

# GENERAL TERMS AND CONDITIONS OF PURCHASE

## SIGNODE SWITZERLAND GMBH (HEREINAFTER REFERRED TO AS "SIG CH")

### 1. GENERAL, WRITTEN FORM REQUIREMENT, SCOPE OF APPLICATION

- 1.1. These General terms and conditions of purchase (GTCP) apply to all orders placed by SIG CH. General terms and conditions of the supplier, which contradict or differ from these GTCP are not valid unless SIG CH has agreed to them in writing.
- 1.2. There are no verbal side agreements. To be effective, any changes or additions to the contracts concluded between SIG CH and the supplier must be in writing; this also applies to the waiver of the written form requirement.
- 1.3. Unless otherwise agreed, these GTCP also apply to all future contracts with the supplier, even if SIG CH no longer expressly refers to them.
- 1.4. The written confirmation to be sent by the supplier and/or the execution of an order by SIG CH shall constitute consent to these purchase conditions.
- 1.5. The orders of SIG CH are normally executed by the conclusion of a Kanban contract with the supplier or with an individual purchase order.
- 1.6. The supplier is not permitted to use the business relation to SIG CH for advertising purposes without prior express approval.

### 2. AMENDMENTS

- 2.1. SIG CH is entitled to request changes to the
  - (i) method of delivery or packaging,
  - (ii) place of delivery or
  - (iii) date of delivery
- 2.2. The same applies to specifications, drawings and other contractual information applying specifically to goods to be produced for SIG CH, provided this can be implemented within the supplier's normal production process and without a considerable additional expense.
- 2.3. The supplier will notify SIG CH in writing of any expected increases or decreases in costs or delays in delivery in good time prior to the delivery date, but no later than within 3 working days following receipt of the change request in accordance with point 2.1.
- 2.4. If SIG CH decides to implement the change, SIG CH shall reimburse the supplier for the additional costs incurred as a result of the change and communicated and verified in accordance with point 2.3; if the costs are reduced, the price will be reduced accordingly as laid down in point 5. If such changes result in delayed delivery, which could not be prevented in the course of the supplier's normal production and business operations despite all reasonable measures being taken, the originally agreed delivery date will be moved accordingly.

### 3. DELIVERY, DEFAULT OF DELIVERY

- 3.1. The supplier is obliged to deliver the goods in the agreed quantity and in conformity with pricing agreements, specifications, drawings or samples.
- 3.2. In the event of a culpable breach of the contractually agreed delivery dates, SIG CH is entitled to payment of contractually agreed damages of 0.1 % of the net order amount for each working day exceeding the delivery deadline but not exceeding 5% of the net order amount in total. The arrangement of contractually agreed damages does not preclude the assertion of further claims. The contractually agreed damages, however, shall be set off against any compensation claims. Contractually agreed damages, which have been already imposed will not be waived as a result of new dates having been agreed.
- 3.3. The supplier must inform SIG CH immediately in writing if circumstances occur or become known, which indicate that the agreed deadline cannot be met.
- 3.4. If the supplier delivers before the agreed delivery date, SIG CH is entitled to reject or accept the goods at his own discretion and to withhold the purchase price until the agreed due date.

### 4. DISPATCH, PACKAGING, TRANSFER OF RISK

- 4.1. Unless otherwise agreed, deliveries are made on a DDP (Delivered Duty Paid) basis to Dietikon, in accordance with INCOTERMS 2020.
- 4.2. All goods must be adequately packed, and dispatched in accordance with the specifications set out in these GTCP.
- 4.3. The supplier is required to enclose a delivery note with each consignment showing the order number, part numbers and quantities. The order number must be affixed to each package, delivery note and invoice distinctly and visibly.
- 4.4. The benefits and risks will not be transferred to SIG CH until handover, inspection and acceptance of goods by SIG CH.
- 4.5. The supplier is liable for any transport damage caused by inadequate or improper packaging, securing and handling of the goods during transport. The supplier shall bear additional costs, in particular, those incurred due to deviations from the transport route, non-compliance with the dispatch specifications and insufficient description of the goods in the transport documents.

