

Effective date: 1<sup>st</sup> of November 2022

## GENERAL TERMS AND CONDITIONS OF PURCHASE OF SONOVA AG

### 1. General

All orders from Sonova for goods and/or services shall be governed by the present General Terms and Conditions of Purchase of Sonova AG ("**GTC**"). Supplier's order acceptance implies full and unreserved compliance by supplier with these GTC. No other terms, including any different or additional terms of supplier, including those contained in supplier's order confirmation or invoice shall apply, unless Sonova expressly agrees to such terms in writing. Such conflicting or additional terms will not apply even if Sonova performs its obligations in the knowledge of such conflicting or additional terms without expressly rejecting them.

Where the context so requires a reference to "**Sonova**" shall mean Sonova AG, Laubisrütistrasse 28, 8712 Stäfa, Switzerland and include its Affiliates as defined below. All rights available to Sonova under these GTC shall be available to the Affiliates as well if and to the extent these Affiliates purchase, process or distribute goods and/or services supplied under these GTC or are subject to a claim in relation to goods and/or services supplied under these GTC.

"**Affiliate**" means the parent company of Sonova AG, Sonova Holding AG, and any legal entity of which at least 50% of the voting shares or similar voting rights now or hereafter are owned or controlled, directly or indirectly by Sonova Holding AG, or in which Sonova Holding AG otherwise has the ability to direct the management, but any such legal entity shall be considered to be an affiliated company only for so long as such control exists.

"**Contract**" means the contract between Sonova and supplier for the sale and purchase of goods and/or services in accordance with these GTC. The contract is concluded upon order acceptance, in accordance with Clause 4 below.

### 2. Compliance

By selling goods or services to Sonova, supplier is accepting the adherence to the Sonova Code of Conduct and the Sonova Group Supplier Principles ("**SGSP**"). The latest version of the Sonova Code of Conduct and the SGSP is published on the Sonova website <https://www.sonova.com/en/regulations-principles>.

In performing its obligations under the Contract, supplier shall comply with all applicable laws, statutes, regulations and codes from time to time in force.

### 3. Supplier's quotation

Supplier's offer shall be binding during the period specified in Sonova's request for proposal or in supplier's offer and shall include or reference all relevant terms and conditions, in accordance with clause 1 of these GTC.

### 4. Order Acceptance and Order Modifications

Only written orders by e-mail, fax or mail are valid. The orders shall be binding upon Sonova only if they have been made in writing in Sonova purchase order form or Sonova's written acceptance of the supplier's quotation. Orders shall be confirmed (i.e. accepted by the supplier) by a formal order acknowledgment in written form. The related Sonova order reference number must be stated on the order acknowledgment.

If the order is not confirmed, rejected or modification requested by the supplier within two weeks of its dispatch, the order will be deemed accepted as it is. The prices stated on orders of Sonova are firm fixed prices. Any changes to the order must be agreed in advance in written form by Sonova.

### 5. Supplies and Warranty

5.1 Supplier shall ensure that goods and/or services (as applicable) shall:

- (a) conform strictly to the agreed specification;
- (b) be of satisfactory quality and fit for any purpose held out by supplier or made known to supplier by Sonova expressly or by implication, and in this respect Sonova relies on supplier's skill and judgement;

- (c) where they are manufactured goods, be free from defects in design, material and workmanship and remain so for twenty four (24) months after delivery; and
- (d) comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the goods.

5.2 Supplier shall ensure that at all times it has and maintains all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Contract.

5.3 Sonova may inspect and test goods and/or services at any time before delivery. Supplier shall remain fully responsible for goods and/or services despite any such inspection or testing and any such inspection or testing shall not reduce or otherwise affect supplier's obligations under the Contract.

5.4 In case of delivery of non-conforming or defective goods and/or services, Sonova may, at its discretion require supplier within the time designated by Sonova to either (i) repair or (ii) replace the goods and/or services at supplier's risk and expense, or (iii) refund to Sonova the purchase price for non-conforming goods and/or services. In the event of replacement or refund supplier and Sonova agree that for the sake of cost efficiency Sonova is under no obligation to return the defective or non-conforming goods to supplier and may in its sole discretion and at supplier's expense dispose of the defective or non-conforming goods. Alternatively, Sonova may purchase the goods and/or services from an alternative source and any extra expense thus incurred shall be paid by supplier to Sonova. Sonova's rights under this clause are in addition to and not in lieu of any other remedies available under the Contract or provided by law. Supplier will not substitute non-conforming goods and/or services without Sonova's prior written approval.

