

## GENERAL CONDITIONS OF SALE

CHFMR\_GCS\_Rev1\_202001

### PREAMBLE

1. These General Conditions of Sale shall apply in full unless otherwise agreed in Writing. Any other conditions of the Purchaser shall not be applicable, even if they were not explicitly rejected in any individual case. Any modifications of or deviations from them must be agreed In Writing.

### DEFINITIONS

2. In these General Conditions the following terms shall have the meanings hereunder assigned to them:
  - **“Contract”**: the agreement In Writing between the parties concerning supply of the Product and all appendices, including agreed amendments and additions In Writing to the said documents;
  - **“Gross Negligence”**: an act or omission implying either a failure to pay due regard to serious consequences, which a conscientious contracting party would normally foresee as likely to ensue, or a deliberate disregard of the consequences of such an act or omission;
  - **“In Writing”**: communication by document signed by both parties or by letter, fax, electronic mail and by such other means as are agreed by the parties;
  - **“the Product”**: the object(s) to be supplied under the Contract, including software and documentation;
  - **“Warranty Period”**: unless stated otherwise in the Contract, a fixed and non-extendable period of twelve (12) months starting from delivery.

### PRODUCT INFORMATION

3. All information and data contained in general product documentation shall be binding only to the extent that they are by reference In Writing expressly included in the Contract.

### DRAWINGS AND TECHNICAL INFORMATION

4. All drawings and technical documents relating to the Product or its manufacture submitted by one party to the other, prior or subsequent to the formation of the Contract, shall remain the property of the submitting party.  
Drawings, technical documents or other technical information received by one party shall not, without the consent of the other party, be used for any other purpose than that for which they were provided. They may not, without the consent of the submitting party, otherwise be used or copied, reproduced, transmitted or communicated to a third party.
5. The Supplier shall, not later than at the date of delivery of the Product, provide free of charge information and drawings which are necessary to permit the Purchaser to install, commission, operate and maintain the Product. Such information and drawings shall be supplied in the number of copies agreed upon or at least one copy of each. The Supplier shall not be obliged to provide manufacturing drawings for the Product.

### ACCEPTANCE TESTS

6. Acceptance tests of the Product provided for in the Contract shall, unless otherwise agreed, be carried out at the place of manufacture during normal working hours.  
If the Contract does not specify the technical requirements, the tests shall be carried out in accordance with general practice in the appropriate branch of industry concerned in the country of manufacture.  
If the acceptance test is carried out at another place but the place of manufacture, the Purchaser shall provide the surroundings as well as any means and materials necessary for the execution of the acceptance test, which are not explicitly part of our contractual duties.  
Furthermore, the Purchaser shall obtain all official permits necessary for Supplier to render the acceptance tests, such as but not limited to official entry, exit or work permits required in the country where the acceptance tests are to be carried out. Any obligation of the Supplier shall be waived until the Purchaser complies with the above-mentioned obligations. Delivery times shall be extended accordingly.
7. The Supplier shall notify the Purchaser In Writing of the acceptance tests in sufficient time to permit the Purchaser to be represented at the tests. If the Purchaser is not represented, the test report shall be sent to the Purchaser and shall be accepted as accurate.
8. If the acceptance tests show the Product not to be in accordance with the Contract, the Supplier shall without delay remedy any deficiencies in order to ensure that the Product complies with the Contract. New tests shall then be carried out at the Purchaser's request, unless the deficiency was insignificant.
9. The Purchaser shall bear all personal and material costs for acceptance tests carried out as well as any of his own costs. If the acceptance test is carried out at another place but the place of manufacture, the Purchaser shall bear all additional costs of the Supplier. The Purchaser shall ensure that the Supplier's personnel is able to start work in accordance with the agreed time schedule.

### DELIVERY. PASSING OF RISK

10. Any agreed trade term shall be construed in accordance with the INCOTERMS®2010.  
Delivery shall be made in accordance with the terms set out in the order confirmation.  
Partial delivery shall be permitted, unless otherwise agreed.

### TIME FOR DELIVERY. DELAY

11. If the parties, instead of specifying the date for delivery, have specified a period of time within which delivery shall take place, such period shall start to run as soon as the Contract is entered into and all agreed preconditions to be fulfilled by the Purchaser have been satisfied, such as official formalities, payments due at the formation of the Contract and securities.