### 5. PRICES; PAYMENT

- 5.1. The prices shown in the order apply. Price increases by the supplier will only be effective if they have been agreed in writing with SIG CH by mutual consent and which are understood to exclude statutory valued-added taxes/custom duties.
- 5.2. In the absence of any written arrangement to the contrary, the price shall be inclusive of delivery and transport to the delivery address specified in the contract.
- 5.3. Unless otherwise agreed, SIG CH shall pay due invoice amounts within 14 days with 3% discount or within 60 days without deductions following delivery of the goods and receipt of the invoice.
- 5.4. SIG CH only makes payments to the suppliers. Assignments of claims to third parties are excluded without the prior express approval of SIG CH.

### 6. WARRANTY; LIABILITY, INDEMNIFICATION

- 6.1. The supplier hereby warrants that the goods supplied by him
  - (i) do not infringe any third-party intellectual property rights in Switzerland, in countries of the European Union, the US or other countries in which the supplier manufactures products or has products manufactured on his behalf,
  - (ii) are free of manufacturing, material or workmanship defects and manufactured to good, generally expected quality standards,
  - (iii) are new and not used, reworked or remanufactured (unless this has been expressly agreed between the parties),
  - (iv) conform with the specifications or samples released and approved by SIG CH and comply with assurances made to SIG CH in this regard by the supplier; and
  - (v) have been manufactured, packaged, labelled and supplied in accordance with the applicable statutory and regulatory requirements, in particular, the regulations regarding child labour and where applicable, any further provisions of the relevant authorities.

The supplier will identify the purpose of the ordering of the goods by SIG CH and make every effort to deliver the relevant goods or perform the relevant services to the quality standards required by SIG CH. Certificates, protocols, etc., requested by SIG CH are to be delivered with the goods.

- 6.2. Any notification of defects will be deemed to have been made in a timely manner if the supplier is notified within 5 working days of receipt of the goods. Notification of hidden defects will be deemed to have been made in a timely manner if the supplier is notified within 5 working days of discovery of the defect.
- 6.3. The goods delivered by the supplier are directly integrated into the production process by SIG CH without receiving inspection.

- 6.4. In the event of a defect, SIG CH is entitled at its own discretion, to demand a remedy of the defect or delivery of a new article. Claims for damages by SIG CH as well as further statutory or contractual claims by SIG CH remain unaffected.
- 6.5. Any necessary expenses incurred to remedy the defect or offer a replacement, in particular, transport, travel, labor and material costs as well as any installation and disassembly costs ("Supplementary performance") shall be borne by the supplier.
- 6.6. Costs incurred by the supplier to check defects and any costs of supplementary performance already incurred shall be borne by the supplier, even if it transpires that there was, in fact, no defect. The liability of SIG CH for damages for making unjustified demands to have a defect rectified remains unaffected; however, SIG CH is only liable if SIG CH was aware or was grossly negligent in failing to recognize that there was no defect.
- 6.7. If the supplier fails to meet his obligation for supplementary performance within a specified, reasonable period set by SIG CH, then SIG CH may remedy the defect himself and demand compensation from the supplier for the relevant costs. If supplementary performance on the part of the supplier fails, or SIG CH cannot be reasonably expected to accept it (e.g. due to particular urgency, risk to operational safety or imminent occurrence of disproportionate damages) then there will be no need to set a deadline; SIG CH shall inform the supplier of such circumstances immediately.
- 6.8. Warranty claims will become time-barred after 36 months of the transfer of risk.
- 6.9. If, when concluding a Kanban contract, the supplier has committed to keep a stock in its storage facility, SIG CH is entitled to seek confirmation of this stock at the supplier's storage facility.

