OERLIKON GROUP General Terms and Conditions for Purchase and Ordering of Products and Services

Oerlikon Group General Terms and Conditions for purchasing and ordering of products and services (the "Group GT&C") shall apply to all contractual relationships between the Supplier and the Ordering Party (the "Parties"), respectively as defined below.

1. Definitions and Applicability

1.1. The following defined terms shall have the following meanings:

"Applicable Data Protection Law" shall mean any law, regulation, opinion from a supervisory authority relating to privacy or data protection that applies in the country where (i) the Data controller is located and (ii) the concerned individuals are located. Within the EU/EEA the applicable data protection law is the General Data Protection Regulation 2016/679/EC and the implementation laws and regulations in each Member State.

"Contract" shall mean the contract between the Supplier and the Ordering Party consisting of these Group GT&C and the Purchase Order.

"Contract Price" shall mean the total sum set forth in the Contract to be paid by the Ordering Party to the Supplier for the due and timely delivery of the Products and Services.

"Data controller" shall mean the person or entity which, alone or jointly with others, determines the purposes and means of the use of Personal Data.

"Data processor" shall mean the person or entity which accesses, stores, uses Personal Data on behalf and under the instructions of the Data controller.

"Ordering Party" shall mean any affiliates of Oerlikon Corporation AG, Pfäffikon as indicated in the Purchase Order.

"Personal Data" shall mean any information that may identify, directly or indirectly, an individual; and which is provided to Supplier by Ordering Party and/or collected, stored or used by Supplier for the purpose of the execution of this Contract and the provision of its Products and Services to the Ordering Party.

"Personal Data Breach" a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, Personal Data.

"Product" shall mean any equipment, instruments, materials, articles, documentation, packaging, computer hardware and software and items of all kinds to be provided by the Supplier under the Contract.

"Purchase Order" and "PO" shall mean the purchase order to which these Group GT&C apply, issued by the Ordering Party to the Supplier for the Products or Services (including all documents belonging to the Purchase Order, if any) and excluding other general terms and conditions of purchase of the Ordering Party if referred to in the PO.

"Service" shall mean the service required by the Ordering Party and provided by the Supplier.

"Supplier" shall mean the person supplying Products and Services to the Ordering Party pursuant to the Contract.

1.2. In case of conflict between these Group GT&C, the PO and any other documents belonging to the PO or referred to in the PO (such as other general terms and conditions of purchase of the Ordering Party), the documents shall be interpreted and prevail in the following order: (i) the PO, including other documents included in the PO (excluding any reference to other general terms and conditions of purchase of the Ordering Party), (ii) these Group GT&C, (iii) other general terms and conditions of the Ordering Party (if referred to in the PO).

1.3. Any agreed trade term shall be construed in accordance with the INCOTERMS in force at the formation of the Contract.

1.4. The general terms and conditions of the Supplier are herewith rejected, unless the Ordering Party has expressly agreed thereto in writing.

1.5. If any provision of the Contract is held to be invalid, illegal or unenforceable under applicable law, all other provisions shall remain in full force and effect.

1.6. Except where the Contract expressly states otherwise, any amendments, alterations or variations to the Contract shall be binding only if in writing and signed by duly authorized representative of the Ordering Party and the Supplier.

2. Order

The Supplier shall acknowledge acceptance of the PO within 2 days after receipt thereof. In case the Supplier fails to respond within such period the PO shall be deemed accepted. In any event, (i) the Supplier’s commencement of performance in any manner, (ii) sending of an invoice or (iii) acceptance of any payment in relation to the PO, shall constitute unconditional acceptance of the PO.

3. Terms of Payments

3.1. The Contract Price shall be firm and fixed. Unless otherwise agreed in the PO, the Contract Price includes all taxes, fees and duties applicable to the performance of the Service or the delivery of the Product at the named destination and the Supplier shall promptly pay all such taxes, fees or duties and immediately indemnify the Ordering Party if the Ordering Party is called upon to pay the same. The Contract Price also includes the cost of packaging.

3.2. Any payment shall be made in accordance with the terms specified in the PO. Unless agreed otherwise in the PO, the Supplier shall be entitled to invoice for payment for the Products and Services only when delivery of the Products or performance of the Services has occurred in accordance with the Contract. Payments due by the Ordering Party shall then be made within 90 days net or 60 days net with 3% discount after receipt of the invoice. The Ordering Party shall not be under any obligation to make any payment if the Supplier is in breach of the Contract and for so long as such breach continues. Payment by the Ordering Party shall not be deemed to constitute an acceptance of the Product or Service.

3.3. The invoice shall at least include the Supplier’s reference number, the date and number of the PO, the payment due date, the quantity and Product reference or description of Services performed, the date of the delivery or performance, the agreed price.

