

General Terms and Conditions of Purchase of the Emmi Group for the Procurement of Spare Parts and Consumables (GTCP-P)

(Version dated 17.10.2019)

1. Scope of application

- 1.1. These General Terms and Conditions of Purchase (GTCP-P) govern the conclusion, content and processing of contracts for the procurement of spare parts and consumables.
- 1.2. Any party (Company) that submits a tender to the Emmi Group thereby accepts these GTCP-P. Deviations shall only be valid if they are agreed in writing.

2. Tender

- 2.1. The tender shall be drawn up on the basis of the call for tenders issued by the Emmi Group.
- 2.2. The Company shall state the VAT separately in the tender.
- 2.3. The Company shall state the VAT and transport costs separately in the tender.
- 2.4. The tender, including any demonstrations, shall be submitted free of charge unless otherwise stated in the call for tenders.
- 2.5. The tender shall be binding for the period specified in the call for tenders. In the absence of such information, a period of six months from receipt of the tender shall apply.

3. Execution

- 3.1. The place of performance shall be the delivery address stipulated in the contract or order.
- 3.2. The Company shall provide the Emmi Group with regular updates on the progress of work and shall obtain all necessary specifications. It shall immediately indicate in writing all circumstances that could jeopardise contractual performance, lead to changes in later phases, increase the agreed processing effort or impair existing facilities. It shall inform the Emmi Group of any further developments that, for technical or commercial reasons, could

require a change to the scope or nature of services.

- 3.3. The Company undertakes to design all components in contact with products in accordance with current EHEDG principles so that they are easy to clean.
- 3.4. The Company undertakes to draw up a declaration of conformity for materials and auxiliary materials in which synthetic nanoparticles have been used, specifying what nanoparticles have been used.
- 3.5. The Company undertakes to draw up a declaration of conformity for the plastic components used, specifying that the plastic used is harmless to the foodstuff in question.
- 3.6. The Company shall procure the tools and equipment it needs to perform the work at its own cost. It shall have access to facilities, spare parts, consumables and IT infrastructure of the Emmi Group only to the extent that this has been expressly agreed.
- 3.7. The Company shall provide obsolescence management.

4. Changes to services

- 4.1. Both contracting parties may propose changes to the agreed services, production methods or procedures. The Company shall provide the Emmi Group with a revisable tender for this purpose within ten calendar days and shall draw its attention in writing to the implications thereof, particularly with regard to deadlines, quality, costs or other elements of the contract.
- 4.2. Changes shall not be implemented until both contracting parties have signed a written addendum to the contract.

5. Remuneration

- 5.1. The prices agreed are fixed prices (flat rates).
- 5.2. The prices shall be adjusted for inflation only if and to the extent provided for in the

contractual document. If no agreement is made, prices shall not be adjusted.

- 5.3. The agreed prices shall cover all services and costs that are required for the performance of the contract.
- 5.4. Deliveries shall be performed in accordance with INCOTERMS DAP or DDP, place of performance.
- 5.5. Remuneration shall become due after receipt of the spare parts and consumables and receipt of the invoice. The Emmi Group shall settle payments due within 10 days at a 2 % discount or net within 30 days.

6. Intellectual property rights

- 6.1. Documents and information supplied by the Emmi Group shall remain the property of the Emmi Group and shall be subject to a confidentiality obligation. The Company shall make the corresponding obligation binding on the third parties it commissions.
- 6.2. The intellectual property rights to work results produced specifically for the Emmi Group as well as to all procedures and methods developed within this context shall be transferred to the Emmi Group upon delivery. The complete software documentation (in particular the documented source code including overview, data and functional model and functional description) and the other documents must be submitted to the Emmi Group no later than upon initial delivery of the corresponding spare parts and consumables.
- 6.3. The intellectual property rights to work results not produced specifically for the Emmi Group, to standard software, to pre-existing ideas, procedures and methods, and to the applicable documentation (subject to section 6.4) shall remain with the Company. The Emmi Group shall acquire a transferable, irrevocable and non-exclusive right of use and exploitation without limitation as to time and territory in this regard, provided that this is required for the designated use, in particular the maintenance, refurbishment and replacement of components, or for the operation, retrofitting, refurbishment, repair and maintenance of facilities. The right of use also extends to replacements,

applications for testing and training purposes as well as to modification, supplementary or maintenance work and deliveries of spare parts. The Emmi Group may perform modification, supplementary or maintenance work itself or have this performed by third parties. It shall require such third parties to maintain confidentiality and prohibit them from use for any other purpose.