## **7. PRODUCT LIABILITY, INDEMNIFICATION**

- 7.1. If the supplier is responsible for the damage to a product, he shall be obliged to indemnify SIG CH from third-party claims, demands and claims for damages, insofar as the cause is within his sphere of influence of the supplier, and he is liable for damages in relation to third parties.
- 7.2. Within the scope of liability pursuant to point 7.1, the supplier shall also reimburse SIG CH such reasonable expenses as incurred by SIG CH in connection with the implementation of a product recall. SIG CH shall inform the supplier regarding the implementation of any such product recall and provide the supplier with an opportunity to comment. This shall be without prejudice to any further claims of SIG CH.

## **8. NONTRANSFERABILITY**

- 8.1. The supplier is not entitled to arrange for his obligations vis-à-vis SIG CH to be performed in whole or in part by a third party or to transfer these to a third party without the prior consent of SIG CH.

## **9. RIGHT TO WITHHOLD/SET OFF PAYMENT**

- 9.1. The supplier shall only be entitled to set-off a claim, if his counterclaims are undisputed or legally established.
- 9.2. The same applies to the right of retention and the right to withhold performance. The supplier may only exercise such rights, if they originate from the same contractual relationship. In an ongoing business relationship, each individual order is regarded as a separate contract.

## **10. DISCLOSURE OF COMPONENTS, WARNING NOTICE**

- 10.1. At the request of SIG CH, the supplier shall provide the following information in the manner specified by SIG CH, unless the issue of this information to SIG CH is contrary to objectively justified confidentiality interests of the supplier:
  - (i) A list of the components contained in the respective goods; as well as
  - (ii) The precise quantities of components contained.

Furthermore, the supplier shall inform SIG CH immediately and without the need for a formal request about any change in or addition to the composition of the components.

- 10.2. Should the goods contain components which present a risk to health and safety, the supplier shall communicate sufficient warning notices

in writing to SIG CH and attach these to the goods, containers and packaging prior to delivery of the contractual goods. At the same time, the supplier shall make relevant guidance material available to SIG CH in writing, so that SIG CH can instruct transport personnel, employees and other third parties, who necessarily come into contact with the goods, in order to avoid any damage as a result of injury to life, body or health and damages to other legal assets of SIG CH or third parties.

- 10.3. The supplier shall provide all goods with warning notices and declarations as stipulated by law in the countries of origin and destination.

## **11. SIG CH'S OWNERSHIP OF TOOLS, DESIGNS, DRAWINGS, SPECIFICATIONS AND TECHNICAL INFORMATION**

- 11.1. The supplier must, at his own expense, provide the tools, materials, supplies, workers and equipment necessary for the completion of the order and prepare the necessary drawings and designs.
- 11.2. SIG CH retains ownership of any drawings, images, calculations, descriptions and other documentation made available to the supplier including any intangible property rights such as copyrights. Without SIG CH's express permission, the supplier is not permitted to make these documents available to third parties or to use or copy the documents himself or through third parties for purposes other than the completion of the order.
- 11.3. At the request of SIG CH the supplier must return all these documents to SIG CH and destroy any materials that are no longer needed in the ordinary course of business, or if negotiations do not result in a conclusion of a contract. In this case, the supplier shall also destroy any copies of these documents he made; this does not apply to retention as part of the statutory obligation to preserve documents as well as the storage of data for backup purposes as part of regular backups.
- 11.4. Tools, equipment and patterns made available to the supplier or manufactured for contractual purposes and invoiced separately to SIG CH remain the property of SIG CH or will be transferred into the ownership of SIG CH. The supplier is required to mark them as the property of SIG CH, store them with due care, and only use them for purposes of the contract and not to process or modify them without the prior written consent of SIG CH.
- 11.5. The supplier must protect and insure the tools, equipment and patterns against fire, theft and other risks adequately for the period during which these are made available by SIG CH and, upon request, provide SIG CH with documentary evidence of adequate insurance cover. The supplier shall inform SIG CH immediately of any damage to these items.

