

## General Terms and Conditions of Purchase (GTC)

### 1 General

- 1.1 These General Terms and Conditions of Purchase apply to the procurement system used by the company INSYS AG (“INSYS”) in business relationships with its Suppliers (“SUPPLIER”). Unless otherwise agreed, they form the basis for our requests for quotations, orders and contracts. Deviation from these General Terms and Conditions of Purchase is possible only on the basis of written agreement between INSYS and the SUPPLIER.
- 1.2 General Business Conditions presented by the SUPPLIER, for example when submitting a quotation or confirming an order, shall not become part of the contract even if INSYS fails to object to them.

### 2 Quotations

- 2.1 Quotations are made by SUPPLIERS free of charge to INSYS.
- 2.2 Quotations must be made in accordance with the request for quotation. Any variations must be clearly indicated by the SUPPLIER.
- 2.3 Unless otherwise agreed, the quotation shall be valid for a period of 3 months.

### 3 Conclusion of contract

- 3.1 When a written purchase order has been issued by INSYS, the contract of supply is formed on INSYS’s receipt of the written order confirmation from the SUPPLIER.
- 3.2 If variations to the order are included in the purchase order confirmation, these variations must be clearly highlighted.
- 3.3 If the order confirmation from the SUPPLIER is not received by INSYS within **5 days** of the date of the order at the latest, the contract is deemed to be concluded under the conditions contained in the order, including these General Terms and Conditions of Purchase.
- 3.4 INSYS is entitled to withdraw from a purchase order without compensatory consequences up to the time when the contract is concluded.
- 3.5 Unless otherwise agreed in writing, the prices set out in the order are deemed to be fixed prices. For orders without prices, or with guideline prices, the order confirmation by the SUPPLIER requires the approval of INSYS.

### 4 Documents

- 4.1 Drawings, calculations, models, matrices, templates and all other documents made available to the SUPPLIER remain the property of INSYS. These may not be made known to third parties in any form without the written consent of INSYS. They may not be used for the manufacture of goods for third parties. Any copyrights belong to INSYS. On request all documents must be returned to INSYS and any copies destroyed.
- 4.2 Devices, templates, tools, models, molds etc. provided or paid for by INSYS are the properties of INSYS and must be labeled as such. They must be appropriately stored and maintained and insured against any loss or damage. They may not be altered, destroyed or used for third parties without the written consent of INSYS. Under no circumstances does the SUPPLIER have the right of retention.

### 5 Subcontracting

- 5.1 The goods provided by INSYS for processing remain the property of INSYS. Processing and finishing contracts must be carried out in strict adherence to INSYS drawings and standards. The goods provided must be insured against loss and damage.
- 5.2 Under no circumstances does the SUPPLIER have the right of retention concerning goods provided by INSYS.
- 5.3 The SUPPLIER is liable for incorrect handling and storage, and for damage to or loss of the goods.

### 6 Delivery

- 6.1 Goods will be delivered DDP excl. VAT (**Incoterms each latest version**) to the place of delivery named on the purchase order or call-off order.
- 6.2 The quantity delivered must not vary from the agreed quantity. Part-deliveries and advance deliveries are permitted only upon the express prior agreement of INSYS.
- 6.3 The agreed delivery date shall be deemed met if the goods arrive at the place of delivery on the appropriate date.
- 6.4 The agreed delivery dates are binding. INSYS must be notified immediately of any delays in delivery.
- 6.5 If the delivery time is not met, the SUPPLIER is automatically deemed to be in default. INSYS is entitled to invoice 1% from the delivery value as a contractual penalty; however, to a maximum of 10%, per week of delayed delivery commenced.
- 6.6 In addition, the SUPPLIER is liable to pay compensation to INSYS for all damage incurred due to delayed delivery. This also applies to costs which INSYS incurs due to failure to comply with instructions, incomplete or delayed delivery of required dispatch documents or defective delivery. If the SUPPLIER fails to make use of an extension of time granted, INSYS is also entitled to insist on further performance of the contract and to demand compensation for further damage or to cancel the whole order.

## **7 Dispatch, transport, packing, invoice and payment**

7.1 A delivery note must be attached to every consignment.

It is essential for the delivery note and the invoice to contain the following data:

- Full order number
- Name of contact at INSYS and, if applicable, also name of recipient of goods respectively
- INSYS's material number and description of goods
- Delivery quantity, unit price and date of manufacture
- Details of part delivery or delivery of remainder of order
- Country and region of origin and customs tariff number (commodity code)

Each item must have a clearly visible label or other means of identification.

7.2 A separate invoice must be made out for each purchase order. VAT must be shown separately. The invoice must show whether any part deliveries or deliveries of remainder of order have been made. Customs tariff number (commodity code)

7.3 The payment period commences on the date of receipt of the invoice; however, at the earliest on the date of delivery of faultless quality goods. Unless otherwise agreed in writing, the payment period is 60 days.

7.4 Agreed contributions by INSYS to costs for molds, models and tools become due for payment only when sampled parts have been accepted by INSYS as faultless.

