The Supplier undertakes to place the sub-contractors under the same obligation of confidentiality. The disclosure of information by sub-contractors is only permitted with the written consent of the ATG Group.
- 13.2. The Supplier may only mention the ATG Group in his publications after obtaining the ATG Group's prior written consent.

14. Loyalty obligation

If the Scope of Delivery concerns a specific product that is important for the ATG Group in commercial and technical terms, the ATG Group may demand that the Supplier accept no orders from competitors for similar products until all obligations under the contract have been met.

15. Good cause for termination of contract

- 15.1. If, after conclusion of the contract, the Supplier acquires a shareholding in a competitor of the ATG Group or a competitor acquires a shareholding in any form in the Supplier, the Supplier must so inform the ATG Group. Where appropriate the ATG Group may terminate any current contracts at no cost after giving a reasonable period of notice.
- 15.2. In addition to the aforementioned grounds (Clause 4 above), the following are deemed to be good cause for termination of the contract:
- repeated violation of contractual clauses despite warnings;
 - financial difficulties which jeopardize on-time delivery.

16. Partial invalidity

If a provision proves to be void, this does not affect the validity of the remaining provisions.

17. Applicable law and place of jurisdiction

Swiss law is applicable with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The place of jurisdiction is CH-5616 Meisterschwanden but the ATG Group reserves the right to bring an action also at the Supplier's registered office.