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### **1. Application of the General Terms and Conditions of Purchase, general**

#### **1.1**

All of our orders of goods (including raw materials) and services shall be based exclusively on our General Terms and Conditions of Purchase, which constitute an integral component of our order. Amendments or supplements to our terms and ancillary agreements in this regard shall be valid only upon our written confirmation. "Written" within the meaning of sections 1.1 and 1.2 shall also include e-mail confirmation.

#### **1.2**

We hereby expressly object to any conflicting terms of the contractor/supplier (in the following "Supplier"). Terms used by the Supplier shall apply only if we confirm their application in writing. Acceptance of a service or delivery shall not constitute agreement with the Supplier's terms.

### **2. Offer, order und contract**

#### **2.1**

Any deviations in the offer from our enquiry must be expressly indicated in the offer.

#### **2.2**

Our order in response to the offer shall only be binding if made in writing. "In writing" within the meaning of sections 2.2 and 2.3 shall also include e-mail confirmation. Agreements made orally and by telephone shall be valid only upon our written confirmation. Any amendments, supplementations or additional specifications of the offer compared to our enquiry, etc. shall also only become binding once we give our corresponding written confirmation.

#### **2.3**

Our order shall be confirmed again in writing by the Supplier stating our order data, the price and in the case of a purchase contract or a contract for work and materials (*Werklieferungsvertrag*), the delivery quantity. Should the order confirmation differ from our order in any of these respects, we shall only be bound by the order confirmation where we have declared our agreement to the differences in writing. Otherwise the specifications set out in our order shall apply.

#### **2.4**

The offer shall be made free of charge and shall not give rise to any obligations for the party making the enquiry.

#### **2.5**

Quotes shall only be remunerated where there is a separate agreement to this effect.

### **3. Prices**

#### **3.1**

The agreed prices shall be fixed prices for the entire contractual performance period and include ancillary costs.

#### **3.2**

In the case of a purchase contract or a contract for work and materials (*Werklieferungsvertrag*), the prices shall in particular include packaging, freight and other ancillary costs. The Supplier shall insure its transport and goods-related risks in accordance with the applicable Incoterms.

#### **3.3**

Absent an express price agreement, the most recent prices charged for these or similar goods or services shall apply in business relations going forward.

#### **3.4**

Clauses increasing or adjusting prices (including daily price clauses) shall only be valid if individually agreed with us.

### 3.5

In the event that the Supplier reduces its prices and/or improves the terms in the period between the making of the order and the delivery of the goods or between the making of the order and the acceptance of the service, the prices and/or terms valid on the delivery date or the date of acceptance shall apply.

## 4. Dates and deadlines for deliveries and services; late delivery

### 4.1

The dates and deadlines specified in our order or contract for deliveries or services shall be binding.

### 4.2

In the case of a purchase contract or a contract for work and materials (*Werklieferungsvertrag*), the dates and deadlines specified in section 4.1 shall be deemed complied with if the delivery has been made at the stipulated time to us or handed over at the destination specified by us in the order to an authorised person. Where the delivery is not made on time, the Supplier shall be in default upon expiry of such date.

A delivery shall be deemed made in full if all of the articles and documents referred to in the order (proof of quality, material certifications, etc.) have been properly received by us and the articles are in perfect working condition.

### 4.3

If the Supplier can foresee that timely delivery or service provision will be impossible for it, in whole or in part, it shall advise of this in writing without undue delay, stating the reasons and the likely duration of the delay.

### 4.4

In case of failure to meet a binding delivery date or service provision deadline that has been agreed (fixed date transaction - *Fixgeschäft*), we may cancel the order without a grace period. Deliveries arriving early shall either be refused or stored at the expense and risk of the Supplier.