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12. If the Supplier anticipates that he will not be able to deliver the Product at the time for delivery, he shall forthwith notify the Purchaser thereof In Writing, stating the reason and, if possible, the time when delivery can be expected.
- If the Supplier fails to give such notice, the Purchaser shall be entitled to compensation for any additional costs which he incurs and which he could have avoided had he received such notice.
13. If delay in delivery is caused by any of the circumstances mentioned in Clause 41, by an act or omission on the part of the Purchaser, including suspension under Clauses 21 and 44, or any other circumstances attributable to the Purchaser, the Supplier shall be entitled to extend the time for delivery by a period which is necessary having regard to all the circumstances of the case. This provision shall apply regardless of whether the reason for the delay occurs before or after the agreed time for delivery.
14. If the Product is not delivered at the time for delivery proven by the Purchaser to be negligently caused by the Supplier, the Purchaser shall be entitled to liquidated damages from the date on which delivery should have taken place.
- The liquidated damages shall be payable at a rate of 0.5 per cent of the purchase price for each commenced week of delay. The liquidated damages shall not exceed 7.5 per cent of the purchase price.
- If only part of the Product is delayed, the liquidated damages shall be calculated on that part of the purchase price which is attributable to such part of the Product as cannot in consequence of the delay be used as intended by the parties.
- The liquidated damages shall become due at the Purchaser's demand In Writing but not before delivery has been completed or the Contract is terminated under Clause 15.
- The Purchaser shall forfeit his right to liquidated damages if he has not lodged a claim In Writing for such damages within six months after the time when delivery should have taken place.
15. If the delay in delivery is such that the Purchaser is entitled to maximum liquidated damages under Clause 14 and if the Product is still not delivered, the Purchaser may In Writing demand delivery within a final reasonable period which shall not be less than one week.
- If the Supplier does not deliver within such final period and this is not due to any circumstances which are attributable to the Purchaser, then the Purchaser may by notice In Writing to the Supplier terminate the Contract in respect of such part of the Product as cannot in consequence of the Supplier's failure to deliver be used as intended by the parties. In case of late delivery the ongoing interest of the Purchaser on the execution of the contract shall be presumed.
- If the Purchaser terminates the Contract he shall be entitled to compensation for the loss he suffers as a result of the Supplier's delay, excluding any consequential or indirect loss. The total compensation, including the liquidated damages which are payable under Clause 14, shall not exceed 15 per cent of that part of the purchase price which is attributable to the part of the Product in respect of which the Contract is terminated.
- The Purchaser shall also have the right to terminate the Contract by notice In Writing to the Supplier, if it is clear from the circumstances that there will occur a delay in delivery which, under Clause 14, would entitle the Purchaser to maximum liquidated damages. In case of termination for this reason, the Purchaser shall be entitled to maximum liquidated damages and compensation under the third paragraph of this Clause 15.
16. Liquidated damages under Clause 14 and termination of the Contract with limited compensation under Clause 15 shall be the only remedies available to the Purchaser in case of delay on the part of the Supplier. All other claims against the Supplier based on such delay shall be excluded, except where the Supplier has been guilty of Gross Negligence.
17. If the Purchaser anticipates that he will be unable to accept delivery of the Product at the time for delivery, he shall forthwith notify the Supplier In Writing thereof, stating the reason and, if possible, the time when he will be able to accept delivery.
- If the Purchaser fails to accept delivery of the Product at the time for delivery, he shall nevertheless pay any part of the purchase price which becomes due at the time for delivery, as if delivery had taken place at the time for delivery. The Supplier shall arrange for storage of the Product at the risk and expense of the Purchaser. The Supplier shall also, if the Purchaser so requires, insure the Product at the Purchaser's expense.
18. Unless the Purchaser's failure to accept delivery is due to any such circumstance as mentioned in Clause 41, the Supplier may by notice In Writing require the Purchaser to accept delivery within a final reasonable period.
- If, for any reason which is not attributable to the Supplier, the Purchaser fails to accept delivery within such period, the Supplier may by notice In Writing terminate the Contract in whole or in part. The Supplier shall then be entitled to compensation for the loss he suffers by reason of the Purchaser's default. The compensation shall not exceed that part of the purchase price which is attributable to that part of the Product in respect of which the Contract is terminated.