5.5 Supplier is responsible for work done by its sub-suppliers respectively subcontractors in the same way and as if it were supplier's own work.

5.6 For repairs twelve (12) month warranty applies. For replacement deliveries twenty four (24) months warranty applies.

## 6. Delivery

6.1 Supplier shall ensure that:

- (a) goods are properly packed and secured in such manner as to enable them to reach their destination in good condition;
- (b) each delivery of goods is accompanied by a delivery note which shows the date of the order, the order number, the type and quantity of the goods (including the reference number of the goods, where applicable), special storage instructions (if any) and, if the goods are being delivered by instalments, the outstanding balance of goods remaining to be delivered; and
- (c) if supplier requires Sonova to return any packaging material to supplier, that fact is clearly stated on the delivery note. Any such packaging material shall be returned to supplier at the cost of supplier.

### 6.2 Delivery date and terms

The delivery dates stated by Sonova in the order are binding for supplier if they are not immediately corrected by supplier ("**Delivery Date**"). The stated Delivery Dates are understood to mean "Arrival of the goods at the place of delivery agreed upon during Sonova's normal business hours, or as instructed by Sonova." Unless stated otherwise, the terms of delivery are **DAP (Delivery at Place)** Incoterm, named place of destination as per clause 17 below. Sonova references **Incoterms® 2020** by the International Chamber of Commerce.

Title to and risk of loss or damage with respect to the goods shall pass from Supplier to Sonova upon delivery. Therefore, Supplier bears all risks of loss or damage to the goods until they have been delivered pursuant to this clause 6.2.

Supplier shall notify Sonova in written form immediately in case circumstances occur, that the stipulated Delivery Date may not be achieved. If Delivery Dates are not met, Sonova reserves the right to decide whether to insist on the fulfilment of the delivery or to cancel the order without fixing any new delivery date and to return the goods at supplier's expense. In each case, supplier shall be liable for compensation to Sonova. If supplier delivers more or less than the quantity of goods ordered, and Sonova accepts the delivery, a pro rata adjustment shall be made to the invoice for the goods.

Partial and early deliveries require a prior written consent by Sonova. Where it is agreed that the goods are to be delivered by instalments, they may be invoiced and paid for separately. However, failure by

supplier to deliver any one instalment on time or at all, or any defect in an instalment shall entitle Sonova to the remedies set out in clause 7.

### **7. Sonova Remedies**

If the goods and/or services are not delivered on the Delivery Date, or do not comply with the undertakings set out in clause 5.1, then, without limiting any of its other rights or remedies, and whether or not it has accepted the goods and/or services, Sonova may exercise any one or more of the following rights and remedies at its option:

- (a) to cancel the order;
- (b) to reject the goods/services (in whole or in part) and, in the event of supply of goods, return the goods to supplier at supplier's own risk and expense;
- (c) to require supplier to repair or replace the rejected goods and/or services, or to provide a full refund of the price of the rejected goods/services (if already paid);
- (d) to refuse to accept any subsequent delivery of the goods/services which supplier attempts to make;
- (e) to recover from supplier any costs incurred by Sonova in obtaining substitute goods/services from a third party; and
- (f) to claim damages for any other costs, loss or expenses incurred by Sonova which are in any way attributable to the supplier's failure to carry out its obligations under the contract.

### **8. Documentation / Means of production**

All documents and means of production (hereafter referred as "DMoP") provided by or paid for wholly or in part by Sonova, such as, without limitation, drawings, calculations, models, dies, tools, molds and samples, shall not be copied without the prior written authorization of Sonova and shall remain the sole property of Sonova along with any intellectual property rights, such as e.g. copyright or patent rights in DMoP. The DMoP are Sonova Confidential Information and shall be maintained confidential in accordance with clause 12 below.

Supplier shall be responsible for ensuring that the DMoP are used exclusively for the purpose of supply of goods and/or services to Sonova. Any other use of DMoP is strictly prohibited. Supplier shall keep the DMoP in safe custody at its own risk, maintain them in good condition until returned to Sonova and not dispose or use the same other than in accordance with Sonova's written instructions or authorization. The DMoP must be returned to Sonova after use or disposed, at Sonova discretion.