7.5 For consignments sent from abroad in accordance with a corresponding agreement between the SUPPLIER and INSYS, instructions for dispatch must be obtained from INSYS in good time.

7.6 The SUPPLIER is liable for damage to goods during transport, including loading and off-loading, as a result of inadequate packing.

## **8 Transfer of risk and ownership**

8.1 The transfer of risk and ownership takes place upon acceptance of the goods by INSYS at the agreed place of delivery.

## **9 Guarantee and liability**

9.1 The SUPPLIER guarantees that the goods have the assured properties, do not have any defects which would impair their value or suitability for the intended use, meet the agreed performance requirements and specifications and are of faultless quality.

9.2 The goods to be delivered must be inspected by the SUPPLIER before dispatch. The Purchaser's statutory duties to inspect and lodge complaints are expressly excluded. The only exception is obvious external transit damage, of which the SUPPLIER must be notified within ten days.

9.3 The warranty period is **twenty four (24) months** without shift limitation from delivery of the goods of faultless quality. If longer warranty periods are provided for in law or according to commonly accepted standards in the sector, these then apply.

9.4 Defective deliveries entitle INSYS at its entire discretion during the whole warranty period to demand either a replacement delivery or remedial work at the SUPPLIER's expense. In urgent cases, or if the SUPPLIER fails to immediately rectify the defect about which a complaint has been lodged, INSYS is entitled to arrange for the defects to be remedied at the SUPPLIER's expense or to remedy these itself. If the SUPPLIER fails to carry out remedial work within the period set by INSYS, or if this is not successful, INSYS is entitled to cancel the whole order. The SUPPLIER has a duty in all cases, regardless of fault, to provide full compensation (including transport costs, travelling expenses, costs of installation and dismantling, compensation for consequential loss).

9.5 For replacement supplies or remedial work the warranty period is **twelve (12) months**, but lasts at least until expiry of the original warranty period for the entire delivery.

9.6 Acceptance of and payment for goods does not exclude the possibility of complaints being lodged by INSYS at a later stage.

9.7 Approval in advance by INSYS of the SUPPLIER's drawings, calculations etc. does not limit the rights of INSYS under the terms of the warranty.

9.8 The SUPPLIER guarantees to supply spare parts for a period of at least ten years.

9.9 INSYS is entitled to carry out audits on the premises of the SUPPLIER or his sub-contractors after appropriate advance warning.

## **10 Compliance with CE standards**

10.1 The goods to be supplied must comply with accepted engineering rules and practice. Goods which fall within the scope of application of one or more EU directives must comply with the regulations contained in these. This applies in particular to the Machinery directive 2006/42/EC, the Low Voltage directive 2006/95/EC and directive 2004/108/EC on Electromagnetic Compatibility and any future amendments to these. It is the SUPPLIER's responsibility to check which directives are applicable. The SUPPLIER undertakes to present the documentation necessary for evaluating compliance with all such directives on request. If he fails to comply with such a request, the contract is deemed not to have been properly performed and INSYS has a claim for compensation.

## **11 Industrial property rights**

11.1 The SUPPLIER is liable for ensuring that use of the goods does not infringe any industrial property rights, or breach business confidentiality or trade secrets belonging to third parties. He must indemnify INSYS against any claims by third parties

## **12 Product liability**

12.1 The SUPPLIER undertakes to indemnify INSYS against claims for compensation pursued by third parties on first request.

12.2 The SUPPLIER must inform INSYS about any possible defects and potential or actual risks posed by its products, including those purchased by INSYS. If INSYS has to warn customers itself about products supplied by the SUPPLIER or has to recall its own products, the SUPPLIER is liable to pay compensation to INSYS for the costs incurred by INSYS, regardless of fault.

12.3 The SUPPLIER undertakes to arrange and maintain a product liability insurance policy under the terms of which the sum insured is valid worldwide for personal injury/material and property damage and for installation and dismantling costs. The level of insurance cover arranged by the SUPPLIER shall not limit claims for compensation pursued by INSYS.

## **13 Confidentiality**

13.1 The SUPPLIER undertakes to treat as confidential all information which concerns the business relationship and is not in the public domain or generally accessible, and not to use it for his own purposes or for other extra-contractual purposes. Confidentiality must be protected even before the contract commences and remains in force after the end of the contractual relationship. If the SUPPLIER wishes to use this contractual relationship for advertising purposes, or publicize it, he requires the written consent of INSYS.

## **14 Amendments to the contract**

14.1 Amendments and additions to the contract between the SUPPLIER and INSYS must be in writing. Should any clause in these General Purchase Conditions be ineffective, this shall not affect the remainder of the General Terms and Conditions of Purchase.

## **15 Force Nature**

15.1 In the event of Force Nature, the parties to the contract cannot be sued for non-performance of the contract.

## **16 Applicable law and place of jurisdiction**

16.1 Orders and deliveries are subject to Swiss law, to the exclusion of the United Nations Convention for Contracts on International Sale of Goods dated 11 April 1980 ("Vienna Convention").

16.2 The place of performance and place of jurisdiction is INSYS's registered office.

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