- 6.4. The intellectual property rights to work results that the Emmi Group and the Company have produced together shall belong jointly to the Emmi Group and the Company or the third parties it involves. The contracting parties mutually agree to waive any licensing fees and may transfer their rights to a third party or grant a third party rights of use without the consent of the other party.
- 6.5. The Company shall bear the costs and risks of settling claims from third parties against the Emmi Group or other service recipients relating to infringements of intellectual property rights. The Emmi Group shall notify the Company of any such claims without delay and shall entrust it with sole responsibility for the judicial or extrajudicial settlement of the legal dispute. The Emmi Group shall support the Company as far as possible and reasonable; the Company shall bear the costs incurred by the Emmi Group in this respect. The Company agrees to take part in infringement proceedings when first requested to do so by the Emmi Group as far as permitted by the code of procedure. The Company undertakes to assume all costs (including compensation for damages) incurred by the Emmi Group in connection with the judicial or extrajudicial settlement of the legal dispute. The Company shall, however, be entitled at its discretion either to eliminate the infringement of intellectual property rights by means of measures which do not impair the usability of the services or to acquire the necessary intellectual property rights.

7. Default and contractual penalty

- 7.1. In the event of non-compliance with the delivery deadline specified in the order or contract, the Company shall automatically be deemed to be in default.

3/6

- 7.2. If the Company is in default, it shall be liable to pay a contractual penalty if it cannot prove that it is not at fault. Unless otherwise agreed, the contractual penalty shall – following a grace period of three calendar days – amount to 1 % of the delayed delivery value per day of delay, but at least CHF 200.
- 7.3. The upper limit for contractual penalties in the event of default shall be a maximum of 10 % of the delayed delivery value per delivery. Payment of the contractual penalty shall also be due when services are released without reservation by the Emmi Group during interim inspections and when components are accepted without reservation.
- 8. Warranty**
- 8.1. The Company assures the Emmi Group that its services exhibit the agreed properties as well as those properties the Emmi Group might reasonably expect in good faith without any special agreement. The Company's liability shall lapse insofar as the Emmi Group is at fault.
- 8.2. A defect is any deviation from the subject of the contract, irrespective of the fault of the Company.
- 8.3. A serial defect exists if the same or similar defects occur repeatedly on more than 5 % of the same components with the same specifications, but on at least three (3) of the same components. If a serial defect materialises, the contracting parties shall come to an immediate arrangement to organise the recall of all components or subsystems affected by the serial defect, and shall lay down the corresponding measures in writing.
- 8.4. If a defect is not rectified within a reasonable period set by the Emmi Group, the Emmi Group may choose to:
- continue to request rectification (or replacement) free of charge;
 - decrease the remuneration in line with the reduced value delivered;
 - withdraw from the contract, provided that the identified defect does not affect the safety of the facility or does not appear to be serious in any other respect.
- 8.5. If the Emmi Group requests rectification or replacement delivery, the Company shall rectify the defect within the prescribed deadline and shall bear any costs arising therefrom. If it is only possible to rectify the defect through a new product, the right to rectification shall also include the right to a new product.
- 8.6. If the defect is not rectified on time or successfully, the Emmi Group may forego any additional grace period and demand the return of the necessary documents (namely the source code and the information and documents needed to process this) – insofar as there are no legal or contractual provisions to the contrary – and take the appropriate measures itself or have them taken by a third party at the Company's expense and risk.
- 8.7. The Emmi Group may notify defects in writing at any time during the warranty period. This also applies to defects that were objectively identifiable at an earlier time. For assemblies, the defect shall be deemed to have been notified when the failure/diagnosis report is submitted by the Emmi Group, provided that the failed assembly has been definitively identified, but no later than when the failed assembly is physically received by the Company. If the Emmi Group notifies a serial defect, the notification shall extend to all components with the same specifications, irrespective of whether the notification period has been adhered to for the individual components. Art. 200 and 201 of the Swiss Code of Obligations (CO) are excluded.
- 8.8. The warranty period for defects shall be two years from installation of the components in the facilities, but no more than three years after the goods are received by the Emmi Group in accordance with the contract. For serial defects, the warranty period shall commence from the date of receipt of the first delivery in accordance with the contract and shall be valid for up to two years from the date of receipt of the respective delivery in accordance with the contract. Once the examined defects have been rectified, the warranty periods for the repaired components shall start anew and shall

extend up to a maximum of five years after the initial receipt of the goods in accordance with the contract. The periods shall be set when the defects are notified in writing. Art. 210 CO is excluded.

9. Liability

- 9.1. The Company shall be liable for all damages it causes to the other contracting party unless it can prove that it is not at fault.
- 9.2. The Company shall be liable for the conduct of its associates and involved third parties (e.g. suppliers, subcontractors, substitutes) as for its own.

10. Insurance

- 10.1. The Company guarantees that it has and will continue to have appropriate professional or business liability insurance for personal injury, property damage and resulting financial losses for the duration of the contract.
- 10.2. The sum insured is at least CHF 10 million per event.