### **9. Indemnification**

Supplier shall indemnify Sonova against all liabilities, costs, expenses, damages and losses (but excluding consequential and exemplary damages) and all other reasonable professional costs and expenses suffered or incurred by Sonova as a result of or in connection with:

- (a) any claim made against Sonova for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with the manufacture, supply or use of goods and/or services, to the extent that the claim is attributable to the acts or omissions of supplier, its employees, agents or subcontractors;
- (b) any claim made against Sonova by a third party for death, personal injury or damage to property arising out of or in connection with defects in goods and/or services, to the extent that the defects are attributable to the acts or omissions of supplier, its employees, agents or subcontractors; and
- (c) any claim made against Sonova by a third party arising out of or in connection with the supply of goods and/or services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by supplier, its employees, agents or subcontractors.

To the fullest extent permitted by applicable law, neither party will be liable to the other for any consequential or exemplary damages. This clause 9 shall survive termination of the Contract.

### **10. Insurance**

During the term of the Contract and for a period of three (3) years thereafter, supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance to cover the liabilities that may arise under or in connection with the Contract, with a coverage of not less than CHF 5 Million per incident, and shall, on Sonova's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.

### 11. Visits

Sonova or its representatives shall have the right to carry out visits of supplier's premises where the services are rendered and/or goods are being manufactured, packed and/or stored, their accounts and records, to verify supplier's compliance with the terms of the Contract, including compliance with Sonova Code of Conduct and the SGSP.

### 12. Confidentiality

**"Confidential Information"** any non-public information concerning the business, assets, affairs, customers, clients or suppliers of the other party. Any product or service specifications developed by or for Sonova, together with any requirements, design, or any other material provided to supplier shall be deemed to be Sonova Confidential Information. Confidential Information shall also include the existence of the relationship between supplier and Sonova.

Each party undertakes that it shall not at any time disclose to any person any Confidential Information of the other party, except as permitted in this clause 12. Neither party shall use the other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with the Contract.

Each party may disclose the other party's Confidential Information:

- (a) to its employees, officers, representatives, contractors, subcontractors or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under the Contract. Each party shall ensure that its employees, officers, representatives, contractors, subcontractors or advisers to whom it discloses the other party's Confidential Information comply with this clause 12; and
- (b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

### 13. Advertising

In the absence of written authorization from Sonova, supplier must not mention its business relations with Sonova in any advertising or publication. Any use for advertising purposes of the Sonova order and / or of the goods manufactured within the scope of the order is allowed only with the prior written consent of Sonova.

### 14. Regulatory Compliance

#### 14.1 Compliance with REACH Regulation

The Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("**REACH**"), regulates a large number of substances of very high concern ("**SVHC**"). More substances are added to the SVHC's candidate list approximately every 6 months. All parts, materials and products supplied to Sonova shall comply with the requirements of REACH at any time. Supplier is obliged to inform Sonova immediately of the identity and concentration of any SVHC substance that constitutes more than 0.1% of the weight of any part, material or product supplied to Sonova. In order to support Sonova reporting under Directive 2008/98/EC on waste, information on any submissions to SCIP database relevant to Sonova parts, materials and products shall be made available to Sonova.

#### 14.2 Compliance with EU RoHS Regulation

All parts, materials and products supplied to Sonova shall comply at any time with the requirements of the European Restriction of Hazardous Substances Directive (2011/65/EU), as amended from time to time ("**RoHS**"). Supplier is obliged to inform Sonova about the current RoHS compliance status of any part, material or product supplied to Sonova, as well as about applicable exemptions, and any changes in compliance status e.g. expiry of any applicable exemptions.

#### 14.3 Records Retention, Traceability

Supplier shall retain accurate production records of goods manufactured and supplied under the Contract including, without limitation, all records that are required under applicable laws and the design history file for the goods. Any records pertaining to medical and radio devices development, customization and/or production (which also includes components intended for such devices) shall be retained by supplier for the minimum of sixteen (16) years (or longer if required under applicable laws), in a manner that permits rapid retrieval of said records.