## 5. Invoicing and payment terms

### 5.1

Invoices shall be sent as originals (with no copies) separately by mail, fax, or e-mail and must show the invoiced delivery or service broken down according to article, type and quantity and reproduce our exact order data (order date, complete order number and article number, terms, sequence of the text and prices of the order) and comply with the provisions of relevant legislation, particularly the German Value Added Tax Act (*Umsatzsteuergesetz*, "UStG"). We will reject incomplete invoices. In such cases, our payment deadline will be automatically extended by the resultant delay. The same shall apply in cases of late provision of requested proof of quality, material certification, etc. (see above, section 4.1). Any currency risk shall be borne by the Supplier.

### 5.2

Unless otherwise agreed, payments shall be made only after receipt of the goods or services and receipt of the invoice. The term of payment shall commence no sooner than the date of receipt of the relevant invoice, and not, however, prior to receipt of defect-free goods or services. Sections 3.4 and 3.5 as well as section 271a of the German Civil Code (*Bürgerliches Gesetzbuch*, "BGB") shall remain unaffected.

### 5.3

Payments shall not constitute acknowledgement of the delivery, service or prices as being in compliance with the agreement. Payments shall always be rendered subject to recovery should it subsequently emerge that the goods or services are not compliant and, in the case of advance payments, subject to due and proper receipt of the goods or services. Therefore, the payment date shall not affect the Supplier's warranty or our right to file complaints pursuant to section 7.

### 5.4

The Supplier shall inform us promptly of imminent or existing payment difficulties or where insolvency is possible or has been filed for.

### 5.5

Any advance payments we may have made shall be booked separately by the Supplier. The Supplier shall ensure that, in the event of the Supplier's insolvency, such amounts are not included amongst bankruptcy or

insolvency assets. Should this be impossible, we are entitled to demand a bank guarantee in an amount equivalent to the advance payment.

### **6. Packing, shipping and transport, origin of goods**

#### **6.1**

In addition to the normal accompanying papers, each delivery or partial delivery of goods must include a delivery note in duplicate. Delivery notes and dispatch notices must show the delivery broken down according to article, type and quantity and, moreover, our exact order data (order date, complete order number and article number, terms and sequence of the text), but must not include any price information. Partial deliveries must be designated as such.

In case of transport by ship, the name of the shipping company and ship must be stated in the shipping papers and invoice.

#### **6.2**

We have the right – but shall be under no obligation – to issue to the Supplier instructions concerning the shipping method, shipping route, means of transport, freight forwarder, carrier and customs office. If no instructions are issued, the Supplier shall select the least expensive option for us from suitable and standard shipping options.

Absent any agreement to the contrary, the most recent Incoterms of the International Chamber of Commerce in Paris and the Uniform Customs and Practice for Documentary Credits (UCP), as amended, as well as their interpretations (“Opinions of the ICC Banking Commission”), shall apply.

#### **6.3**

The packaging shall be appropriate to the goods and intended transport method. Responsibility for proper packaging shall lie exclusively with the Supplier. The Supplier shall be responsible for any loss and damage to goods due to defective packaging and shall provide compensation.

#### **6.4**

If expedited transport is necessary due to late shipping of the delivery (express delivery or service), the Supplier shall bear any additional freight costs incurred in this respect. The Supplier shall be responsible for paying compensation for additional costs arising out of express shipments that were not requested.

#### **6.5**

It is mandatory for the Supplier to package, label and ship hazardous products in accordance with international regulations. In addition to the hazard class, the accompanying papers must also include any further information stipulated by the relevant transport regulations.

#### **6.6**

The Supplier shall be liable for damage and shall bear the costs arising out of non-compliance with the provisions of section 6.5. The Supplier shall also be responsible for compliance with such shipping provisions by its subcontractors.

#### **6.7**

Any and all shipments that cannot be accepted due to non-compliance with the provisions of section 6.5 shall be stored at the expense and risk of the Supplier. We may determine the content and condition of such shipments during the incoming goods inspection in accordance with section 7. Tools and equipment may not be loaded together with delivery items.

#### **6.8**

The delivered goods must have the stated origin. This must be evidenced by a Form A certificate of origin and must, where applicable, comply with the relevant preferential trading provisions.

