

# General Terms and Conditions of Purchase (“GTP”)

## 1. General information

- a) These GTP govern the purchase of Contract Products and the provision of Services by Suppliers to Hilti. The Contract Products to be delivered as well as the Services to be provided shall be specified in the respective Order supplementing the present GTP, with the provisions of the Order prevailing in case of any contradictions. If a separate written agreement was concluded between the Parties for the same subject matter, the present GTP shall only apply by way of supplement and shall be referred to as subordinate provisions in case of any contradictions.
- b) In these GTP the following words and expressions shall have the following meaning:
- “Contract Products” means all goods, products, spare parts and other deliverables specified or indicated by Hilti in the Orders;
  - “Hilti” means Hilti Corporation, Feldkircherstrasse 100, FL-9494 Schaan, or the Hilti Subsidiary placing the respective Order with Supplier;
  - “Hilti Subsidiaries” means all companies in which Hilti Corporation is directly or indirectly involved as a majority or minority shareholder;
  - “Order” means the purchase order or call-off of Contract Products or Services, in connection with these GTP in each case, without any explicit reference to the present GTP being required in the Order. Each Hilti company places Orders at Supplier on its own behalf and for its own account;
  - “Parties” means Hilti and Supplier, “Party” means any of them;
  - “Services” means all services provided by Supplier to Hilti that are specified or indicated in the Orders by Hilti and/or are reasonably associated with the same; unless there is any explicit written agreement to the contrary, these shall be services under a contract for work and services (Werkvertrag), with the result constituting a “work” in each case, as well as other services to be provided by Supplier;
  - “Supplier” means the respective provider/seller of the Contract Products and/or Services ordered in each case.
- c) Supplier’s General Terms and Conditions or General Contractual Terms are expressly and entirely excluded, (1) even if Supplier makes reference to them in its order confirmations, delivery notes or similar documents and Hilti does not expressly object to them or (2) even if and insofar as they only supplement these GTP. The fact that Hilti accepts any deliveries and/or Services shall not be deemed as agreement with any of Supplier’s deviating terms.

## 2. Orders, contract conclusion, amendments

- a) An Order shall be deemed to have been accepted by Supplier if Hilti has not received a written rejection of the Order by 5 p.m. on the second working day following the date of receipt of the Order by Supplier, but in no event later than Supplier’s delivery of the Contract Products and/or provision of Services

ordered. By accepting an Order placed by Hilti, Supplier undertakes to comply with all the terms and conditions contained in the Order, including these GTP.

- b) Hilti may amend Orders at any time by notice to Supplier, with Supplier being bound by the corresponding amendments, unless the amendments notified by Hilti result in higher or lower costs and/or in a longer or shorter delivery period and Supplier submits to Hilti a revised quotation within three (3) working days of receipt of the amendment notice. In that case, Supplier shall only be entitled to carry out the amendments notified if it receives a corresponding Order within five (5) working days. If this is not the case, Supplier shall carry out the original Order without any changes.

## 3. Service, delivery and transport terms and conditions

- a) Unless otherwise stated in the Order, the Contract Products shall be delivered at FCA place of departure or departure airport for air freight (Free Carrier – Incoterms 2010). The passing of risk to Hilti shall be in accordance with the agreed Incoterm.
- b) Upon delivery of Contract Products, the consignment shall be accompanied by a delivery note stating the relevant order number, the order date, the material number, the quantity and the ordering party.
- c) Unless stated otherwise in the Order, the seat of the respective ordering Hilti company shall be deemed the place of performance for the Services.
- d) Hilti shall be entitled to reject any Contract Products or Services prematurely provided or delivered by Supplier to Hilti or, in case of Contract Products, to return them to Supplier at the latter’s expense. If Contract Products that are delivered prematurely are not returned, Hilti shall store them at Supplier’s expense and risk until the agreed delivery date. The payment periods specified in clause 8.b) of these GTP shall only begin after the agreed delivery date or date of performance.
- e) In the event of additional deliveries beyond what is customary, Hilti also reserves the right to return any excess Contract Products at Supplier’s expense.

## 4. Delivery and performance dates, delay

- a) The applicable delivery date or date of performance is the date specified in the Order. In case of Contract Products, this shall be the date from which Supplier is obliged to make the Contract Products available at the agreed place of performance according to the Incoterm agreed. The dates – delivery, notification and/or provision dates – as indicated in the Orders shall be binding on Supplier.
- b) If performance, delivery or production difficulties arise, Supplier shall inform Hilti immediately in writing and take all necessary measures to avoid a delay in performance or delivery.
- c) If Supplier fails to observe performance or delivery dates, it shall be in default without further notice, without any reminder or the granting of a grace period being required in this respect; in that case, Hilti shall be entitled to declare rescission of the contract.