4. Inspection and Quality Assurance

4.1. The Supplier shall implement an appropriate and recognised quality assurance program and conform to the agreed technical specifications and any quality requirements specified in the PO.

4.2. Subject to prior notice the Ordering Party has the right to require entry to the production facilities of the Supplier and/or its subcontractors in order to inspect, amongst other aspects, the production premises, the use of suitable materials, the employment of the necessary trained personnel and the correct performance of the work. Any inspection shall not relieve the Supplier from any liability nor imply the Ordering Party’s acceptance of the Product.

4.3. The Supplier shall inspect the quality of the Products before delivery.

4.4. The Supplier shall notify the Ordering Party in writing at least 6 months in advance of any intention to make changes of materials or parts provided by sub-suppliers for the Products, changes in the production methods, the relocation of production sites and changes in the analysis methods used for and in connection with the Products. Such changes require prior written approval of the Ordering Party.

5. Packaging and Delivery

5.1. Products shall always be packed so as to exclude the possibility of damage from applicable transport and storage handling.

5.2. The delivery terms set out in the PO shall be binding. In case the delivery terms are not expressly stated in the PO then the delivery terms shall be FCA according to the INCOTERMS. Any deviation from the agreed delivery terms requires the written approval of the Ordering Party.

5.3. The Products shall be delivered complete with all instructions, warnings and other data necessary for safe and proper operation, regardless of whether mentioned or described in the specifications set forth in or related to the PO.

5.4. The risk of loss or damage to the Product shall pass from the Supplier to the Ordering Party upon delivery of the Product at the named destination in accordance with the INCOTERMS or in the event that INCOTERMS are not applicable at the named destination.

6. Changes

6.1. The Ordering Party may request or suggest changes to Services or Products at any time. Any changes or deviations, including, but not limited to, any changes in scope, functionality, specifications, milestones and time schedules, must be agreed upon in writing by the Parties prior to implementation.

7. Delays

7.1. The Supplier shall notify the Ordering Party immediately in writing if any delivery or performance is delayed or likely to be delayed beyond its specified date.
72. Except with prior written consent of the Ordering Party, if the performance of the Service or delivery of the Product at the named destination is delayed beyond the performance date or delivery date, the Supplier shall be liable for liquidated damages without prejudice to the Ordering Party’s right to claim compensation from the Supplier for any additional damage arising out of or in connection with the delay. Unless stated otherwise, the liquidated damages due by the Supplier for a delay shall be 1% of the Contract Price for each commenced week of delay up to a maximum of 10% of the Contract Price without any requirement to prove actual damage.

7.3 The liquidated damages shall be due from the time that such liquidated damages are claimed and may be deducted by the Ordering Party from the Purchase Price. The payment of any liquidated damages does not release the Supplier from its duty to deliver the Products or perform the Services.

7.4 The Ordering Party may arrange for substitute performance by a third party or undertake performance itself at the expense of the Supplier if a further deadline for performance has expired. If any materials are necessary for such substitute performance and the Supplier is in possession of such materials, such materials shall be provided to the Ordering Party without delay. In so far as any industrial property rights limit any delivery or performance by a third party, the Supplier shall provide all necessary declarations in order to make such rights available.

7.5 Nothing herein shall be deemed to limit any other remedy that may be available to the Ordering Party, nor shall the Ordering Party’s enforcement of any other rights it may have be deemed or construed to affect or waive any of its rights hereunder.

8. Environment, Health and Safety (EHS)

8.1 The Supplier represents and warrants that the Products shall not include any hazardous and/or contaminated substances, elements or waste of any kind (such as arsenic, asbestos, lead) that are restricted by law or regulation at the place of origin and/or final destination of the Product or any part thereof pursuant to the Contract.

8.2 The Supplier represents and warrants that the Products and Services are in strict compliance with all applicable EHS requirements. In case of conflict between EHS requirements, the most stringent standard shall apply. The Ordering Party is entitled to demand evidence if there is reason to assume the health and safety requirements are not complied with.

9. Compliance, Export Control and Foreign Trade

9.1 The Supplier warrants that the Products and Services are provided in strict compliance with all applicable laws and regulations including all applicable export control laws, economic sanctions laws and antiboycott laws. In addition, the Supplier agrees that it will fully comply with all applicable policies from the Ordering Party, including the Oerlikon Code of Conduct.

9.2 As appropriate, the Supplier will provide for each individual Product and Service in all trade documents complete and correct information required for export control purposes and, upon request, undertakes to provide any further trade control relevant information for a period of three years after termination of Contract.

