

General Terms and Conditions of Sales and Supply

1. General

1.1 These general conditions of sales and supply are applicable to all deliveries, services and offers of COMPOUNDS AG (hereafter "CPS"), unless otherwise stipulated in the written or-der confirmation of CPS. By placing an order, it is irrefutably assumed that the customer has been able to take note of the terms and has accepted them. In all cases, the general terms and conditions valid and published on the homepage of CPS at the time the contract was concluded shall apply. Contradictory terms of the customer are not applicable, even if reference is made to them in an order, unless CPS has accepted them in writing.

1.2 All agreements, amendments, changes and legally relevant declarations of the parties to the contract must be in writing to be valid. No signature is required.

1.3 Offers which do not stipulate a validity period are not binding upon CPS.

1.4 The contract between the Parties is deemed concluded when CPS confirms its acceptance in writing. The written acceptance may also be made by e-mail or in other electronic form.

1.5 Any agreements in the main written contract deviating from these terms and conditions of sales and supply shall prevail.

1.6 Should one or more provisions of these general conditions of sales and supply prove to be wholly or partly invalid or unworkable, the parties shall replace these provisions by a new agreement that comes as close as possible to the legal and economic purpose of the invalid or unenforceable provision.

2. Scope of supplies and services

2.1 The supplies and services of CPS are exhaustively specified in the order confirmation and in any potential appendices thereto. CPS shall be entitled to make any changes which lead to improvements provided such changes do not result in a price increase.

2.2 CPS reserves the right to over- or under supply up to 10% of the ordered volume.

3. Drawings, technical documents and tools

3.1 Unless otherwise agreed upon, brochures and catalogues are not binding. Data provided for in technical documents are only binding in so far as having been expressly stipulated as such by CPS in individual cases.

3.2 Each party to the contract retains all rights to technical documents provided to the other. The contracting parties agree to maintain confidentiality with respect to third parties and shall - without previous written consent of the other party - not make these documents available to any third party, either in whole or in part, nor use them for purposes other than those for which they were handed over to them.

3.3 Tools and moulding tools of all kinds are and remain in all cases the property of CPS with exception of those provided by the customer.

3.4 Special conditions are to be agreed for tools and moulding tools provided by the customer to CPS. The cost for servicing and maintaining these tools are to be borne in all cases by the customer. The cost for storing these tools is the responsibility of CPS, however, only up to a maximum of five years after the last delivery was executed. CPS has a right of return at any time and the customer a corresponding obligation to take back. If customer does not take back a tool after having been asked to do so by CPS, CPS is entitled to dispose of or destroy the tool.

3.5 CPS is entitled to a right of retention on the tools, moulds, materials or other valuables provided by the customer.

4. Regulations in force in the country of destination and safety devices

4.1 The customer shall, at the latest when receiving the offer, draw the attention of CPS to the standards and regulations applicable to the execution of the supplies and services. If this leads to additional costs on the part of CPS, CPS shall adjust the offer accordingly before executing the order.

4.2 Unless otherwise agreed upon according to Clause 4.1, the supplies and services shall comply with those standards and regulations at the registered office of CPS. Additional or other regulations to be complied with would have to be expressly agreed (cf. Clause 4.1).

5. Prices

An appropriate price adjustment to the extent of the additional costs shall apply if a) the delivery period has been subsequently extended due to any reason stated in Clause 8.1 and 8.2, b) the nature or the scope of the agreed supplies or services has changed, c) an or-der is changed, or d) the design, the material and/or the execution has undergone changes because any documents supplied by the customer were not in conformity with the actual circumstances, or were incomplete. A price adjustment can only be made in favour of CPS.

6. Terms of payment

6.1 Unless otherwise agreed upon, payments shall be made by the customer 30 days after the date of invoice, net, without any deduction for cash discount, expenses, taxes, levies, fees, duties, and the like.

6.2 The dates of payment shall also be observed if transport, delivery, assembly, commissioning or taking over of the supplies or services is delayed or prevented due to reasons beyond CPS' control, or if unimportant parts are missing, or if post-delivery work is to be carried out without the supplies or services being prevented from use.

6.3 If an advance payment, if agreed upon, is not provided in accordance with the terms of the contract, CPS shall be entitled to adhere to the contract, to waive the subsequent performance or to withdraw from the contract, and shall in all cases be entitled to claim damages.

6.4 If the customer does not comply with the agreed payment dates, he shall pay, without reminder, default interest of at least 8% p.a. with effect from the agreed date on which the payment was due. Payment of the interest does not release the customer from his payment and other obligation or from the obligation to pay damages which might exceed the interest rate mentioned.

6.5 An offset of mutual claims from either party out of this, or in conjunction with this contract is only allowed with an accepted or legally confirmed counterclaim.