- d) If Supplier is in default of performance or delivery, Hilti shall be entitled to claim a contractual penalty in the amount of 0.2 % (zero point two percent) for every commenced calendar day of the delay, up to a maximum of 5 % (five percent) of the gross invoice amount or the gross order total for the outstanding delivery or Service not yet rendered in each case.
- e) Assertion and/or payment of a contractual penalty shall not preclude the assertion of further claims. The contractual penalty shall be offset against any claim for damages on the part of Hilti.
- f) The unconditional acceptance of a delayed performance or delivery by Hilti shall not be construed as a waiver of any claims under any title whatsoever.

### **5. Other performance obligations for Supplier, quality of the Contract Products and Services**

- a) Supplier undertakes to manufacture, deliver and provide the Contract Products and Services referred to in the Orders on time, in the correct quantity and with the appropriate quality.
- b) Supplier guarantees that (1) the Contract Products and Services have the characteristics and features defined in the Order, in the Hilti specifications or in other documents produced by Hilti, (2) it complies with the (manufacturing) process defined in the Hilti specifications or in other documents produced by Hilti, (3) the Contract Products and the Services to be provided satisfy legal requirements and generally accepted rules in terms of their manufacture, provision, quality, condition and usability, (4) Supplier observes all statutory safety regulations in full, (5) the Contract Products and Services are suitable for all types of use that can be reasonably expected, and (6) all written and verbal statements made and information provided by Supplier to Hilti during the initiation of the business relationship, in relation to its company, the Contract Products and the manufacturing process, as well as to the Services to be provided, are accurate.
- c) Supplier shall be under an obligation to Hilti to implement and maintain quality assurance and environmental management measures and checks that are appropriate and sufficient for compliance with the quality and environmental standards agreed between Hilti and Supplier for the Contract Products and Services. Supplier shall also comply with separate stipulations applicable at the respective Hilti site, in particular in view of health, safety and environment. Contract Products and Services suffering from a material or manufacturing defect or some other quality defect must not be dispatched without Hilti's prior written consent and shall be segregated by Supplier.
- d) The assignment of any Order or of the manufacture of Contract Products or of the provision of Services – in full or in part – to a third party (subcontractor) may only take place (1) with the prior written consent of Hilti and (2) under the provision that Supplier concludes a contractual agreement with such third party that does not fall short of the obligations assumed by Supplier towards Hilti under the Order and the present GTP. Even in case of the authorised assignment of third parties, Supplier alone shall remain fully accountable to Hilti

for proper fulfilment of the Orders and Supplier shall be liable for acts and omissions by third parties, subcontractors and auxiliaries.

- e) Supplier shall grant Hilti or third parties designated by Hilti (such as regulatory authorities) free access to all necessary departments, premises and facilities (especially for production, provision, storage and testing of the Contract Products and Services) and inspection of all relevant documents during normal business hours.

### **6. Procurement and provision of materials**

- a) Supplier itself is responsible for the procurement of raw materials or other materials that are needed for proper execution of Hilti's Orders.
- b) No material (substances, parts, tools, machinery, etc.) shall be provided by Hilti; any deviating provisions may be agreed by the Parties by way of separate written agreements exclusively, after taking account of the legal and fiscal situation in individual instances.

### **7. Demand forecast, performance and delivery capacity**

- a) For production planning purposes and to ensure performance and delivery reliability, Hilti reserves the right to provide Supplier with a demand forecast. Demand forecasts from Hilti shall not be binding on Hilti. They are subject to ongoing changes by Hilti and are merely intended to enable Supplier to be predictive in procuring materials and planning performance and delivery capacity.
- b) The non-binding demand forecast may be made on a rolling basis, usually for the next 12 to 18 months, and may be updated monthly. It may be sent to Supplier electronically. Supplier is obliged to check the demand forecast. Supplier shall be deemed to have accepted the non-binding demand forecast upon Supplier's receipt thereof unless Supplier contradicts this without delay for a good reason for which it is not responsible.
- c) If a demand forecast from Hilti exceeds Supplier's performance or delivery capacity, Supplier shall notify Hilti accordingly without delay. In that case, Supplier shall immediately provide Hilti with a binding written statement concerning its further performance or delivery capability.