### PAYMENT

19. Payment shall be made in accordance with the payment terms set out in the order confirmation or on the invoice.
20. Whatever the means of payment used, payment shall not be deemed to have been effected before the Supplier's account has been irrevocably credited for the amount due.
21. If the Purchaser fails to pay by the stipulated date, the Supplier shall be entitled to interest from the day on which payment was due and to compensation for recovery costs. The rate of interest shall be as agreed between the parties or otherwise 8 percentage points above the rate of the main refinancing facility of the European Central Bank. The compensation for recovery costs shall be 1 per cent of the amount for which interest for late payment becomes due.
- In case of late payment and in case the Purchaser fails to give an agreed security by the stipulated date the Supplier may, after having notified the Purchaser In Writing, suspend his performance of the Contract until he receives payment or, where appropriate, until the Purchaser gives the agreed security.

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If the Purchaser has not paid the amount due within three months the Supplier shall be entitled to terminate the Contract by notice In Writing to the Purchaser and, in addition to the interest and compensation for recovery costs according to this Clause, to claim compensation for the loss he incurs. Such compensation shall not exceed the agreed purchase price.

In addition, the Supplier shall have the particular right to withhold - to a reasonable amount and extent - deliveries of other orders of the Purchaser and - as from the beginning of the default in payment - to carry out such deliveries only against cash in advance as well as to declare any outstanding invoice to be due for immediate payment, even in case longer periods of payment had been agreed upon. In case the Supplier obtains knowledge of circumstances which are - within his due discretion - eligible to reduce the creditworthiness of the Purchaser, the Supplier shall be entitled to omit any agreed terms of payment and to make any further deliveries subject to cash in advance or to request prior security of his choice. Following a reasonable grace period, the Supplier shall be entitled to rescind from the contract and to claim damages instead of performance.

### RETENTION OF TITLE

22. The Product shall remain the property of the Supplier until paid for in full to the extent that such retention of title is valid under the relevant law. The Purchaser shall at the request of the Supplier assist him in taking any measures necessary to protect the Supplier's title to the Product. The retention of title shall not affect the passing of risk under Clause 10.

### LIABILITY FOR DEFECTS

23. Pursuant to the provisions of Clauses 24-39, the Supplier shall remedy any defect or nonconformity (hereinafter termed defect(s)) resulting from faulty design, materials or workmanship of the Product.
24. The Supplier shall, at his own expense, remedy, on his choice by repair or replacement, any Defects in the Product appearing within the Warranty Period after the Product was delivered. The Supplier's warranty shall apply only to defects that appear under normal operating conditions, under proper use and only to the extent the defects can be assignable to the Supplier's performance of the Product.
25. The Supplier shall not be liable for defects arising out of materials provided or a design stipulated or specified by the Purchaser.
26. The Supplier shall only be liable for defects that appear under the conditions of operation provided for in the Contract and under proper use of the Product. However, the Supplier shall not be liable for the improper fitting and use of the Product by the Purchaser.
27. The Supplier shall not be liable for defects caused by circumstances, which arise after the risk has passed to the Purchaser, e.g. defects due to faulty maintenance, willful damage, negligence, abnormal working conditions, failure to follow manufacturer's instructions, misuse, incorrect installation or faulty repair by the Purchaser or alterations carried out without the Supplier's consent In Writing. The Supplier shall neither be liable for normal wear and tear nor for deterioration. In addition, the Supplier shall not be liable for other conditions or circumstances not due to the fault of the Supplier.
28. When a defect in a part of the Product has been remedied, the period mentioned in Clause 24 shall be extended by a period equal to the period during which and to the extent that Product could not be used as a result of the defect.
29. The Purchaser shall without undue delay notify the Supplier In Writing of any defect which appears. Such notice shall under no circumstances be given later than two weeks after the expiry of the Warranty Period as mentioned in Clause 24 or the extended period(s) under Clause 28, where applicable. The notice shall contain a description of the defect.  
If the Purchaser fails to notify the Supplier In Writing of a defect within the time limits set forth in the first paragraph of this Clause, he shall lose his right to have the defect remedied.  
Where the defect is such that it may cause damage, the Purchaser shall immediately inform the Supplier In Writing. The Purchaser shall bear the risk of damage resulting from his failure so to notify. The Purchaser shall take reasonable measures to minimize damage and shall in that respect comply with instructions of the Supplier.
30. On receipt of the notice under Clause 29 the Supplier shall at his own cost remedy the defect without undue delay, as stipulated in Clauses 23-39. The time for remedial work shall be chosen in order not to interfere unnecessarily with the Purchaser's activities.  
Repair shall be carried out at the place where the Product is located unless the Supplier deems it more appropriate that the Product is sent to him or a destination specified by him.  
If the defect can be remedied by replacement or repair of a defective part and if dismantling and re-installation of the part do not require special knowledge, the Supplier may demand that the defective part is sent to him or a destination specified by him. In such case the Supplier shall have fulfilled his obligations in respect of the defect when he delivers a duly repaired part or a part in replacement to the Purchaser.
31. The Purchaser shall at his own expense provide access to the Product and arrange for any intervention in equipment other than the Product, to the extent that this is necessary to remedy the defect.
32. Unless otherwise agreed, necessary transport of the Product or parts thereof to and from the Supplier in connection with the remedying of defects for which the Supplier is liable shall be at the risk and expense of the Supplier. The Purchaser shall follow the Supplier's instructions regarding such transport.
33. Unless otherwise agreed, the Purchaser shall bear any additional costs which the Supplier incurs for remedying the defect caused by the Product being located in a place other than the destination stated at the formation of the Contract for the Supplier's delivery to the Purchaser or - if no destination has been stated - the place of delivery.
34. Defective parts which have been replaced shall be made available to the Supplier and shall be his property, unless requested otherwise by the Supplier.
35. If the Purchaser has given such notice as mentioned in Clause 29 and no defect is found for which the Supplier is liable, the Supplier shall be entitled to compensation for the costs he incurs as a result of the notice.