7. Ownership and Reservation of Ownership

7.1 If CPS processes materials supplied by the customer or procured by CPS on behalf of the customer according to the specifications of the customer ("contract manufacturing"), CPS does not acquire ownership of these materials. If these materials for contract manufacturing are lost at CPS or if they are damaged and CPS can be proven to be grossly at fault in this respect, CPS is liable for the corresponding damage up to a maximum amount of the contract value.

7.2 Otherwise, CPS shall remain the owner of all supplies and services until having received the full payments in accordance with the contract

7.3 CPS has the right to withdraw from the contract in case of default of payment and to re-claim the delivery respectively its property.

7.4 CPS may, if necessary, register the reservation of ownership in the appropriate registers. The customer undertakes to cooperate in the fulfilment of formal requirements upon first re-request.

8. Delivery time

8.1 A delivery time shall only be binding if it is expressly stated as binding in the order confirmation.

The delivery time shall start as soon as the contract is entered into, all official formalities such as, but not limited, to import or payment permits have been completed, any payments due with the order have been made, any agreed securities given and the main technical points settled. The delivery time shall be deemed to be observed if by that time CPS has sent a notice to the customer informing that the supplies are ready for dispatch.

8.2 The delivery time shall not begin to run or shall reasonably be extended:

a) as long as the customer does not comply with his payment and cooperation obligations; b) if the information required by CPS for performance of the contract is not received in time, or if the customer subsequently changes it thereby causing a delay in the delivery of the supplies or services; c) if hindrances occur which CPS cannot prevent despite using due care, regardless of whether they affect CPS, the customer or a third party. Such hindrances include, but shall not be limited to epidemics, war, revolution, serious breakdown in the works, accidents, labour conflicts, late or deficient delivery by subcontractors of raw materials, semi finished or finished products, the need to scrap important work pieces, official actions or omissions by any state authorities or public bodies, natural disasters; d) if the customer or third parties in default with the fulfilment of their contractual obligations arising from this contract or earlier orders, in particular if the customer fails to observe the terms of payment. If the delivery becomes impossible, CPS can withdraw from the contract.

8.3 In case a specific delivery date instead of a delivery period is fixed, such date shall correspond to the last day of a delivery period; Clauses 8.1 to 8.2 apply by analogy.

8.4 Any delay of the supplies or services and the withdrawal from the contract by CPS according to Clause 8.2, do not entitle the customer to any rights to terminate the contract or any entitlements for damages.

9. Passing of benefit and risk

9.1 In case of delivery contracts, the benefit and the risk of the supplies shall pass to the customer at the latest upon dispatch or notification of readiness for collection of the delivery at the works.

9.2 If dispatch is delayed at the request of the customer or due to reasons beyond CPS's control, the risk of the supplies shall pass to the customer at the time originally foreseen for dispatch. From this moment on, the supplies shall be stored and insured on the account and at the risk of the customer.

10. Forwarding, transport and insurance

10.1 CPS shall, the latest with the order, be notified of special requirements regarding forwarding, transport and insurance. Unless otherwise agreed in the contract, delivery shall be Ex-Works (Incoterms 2010) at customer's expense and risk.

10.2 Objections regarding forwarding or transport shall upon receipt of the supplies or of the shipping documents be immediately submitted by the customer to the last carrier.

10.3 The customer shall be responsible for taking insurance against risks of any kind.

11. Inspection and taking-over of the supplies and services

11.1 According to its own practices, CPS shall inspect the supplies and services. If the customer requests further testing, this has to be specially agreed upon and paid for by the customer.

11.2 The customer shall inspect the supplies and services immediately upon arrival and shall notify CPS in writing of any deficiencies within a reasonable period of not more than 10 days. If the customer fails in doing so, the supplies and services shall be deemed to have been taken over and accepted.

11.3 Having been notified of deficiencies according to Clause 11.2 in due time, CPS shall as soon as possible remedy them, and the customer shall give CPS the possibility of doing so. After remedy of such deficiencies, an acceptance test may be carried out at the request of the customer or of CPS.

11.4 The supplies or services shall also be deemed taken over and accepted as soon as the customer uses the supplies or services of CPS.

11.5 Deficiencies of any kind in supplies or services shall not entitle the customer to any rights or claims except for those explicitly mentioned in Clause 11 and 12 (Representations and Warranties)

11.6 These provisions in Clause 11 shall also apply to partial deliveries.

12. Representations and Warranties

12.1 Warranty Period.

Unless otherwise agreed, the warranty period shall be 12 months. If a shorter durability period applies to a delivery (e.g. a compound), the warranty period shall correspond to this durability period. The warranty period starts with the agreed date of dispatch or with the notification of readiness for dispatch or collection of the delivery ex works.

