

General terms and conditions of purchase

LEMO GROUP

General terms and conditions of purchase - November 2024

1. Scope

- 1.1 These General Terms and Conditions apply to any purchase of goods and services from LEMO SA or any swiss entities belonging to the LEMO Group (hereafter: "LEMO"). All provisions amending or derogating from these terms are not valid unless approved in writing by LEMO SA.
- 1.2 The list of the Swiss entities belonging to LEMO Group are the following: Redel SA at 1450 Sainte-Croix and LEMO (5) SA at 2800 Delémont.

2. Purchase orders

- 2.1 Only written orders issued by LEMO shall be valid. Oral orders including any additions or amendments, shall be considered valid only if confirmed in writing by LEMO.
- 2.2 Sketches, drawings, notes, specifications, appendix etc. form part of any orders insofar as those are expressly referred to the related purchase order.
- 2.3 If the Supplier receives forecasts on behalf of LEMO, these shall be given for information only and are not binding.

3. Prices

- 3.1 Unless otherwise agreed, prices shall include packaging, transport, taxes, any additional costs, rebate, payments terms and all accessory expenses (DDP & Insurance conditions according to Incoterms 2020).
- 3.2 The price, taxes, fees, discounts and terms of payment are specified in the order.

4. Confirmation of Order

- 4.1 Unless otherwise agreed, each order must be confirmed by the supplier within two business days.
- 4.2 Without written confirmation from the Supplier within the aforementioned time limit, the order shall be considered accepted.
- 4.3 If the supplier confirms an order, he's presumed to accept unreservedly all the provisions of these Terms and Conditions.

5. Order Execution

- 5.1 The Supplier shall carry out himself the order in accordance with proper industry standards, under his sole control and responsibility. The supplier draws LEMO's attention to any feature susceptible to harm the good execution of the order, particularly by continually providing LEMO with all information useful for this purpose.
- 5.2 Subcontracting is prohibited without the prior written consent of LEMO. In any case, the supplier shall have unlimited liability for all parts sourced from his subcontractors.
- 5.3 The Supplier shall be responsible for all losses and all damages to the equipment, parts, machinery or documents belonging to LEMO.
- 5.4 Unless otherwise agreed, In case of an order's cancellation, the supplier must return immediately all equipment, parts, machinery or documents belonging to LEMO. Reciprocally, LEMO will return all supplier's equipment, parts, machinery or documents.
- 5.5 The supplier will communicate to LEMO all documents or information necessary to the fulfillment of the order.

6. Security & Regulation

- 6.1 The supplier shall take all necessary measures to ensure the safety of people, the protection of the environment and the safeguarding of plants, facilities and equipment at the delivery place.
- 6.2 The supplier undertakes to instruct the LEMO's personnel on the dangers associated with the delivered goods.
- 6.3 The delivered material, including the packaging, shall comply with the legal requirements and technical rules in force. In particular, the delivered goods must be free from prohibited substances and comply with all applicable regulations, such as RoHS and REACH norms.
- 6.4 Upon request, the supplier undertakes to provide a document attesting to compliance with these requirements (declaration, certificate of conformity, etc.). In addition, it will provide detailed information on the materials contained in the products supplied, as well as passing on all information concerning the disposal or recycling of the goods supplied.

7. Delivery

- 7.1 The delivery date shall be regarded as observed if the goods arrive at their destination prior to the expiration of the dates and periods agreed.
- 7.2 Each delivery will be accompanied by a slip indicating the order number, the characteristics of the goods delivered, customs code and origin as well as the number of packages and their weight. In accordance with the order, a certificate of conformity or any other necessary document will also be delivered upon delivery if requested.
- 7.3 If applicable, the Supplier shall also indicate the expiration date of the delivered goods and ensure that their useful life is at least 6 months.
- 7.4 Any delivery handled under a non-conformity procedure will be clearly identified as such on the delivery note and on the packaging.
- 7.5 The Supplier shall inform LEMO of any storage conditions specific to the goods delivered (humidity, costs, cabinet, etc.)
- 7.6 The Supplier remains liable for damage caused by improper packaging (according to order) or insufficient packaging.
- 7.7 The transfer of property rights and risks takes place in accordance with the selected Incoterms (see 3).
- 7.8 In case of partial deliveries, a confirmation date for the next delivery(s) will be proactively announced by the Supplier.

