

## **General Purchasing Conditions (Status as at July 2020)**

### **1. Applicability**

1.1 All contracts between Plasticon Composites GmbH or any affiliated companies pursuant to sections 15 et seqq. of the German Stock Corporation Act (AktG) (hereinafter referred to as "Company" for all companies) and their suppliers or other contractors (hereinafter the "Supplier") shall be subject to the following General Purchasing Conditions (hereinafter the "General Purchasing Conditions"). These General Purchasing Conditions shall exclusively apply vis-à-vis entrepreneurs within the meaning of section 14 of the German Civil Code (BGB), i.e. natural or legal persons, who or which, in connection with the sale of the goods, act in exercise of their trade, business or profession.

1.2 These General Purchasing Conditions shall apply exclusively; the Company does not recognise any General Terms and Conditions of the Supplier that conflict with or deviate from these General Purchasing Conditions unless the Company has expressly agreed to their validity in writing. These General Purchasing Conditions shall also apply if the Company accepts deliveries of the Supplier's goods or pays for them in the knowledge that the Supplier's terms and conditions conflict with or deviate from the present General Purchasing Conditions. The Supplier's terms and conditions shall not even apply if the Company does not separately object to their validity in individual cases

1.3 These General Purchasing Conditions shall also apply to all future deliveries of goods and provision of services of the Supplier to the Company and until new purchasing conditions of the Company apply.

### **2. Offers/quotations, orders, conclusion of contract**

2.1 The quotations of the Supplier are to be made in writing and must describe the delivery item in full and fully include and factor in all additional products necessary for the safe and efficient use of the delivery item by the Company. Any deviations from the Company's inquiry must be expressly pointed out separately.

2.2 Remuneration for visits in connection with quoting or the preparation of offers, projects etc. shall not be granted unless remuneration has been expressly agreed in writing or there is a legal claim thereto.

2.3 Only orders placed in writing (sufficient by e-mail, fax) shall be legally binding. Orders placed orally or by telephone shall require the Company's subsequent written confirmation to be legally valid. The same shall apply to oral collateral agreements and changes to the contract. Orders, delivery schedules as well as their changes and supplements can also be effected by remote data transmission or by machine-readable data carriers.

2.4 If the Supplier does not accept the order within 8 calendar days of receipt, the Company shall be entitled to revoke it unless the Company's orders expressly contain a different period for approval.

2.5 The Company can also request changes to the delivery item after the contract has been concluded to the extent this is necessary and reasonable for the Supplier. This shall apply in particular in case of ordering drawing parts, tools and systems that require corresponding adjustments in the manufacturing process. In the event of such a contract amendment, the effects on both parties, in particular with regard to the additional or

reduced costs and the delivery dates, must be considered appropriately and by mutual agreement.

2.6 The Supplier shall be obliged to point out possible defects and incompleteness (e.g. in the Company's inquiry) when making its offers, in particular with regard to the observance of the state of the art in science and technology, environmental protection provisions or technical expediency and feasibility.

2.7 Deviations and changes to the delivery item by the Supplier shall only be permitted if the Supplier expressly notifies the Company in writing and they have been confirmed in writing by the Company.

### **3. Technical documents, manufacturing equipment, production documents**

3.1 Technical documents and aids, models, test devices, tools, special systems, forms, samples, designs, plans, projects, drawings and other manufacturing equipment (collectively the "Manufacturing Equipment") that are made available to the Supplier by the Company or are manufactured by the Company shall remain the property of the Company and may not be used, reproduced or made accessible to third parties for purposes other than the execution of the delivery.

3.2 If the aforementioned Manufacturing Equipment is manufactured by the Supplier on behalf of the Company or procured by the Supplier from third parties and if the Supplier receives compensation from the Company, ownership shall pass to the Company at the latest when the compensation is paid in full. If the Supplier remains in possession of the Manufacturing Equipment, the Company shall lend it to the Supplier. In this case, the Supplier shall provide maintenance and insurance on/relating to the Manufacturing Equipment at its own expense.

3.3 The Manufacturing Equipment owned by the Company or customers of the Company, including the current documentation on the Manufacturing Equipment, must be handed over to the Company at any time on request.

3.4 The Supplier must independently check the Manufacturing Equipment provided by the Company for usability. The Supplier shall be liable for damage, deterioration, destruction or loss of Manufacturing Equipment or production documents in accordance with statutory provisions.