### **8. Prices, payment terms, invoicing**

- a) Unless explicitly indicated otherwise in any Order, the prices agreed for Contract Products and Services shall be deemed flat-rate fixed prices. In the case of Contract Products, the agreed prices shall comprise in particular also the cost of product packaging and any transport packaging additionally required, but no applicable value-added taxes. Supplier shall indicate any VAT separately on the invoice.
- b) Unless otherwise agreed, payment shall be made by Hilti either within 15 (fifteen) days with a 2 % (two percent) discount or within 60 (sixty) days without a discount. This period shall run from the date on which the invoice is received, though not prior to receipt of the complete delivery or Service provision

and, if the scope of performance includes documentation and test certificates, not before these are handed over to Hilti in accordance with the contract.

- c) Hilti shall not be in default of payment until it has received a written reminder from Supplier.
- d) Invoices from Supplier shall be sent to the invoice address indicated in the respective Order.

### 9. Liability, product liability

- a) Unless otherwise stipulated in these GTP, Supplier's liability shall be governed by statutory law.
- b) In the event that claims are brought against Hilti for (1) strict liability under mandatory law, for instance absolute liability, or (2) infringement of official safety requirements as well as national or international product safety or product liability laws and regulations due to such defects in Hilti's products that can be attributed to the delivery of defective Contract Products or the defective provision of Services, Supplier shall be obliged to indemnify Hilti against such claims if and insofar as the damage or loss caused has its origin in Supplier's sphere of responsibility or organisation; this indemnification obligation shall be met at first request, but not before Hilti has given Supplier the opportunity to comment within two weeks of receiving notice from Hilti. In addition, Supplier is obliged to reimburse Hilti for all costs that arise in connection with corresponding recalls and/or other measures that are either necessary or appropriate to prevent personal injury and/or property damage; Hilti shall inform Supplier of the nature and scope of the recalls and other measures and shall give the opportunity to comment.

### 10. Warranty

- a) Unless otherwise stipulated in these GTP, the rights and obligations of the Parties in respect of defects of quality or title inherent in the Contract Products or Services shall be governed by statutory law.
- b) Within the scope of its incoming inspection and/or in the course of acceptance of performance, Hilti performs random checks of the Contract Products and/or the Services provided only for identity, delivery quantity and obvious transport damage. Hilti is not under any obligation to Supplier to conduct any further incoming, quality or other inspections. In this respect, Hilti is exempt from any existing statutory obligation to Supplier in relation to examination and notification. In addition, the incoming inspection and/or performance acceptance conducted by Hilti shall not release Supplier from its obligation and sole responsibility for safeguarding the quality of the Contract Products and Services according to clause 5.c) of these GTP.
- c) Hilti shall report any identity defects, deviating quantities or manifest transport damage found during the incoming inspection or performance acceptance within a reasonable period. Hilti is entitled to report all other defects to Supplier within the warranty period. In this respect, Supplier waives the right to raise objection of delayed notice of defects.

- d) Hilti shall report any defects found within the framework of test reports, which shall be made available to Supplier, in the form of complaints or in any other suitable form. Supplier shall immediately check and respond to any notices of defects that it receives. If, within 5 (five) working days of receiving a notice of defects, Supplier does not object to its content in writing, the content of the notice of defects shall be deemed to have been accepted by Supplier.
- e) If the Contract Products or Services fail to meet the requirements of the Order, in particular by showing any material or manufacturing defects, Hilti may, at its discretion, proceed as follows and Supplier shall be obliged as follows, at Hilti's discretion: (1) Hilti may (1a) reject any defective Contract Products and/or Services, return them to Supplier at the latter's expense and demand a replacement delivery and/or renewed provision of the Services or (1b) rescind the Order; or (2) Hilti may call on Supplier to inspect the defective Contract Products and/or Services and (2a) to repair and/or mend them, or (2b) to remove them and replace them with defect-free new or repaired Contract Products and/or Services. If Hilti opts for (1a), (2a) or (2b) and Supplier fails to inspect, repair and/or mend or remove and replace the Contract Products and/or Services immediately upon request, or if such mending by Supplier is impossible or economically unreasonable, Hilti may scrap such defective Contract Products itself or have them scrapped, repair or replace them and have them repaired or replaced. In any case, Hilti may claim damages from Supplier. Other remedies remain reserved.
- f) The costs and losses to be reimbursed by Supplier in the event of defects of quality or title shall particularly, but not exclusively, include costs in connection with personal injury, remedial costs and any internal expenses incurred by Hilti that are necessary in this respect, most notably replacement, removal and installation costs, transportation costs, as well as any attorney's fees and legal costs.
- g) Unless otherwise stipulated below, Supplier's liability for defects of quality shall expire at the end of 36 (thirty-six) months after delivery to Hilti and/or after acceptance of the Services provided. If the Contract Products are firmly attached to a building structure or relate to an item that is used, in accordance with its common use, for a building structure and causes this to be defective, the warranty period shall be 5 (five) years from acceptance by the end customer. What is decisive about this 5(five)-year period, accordingly, is the purpose and not whether the Contract Products and/or Services used for the building structure become essential parts of the property or building structure.