9.3 If the Supplier receives or gains access to any commodity, information, data, technology or software of the Ordering Party which is or becomes subject to (re-)export restrictions or prohibitions (“Controlled Items”), Supplier undertakes to ensure strict compliance with all applicable export control laws, economic sanctions laws and antiboycott laws at his own cost and risk. In addition, Supplier undertakes to strictly comply with Ordering Party’s handling instructions regarding the Controlled Items and not to transfer or otherwise make accessible Controlled Items to third parties without Ordering Party’s prior and written approval.

9.4 In the event that any Product or Service provided by Supplier is or becomes a Controlled Item, the Supplier undertakes to immediately inform the Ordering Party in writing. The Supplier is solely responsible for provision of all necessary (re-)export licenses and/or authorisations at his own cost and risk. In case of any delay, partial or complete default of provision of Products or Services due to (re-)export restrictions or prohibitions, Ordering Party reserves the right for partial or complete unilateral revocation from Contract. In such cases, Supplier is not entitled to any compensation, damages or the like. The same applies, if any of the aforementioned licenses or authorisations should be withdrawn, not renewed or invalidated during the Contract period.

9.5 The Supplier undertakes to provide to the Ordering Party adequate proof on the preferential origin status of Products in accordance with the applicable preferential trade agreements and regulations.

9.6 If the Supplier fails to comply with any applicable laws and regulations or the obligations as aforementioned, he undertakes, to the fullest extent permitted by applicable law, to indemnify the Ordering Party from any liabilities and damages.

10. Intellectual Property Rights

10.1 All information and know-how including drawings, specifications and other data provided by the Ordering Party in connection with the Contract as well as any documents or data shall remain at all times the property of the Ordering Party and may be used by the Supplier only for the purpose of performing the Contract. Any such information and documents are confidential information and subject to Clause 14 (Confidentiality).

10.2 The Supplier shall not copy, reproduce or use the Products or any information and know-how provided by the Ordering Party, nor give them or allow their use by a third party, without the Ordering Party’s written permission.

10.3 The Supplier warrants that no third party intellectual property rights have been infringed by the production, delivery or operation of the Products or the performance of the Services and the Supplier shall indemnify and hold harmless the Ordering Party against any claims by third parties resulting from any infringements of intellectual property rights.

10.4 The Supplier shall grant the Ordering Party, its affiliates and the customers and end-users of the Ordering Party the irrevocable, royalty free and unrestricted worldwide right to use all systems, programs, documentation, know-how or other intellectual property rights related to or embodied into the Service or Product delivered to the Ordering Party.

11. Warranties and Liabilities

11.1 The Supplier expressly warrants that:

(i) the Service and Product will be new, that the Product will be constructed, and the Service will be performed, in a safe and workmanlike manner by qualified and efficient personnel and be of the highest professional quality;

(ii) the Service and Product will be of good and satisfactory quality and fit for the purposes for which it is intended, in strict conformity with all requirements of the Contract and free from any defect or lack of conformity;

(iii) the Service and Product have been tested and controlled and meet all industry standards and all legal requirements under existing laws, regulations and directives relating to design, safety, fire and environmental protection; and

(iv) the Service and Product have been designed in a manner not to endanger life and health if the Service and Product are used as directed.

11.2 The Ordering Party is not obliged to inspect the Services or Products for defects or notify the Supplier of defects or non-conformity in order to maintain the Ordering Party’s warranty claims.

11.3 In case of defect the Ordering Party is entitled at its discretion to:

(i) to demand proper performance of the Contract by the Supplier, or

(ii) to remedy itself the defect and demand the Supplier for reimbursement of the incurred expenses occurred in the necessary remedial measures, or

(iii) to rescind the Contract or claim reduction of the purchase price, or

(iv) to demand damages in lieu of performance of the Contract.

11.4 The warranty in respect of each Product delivered by the Supplier or Service performed by the Supplier shall survive for a period of 36 months from the date the Product is delivered, or the Service is performed or 24 months from usage whichever is later. The Supplier shall be liable for all damages, including consequential damages, caused by the breach of any warranty applicable to the Product or the Service.

11.5 The Supplier shall indemnify, hold harmless and defend the Ordering Party from and against claims, liabilities and expenses (including legal fees) arising out of or in relation to the performance or non-performance of the Contract and resulting in bodily injury or death or damage to or destruction of third-party property.
12. Insurance Coverage

12.1 The Supplier shall obtain and maintain in full force and effect a commercial general liability and product liability insurance to cover all claims or otherwise related to the Service or the Product. Such insurance shall provide coverage of at least CHF 5 million for any occurrence. Evidence shall be produced by the Supplier at least once per year.

12.2 The transport insurance shall be arranged in accordance with the delivery terms.

13. Service, Repairs and Obsolete Products

13.1 The Supplier shall provide a repair and maintenance service staffed by qualified technical experts for each Product delivered to the Ordering Party for a period of at least 10 years.