3.5 The Supplier must clearly identify all Manufacturing Equipment owned by the Company and according to the Company's specifications as the property of the Company.

### **4. Secrecy**

4.1 All business, technical or product-related information made available to the Supplier by the Company, in particular calculation data, manufacturing instructions, drawings, production internal production affairs and data of any kind, including other development or manufacturing features, which can be found in any objects, documents or data transferred ("Information Requiring Confidentiality") must be kept secret from third parties. It may only be made available in the Supplier's own company to those persons who must be used for its use for the purpose of delivery of goods or provision of services to the Company and who are also obliged to maintain confidentiality in writing – for employees to the extent permitted by labour law -; it shall remain the sole property of the Company. Sub-contractors and other vicarious agents of the Supplier are to be obliged accordingly. The above provision shall not apply to Information Requiring Confidentiality that is or has become generally accessible or has been communicated to the Supplier by a third

party authorised to do so without any obligation to treat it confidentially or that was demonstrably known to the Supplier before the date of receipt. Insofar as the Supplier relies on one of the above exceptions to the duty of secrecy, it shall be obliged to provide evidence for the existence of this exception.

4.2 The obligation to maintain confidentiality shall continue even after the contract between the Company and the Supplier has been terminated.

4.3 The use of inquiries or purchase orders from the Company, other correspondence or the existence of a business relationship between the Supplier and the Company for advertising purposes shall require the prior written consent of the Company.

## **5. Intellectual property rights and rights of use**

5.1 The Supplier guarantees and warrants that all deliveries are free from third-party intellectual property rights and in particular are not violated by the delivery and use of the delivery items, patents, licences or other third-party intellectual property rights.

5.2 The Supplier shall indemnify the Company and the Company's customers against third-party claims arising from any infringement of intellectual property rights and shall also bear all costs incurred by the Company or the customers in this connection.

5.3 If there arises a legal dispute in this regard, the Company shall be entitled to join the legal dispute on the part of the Supplier. If the Supplier loses the legal dispute without the Company being responsible for it, the Supplier must also reimburse the Company for the costs of the legal dispute.

5.4 The Company shall be entitled, at the Supplier's expense, to obtain approval from the entitled person to use the delivery items and services concerned.

5.5 If the Supplier has its own intellectual property rights to the goods delivered to the Company, including illustrations and certificates, the Company shall be granted a free and freely transferable right of use unlimited in terms of time.

## **6. Quality and documentation**

6.1 The Supplier must constantly check the quality of the delivery item with the care of a prudent businessman in a suitable form. It must immediately notify the Company of possible improvements and implement them at the Company's request.

6.2 The Supplier must comply with the technical specifications of the Company, the recognised rules of technology (e.g. DIN standards) as well as all relevant legal and official requirements and occupational safety regulations. The same shall apply to any quality assurance agreements / regulations concluded separately with the Company. If the type and scope of the test as well as the test equipment and methods have not been agreed between the Supplier and the Company, the Company, at the Supplier's request, within the bounds of knowledge, experience and possibilities, shall be ready to discuss the test with the Supplier in order to determine the required status of test engineering.

6.3 Specifications regarding the technical data and the test regulations shall not release the Supplier from the obligation to deliver faultless and contractual and functional delivery items.

## **7. Prices**

7.1 The agreed prices shall be net fixed prices and exclude additional claims of all kinds. Any price increases shall require the written consent of the Company. Costs for packaging and transport to the shipping address or point of use specified by the Company as well as for customs formalities and customs shall be included in the prices unless otherwise agreed in writing. The type of pricing shall not affect the agreement on the place of performance.

7.2 If no prices have been set in the Company's order, the Company reserves the right to retrospectively examine and approve the prices charged, even if the performance of the delivery contract has already started. The type of pricing shall not affect the agreement on the place of performance.

7.3 The price risk shall only pass to the Company after the goods have been taken over at the unloading point of the destination (DDP Incoterms 2020).

## **8. Delivery dates, delay in delivery**

8.1 The agreed delivery dates and deadlines shall be binding. Decisive for compliance with the delivery date or the delivery period shall be the receipt of the goods at the shipping address specified by the Company or the timeliness of the successful acceptance. As part of the delivery to the Company by the Supplier, the Supplier must provide the goods in good time, taking into account the time to be agreed with the forwarder for loading and shipping. If a calendar week has been agreed with the Company as delivery date, the last date shall be Friday of this week. In the absence of an express agreement, the goods are to be delivered to the Company's registered office.