### **7. Incoming goods inspection and defect-related complaints for deliveries of goods**

#### **7.1**

The Supplier shall verify the quantity and quality of the goods and compliance with the order specifications prior to shipping. It shall notify us in writing of any defects that arise.

### 7.2

We shall file a complaint concerning any obvious defects in the delivered goods within five (5) business days of receipt. We shall file a complaint within five (5) business days in the case of latent defects that become manifest only later. The Supplier waives to this extent the defence of late reporting of defects within the meaning of section 377 (1) of the German Commercial Code (*Handelsgesetzbuch*, "HGB").

### 7.3

The delivery of goods that do not comply with the relevant agreement may be approved only by way of express declaration of acceptance and shall otherwise be deemed rejected.

### 7.4

We have the right to perform random statistical sampling during the incoming goods inspection and to refer to the factory certificate of the Supplier or manufacturer. Should random samples reveal defective quality of the goods, we may reject the entire delivery without further inspection or perform another inspection at the Supplier's expense.

### 7.5

If there is provision for inspections of the delivered items, the Supplier shall bear the material costs and its personnel costs for the inspection. We shall exclusively bear our personnel costs for the inspection (costs for our personnel, including their travel costs and expenses).

The Supplier must notify us in a binding manner that the goods are ready for inspection at least one week in advance and agree a fixed inspection date with us. If the delivered items are not presented on such date, our personnel costs for the inspection shall be borne by the Supplier.

If repeated or additional inspections are necessary due to discovered defects, the Supplier shall bear any and all material and personnel costs of these. The Supplier shall bear the material and personnel costs for proof of active substances of input materials.

## 8. Acceptance, transfer of risk

### 8.1

Where there is to be an acceptance, services of the Supplier shall be accepted by us exclusively by way of a formal acceptance. Written minutes shall be taken of the acceptance. Partial acceptances may only occur at our express written request.

### 8.2

In the case of deliveries of goods, risk shall pass according to Incoterms. Should the agreed delivery terms contain no provision to the contrary, risk shall pass to an authorised person at the place of performance pursuant to section 23 upon transfer of possession of the goods.

### 8.3

In case of defective delivery of goods, these shall be stored at the expense and risk of the Supplier.

### 8.4

In the case of a purchase contract or a contract for work and materials (*Werklieferungsvertrag*) for machinery and technical systems, risk shall only pass to us after confirmation of the positive outcome of functional testing.

## 9. Quality standard, quality warranty and damages

### 9.1

Upon our request, the Supplier must provide a sample, test and/or drawings/data sheets. The qualities of any sample or test and the information in the data sheets shall be deemed agreed as warranted qualities. The same shall apply to information in factory certificates.

### 9.2

The Supplier also warrants that the goods shall not have any defects that adversely affect their value or their suitability for the required use and that the warranted qualities (particularly under section 9.1) shall meet the required performance and specifications and shall not otherwise deviate from the order in any manner. The Supplier warrants that the service or goods are generally free and clear of quality defects and defects in title. The service or goods must comply with the stipulations of legislation applicable in Germany. The Supplier

shall be advised in the order of the need for compliance with any internal rules and standards. The Supplier shall notify us without undue delay should it believe that it would have to deviate from applicable (statutory and internal) technical safety rules due to one of our requirements.

### 9.3

Should the Supplier breach its obligations, our rights to subsequent performance, rescission, reduction of the purchase price and damages as well as applicable exclusion and limitations periods shall be governed by the relevant legal provisions.

## 10. Product liability, indemnity, third-party insurance

### 10.1

We shall inform the Supplier of any product defects in the goods delivered by the Supplier of which we have become aware, which have or may result in death, physical injury or property damage. In such cases, we will consult with the Supplier concerning how to proceed.

The Supplier shall support us in dealing with injured parties and indemnify us against claims to the extent that these are based on a product defect in the delivered goods, non-compliance with an ancillary duty by the Supplier or if the Supplier's product liability or that of its suppliers is triggered in another manner. The Supplier shall also advise us of the risks resulting from improper use of its product.

