

## General terms and conditions of SORED SA (“SORED”)

### 1. Scope

These general terms and conditions (GTC) are applicable to all sales made by SORED to the buyer. They are an integral part of the contract concluded with the buyer and take precedence over all other general terms and conditions of the buyer. SORED only acknowledges the general terms and conditions of a buyer if it expressly accepted them as such in writing.

Any modification of these GTC is only valid in written form, expressly designated as such and accepted by the parties. This requirement also applies to the renouncement of this reserve.

### 2. Conclusion of the contract

In order to obtain an offer from SORED, the buyer must give SORED an invitation to tender accompanied by legibly dimensioned drawings with indications of tolerance. Unless expressly prescribed otherwise by the buyer, the usage tolerances as well as the appropriate trade standards (ISO 2768-mK general tolerances) will be applied.

The contract is considered as concluded when the buyer confirms in writing its acceptance of the SORED offer. Failing written confirmation in the period indicated in the offer (in general 1 month) the latter will be null and void.

### 3. Price

The prices are decided in the commercial offer. The SORED prices are ex-works, costs of packaging, transport and VAT not included (EXW Incoterms 2020). Unless otherwise agreed in writing, the payment will be made in Swiss francs (CHF)<sup>1</sup>.

### 4. Tools

A participation in the design and manufacturing costs of the tools may be calculated and invoiced separately, irrespective of the price of the parts (option 1). It may also be included in the price of the parts (option 2). The choice of the invoicing option belongs exclusively to SORED.

If the participation in the cost of tools is invoiced separately, it is payable with the order (50%) and on validation of the samples (50%) or with the first delivery if there were no prior samples. If the value of the order is less than CHF 10,000, the participation in the costs of the tools is due directly on ordering.

The tools remain the property of SORED and in its possession, even when the buyer has participated in the costs of developing the tools.

The costs incurred by replacements (tools at the end of their shelf life) and transformations of the tools are borne by the buyer and are, unless agreed otherwise, invoiced separately.

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<sup>1</sup> When invoicing in a foreign currency is agreed, SORED will fix the value of the order in CHF at the exchange rate of the day of the invoicing increased by 1%. In any case, the buyer will bear any modification to the value of the order due to the variation of the exchange rate on the day of invoicing in relation to the rate existing on the day of conclusion of the contract.

## **5. Termination or modification of the order**

Each party may end the contract in writing at any time without giving a reason by means of respecting a thirty (30) day notice for the end of a month notified to the other party.

Each party can also end the contract in writing at any time with immediate effect for just cause including serious breach of the contract by means of a notification to the other party. Constituting just cause is the non-payment of invoices, non-compliance with the obligations mentioned in the GTC or in the participation conditions or lack of cooperation with the other party in the framework of the supply of the parts.

In the event of termination of the contract, the buyer immediately pays SORED all costs and expenses due or borne by SORED on the effective date of the termination. The buyer pays SORED pro rata the amount of the invoices due for the services supplied (based on the completion percentage of the parts, as reasonably determined by SORED).

In the event of termination of the contract or any order by the buyer without valid reason, the buyer will honour the unpaid invoices relating to the ongoing orders, increased by 20%.

In the event the buyer modifies its order (quantities, dimensions, material etc.), it must pay for the effective costs incurred by SORED notably parts already started or finished, the raw material ordered, the hours worked etc.

Any modification to the order must be approved by SORED beforehand.

Moreover, SORED reserves the right to make partial deliveries to compensate for a delivery delay.

Variations up to 10% more or less of the total quantity to deliver are admissible and will be taken into account during invoicing. SORED will ask the buyer's agreement beforehand in the event of an excess above 10%.

## **6. Subcontracting**

SORED is authorised to call on subcontractors to execute all or part of the manufacturing process of the products (tools, parts) ordered by the buyer, without obligation to inform the client beforehand or obtain the approval of the latter.

Contrary agreements between the buyer and SORED are reserved.

## **7. Force majeure and exceptional circumstances**

In the event of force majeure or exceptional circumstances beyond its control, SORED reserves the right to terminate the contract at any time with immediate effect or to defer the supply of its service as long as these events and their effects last and this, without the buyer being able to claim any indemnity or compensation.