The production lots shall be identified with individual lot numbers in order to allow goods traceability of the final inspection records and of process parameters for failure analysis purposes. Traceability of medical and radio devices shall be guaranteed for the minimum of sixteen (16) years after delivery of the goods.

#### 14.4 Audits

Supplier shall ensure that it remains ready to be, and will permit itself to be, audited by any relevant notified body or regulatory authority at any time. In connection with audits supplier shall promptly inform Sonova of any announced audit in connection with the goods supplied to Sonova or on order by Sonova; immediately inform Sonova in writing of all requirements and any out of compliance findings made by notified bodies or regulatory authorities on the occasion of an audit in connection with the goods; and respond to and rectify such requirements and any out of compliance findings in connection with the goods as soon as reasonably possible.

#### 14.5 Changes

Supplier shall provide immediate written notification to Sonova of any changes to the goods and/or to the supplier's quality system and/or manufacturing process. This notification will be submitted in order for Sonova to evaluate the impact of the change to the quality of the finished product(s). All such changes notifications shall be notified to Sonova as soon as possible, but minimum 3 months in advance of the change implementation date, provided however that Sonova shall be granted additional three months or more upon reasonable request. Changes to Supplier's manufacturing site location shall be submitted to Sonova at least twelve (12) months prior to Supplier's proposed date of implementation.

Supplier will not implement any changes or actions without Sonova prior written approval.

The breach of supplier's obligations under this clause 14 shall entitle Sonova to the remedies set out in clause 7.

### 15. Customs, Origin, Export Control

Latest at dispatch of the goods, supplier shall provide to Sonova and to Sonova appointed customs broker, by email communicated to supplier by Sonova, the following information and documents: commercial invoice/proforma invoice; preferential origin documents; delivery notes, name and contact of chosen freight forwarder and means of transportation; used customs office; and any such other document or information as may be required for transportation and customs clearance. If failure to provide the above information and documents to Sonova results in import duties applied to Sonova, Sonova reserves the right to claim the corresponding amount from supplier.

Supplier shall inform Sonova of any export restrictions applicable in the country of manufacturing and/or dispatching of the goods and/or services and provide all relevant information that Sonova reasonably requires to ensure compliance by Sonova with export control and trade compliance regulations worldwide. Supplier shall inform Sonova if the goods are subject to any export/reexport license under US-law/US-regulations. If supplier is located in Switzerland or in a member state of the European Union, supplier shall inform Sonova about any obligation to obtain an export license with respect to the goods subject to the Swiss or European Union export control restrictions and the national EU members state export control restrictions, as applicable. Supplier shall provide to Sonova the goods classification number as applicable (e.g. ECCN-Export Control Classification Number for US products, "AL-Number" for deliveries listed in the German Export Control List, etc.) and inform Sonova of any license exceptions available for the goods.

### 16. Price, Invoicing, Payment Terms

The price for goods or services (as applicable) shall be the price set out in the Sonova order, in accordance with clause 4. If no price is quoted or otherwise agreed in writing by Sonova, the price set out in supplier's published price list in force as at the date of Sonova order shall apply. No extra charges shall be effective unless agreed in writing by Sonova.

Unless stated otherwise, the prices are stated inclusive of VAT. Where the price excludes amounts in respect of value added tax (VAT), Sonova shall additionally be liable to pay to supplier the VAT at the rate required by law, subject to the receipt of a valid VAT invoice. The price includes the costs of packaging, insurance and carriage of the goods. The related order reference number must be stated on the invoice. A separate invoice for each order must be issued to Sonova AG, Laubisrütistrasse 28, 8712 Stäfa, Switzerland, unless a different address of a Sonova Affiliate is specified in the order.

Unless otherwise agreed upon in writing, payments shall be made within 60 days after receipt of the invoice but earliest upon acceptance by Sonova of the goods or services (as applicable). Collect-on-delivery consignments or drafts are not accepted.

### 17. Place of Performance, Jurisdiction and Applicable Law

The place of performance, for delivery and payment is - if nothing else is stated in the order – Sonova AG, Laubisrütistrasse 28, 8712 Stäfa, Switzerland.

Any disputes shall be submitted to the courts of the City of Zurich, Switzerland, or, at Sonova's choice, to the competent court at the domicile of supplier. Swiss law shall apply exclusively with the exclusion of the UN Convention on Contracts for the International Sale of Goods and the choice of law principles.

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