8.2 If the Supplier recognises that an agreed deadline cannot be met regardless of the causes of delay, the Supplier must immediately notify the Company in writing stating the reasons and the expected duration of the delay. Claims of the Company on account of delayed delivery shall remain unaffected.

8.3 The Supplier can only invoke the absence of necessary documents to be supplied by the Company if it has sent a written warning and has not received the documents within a reasonable period.

8.4 If the goods are delivered earlier than agreed, the Company reserves the right to return the goods at the Supplier's expense. If there is no return in the event of early delivery, the goods shall be stored by the Company until the delivery date at the expense and risk of the Supplier. In the event of early delivery, the Company also reserves the right to make payment only on the agreed due date.

8.5 Partial deliveries shall only be accepted after an express agreement has been made with the Company. In the case of agreed partial shipments, the remaining quantity must be listed.

8.6 If the agreed delivery date is exceeded for reasons for which the Supplier is responsible, the Supplier shall pay the Company a contractual penalty in the amount of 0.3% of the respective net order price per calendar day of delay in delivery, up to a maximum of 5% of the total order price (net). The Company reserves the right to claim a higher amount of damages, taking the contractual penalty and/or other rights into account. In the event that the agreed delivery date is exceeded, the Company shall be entitled after setting and expiry of a reasonable period of time to withdraw from the contract and/or to claim damages in lieu of performance. There is no need to set a deadline if the Supplier finally refuses to perform, the parties have agreed on a transaction for delivery by a fixed date or there are other reasons that make it unnecessary to set a deadline.

8.7 The acceptance of a late delivery of the contractual products by the Company does not mean a waiver of claims for damages and contractual penalty.

## 9. Force Majeure

9.1 Force majeure, i.e. war, riot, strike, lockout, pandemics, official intervention, shortage of energy and raw materials as well as an operational fault not caused by the parties hereto, e.g. through fire, water and mechanical breakdown and all other impediments which, from an objective point of view, are not culpably caused by the parties and last longer than one week, shall release the parties from the obligation to perform the contract for the duration of the fault and to the extent of their effect.

9.2 The parties shall be obliged, within the scope of what is reasonable, to provide the necessary information immediately and to adapt their obligations to the changed circumstances in good faith. The Company shall be released from the obligation to accept the ordered delivery of goods/provision of services in whole or in part and shall therefore be entitled to withdraw from the contract if the delivery/service is no longer usable for the Company due to the delay caused by force majeure or the labour dispute – taking economic aspects into account.

## 10. Shipping instructions, passing of risk

10.1 All delivery documents (delivery note, bills of lading etc.), all invoices and all correspondence with the Company must at least state the order date, contact and document number of the purchase order. Other necessary content shall be based on the Company's requirements. The Company reserves the right to refuse to accept consignments with incomplete delivery documents and to return them at the Supplier's expense. If sub-contractors or other vicarious agents are used in accordance with these General Purchasing Conditions, the Supplier shall be liable for compliance with these shipping instructions by the sub-contractor/vicarious agent. The latter must indicate its client in all documents.

10.2 Unless otherwise agreed, shipping shall be at the Supplier's risk. The risk of any deterioration, including accidental loss, shall remain with the Supplier until delivery at the specified shipping address (DDP Incoterms 2020).

10.3 The Supplier's obligation to take back the packaging shall be based on statutory provisions. The goods must be packed in such a way that transport damage is avoided. Packaging materials are only to be used to the extent necessary to achieve this purpose without us incurring additional work or costs. Only environmentally friendly, pollutant-free, easily recyclable packaging materials may be used, reuse systems are to be preferred.

## 11. Invoicing and payment

11.1 Invoices are to be submitted separately and in proper form by the Supplier in duplicate, stating the order number, the item, the material description and EDP no. The invoice copies must be clearly identified as such. Invoices that have not been properly submitted shall be returned to the Supplier by the Company and shall only be deemed to have been received when they are correct.

11.2 If the weights or quantities specified in the invoice differ from the determinations made by the Company or at the point of destination, the latter shall be decisive.

11.3 Unless otherwise agreed, payment shall be made within 30 days of delivery and receipt of the invoice by the Company.

11.4 Payments by the Company shall not mean waiving claims from poor performance or other claims of the Company.

11.5 In the event of faulty delivery, the Company shall be entitled to withhold payment pro rata until the proper performance is provided.