### 10.2

Specifically, the Supplier shall compensate us for any and all expenses arising in conjunction with a product liability event and the relevant damages, particularly the costs for any recall action. Should a recall action be necessary, we shall agree with the Supplier on the approach, provided this is possible and reasonable in the circumstances.

### 10.3

Otherwise the Supplier shall be liable in accordance with the relevant statutory provisions. In particular, it shall be liable in accordance with sections 276 and 278 of the German Civil Code (*Bürgerliches Gesetzbuch*, "BGB") for its own fault and for the fault of any representatives and vicarious agents it might engage.

### 10.4

The Supplier shall maintain third-party liability insurance (for personal injury, property damage and financial loss) with sufficient cover and shall submit suitable proof of such insurance coverage upon our request. The Supplier's contractual and statutory liability shall remain unaffected by the level of the insurance cover.

## 11. Transfer of obligations, assignment, pledge, set-off

### 11.1

Transfer of the obligations and/or assignment of the rights of the Supplier under the agreements concluded with us shall not be permitted, in whole or in part, without our written consent. In the absence of our consent to a transfer of obligations, the Supplier shall in any event remain obliged towards us as contracting partner. The Supplier must notify us in writing without undue delay of any transfer of an agreement by operation of law and any change in company name.

### 11.2

Claims against us may not be pledged without our prior written consent.

### 11.3

Set-off by the Supplier against our claims shall only be permitted to the extent that the Supplier's claims are undisputed, ripe for judgment or have been confirmed in a final and binding judgment.

### 11.4

We may set off against the Supplier's receivables any and all claims to which we are entitled against the Supplier due to our own or assigned rights.

## 12. Intellectual property rights

### 12.1

The Supplier warrants that its delivery or service does not infringe any third-party rights, in particular, patent

or other intellectual property rights. If a right is infringed, the Supplier shall indemnify us upon first request and reimburse us any and all expenses incurred by us due to the third-party claim.

### 12.2

If the Supplier manufactures tools or has them manufactured on our behalf (see section 14.1), we shall be entitled to the associated know-how and any and all intellectual property rights. The Supplier agrees to support our efforts to protect any intellectual property rights and to sign any necessary documents.

## 13. Retention of title, ownership rights

### 13.1

The Supplier may render delivery subject to an ordinary retention of title. The retention of title shall not operate to secure receivables other than the purchase price for the specific goods, nor shall it extend to replacements or other goods.

### 13.2

Any processing, mixing or combination (further processing) of items provided by the Supplier shall be performed for us as principal of the processing. The same shall apply to processing of the delivered goods by us such that we are deemed the manufacturer and shall acquire title in the product by no later than further processing in accordance with the relevant statutory provisions.

The parties agree that the Supplier shall store for us free of charge items owned by us and of which it acquires custody in the context of the delivery or further processing until we request them.

## 14. Tools; drawings and documents

### 14.1

Tools provided by us shall remain our property; they may be used only for the manufacture of the goods ordered by us or the rendering of the services ordered by us. Surrender to third parties is only permitted with our express agreement. The Supplier shall insure any tools owned by us at the replacement value at its own expense against fire, water and theft-related damage and against machinery breakage. It shall take all measures necessary to protect our property.

### 14.2

If title to any tools that the Supplier manufactures or has manufactured for us does not already pass to us in the context of further processing, the Supplier agrees to procure title for us as soon as and provided that we pay for the manufacturing in accordance with the relevant agreement. The same shall apply to drawings and documents that the Supplier prepares in accordance with our specifications. If we only contribute a portion of the tool costs, the Supplier shall grant us a joint ownership interest equivalent to the ratio of our share in the tools. It is hereby agreed that the Supplier shall store the tools, drawings and documents for us free of charge.

### 14.3

If the Supplier makes goods, tools or documents accessible to third parties, e.g. subcontractors, with our consent, the foregoing obligations shall apply to them as well (in particular sections 12, 13 and 14).