### 11. Hilti Code of Conduct for Suppliers

- a) Supplier undertakes to comply with the Hilti Code of Conduct for Suppliers. The Hilti Code of Conduct for Suppliers is published at [www.hilti.com](http://www.hilti.com). Supplier may request a written copy from Hilti at any time.
- b) Supplier undertakes to ensure, through suitable measures, that Supplier's employees are familiar with and observe the

minimum requirements of the Hilti Code of Conduct for Suppliers (e.g. through internal compliance programmes at Supplier).

- c) Supplier undertakes to communicate the Hilti Code of Conduct for Suppliers to its own suppliers, subcontractors and service providers in an effective manner when placing orders that are relevant to Hilti and to demand that these third parties comply with it accordingly. In the event of a rejection or non-compliance by these third parties, Supplier shall inform Hilti in writing without delay.
- d) In the case of gross violations of the Hilti Code of Conduct for Suppliers, Hilti shall be entitled to cancel the respective Order, with immediate effect and without notice.

## 12. Termination of the contract

- a) Until delivery of the Contract Products and/or provision of the Services is fully completed, Hilti may cancel the respective Order at any time. If Hilti terminates the contract, Supplier shall be entitled to claim the agreed purchase price in case of Contract Products or the corresponding compensation (pro rata temporis) in case of Services; in any case, Supplier shall permit that amount of money to be offset against its claims – that it saves on account of termination of the Order. It is presumed that Supplier is entitled to 5 % (five percent) of the portion of the purchase price or fee attributable to those Contract Products that have not been delivered yet or to those Services that have not been provided yet. Moreover, any claims by Supplier in connection with any early termination, in particular claims for performance, lost profit or damages, are excluded unless explicitly stated otherwise in these GTP.
- b) Hilti may cancel an Order not fully completed yet with immediate effect and without notice, without Supplier being entitled to a corresponding payment of the purchase price or service fee under clause 12.a) of these GTP, in particular if (1) Supplier is late with a delivery or Service performance, (2) Supplier goes bankrupt or into liquidation or initiates corresponding judicial or extrajudicial settlement negotiations with its creditors, or (3) in case of clause 11.d) of these GTP.

## 13. Assignment

No Party shall transfer or assign its rights and obligations under the Orders to third parties without the prior written consent of the other Party. Hilti is entitled to transfer or assign its rights and obligations under the Orders, or parts thereof, to a Hilti Subsidiary, and vice versa.

## 14. Exclusivity

Unless explicitly stated otherwise in the Order, Supplier undertakes to manufacture and/or provide Contract Products and/or Services manufactured or provided according to Hilti specifications for Hilti exclusively and to only deliver them to Hilti.

## 15. Industrial property rights and copyrights

- a) Unless absolutely necessary for the manufacture of the Contract Products or the provision of the Services, Supplier is

not entitled, without Hilti's prior written consent, to use Hilti's trademarks, designs, product designations, registered designs and utility models. Any reference to Supplier's collaboration with Hilti shall require Hilti's prior written consent.