8. Late delivery - penalty

- 8.1 In the event of exceeding the delivery deadlines set in the order confirmation or in the event of incomplete delivery (e.g. missing documents), LEMO reserves the right to claim late penalties from the Supplier.
- 8.2 This penalty for delay is 0.5% of the total price of the order per day of delay, but at most 10% of the amount of the related order delayed.
- 8.3 In addition to the penalties, LEMO reserves the right to refuse the goods and cancel the order, without prejudice to claim for damages' repair.
- 8.4 Any penalties applied will be offset against the Supplier's invoice.

9. Acceptance

- 9.1 Unless otherwise stipulated, the formal acceptance take place in the facilities of LEMO.
- 9.2 LEMO reserves its rights to refuse any delivery that is not in conformity with the order and to require as well as obtain its replacement or its repair.

10. Invoices and payment terms

- 10.1 The Invoices may only be issued once the Supplier has fulfilled his delivery obligation and within the limit of the quantities ordered and delivered. The payment period runs from the date of receipt of the invoice, provided that the order is delivered and accepted.
- 10.2 The Supplier's invoice must indicate the order number and, where applicable, the customs code and origin. For partial deliveries, the position numbers corresponding to our order are to be mentioned. Otherwise, the invoice will be updated by the Supplier.
- 10.3 Unless otherwise agreed, payment on invoice is made within 30 days net.

11. Guarantee by the supplier

- 11.1 The supplier warrants that goods are free from any defects affecting their value or usability, display the agreed characteristics and conform to the agreed performance and specifications, as well as corresponding to the relevant legal provisions, standards and other regulations in the agreed country of destination, in particular with regard to applicable accident prevention regulations.
- 11.2 The warranty period is twenty four (24) months from Delivery and acceptance of the goods.
- 11.3 For any defects arising within the warranty period the supplier is obliged either to eliminate the defects or supply LEMO with a replacement free of charge, as LEMO prefer. All additional costs as a result of repair or replacement, namely, costs for assembly and transport of the defective goods and replacement deliveries, and assembly of the replacement goods, shall be borne by the supplier.
- 11.4 Should the supplier fail to resolve the defect despite several attempts, or in urgent cases, LEMO is entitled to resolve the defect itself, or to have it done by a third party, at the cost and risk of the supplier.
- 11.5 The warranty will not apply to damage caused by improper use, lack of supervision or maintenance of LEMO.

12. Quality

- 12.1 The supplier shall establish a quality system in compliance with the ISO 9001 standard, in particular for the monitoring of the manufacturing processes as well as for the measurement of the products.

- 12.2 The traceability shall be ensured between the product delivered and the batches of materials utilized, throughout the manufacturing process. Upon request, the supplier must be able to provide the records of inspection and follow-up of production.
- 12.3 Any changes to the product or to production processes (place or method of manufacturing) shall be previously notified to LEMO by the supplier 6 months before implementation. According to the importance or the encountered risks, the modification shall be subject to our prior approval.
- 12.4 LEMO reserves the right to conduct audits at the supplier's or subcontractor's facilities. As such, the supplier facilitate their conduct and provide access to the necessary facilities and documentation.