## 12. Proper performance of contract, warranty, recourse

12.1 The specification of the goods agreed with the Supplier shall form an integral part of the delivery contract and can only be changed with mutual consent. Any binding description of the scope of delivery by the Supplier or its drawing shall also be considered as specification. Deviations from the specification by the Supplier shall always be considered to be significant breaches of duty unless the Company can put the product itself into a specification-compliant state with only minor effort.

12.2 The Supplier must carry out quality assurance work that is suitable in terms of type and scope and is always state-of-the-art and must be proven to the Company in a suitable form upon first request. At the Company's first request, a corresponding quality assurance agreement must be concluded with the Company. The parties agree that the Company's incoming goods inspection shall be limited to externally recognisable transport damage and quantity deviations in accordance with section 377 of the German Commercial Code (HGB) insofar as this is relevant to the respective contract. In this respect, a notice period of 14 days from delivery shall apply in accordance with the above section 8.

12.3 The agreed condition of an item or work also includes properties that the Company may expect based on public statements by the Supplier, the entrepreneur, the manufacturer in accordance with the German Product Liability Act or his assistant, particular in advertising or when labelling certain properties unless these are in conflict with agreed properties. This shall not apply if the Supplier did not know and did not have to know the statement, that it was corrected in an equivalent way at the time the contract was concluded or that it could not influence the purchase decision.

12.4 The Company shall be basically entitled to choose the type of subsequent performance unless the Supplier is entitled to refuse the type of subsequent performance chosen by the Company or the Company chooses an unreasonable form of subsequent performance for the Supplier.

12.5 Due to a defect in the delivered product or the work created, the Company can remedy the defect itself after unsuccessful expiry of a reasonable period of time determined for subsequent performance and demand reimbursement of the necessary expenses unless the Supplier rightly refuses the subsequent performance. Without prejudice to the legal regulation, the Company can rectify the defect itself at the Supplier's expense in urgent cases for which the Supplier is responsible, in particular to ward off an acute risk of significant damage even if no period for subsequent performance has been determined, if it is no longer possible due to particular urgency to inform the Supplier of the defect and the impending damage and to give it, if only a short, period for its own remedy.

12.6 Unless otherwise agreed, the limitation period for claims of the purchaser based on defects shall be 36 months from the passing of the risk (cf. sub-section 10.2).

12.7 If claims are made against the Company due to the violation of official safety regulations or due to German or foreign product liability regulations due to a defectiveness of products that can be traced back to a defective contractual product, the Company shall be entitled to demand compensation from the Supplier for this damage insofar as it is caused by the contractual product. This damage shall also include the costs of precautionary recall, usual costs of legal defence, examination costs, installation and removal costs as well as the administrative and other expenses of the Company for claims processing.

12.8 The Company or third parties commissioned by the Company shall be entitled to conduct an audit in the production facilities and branches of the Supplier or the sub-contractors commissioned by the Supplier in order to ensure that manufacturing or manufacturer processes, documentation regulations and the quality assurance system of the Supplier meet the Company's quality requirements. The time and the procedure for a quality audit are to be determined by mutual agreement whereby the Supplier must offer the Company an audit date within one week of the Company's request at the latest.

12.9 In other respects, the Supplier shall be liable without limitation according to statutory provisions, in particular also in the case of slight negligence and for indirect damage.

12.10 The Supplier shall take out adequate insurance against all risks from product liability, including the risk of recall, and, if requested, shall provide the Company with the insurance policy for inspection.

12.11 The Supplier undertakes to use environmentally friendly products and processes for its deliveries/services and also for deliveries and ancillary services of third parties within the bounds of economic and technical possibilities. The Supplier shall be liable for the environmental compatibility of the delivered products and packaging materials as well as for all consequential damage caused by the culpable violation of its legal disposal obligations. At the Company's request, the Supplier shall issue a quality certificate for the delivered goods.

### 13. Further guarantees

The Supplier guarantees and warrants that all deliveries of goods/services provided comply with the latest state of the art, the relevant legal provisions and the regulations and guidelines of authorities, professional associations and trade associations. If deviations from these regulations are necessary in individual cases, the Supplier must obtain written consent. The Supplier's warranty obligation shall not be restricted by this consent of the Company.

### 14. REACH Regulation/RoHS Directive

14.1 The Supplier shall be obliged to comply with the requirements resulting from the EU Chemicals Regulation REACH (Regulation No. 1907/2006 of 30 December 2006) as amended (hereinafter the "REACH Regulation") for all deliveries to the Company, in particular, the registration of the relevant substances must have taken place. The Company shall not be obliged to obtain approval for goods delivered by the Supplier under the REACH Regulation.