## **12. CONFLICT PRECIOUS METALS**

- 12.1. The supplier must ensure that parts and products supplied to SIG CH are "conflict-free with respect to the Democratic Republic of Congo and its neighboring states". This means that when they contain metals extracted from columbite-tantalite (tantalum), cassiterite (tin), gold, wolframite (tungsten) or derivatives of these (collective term "conflict precious metals"), then these conflict precious metals must not originate from the Democratic Republic of Congo or a neighboring state ("affected countries"). If this is nevertheless the case, then certification of their conflict-free status must be available, i.e. the certificate must state that the proceeds generated by mining and trading these precious minerals were not used to fund or support armed groups of insurgents, whether directly or indirectly in the countries affected.
- 12.2. The supplier must create and introduce measures and frameworks for due diligence and administrative systems that comply with the OECD Due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas.
- 12.3. The supplier hereby acknowledges and accepts that, as a subsidiary of a US corporation, SIG CH must comply with the requirements under section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (referred to in short as "Dodd Frank") as well as the regulations of the US Securities and Exchange Commission (referred to in short as "SEC"), which includes a requirement to report the use of conflict precious metals in the manufacture of products.

- 12.4. The supplier hereby agrees to support SIG CH in its efforts relating to his duty of care to comply with the "Dodd Frank" provisions and SEC regulations.
- 12.5. Furthermore, the supplier must disclose to SIG CH any use of conflict minerals in the production of any components and products which are the object of this agreement. If such materials are used, then the supplier shall forward to SIG CH an appropriate description of the measures taken to ensure the safety of origin and the product chain of such conflict precious metals.
- 12.6. Supplier Code of Conduct:  
Seller acknowledges Signode's current "Supplier Code of Conduct" located at <https://signode.com/suppliers/supplier-code-of-conduct>. The terms of the Signode Supplier Code of Conduct are an integral part of all Buyer and Seller relationships for the supply of goods and/or services, and any material violation of the Signode Supplier Code of Conduct may result in termination of this Agreement. Seller shall promptly notify Buyer in writing of any breach of the Signode Code of Conduct brought to Seller's attention.

### **13. FORCE MAJEURE**

- 13.1. SIG CH is not responsible for damage resulting from delayed acceptance or non-acceptance of the goods or non-fulfilment of other contractual duties of SIG CH, in particular, obligations to cooperate due to force majeure.
- 13.2. Performance by either party hereunder will be extended for a period of time equal to reasonable time lost due to delays beyond the reasonable control of such party (events of "force majeure") including acts of God, unforeseeable acts of any governmental official or agency, civil or military, including fuel or material allocations, gas shortage, gas rationing, unavoidable accident, unlawful acts of third parties, earthquakes, floods, fires, explosion, epidemics, pandemics, vandalism or sabotage, riots, insurrections, civil unrest, wars or war conditions, shipwrecks, strikes, freight embargoes, lockouts and other industrial or transportational disturbance, lack of materials, or other causes similar to the foregoing which are beyond the reasonable control of such party and which prevent it from performing its obligations under this Agreement in whole or in part for a period of time equal to the period of delay resulting from the force majeure event. All obligations of the party whose performance is delayed as a result of force majeure shall return to being in full force and effect upon the termination of such occurrence or the cause no longer exists.
- 13.3. SIG CH shall inform the supplier immediately of the existence of circumstances within the meaning of point 13.2.

### **14. SEVERABILITY CLAUSE, PLACE OF JURISDICTION, APPLICABLE LAW, PLACE OF PERFORMANCE**

- 14.1. Should any individual provision of this agreement be or become invalid, the validity of the remaining provisions will remain unaffected thereby. The parties undertake to replace the void provision with a valid provision that will approximate as closely as possible the contractual purpose and will of the parties.
- 14.2. Unless provided otherwise in the order, the place of performance is the registered office of SIG CH.
- 14.3. Exclusive place of jurisdiction is the registered office of SIG CH. Nevertheless SIG CH is also entitled to bring legal action against the supplier at his general place of jurisdiction.
- 14.4. The laws of Switzerland to the exclusion of the Swiss Federal Act on International Private Law (Bundesgesetz über das Internationale Privatrecht - IPRG) and the UN Convention on the Sale of Goods (CISG) apply exclusively.

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