13. Intellectual property

- 13.1 Supplier shall ensure that the delivery and use of the goods do not infringe the patent, design, copyright or other intellectual property rights of third parties. In the event of an infringement, actual or alleged, Supplier shall indemnify and hold harmless LEMO from and against any and all costs and liability incurred by LEMO as a result thereof. This provision shall not apply to orders for items of LEMO's own design. Supplier agrees to indemnify LEMO and hold it harmless from and against any loss suffered and any liability incurred whenever such loss or liability is caused by breach, willful misconduct, violation of law, or negligent act or omission of Supplier, its employees, agents or subcontractors.
- 13.2 All documents provided by LEMO to the supplier or create at the supplier's cost, such as samples, drawings, models and so forth, shall remain property of LEMO or shall be LEMO's property once produced. LEMO reserve all rights to such documents. When they are no longer required, i.e. for completion of the order, they are to be returned to LEMO free of charge. They may not be made accessible to third parties.

14. Fraud

- 14.1 The Supplier shall take all necessary measures to prevent and avoid fraudulent acts, in particular by making its employees aware of the risks of internal fraud.

15. Liability

- 15.1 In terms of liability, the Supplier is liable for any damage caused by himself or by his employees or subcontractors, and by his products for which he or his employees could be made liable under the applicable law.

16. Cancellation

- 16.1 LEMO may cancel the order for convenience in whole or in part by giving Supplier a written notice. In such event LEMO shall pay to supplier the value of the delivered but unpaid goods and/or services and proven direct cost reasonably incurred by Supplier for the undelivered goods and/or services, however in no event more than the price for the goods and/or services agreed under the Contract. No further compensation will be due to Supplier.
- 16.2 LEMO may cancel the order with immediate effect in the case where
- a.) If an event of force majeure occurs that is of such a nature as to delay the performance of the order by more than thirty (30) calendar days, without further formality other than the dispatch to the other party of written letter with acknowledgement of receipt or
 - b.) the other party fails in any of its obligations under the order and shall not have remedied this defect within thirty (30) calendar days following receipt of an official notification sent by written letter with acknowledgement of receipt from the non-defaulting party.

17. Confidentiality

- 17.1 The Supplier shall keep its relations and business with LEMO confidential, without a time limit. As such, advertising and publications about services specific to the order require the written consent of LEMO. Except as authorized by LEMO in writing, the supplier may not use for commercial purposes the name, acronym or logo of LEMO, either mentioning as supplier of LEMO.
- 17.2 The Supplier personally and on behalf of the persons he is responsible for, whether those are part of their personnel or of the personnel of possible subcontractors or not, undertake not to disclose any information which he might receive or obtain in connection with the orders assigned by LEMO to any third party.
- 17.3 Failing that, LEMO reserves its rights to cancel with immediate effect all remaining open orders. The rights of LEMO for damages' repair claims are expressly reserved.

18. Force majeure

- 18.1 The supplier shall announce in writing to LEMO any event of Force Majeure having the effect of delaying the performance of its obligations.
- 18.2 Force majeure shall be deemed to include any event that is at once unforeseeable, insurmountable and external, in accordance with the definition of the Swiss court of justice and which prevents the Supplier from performing its obligations.

19. Miscellaneous

- 19.1 Unless otherwise agreed, all documents or notices in connection with the order shall be drawn in English.
- 19.2 In the event of the insolvency, bankruptcy, sequester or seizure of the supplier, or if the supplier does not pay its sub-contractor, all open receivables are immediately compensable.
- 19.3 The general conditions of the Supplier shall not apply.
- 19.4 In the event of contradiction between contractual documents, the order, the specification and these General terms and condition shall prevail over any supplier's quote or document.

20. Governing law and legal venue

- 20.1 Swiss law shall be applicable to the contractual relationships between the parties, to the exclusion of the rules on the conflict of laws (LDIP) and the Vienna Agreement on contracts for the International Sale of Goods of 11 April 1980
- 20.2 The place of jurisdiction is Ecublens, Switzerland
- 20.3 The parties shall endeavor to settle amicably any disputes arising between them concerning the validity, interpretation and/or performance of the Contract. In the absence of an amicable solution, the parties hereby submit to the jurisdiction of the ordinary courts of Lausanne.
- 20.4 The application to the Contract of the United Nations Convention on Contracts for the International Sale of Goods signed in Vienna in 1980 is expressly excluded.

