

General Terms and Conditions

1. Scope of Application and Applicable Law

The present General Terms and Conditions (GTC) apply to all orders and services implemented by Atela SA. in accordance with the customer's instructions.

Any general terms and conditions of the customer shall apply only insofar as Atela S.A. has expressly accepted them in writing. The following standards shall be binding on the legal relationship between Atela SA and the customer, in the order of priority indicated below:

- special written agreements;
- the present General Terms and Conditions;
- for consultancy work, Art. 394 *et seq.* Swiss Code of Obligations (SCO);
- for contracts for work and services, Art. 363 *et seq.* SCO.

2. Documents and Materials of the Customer

Drawings, quality specifications, measurement points, materials and work specifications, standards, etc. shall be provided to Atela SA by the customer and shall be regarded as instructions.

In the absence of detailed documents, Atela SA shall be required to provide a standard of workmanship and quality consistent with the industry standard. For the final dimensions required by the customer, Atela SA must be supplied with workpieces whose gross sizes have been verified. The necessary gauges must be provided by the customer to enable tolerance finishing.

Shafts, axles and similar parts must be supplied in concentricity condition. Atela SA will carry out a general inspection of the material provided by the customer. Material deviations from the specified weight and quantity, as well as apparent defects, will be reported to the customer. The customer must then decide on the subsequent course of action within a reasonable time.

3. Offers, Conclusion of Contract

Price lists and price information communicated orally do not constitute offers but rather shall be considered as non-binding reference prices.

Offers by Atela SA that are not limited in time shall remain binding for 90 days.

Contracts shall be deemed concluded if:

- Atela SA. has confirmed an order in writing;
- if the customer has accepted Atela S.A. offer in writing subject to the clause specified in Art. 7, § 1;
- or upon acceptance of the delivered goods, unless the order is rejected within a reasonable time after the inspection of the goods.

4. Execution

Atela SA undertakes to execute orders with due care and in accordance with the state of the art science and technology. If defects in material are identified, Atela SA will report them to the customer. The customer must then issue the necessary instructions for purposes of continuing the work. Insofar as the customer is at fault for the defects in material, Atela SA may charge the customer for any additional costs arising from the customer's new instructions.

5. Delivery Periods

Delivery periods are only binding if they have been confirmed in writing by Atela SA. Agreed delivery periods shall not begin to run until all instructions necessary for executing the work have been issued and all necessary deliveries of materials have been made. Thereafter, if instructions or materials are missing, the agreed delivery periods will be suspended. Furthermore, the delivery periods shall be suspended in the event of defective deliveries by third parties, material interruptions of operations and accidents. In this case, the customer has no right to compensation of any loss. If the non-compliance with the delivery periods is attributable to *force majeure*, the periods shall be extended proportionately. Work already performed must be paid for in each case.

6. Inspection, Acceptance, Right of Remedy

After delivery of the workpieces, the customer must inspect the work and inform immediately Atela SA. of any and all defects in writing within maximum seven (7) calendar days. Otherwise, the work shall be deemed approved as free from defects.

The ordering party must notify Atela SA of any and all latent defects in writing within the same time of seven (7) days he identifies the defects. Once the deadlines for reporting defects have lapsed, any rights as to defects are forfeited.

If a work proves to be defective at the time of acceptance, the customer must give Atela SA the opportunity to remedy the defects for which Atela SA is responsible within a reasonable time and at Atela SA expense. If the customer fails to request remedy of the defects within a reasonable time, the customer forfeits its rights as to defects. *de leur découverte. À défaut d'avis dans le délai précité, le client est déchu de tous les droits de garantie pour les défauts.*

Si un ouvrage s'avère défectueux au moment de sa réception par le client, celui-ci doit laisser à Atela SA l'occasion d'éliminer à ses frais, dans un délai convenable, les défauts dont il répond. Si le client omet

7. Prices, Packaging, Transport and Insurance

Atela SA reserves the right to adjust its prices if the production costs change between the date of the offer and the date of delivery in accordance with the contract.

Prices shall be net, without discounts or other reductions, ex works. Taxes, fees, customs duties or other ancillary costs shall be borne additionally by the customer.

A minimum execution price will be charged by Atela SA, regardless of the extent of the customer's order, so as to cover the incompressible administrative and labor costs. For a Kanigen treatment, the minimum price is CHF 180.- ; it is CHF 220.- for particle treatments as well as CHF 250.- for BlackNiP treatments.

For the production of DIANIP Friction Shims a minimum execution price of CHF 1'000.- will be requested per type of part or diamond grade.

Packaging and containers shall be charged additionally by Atela S.A., insofar as the Customer's packaging used for the initial delivery cannot be used for the return delivery of the processed goods.

Transport shall be at the expense and risk of the customer. Any and all insurance coverage is the responsibility of the customer.

8. Payment Terms/Consequences of Default

Invoicing shall occur upon delivery of partial or full orders or upon notification that the goods are ready for collection. Atela SA shall be entitled to surrender the refined goods only upon receipt of payment in cash.

Unless otherwise agreed in the contract, payments are due within 30 days of receipt of the invoice. In the event of default in payment, default interest of 5% shall be due beginning on the 31st day, no special reminder being necessary. As of the second reminder, all dunning and collection costs of at least CHF 50.00 shall be charged to the customer.

9. Warranty/Liability

Atela SA shall warrant that the work he provides is of a quality which complies with the industry standards. Atela SA makes no further warranty, particularly as regards the fitness of the workpieces for particular purposes.

For the refinement of small components, a scrap rate of up to 5% is expected.

Any further processing of the workpieces by the customer, after being treated by Atela SA, shall preclude the customer from subsequently asserting rights as to defects.

Atela S.A. liability under a contract for work and services for damage to the product itself and any further damages

shall be limited. In case of a loss or damage event, this liability shall be limited to the duty to remedy defects and to compensate for direct financial losses.

The extent of the liability of Atela SA liability for damages is limited to no more than the amount of the refinement price for the damaged workpieces.

The total amount of the liability is limited to a maximum of 5 times the value charged by Atela SA for the treatment of the workpiece.

Any extension of this liability concerning pieces with a value superior of 3 times the value of the treatment is excluded unless the value of the workpiece have been communicated to Atela SA upstream work and only insofar Atela SA has expressly accepted this extension in writing.

Atela SA shall not be liable for any indirect losses, such as lost profits, loss of output, loss of customers, etc.

11. Severability Clause

If one or more provisions of these Standard Terms and Conditions or parts of the contract concluded with the customer are or shall become invalid or unenforceable in whole or in part, this shall not affect the validity of the remaining provisions. The parties shall replace the invalid provision with a provision whose economic purpose is as consistent as possible with that of the invalid provision.

12. Place of Performance, Jurisdiction and Applicable Law

For their legal relationship, the parties have selected the location of Atela SA registered office as, the place of performance and jurisdiction, Neuchâtel Switzerland.

Atela SA has the right to assert its claims in the courts of the debtor's domicile.

The laws of Switzerland shall apply, excluding the conflict of law provisions of international private law and the provisions of the UN Convention on Contracts for the International Sale of Goods (CISG).

12. Interpretation

In the event of any discrepancy between the various versions of these general terms and conditions, only the French version shall prevail.

En cas de divergence entre les diverses versions des présentes conditions commerciales générales, seule la version française fait foi.

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