14.2 The Supplier assures that it will not deliver any products that contain substances in accordance with

(a) Annexes 1 to 9 of the REACH Regulation as amended;

- (b) Council Decision (EC) No. 2006/507 of 14 October 2004 (Stockholm Convention on Persistent Organic Pollutants) as amended;
- (c) Regulation (EC) No. 1005/2009 on substances depleting the ozone layer as amended;
- (d) RoHS (2011/65/EU Restriction of Hazardous Substances) for products according to their field of application.

If there are any doubts from the Supplier's point of view, the Supplier must inform the Company hereof in writing immediately.

14.3 If the delivery items contain substances that are listed on the so-called "Candidate List of Substances of very High Concern" ("SVHC List") pursuant to REACH, the Supplier shall be obliged to immediately notify the Company in advance in writing and shall provide the Company with all legally required information. This shall also apply if substances not previously listed are included in this list for ongoing deliveries. The current status of the list shall be decisive. Sentence 2 of the above sub-section 14.2 shall apply accordingly.

14.4 If the Company is obliged to prepare a chemical safety report based on Art. 37 of Regulation (EC) No. 1907/2006 and therefore requires information from the Supplier regarding the delivered substances, the Supplier shall be obliged to provide the requested information within a period of 30 days after receipt of a corresponding request.

### 15. Statutory minimum wage (MiLoG), Law on the Posting of Workers (AEntG), prohibition of illegal employment, compliance

15.1 The Supplier must ensure that the employees used by itself or its sub-contractors or employment service providers used in accordance with these General Purchasing Conditions to perform supply contracts with the Company receive the statutory minimum wage in accordance with MiLoG or, if the services to be rendered are subject to the scope of application of AEntG, the respectively provided industry-specific minimum wage. The Supplier must also ensure that the mandatory obligations to pay contributions to social security institutions, institutions for statutory accident insurance and prevention and other institutions, such as the joint institutions of the parties to the collective agreement mentioned in section 8 AEntG are met. If sub-contractors or employment service providers are selected, the Supplier shall check whether the preconditions according to this sub-section 15.1 have been met.

15.2 In the event that the Company is legitimately held liable for payment of the statutory minimum wage or industry-specific minimum wage like a guarantor by any employee of the Supplier or by any employee of a sub-contractor used, regardless of the degree, or by an employment service provider or has been held liable for payment of contributions by one of the institutions of the parties to the collective agreement stated in section 8 AEntG, the Supplier shall indemnify the Company from such claims.

15.3 In addition, the Supplier shall be liable to the Company for any damage that the Company incurs as a result of culpable failure to comply with the obligations specified in sub-section 15.1 above.

15.4 Illegal employment of any kind is prohibited.

15.5 The Company has declared compliance to be a key corporate value. The Company therefore expects the Supplier to observe the applicable national legal provisions in the course of its business activities for and with the Company. This shall apply in particular to statutory provisions on occupational safety and employee protection, compliance with human rights, the prohibition of child labour, the punishability of corruption and all

kinds of benefits as well as environmental protection etc. Furthermore, the Company expects the Supplier to communicate these principles and requirements to its sub-contractors and preliminary suppliers and to encourage them to comply with these laws as well.

**16. Sub-contractors/vicarious agents**

The Supplier shall not be entitled to pass on the order or significant parts of the order to third parties without the written consent of the Company. The Company may only refuse its consent upon good cause shown, in particular if the third party does not have the qualifications required to properly perform the contract.

**17. Place of performance, applicable law, legal venue, language of contract**

17.1 Unless otherwise expressly agreed, place of performance for the delivery obligation shall be the place of performance requested by the Company.

17.2 All relationships from and in connection with the contract between the Company and the Supplier shall be exclusively governed by German law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

17.3 Exclusive venue for all disputes arising between the Company and the Supplier from and in connection with the contract shall be Düsseldorf, Germany. However, the Company shall also be entitled to sue the Supplier at its general venue.

17.4 The language of contract shall be English. If the contracting parties also use another language, the English wording shall prevail.

17.5 Oral agreements after the conclusion of the contract, in particular amendments and supplements to the General Purchasing Conditions – including this written form clause and collateral agreements of any kind – shall be in writing to take effect (sufficient by e-mail, fax). The priority of individually agreed terms pursuant to section 305 b BGB shall remain unaffected.