12.2 Warranty and liability for defects

12.2.1 Warranty and liability for defects in material, design and workmanship. CPS undertakes – excluding the acceptance of any other claims and at its choice – to repair or replace as quickly as possible any parts of the supplies which, before the expiry of the warranty period, are proved to become unusable due to bad material, faulty design or poor workmanship. Replaced parts shall become CPS' property. CPS shall bear the costs of remedying or replacing the defective parts in its works. If this repair or replacement delivery is not successful or only partially successful, the customer shall be entitled to a reasonable reduction of the price.

12.2.2 In connection with contract manufacturing (cf. Clause 7.1), CPS only warrants the processing of the relevant materials in accordance with the written specifications of the customer. CPS does not check these specifications and does not assume any warranty with regard to the materials. The customer is solely responsible for these.

CPS undertakes – excluding the acceptance of any other claims and at its choice – to repair or redo as quickly as possible any services which, before the expiry of the warranty period, are proved to become unusable. If this repair or replacement delivery is not successful or only partially successful, the customer shall be entitled to a reasonable reduction of the price.

12.2.3 Warranty for properties.

CPS is liable for a breach of warranty for properties quality only with respect to properties which have been expressly specified as warranted in the order confirmation. An express warranty is valid until the expiry of the warranty period according to Clause 12.1 at the latest, unless an extended period has been agreed upon.

If the express warranties are not or only partially fulfilled, CPS has the right to carry out re-pairs or to deliver a replacement. The customer shall give CPS the necessary time and possibility of doing so. If this repair or replacement delivery is not successful or only partially successful, the customer shall be entitled to a reasonable reduction of the price.

12.2.4 Warranties and liability for deliveries of material and services from subcontractors or from the customer.

For deliveries of material and services of subcontractors, which are dictated by the customer, as well as by the customer himself, CPS does not assume any liability. Defects which can be traced back to such deliveries or services are to be borne by the customer. CPS assigns any warranty rights towards the subcontractor to the customer.

12.3 Requirements for the claiming of warranty rights.

Any warranty and liability by CPS is subject to the customer having immediately notified CPS of the defect in writing (cf. Clause 11.2).

The customer has to follow the rules of CPS concerning return of goods under warranty or for repair (Repair and Replacement Procedure).

The repair and the replacement costs outside the works of CPS are to be borne by the customer.

12.4 Exclusions from the warranty and liability for defects.

CPS does not assume any liability or warranty for presupposed or implied properties or for the suitability or fitness of the delivered products for a specific application or use.

Excluded from the warranty and liability for defects and damages are all deficiencies for which CPS is demonstrably not responsible, e.g. those resulting from normal wear and tear (like tear and general wear as well as causes, but not limited to, electric overload, weather conditions, environmental pollution, electromagnetic disturbances), unsuitable storage, im-proper maintenance, failure to observe the operating instructions, excessive use, use of any unsuitable material, influence of chemical or electrolytic action, interference with other products, systems or services or resulting from other reasons beyond CPS' control. The warranty further lapses if the customer or a third party makes improper changes or re-pairs or if the customer, if a defect has occurred, does not immediately take suitable measures to reduce the damage and gives CPS the opportunity to remedy the defect.

12.5 Remedies Exclusive.

The rights of the customer in case of defects and lack of warranted properties are limited to the rights according to this Clause 12. Further rights in respect of defects are expressly excluded. In particular, the customer has no claim to rescission.

12.6 The liability and warranty rights and remedies cannot be assigned to any third party without the prior written approval of CPS.

13. Liability

13.1 All claims for damages on the part of the customer irrespective on what ground they are based, are excluded to the extent permitted by law. Accordingly,

this limitation of liability does not apply to damage proven to have been caused by wilful intent or gross negligence on the part of CPS. However, the limitation shall apply to damage caused by wilful intent or gross negligence on the part of ancillary persons of CPS.

13.2 In any case, CPS's liability shall be limited to the contract value of the delivered and defective products or the invoiced services respectively.

13.3 Any further contractual or non-contractual liability, in particular for direct, indirect or con-sequential damages, is excluded as far as permitted by law.

14. Return of packaging material and recycling

The customer shall not be entitled to any rights regarding the return of packaging material or the recycling of product delivered by CPS.

15. Right of recourse of CPS

If persons are injured, if property of third parties or other damages occur by deliveries and services of the customer or through actions or omissions of the customer or his ancillary persons, and if a claim is made against CPS, then the customer must defend CPS against this claim at his own expense and indemnify CPS.

16. Jurisdiction and applicable law

16.1 The place of jurisdiction and performance for both the customer and CPS shall be the registered office of COMPOUNDS AG. CPS shall, however, also be entitled to appeal to the competent court at the customer's registered address.

16.2 The contract shall be governed by Swiss substantive law. The applicability of the UN Agreement dated April 11th, 1980 for contracts for the International Sale of Goods (CISG) is excluded

17. Translation

In case of divergences between the English and the German version of the general terms and conditions of sales and supply, only the German version shall be authoritative.

Pfäffikon, October 2019