13.2 The Supplier warrants the availability of original spare parts for each Product delivered to the Ordering Party for a period of 10 years after delivery. In case the Supplier is unable to provide original spare parts to the Ordering Party during this period the Supplier is obliged to notify the Ordering Party thereof in writing 6 months in advance and give the possibility to the Ordering Party to place a last call order with respect to such Products.

14. Confidentiality

The Supplier shall treat as confidential any non-public information or data provided to or disclosed to the Supplier by the Ordering Party or on its behalf, either directly or indirectly, in any form whatsoever or in or by any medium whatsoever. The Supplier shall make confidential information available only to those employees who need the information for the fulfillment of their duties and shall ensure that such employees are also subject to a duty to treat such information as confidential. The Supplier shall use this information exclusively for the purpose of delivering the Products and performing the Services.

15. Data Protection

15.1 When Supplier accesses, uses or stores Personal Data in order to execute the Contract and provide its Products and/or Services to the Ordering Party, it takes the commitment to comply with Applicable Data Protection Laws.

15.2 When Supplier acts as a Data controller, it acknowledges that, although it is solely responsible for its own use of the Personal Data in violation of Applicable Data Protection Laws by Supplier, including its subcontractors, in relation to the Personal Data, may create legal and reputational risks for the Ordering Party. This is why, Supplier warrants and takes the commitment to:

- set up and maintain appropriate technical, organizational and physical measures to ensure the security and confidentiality of Personal Data during the entire duration of the Contract and until full deletion of all Personal Data;
- not further use the Personal Data for a purpose, or in a manner, incompatible with the initial Purpose of use (i.e. executing the Contract and providing its Products and Services to the Ordering Party). In particular, it shall not use Personal Data for direct marketing purposes;
- promptly notify in writing the concerned individuals and the Ordering Party of any Personal Data Breach that is likely to result in high risks for the rights, liberties, safety of the concerned individuals;
- promptly notify in writing the Ordering Party of any request from a regulator, court, government or public authority to access the Personal Data used, stored or accessed by Supplier for the provision of the Service, except if such notification is prohibited by applicable law;
- fully defend and hold harmless the Ordering Party from any and all claims, demands, causes of action, lawsuit, liability, that would result from a Personal Data Breach occurring while Personal Data were under its control or any violation of Applicable Data Protection Laws by Supplier or its subcontractors.

15.3 When Supplier acts as a Data processor, it shall sign and comply with the terms of the Data Processing Agreement in Appendix 1. For the avoidance of doubts, when Personal Data is processed by Supplier and that no Data Processing Agreement is signed, it means that clause 15.2 applies.

16. References and Marketing

Reference by Supplier to Ordering Party (or Oerlikon, Oerlikon Group) for its customer reference list, for marketing or other purposes, as well as the use by Supplier of any Oerlikon trademark or logo, is subject to prior written approval of OC Oerlikon Management AG, Pfäffikon. OC Oerlikon Management AG, Pfäffikon may at any time revoke with immediate effect the permission to use OC Oerlikon Management AG, Pfäffikon as a reference.

17. Anti-Bribery Clause

17.1 Each Party undertakes that as of the effective date of the Contract, itself, its directors, officers or employees have not offered, promised, given, authorized, solicited or accepted any undue pecuniary or other advantage of any kind (or implied that they will or might do any such thing at any time in the future) in any way connected with the Contract and that it has taken reasonable measures to prevent subcontractors, agents or any other third parties, subject to its control or determining influence, from doing so.

17.2 The Parties agree that they will comply with and that they will take reasonable measures to ensure that their subcontractors, agents or other third parties, subject to their control or determining influence, will comply with internationally recognized anti-bribery laws pursuant to the jurisdictions in which the Parties sit or where the business in conducted.

17.3 If a Party brings evidence that the other Party has been engaging in material or several repeated breaches of internationally recognized anti-bribery laws, such Party will take the necessary remedial action in a reasonable time and to inform it about such action. If such Party fails to take the necessary remedial action, or if such remedial action is not possible, it may invoke a defense by proving that by the time the evidence of breach(es) had arisen, it had put into place adequate anti-corruption preventive measures. The first Party may, at its discretion, either suspend the Contract or terminate it, being understood that all amounts contractually due at the time of suspension or termination of the Contract will remain payable, as far as permitted by applicable law.

18. Applicable law and Jurisdiction

18.1 The law of the jurisdiction of the Ordering Party shall apply to the Contract, without regard to the application of the principles of conflicts of law and excluding the United Nations Convention on Contracts for the International Sale of Goods (1980).

18.2 The place of jurisdiction shall be the seat of the Ordering Party, the seat of business of the Supplier or the place of performance of the Contract at the exclusive choice of the Ordering Party.

Appendix 1: Data Processing Agreement.