## 15. Confidentiality

### 15.1

We retain ownership of and copyrights in images, plans, drawings, calculations, instructions, product specifications and other documents. Such documents shall be used exclusively for contractual performance. Documents shall be kept confidential *vis-à-vis* third parties, even after termination of the agreement entered into with us. No documents provided by us, particularly those mentioned in the order, may be reproduced or disclosed to third parties without our written consent. The employees and any relevant third parties shall be instructed accordingly by the Supplier and be bound by the relevant obligations. The documents and aids shall be returned to us undamaged at any time upon request and no later, however, than upon delivery of the goods or acceptance of the service, or, if expressly agreed, shall be stored by the Supplier until revocation. The Supplier shall have no right of retention. The confidentiality obligation shall lapse only if and to the extent that the know-how in the documents provided has entered the public domain.

### 15.2

The Supplier may only advise third parties of the business relationship in place with us with our prior written consent.

### 16. Subcontracting

In the case of commission contracts (*Auftragsverträgen*) and contracts for work and services (*Werkverträgen*), the Supplier may not have our order executed by third parties, in whole or in part, without our prior written consent. We may rescind the Agreement and/or assert damages in accordance with the relevant statutory provisions in the event of even partial unauthorised subcontracting. In case of authorised subcontracting, the Supplier shall at our request prove that it has fully paid for the subcontractor's services or that relevant security (guarantee/surety) has been provided. Otherwise we may withhold the relevant payment to the Supplier.

### 17. Minimum wage

#### 17.1

The Supplier is obliged to pay its employees the lawful minimum wage. During the whole term of the contract until six months after termination of the present contractual relationship, the Supplier shall within 14 days of a request by us provide evidence to us of compliance with this obligation by submitting appropriate documentation (in particular documents in accordance with section 17 paragraph 1 of the German Minimum Wage Act ("MiLoG"), anonymised lists of employed personnel, hours worked and remuneration paid, clearance certificate from the relevant leave fund or holiday fund, etc.).

#### 17.2

The Supplier shall indemnify us at first request against all claims by third parties (in particular the Supplier's employees, our contractors and the Federal Labour Office ("*Bundesagentur für Arbeit*") in the context of a breach of the obligation to pay the lawful minimum wage. This shall also apply to all costs to us arising out of the assertion of claims by employees or third parties (for example social insurance agencies). This also includes legal costs in accordance with the German Act on Remuneration of Lawyers ("*RVG*") for any necessary in-court or out-of-court legal defence if asserted.

#### 17.3

The Supplier is obliged to subject any subcontractors to the documented payment of the lawful minimum wage and to our indemnification to the same extent as itself in accordance with sections 17.1 and 17.2. In the event that the subcontractor itself uses subcontractors, it must ensure that all subcontractors are subject to the same obligations accordingly.

#### 17.4

The Supplier is liable to us for all claims by third parties arising out of a breach of the obligation to pay the lawful minimum wage by any subcontractor.

### 18. Work on our factory premises

#### 18.1

Entry to our factory premises is generally prohibited for third parties. There is an obligation to register with our plant security and the competent employee on the factory premises.

#### 18.2

During work on our factory premises, it is mandatory that our safety provisions (e.g. the guidelines on factory safety, safety instructions for third parties, disposal concepts, etc.) are complied with and performance rendered in compliance therewith. The rules shall be explained to the Supplier by our plant security employee and provided in writing.

#### 18.3

Any external employee of the Supplier or its affiliated third parties shall require written approval to perform work on our factory premises.

#### 18.4

We shall be liable only in case of wilful or grossly negligent conduct with regard to property of the Supplier or its staff brought onto our factory premises. We assume no liability for accidental deterioration or deterioration resulting from simple negligence or for accidental loss of title or loss of title resulting from simple negligence.

