

Procurement

General terms and conditions of purchase (GTC)

These GTCs apply to all products and services ('Contractual Products'). The following GTCs apply to all orders, contracts and release orders of VERWO on an exclusive basis; any terms and conditions of sale of the supplier are excluded. The supplier accepts the contract either expressly by means of a written declaration or implicitly by completely or partially fulfilling the contract. All amendments to these GTCs must be agreed in writing. The most recent valid version is available on [verwo.com](https://www.verwo.com).

1.0 Confidentiality

- + Orders and enquiries of VERWO, including all knowledge of non-public technical and commercial matters such as technical drawings, specifications and/or business relationships must be treated as strictly confidential and may not be disclosed to third parties.
- + This includes contact with VERWO customers, which is prohibited.
- + Exceptions require the express written consent of VERWO.
- + The supplier is obliged to hold all personnel and sub-suppliers involved in the business relationship to confidentiality.

2.0 Enquiries and orders

- + Through an enquiry by VERWO, the supplier will be invited to provide a free quotation. In the quotation, the supplier must comply with the specifications and descriptions of VERWO.
- + Orders from VERWO are only binding if placed in writing. VERWO must receive order confirmations within three working days.
- + The supplier must review the contract before executing it. In the event of amendments to the VERWO order or VERWO enquiry (e.g. delivery date, price, specifications or revision status), the supplier must expressly refer to said amendments.

3.0 Place of fulfilment

The place of fulfilment for the services of the supplier is defined in the order. The risks and benefits shall transfer to VERWO upon the delivery of the contractual products to the place of fulfilment.

4.0 Delivery and packaging

Every delivery must include a delivery note containing the following information at the very least:

- + Supplier | manufacturer (name and address)
- + VERWO order number
- + VERWO article number for each article
- + Name of the article
- + Revision status
- + Quantity
- + Full delivery address
- + Origin of the goods and customs tariff number

+

The articles must be clearly identifiable with the delivery note. It is not allowed to change the delivery note with handwriting

The VERWO article number is to be printed as an EAN-128 barcode on the delivery order.

Partial or excess quantities can only be delivered in coordination with VERWO and must be documented in writing with a new order confirmation before the delivery of the Contractual Product.

The supplier is obliged to duly package and preserve the consignment in order that:

- + articles cannot be damaged during transit
- + the articles can be stored for at least two years without risk of corrosion to the consignment.

5.0 Origin of goods and customs tariff number

The supplier must indicate the origin and customs tariff number of all goods it delivers and update them on a continuous basis. VERWO can request a long-term supplier's declaration at any time to verify the origin of the goods. All expenses and additional costs incurred by VERWO as a result of the supplier's failure to comply with these regulations shall be passed on to the supplier.

6.0 Delivery date and window

The agreed delivery date on the order is the day on which the contractual products will arrive at the defined location (irrespective of the agreed delivery condition). It is **not** the day on which the consignment leaves the facility of the supplier. Deviations of between +0 and -5 working days from the delivery date are permissible.

If the original delivery date is missed, VERWO is entitled to charge a contractual penalty for that consignment and deduct it from the invoice amount without having to provide evidence of damage suffered. This does not affect the right of the customer to claim compensation.

For every full week of delay, the contractual penalty is 2% of the price of the delayed delivery but no more than 10% of the value of the full delivery as defined in the purchase order that was subject to delay.

Payment of the contractual penalty does not release the supplier from its other obligations.

7.0 Terms and conditions of payment and delivery

All prices indicated by the supplier to VERWO must be fixed prices, exclusive of VAT. Unless agreed otherwise, all goods ordered by VERWO must be delivered DDP (Incoterms 2010).

The payment period is 60 days net from receipt the goods and invoice. Invoices must be sent to accounting@verwo.com in PDF format.

VERWO is entitled to defer payment in the event of complaint regarding the goods.

8.0 Quality requirements

The supplier is responsible for the quality of the Contractual Products delivered to VERWO and/or the services rendered for VERWO. Likewise, the supplier is obliged to apply a quality management system in line with ISO 9001; this system must be certified by an accredited certification body. If the supplier has no ISO 9001 certification, it must at least provide evidence that the manufacturing and testing processes are clearly defined and applied.

The supplier shall take suitable steps to verify that the Contractual Products delivered to VERWO meet the specifications.

VERWO, together with its customers, is entitled to audit the supplier and its sub-suppliers – or engage a third party to carry out the audit – in order to verify adherence to and implementation of quality control measures. However, the supplier is generally responsible for the qualifications of its sub-suppliers.

All quality documentation ordered with the goods (e.g. FAI, measurement reports and raw material certifications EN10204 3.1) must be delivered along with the goods.

9.0 Environmental protection

The supplier undertakes to comply with the statutory provisions and relevant environmental requirements of the location in question.

10.0 Warranty

The supplier warrants that the delivered goods:

- + are in the agreed condition
- + are in fulfilment of the agreed services
- + are new
- + are state of the art
- + contain no defects that impair their value or their suitability for their intended purpose.

The goods must comply with the relevant standards, laws and environmental and accident prevention regulations. The delivery must include any and all necessary assembly, operation or maintenance instructions as well as all necessary warning notices and other information.

VERWO is not obliged to inspect incoming goods.

If these warranties are not adhered to, VERWO can choose between subsequent improvement, a replacement delivery, a price reduction or withdrawal from the contract (rescission).

Additionally, and regardless of culpability, the supplier must bear any additional costs of an expanded incoming goods inspection, sorting or testing costs, the costs of removing and installing the goods in connection with subsequent improvement and any associated transportation costs.

In urgent cases (e.g. in order to prevent disruptions to production) and after notifying the supplier, VERWO is entitled to remedy the defects itself without setting a deadline and to charge the resulting costs to the supplier.

VERWO shall report any defects in the delivered goods to the supplier in writing within 60 days of discovering them, regardless of whether they are discovered during the acceptance inspection or incoming goods inspection, or at a later date.

The warranty rights of VERWO shall lapse 36 months after the date on which the goods arrive at the place of delivery.

The warranty period in the sense of the period allowed for examination and sending notice of defects in subsequently improved or replaced goods or parts thereof is 12 months from the date of the subsequent improvement or replacement delivery. However, it shall end upon the expiry of the 36-month warranty period for the originally delivered goods at the earliest.

11.0 Applicable law and place of jurisdiction

These GTCs and all contracts to which these GTCs apply are subject to Swiss substantive law, excluding Swiss legislation on private international law. The UN Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.

The place of jurisdiction for all disputes arising from or in connection with these GTCs is Lachen, Switzerland.

12.0 Severability clause

If any provision of these GTCs should prove ineffective or unenforceable, this shall not affect the effectiveness or enforceability of the remaining provisions. These GTCs shall be executed as if the ineffective or unenforceable provision had been replaced by a provision with a similar economic effect.

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