- b) Unless explicitly stated otherwise in the Order, Supplier hereby assigns, exclusively and without restrictions (as to time, place, content), to Hilti Corporation all intellectual property rights (trademark, design, design patent, patent rights, etc.) pertaining to the "results" of any Service (e.g. knowledge, designs, know-how, programs, techniques etc.) to the extent these are created in the course of providing any Services and regardless of whether they are eligible for protection or not. Hilti Corporation hereby accepts said assignment. The assignment of the results shall be compensated by the first-time order of any Service and the corresponding payment. Based on the results, Hilti Corporation is entitled, in particular, to register, pursue and also abandon industrial property rights each on a national and/or international level at any time. Upon Hilti's request, Supplier shall immediately assign to Hilti free of charge any inventions eligible for protection that are made by its employees during execution of an Order, with Supplier being obliged to ensure the respective power of disposition at its own expense. If copyrights are created for the results, Supplier hereby grants Hilti the sole copyright exploitation rights for the results free of charge and unrestricted in terms of time, place and content for all types of use with or without reference to the author. This shall also apply, in particular, to proprietary computer programs (in object and source code). Hilti shall be entitled, in particular, to reproduce all results, save them on image, audio and data media, process them, edit them, alter them or translate them and to use and distribute them in a different or in the original form without Supplier's consent.
- c) To the extent any results have emerged before commencement of an Order or during execution of the Services under an Order, but separate therefrom, said results shall be designated as "Non-contractual Results". Any Party's title to its Non-contractual Results shall not be affected either by these GTP or by any Order. However, Supplier hereby grants to Hilti an irrevocable, simple, personal right of use unrestricted in terms of time, place and content with respect to Non-contractual Results as well as any patents and rights of use to be registered, to the extent that the use thereof is appropriate and required for the contractual use of the Contract Products and/or Services.
- d) Supplier shall be liable for the freedom of the results from third-party proprietary rights and rights of use, and undertakes to indemnify Hilti against third-party claims due to a breach of proprietary rights and rights of use occurring in the course of their contractual use. Furthermore, in such instances, Supplier shall acquire the right for Hilti to continue using the results at the former's expense or to modify the results in such a way that the breach of proprietary rights or rights of use no longer exists. The previous provision also applies to Non-contractual Results provided they are used by Hilti in accordance with clause 15.c) of these GTP.

## 16. Confidentiality

- a) Any business and trade secrets that either Party acquires about the other Party as a result of the collaboration, particularly including the specifications and technical documents that Hilti makes available to Supplier, must be kept confidential and not passed on to third parties without permission in writing. The Parties undertake to maintain the confidentiality of all commercial or technical information that is not in the public domain and which is known to them as a consequence of the business relationship, not to make it accessible to third parties and not to use it for their own commercial purposes.
- b) This obligation does not apply to knowledge or documents that are in the public domain or already known by the receiving Party at the time of receipt without having been under any confidentiality obligation or which are developed by the receiving Party without utilising confidential documents or knowledge. This obligation also does not apply if the receiving Party is required to disclose such information by an administrative or judicial order.
- c) Hilti Corporation and Hilti Subsidiaries shall not be third parties for the purposes of this clause 16 if they embrace the obligations contained herein.

## 17. Security declaration

- a) Hilti Corporation is an Authorised Economic Operator (hereinafter referred to as "AEO").
- b) If Supplier is not an AEO itself or has not made a corresponding application for certification, Supplier shall guarantee that (1) Contract Products that are produced, stored, forwarded or carried by Order of Hilti, which are delivered to Hilti or which are taken for delivery from Hilti are produced, stored, prepared and loaded in secure business premises and secure loading and shipping areas, and are protected against unauthorized interference during production, storage, preparation, loading and transport, that (2) reliable staff is employed for the production, storage, preparation, loading and transport of the goods, and (3) business partners who act on behalf of Supplier are informed that they also need to ensure the supply chain security mentioned above.

## 18. Other provisions

- a) The present GTP replace all previous GTP of Hilti that govern the same subject matter and apply as amended in each case.
- b) Transmission by fax or email (or other equivalent forms of electronic exchange, provided the Parties have previously agreed on such form by fax or e-mail) shall be considered compliant with the written form.
- c) The Parties agree that documents in electronic form shall be equivalent to hardcopy documents and that they will not challenge their authenticity or correctness for the sole reason that the documents are submitted in electronic form and not in hardcopy form.

## 19. Severability clause

- a) Should any provision of the Order or of these GTP be wholly

or partly void, ineffective or unenforceable for other reasons, the effectiveness or enforceability of the remaining provisions shall remain unaffected thereby. The Parties undertake to agree on a replacement for the (partially) in-effective provision concerned that comes as close as possible to its sense and guarantees a corresponding commercial result.

## 20. Applicable law, jurisdiction

- a) Swiss law shall be exclusively applicable to the present GTP as well as to Orders, to the exclusion of the conflict of law rules under Swiss private international law. Application of the UN Convention on Contracts for the International Sale of Goods shall be excluded.
- b) Any disputes arising from or in connection with an Order shall be heard exclusively by the courts in Zurich, Switzerland. Hilti is entitled to also assert its rights in courts at Supplier's domicile or before any other competent court.

Hilti Corporation