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36. If the Supplier does not fulfill his obligations under Clause 30, the Purchaser may by notice In Writing fix a final reasonable period for completion of the Supplier's obligations, which shall not be less than one week.
- If the Supplier fails to fulfil his obligations within such final period, the Purchaser may himself undertake or employ a third party to undertake necessary repair work at the risk and expense of the Supplier.
- Where successful remedy work has been undertaken by the Purchaser or a third party, reimbursement by the Supplier of reasonable costs incurred by the Purchaser shall be in full settlement of the Supplier's liabilities for the said defect.
37. Where the Product has not been successfully repaired as stipulated under Clause 36,
- a) the Purchaser shall be entitled to a reduction of the purchase price in proportion to the reduced value of the Product, provided that under no circumstances shall such reduction exceed 15 per cent of the purchase price, or
- b) where the defect is so substantial as to significantly deprive the Purchaser of the benefit of the Contract as regards the Product or a substantial part of it, the Purchaser may terminate the Contract by notice In Writing to the Supplier in respect of such part of the Product as cannot in consequence of the defect be used as intended by the parties. The Purchaser shall then be entitled to compensation for his loss, costs and damages up to a maximum of 15 per cent of that part of the purchase price which is attributable to the part of the Product in respect of which the Contract is terminated.
38. Notwithstanding the provisions of Clauses 23-37 the Supplier shall not be liable for defects in any part of the Product for more than one year from the end of the Warranty Period.
39. Save as stipulated in Clauses 23-38, the Supplier shall not be liable for defects. This applies to any loss the defect may cause including loss of production, loss of profit and other indirect loss. This limitation of the Supplier's liability shall not apply if he has been guilty of Gross Negligence.

### ALLOCATION OF LIABILITY FOR DAMAGE CAUSED BY THE PRODUCT

40. The Supplier shall not be liable for any damage to property caused by the Product after it has been delivered and whilst the Product is in the possession of the Purchaser. Nor shall the Supplier be liable for any damage to products manufactured by the Purchaser or to products of which the Purchaser's products form a part.
- If the Supplier incurs liability towards any third party for such damage to property as described in the preceding paragraph, the Purchaser shall indemnify, defend and hold the Supplier harmless.
- If a claim for damage as described in this Clause is lodged by a third party against one of the parties, the latter party shall forthwith inform the other party thereof In Writing.
- The Supplier and the Purchaser shall be mutually obliged to let themselves be summoned to the court or arbitral tribunal examining claims for damages lodged against one of them on the basis of damage allegedly caused by the Product. The liability between the Supplier and the Purchaser shall however be settled in accordance with Clause 48.
- The limitation of the Supplier's liability in the first paragraph of this Clause shall not apply where the Supplier has been guilty of Gross Negligence.