11. Provisions under labour law

- 11.1. The Company undertakes to comply with the conventions of the International Labour Organisation (ILO) and shall not employ any workers under 15 years of age. Countries covered by ILO Convention 138 as developing countries and permitted to employ workers of at least 14 years of age are excluded from this regulation.
- 11.2. The Company shall contractually impose the obligations of this section on any third parties enlisted by it to perform the contract.
- 11.3. The Emmi Group shall notify the Company of any breaches of these obligations and may demand corrective action. If the Company fails to take such corrective action or if such corrective action is not possible, the Emmi Group shall either suspend or terminate the contract at its discretion.

12. Integrity

- 12.1. The contracting parties shall take appropriate measures to ensure compliance with the law and regulations. They undertake in particular to comply with the principles and rules outlined in the Emmi Group Code of Conduct. Insofar as these principles and rules are substantially equivalent to those stipulated in the Company's code of conduct, compliance with the latter shall suffice.
- 12.2. The contracting parties undertake to take all necessary measures to prevent corruption so that no improper benefits or other advantages are offered or accepted.
- 12.3. The Emmi Group shall notify the Company of any breaches of these obligations and may demand corrective action. If the Company fails to take such corrective action or if such corrective action is not possible, the Emmi Group shall either suspend or terminate the contract at its discretion.
- 12.4. The Company shall contractually impose the obligations of this section on any third parties enlisted by it to perform the contract.

13. VAT / Customs

- 13.1. The Company undertakes to comply with Swiss VAT legislation.
- 13.2. The Emmi Group may demand corrective action if this obligation is breached. If the Company fails to take such corrective action or if such corrective action is not possible, the Company shall bear all resulting costs (e.g. taxes, customs duties).

14. Audit

- 14.1. The Emmi Group is entitled to audit the Company's compliance with the obligations under the section "Integrity" as well as with other key obligations, either itself or through an independent audit firm it appoints. The Emmi Group may not request such an audit more than once per calendar year without good reason. The Emmi Group shall notify the Company in writing that an audit is being conducted, unless the Emmi Group perceives an imminent danger.

- 14.2. The Company may request that the audit be conducted by an independent third party. The Company shall bear the costs of the audit in this case as well if it is determined during the audit that the Company has breached the obligations under the section "Integrity" or other key obligations towards the Emmi Group.
- 14.3. If the audit is not conducted by the Emmi Group itself, the audit report shall merely inform the Emmi Group whether the Company is fulfilling its contractual obligations, unless a breach has been committed. In this case, the Emmi Group shall have a comprehensive right to inspect the information relevant to the breach.
- 14.4. The Company shall contractually impose the obligations of this section on any third parties enlisted by it to perform the contract.

15. Confidentiality

- 15.1. The contracting parties shall treat as confidential all information and data arising out of the contractual relationship which are neither common knowledge nor accessible to the general public, even if these are not marked as confidential. In case of doubt, all information and data should be treated as confidential. This shall remain subject to any legal obligations to inform.
- 15.2. The obligation to maintain confidentiality shall apply even prior to conclusion of the contract and shall continue to apply after termination of the contractual relationship.
- 15.3. The obligation to maintain confidentiality shall apply to third parties. There shall be no breach of confidentiality if confidential information is forwarded within the Company or to involved third parties. This applies for the Company insofar as the information needs to be forwarded to perform the contract.
- 15.4. If one party breaches the obligation to maintain confidentiality, it shall be liable to pay the other party a contractual penalty if it cannot prove that it is not at fault. This shall be 10 % of the contract amount per case, but at least CHF 3,000 and no more than CHF 100,000. Payment of the contractual penalty shall not release the parties from their obligation to maintain

confidentiality; the contractual penalty shall, however, be charged against the compensation for damages that is due.

- 15.5. In the case of master agreements, the remuneration paid for the annual requirement in the previous year shall serve as a basis for calculating the contractual penalty. In the first year of the contract or in years where no remuneration was paid in the previous year, the remuneration for the planned annual requirement shall apply.

16. Ban on assignments and pledges

Claims accruing to the Company may neither be assigned nor pledged without the written consent of the Emmi Group.

17. No waiver

If a party holds off on or defers its right to assert a claim or does not exercise its rights or does so only in part, this shall not constitute a waiver of these or future claims. A waiver shall require a written declaration by the waiving party in order to be valid.

18. Written form

The conclusion of or amendments and additions to the contract and the components thereof shall require the written form and signature by both contracting parties in order to be valid.

19. Applicable law

This contract is subject exclusively to Swiss law, to the exclusion of provisions regarding conflicts of law. The provisions of the Vienna Sales Convention (United Nations Convention on Contracts for the International Sale of Goods (CISG), concluded in Vienna on 11.04.1980) are expressly excluded.

20. Jurisdiction

6/6

The courts in Lucerne shall have exclusive jurisdiction in disputes arising out of or in connection with the contract.