### 18.5

Third parties rendering performance on behalf of the Supplier and in its or their own name shall without exception enter into the same obligations as the Supplier itself. In the event that performance is rendered on our factory premises, we reserve the right, where applicable, to enter into additional agreements, particularly in relation to liability and safety. These shall then also apply to third parties acting on behalf of the Supplier.

## 19. Force majeure, subsequent contractual amendment

### 19.1

Should an event of *force majeure* occur following conclusion of the Agreement (i.e., unforeseeable circumstances outside the control of the relevant contracting party, e.g. natural events, war, internal unrest, strike, lock-out, sovereign decrees, etc.), this and the foreseeable duration of the event must be advised to the other respective contracting party without undue delay; otherwise it may not claim *force majeure*. Each contracting party may rescind the Agreement during the event.

Should we or our end consumers no longer have any use for a delivery prior to its being delivered due to an event of *force majeure* experienced by us or our end consumers, and should the Supplier be notified thereof, the Supplier shall only be entitled to compensation for the procurement and manufacturing costs it has already incurred. In this case we must without undue delay be reimbursed any additional down payments already made.

### 19.2

The Supplier may not perform modifications to the specifications and qualities, design, technology, formulation, etc. upon which our order is based without our prior written consent. We shall be under no obligation to approve proposed modifications, even if they would not be associated with an exceeding of deadlines or excess costs.

## 20. REACH Regulation

### 20.1

To the extent that the REACH Regulation applies, the Supplier confirms that (1.) it is aware of its duties pursuant to Regulation (EC) No 1907/2006 of the European Parliament and of the Council on the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH Regulation"), meets such duties and will continue to do so in future, (2.) it has pre-registered and/or registered the substance or the compounds and products pursuant to the provisions of the REACH Regulation, (3.) it has received written information from us concerning use of the substances, compounds or products and that (4.) our use is in compliance with either the usage and exposure categories or with the exposure scenarios and the substance safety data sheet as well as the substance safety report of the Supplier.

### 20.2

In the event that a substance is included on the list of potential substances for inclusion in Schedule XIV of the REACH Regulation ("candidate list"), the Supplier agrees to inform us without undue delay following receipt of written notification to this effect and to advise us without undue delay of the registration number issued by REACH IT together with the date of receipt. Should the Supplier fail to meet its duties under the REACH Regulation, we may at any time rescind the Agreement and/or individual orders. In addition, in the aforementioned case, the Supplier shall reimburse us all resulting costs including the purchase price for relevant products and any costs for collecting or returning the products. Our right to assert additional rights and claims shall remain unaffected.

## 21. Code of Conduct for Suppliers and Service Providers

### 21.1

The Supplier confirms that it has notice of our Code of Conduct for Suppliers and Service Providers and is bound by its stipulations.

### 21.2

Where the Supplier is permitted to engage a subcontractor under the terms of this Agreement, it may only select those subcontractors which undertake to comply with the stipulations of our Code of Conduct for Suppliers and Service Providers and they must bind any subcontractors engaged by them to this obligation.

### **22. Contract language, contractual interpretation**

The contract language shall be German. Where these General Terms and Conditions of Purchase require interpretation, the German text shall solely be authoritative. Any translations into foreign languages shall be for information purposes only.

### **23. Place of performance**

Place of performance shall be the destination specified by us, and, for payment, the principal's registered office, currently Gersthofen. If no destination is designated, Gersthofen shall also be place of performance.

### **24. Governing law**

The contractual relationship shall be governed by the laws of the Federal Republic of Germany. The United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (so-called Vienna Convention) shall be excluded.

### **25. Jurisdiction**

Place of jurisdiction is Frankfurt am Main.

### **26. Severability**

Should individual provisions under these General Terms and Conditions of Purchase be or become invalid, the validity of the remaining provisions shall be unaffected.

Invalid provisions shall be deemed replaced by valid provisions that are suitable for realising as far as possible the economic intent of the lapsed provision. The foregoing shall apply *mutatis mutandis* in case of a gap in these General Terms and Conditions of Purchase.