### FORCE MAJEURE

41. Either party shall be entitled to suspend performance of his obligations under the Contract to the extent that such performance is impeded or made unreasonably onerous by Force Majeure, meaning any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties such as ire, war, extensive military mobilization, insurrection, requisition, seizure, embargo, restrictions in the use of power, currency and export restrictions, epidemics, natural disasters, extreme natural events, terrorist acts and defects or delays in deliveries by sub-contractors caused by any such circumstance referred to in this Clause.
- A circumstance referred to in this Clause whether occurring prior to or after the formation of the Contract shall give a right to suspension only if its effect on the performance of the Contract could not be foreseen at the time of the formation of the Contract.
42. The party claiming to be affected by Force Majeure shall notify the other party In Writing without delay on the intervention and on the cessation of such circumstance. If a party fails to give such notice, the other party shall be entitled to compensation for any additional costs which he incurs and which he could have avoided had he received such notice.
- If Force Majeure prevents the Purchaser from fulfilling his obligations, he shall compensate the Supplier for expenses incurred in securing and protecting the Product.
43. Regardless of what might otherwise follow from these General Conditions, either party shall be entitled to terminate the Contract by notice In Writing to the other party if performance of the Contract is suspended under Clause 41 for more than six months.

### ANTICIPATED NON-PERFORMANCE

44. Notwithstanding other provisions in these General Conditions regarding suspension, each party shall be entitled to suspend the performance of his obligations under the Contract, where it is clear from the circumstances that the other party is not going to perform his obligations. A party suspending his performance of the Contract shall forthwith notify the other party thereof In Writing.

### CONSEQUENTIAL LOSSES, LIMITATION OF LIABILITY

45. Notwithstanding anything to the contrary set forth in the Contract there shall be no liability for either party towards the other party for loss of production, loss of profit, loss of use, loss of contracts or for any other consequential or indirect loss whatsoever.

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46. Notwithstanding anything to the contrary set forth in the Contract the total liability of the Supplier irrespective of the legal ground shall not exceed an amount equal to the price of the Product paid to the Supplier pursuant to this Contract. This limitation of the Supplier's liability shall not apply if he has been guilty of Gross Negligence.

### COMPLIANCE

47. Where the Purchaser will market and/or resell the Products or services relating to the Products, the Purchaser shall in relation to the marketing and sale of the Products and services comply with the following.

The Purchaser shall comply with all applicable laws, rules and regulations including applicable rules of fair competition, and any industry standards, codes and requirements.

The Purchaser hereby acknowledges that the Products may be subject to trade sanctions laws, regulations, rules and license requirements, including without limit those of the EU, the UN and the U.S., ("Sanctions Rules"). The Purchaser shall comply with the Sanctions Rules and agrees that it alone is responsible for ensuring its compliance with the Sanctions Rules. In particular, but without limit, the Purchaser will not, and will procure that none of its affiliates will, use, sell, resell, export, re-export, dispose of or otherwise deal with the Products, directly or indirectly, to (i) any country, destination or person without first obtaining any required export license or other governmental approval, and completing such formalities as may be required by the Sanctions Rules; or (ii) any parties listed, at any given time, on sanctions lists (including but not limited to designated and specially designated persons, upheld by the EU, the UN or the U.S. Office of Foreign Assets Control). Supplier reserves the right to refuse to enter into or to perform any order, to cancel any order at its sole discretion if the Supplier believes that the Purchaser has failed to comply with any part of this Clause.

The Parties shall comply with applicable laws and regulations relating to anti-corruption, including, without limitation, (i) the UK Bribery Act 2010; and the U.S. Foreign Corrupt Practices Act of 1977, 15 U.S.C. §§ 78dd-1, et seq., irrespective of the place of performance, and (ii) laws and regulations implementing the Organization for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the U.N. Convention Against Corruption, in the Purchaser's country or in any country where performance of the Contract will occur.

The Purchaser has established and will maintain an effective business ethics and compliance program and procedures to prevent corruption and ensure compliance with applicable laws or regulations.

### DISPUTES, APPLICABLE LAW AND MISCELLANEOUS

48. All disputes arising out of or in connection with the Contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The place of arbitration shall be where the Supplier is seated.
49. The Contract shall be governed by the substantive law of the Supplier's country. The Contract shall not include, incorporate or be subject to the provisions of the "United Nations Convention on Contracts for the International Sale of Goods" (CISG).
50. If any provision of the Contract is or becomes invalid, this shall have no effect on the validity of the remaining provisions. Further, the Parties shall, if possible, replace the invalid provisions with a new, valid provision that fulfils as closely as possible the original intent of the invalid provision.