By force majeure and exceptional circumstances we mean natural disasters, epidemics, measures taken by the authorities, riots and any other unpredictable, inevitable and serious event that disrupts the fulfilment of the contractual obligations of SORED with regard to the buyer.

## 8. Delivery lead times

Unless agreed otherwise between SORED and the buyer, the delivery lead times are ex-works. The delivery lead times are no longer guaranteed in the event of force majeure or exceptional circumstances, including strikes, whether these events occur at SORED or at its suppliers; these disruptions on no account incur the responsibility of SORED.

The exceeding of delivery lead times does not give the buyer either the right to cancel the order or to present a request for damages or any other indemnity.

Requests for deliveries on call must be transmitted in such a way that the last delivery can take place 12 months after the date of the order at the latest, unless agreed otherwise between the parties. Past this deadline, SORED reserves the right to deliver and invoice open calls as well as storage costs and interest calculated at the usual rate.

## 9. Shipping

On the goods leaving SORED's factory, all risks are incumbent on the buyer (EXW Incoterms 2020).

## 10. Payment conditions

In the absence of different instructions on the invoice, this is payable, with no discount, within 30 days from the date of the invoice. All bank costs resulting from payments are borne by the buyer.

In the event of late payments, the buyer must pay late payment penalties of 5% a year. The buyer's attention is drawn to the fact that request and/or order data it will have indicated will be passed on to the company CRIF SA in Zurich (Switzerland) to check the identity or the solvency of the buyer. To find out more, the buyer is invited to consult [www.mycrifdata.ch/#/dsg](http://www.mycrifdata.ch/#/dsg).

## 11. Complaints

Complaints as to immediately detectable defects (defect as to the weight, number, shape or size of the parts) are only accepted if they are notified in writing within two weeks after receipt of the delivery.

Any complaint must be justified and accompanied by supporting documents. Failing a complaint within the deadline, the delivery is considered as accepted by the buyer.

## 12. Warranty

12.1. The warranty includes and is limited to the repair or replacement of parts pointing to a proven manufacturing or material defect. In all cases it expires 3 months after the delivery date.

12.2. Other claims of the buyer founded on faulty parts, notably damages based on contractual or civil liability, and the termination of the contract are excluded.

12.3. Excluded from the warranty are damages due to normal wear-and-tear, poor storage conditions, incorrect assembly and handling as well as other causes situated outside of the sphere of influence of SORED. Although SORED may be called on to advise the buyer on the use of the ordered parts, SORED declines any responsibility as to the qualification and adequate use of the delivered parts.

12.4. The warranty ends when the buyer:

- has machined, modified or assembled the delivered parts;
- passes on or resells the delivered parts in turn;
- as soon as the delivered parts leave the country in which they were delivered by SORED.

### **13. Intellectual property and trade secrecy**

SORED reserves any intellectual property right, notably copyrights and design rights on the drawings and other documents it established itself as well as on samples. The drawings, documents, samples as well as trade secrets linked to SORED's activity must not be used or made accessible to third parties without the prior written agreement of SORED.

The buyer must obtain the same commitment from its clients.

If parts are manufactured on the basis of buyer instructions, plans or models, SORED declines any responsibility in the event the performance of the contract leads to a breach of the laws governing intellectual property (notably the breach of a patent). The buyer undertakes to release SORED from any third party claim that could result from such a breach.

### **14. Personal data**

In the framework of the processing of buyer requests, SORED is called on to process personal data such as the surname and first name of the buyer's employees. SORED processes these data solely with the aim of satisfying its contractual commitments with regard to the buyer and undertakes not to disclose these to third parties.

SORED and the buyer make their employees aware of data protection.

### **15. Settlement of disputes and governing law**

In the event of disputes concerning these GTC or any other dispute between the buyer and SORED, the parties undertake to attempt to resolve the dispute amicably before any legal action.

Swiss substantive law is applicable in the event of a dispute, excluding rules of conflict of laws.

The application of the United Nations Convention on contracts for the international sale of goods of the 11 April 1980 (Vienna Treaty) is expressly excluded.

### **16. Place of jurisdiction**

The place of jurisdiction is that of La Chaux-de-Fonds, in Switzerland.

La Chaux-de-Fonds, the 15th of March 2021