

General Purchasing Conditions

1. General - Area of Application

- 1.1. These purchasing conditions shall exclusively apply to all - including future - contracts with enterprises, legal persons and special funds under public law, and they shall apply to all contracts made for deliveries and any other services including contracts for work and services.
- 1.2. Conflicting or supplementary stipulations by the contractor shall hereby be contradicted. We will also refuse to recognize them, in case we did not once again expressly contradict them upon arrival, upon acceptance of delivery, and/or upon payment for the goods. They shall apply only if and when the client has expressly agreed to them, or parts of them, in writing.

2. Subcontractors, Labor Force from Non-EU Member States

- 2.1. Involving subcontractors shall require the client's prior approval in writing. The contractor must impose all responsibilities relating to the jobs he has taken on the subcontractor, and the contractor must ensure that all obligations he has guaranteed the client are fulfilled.
- 2.2. In case contractors or subcontractors should employ labor force from other states than EU member states, the client shall be submitted the appropriate work permits by the contractor before work starts.
- 2.3. In case the contractor employs subcontractors without our prior approval in writing according to sub-paragraph 2.1, or if the contractor acts in breach of his duties by failing to submit work permission according to sub-paragraph 2.2, the client shall be entitled to withdraw from the contract and claim damages due to of non-performance.
- 2.4. The contractor must not prevent his subcontractors from making contracts with the client aiming at providing other deliveries or services. Arrangements about exclusiveness with third parties shall particularly be inadmissible if they prevent the client or subcontractor from receiving deliveries or services needed for processing by the contractor himself or by his subcontractor.

3. Implementation, Environmental Protection, Safety, Health Protection, and Quality

- 3.1. The consignment must show the specifications agreed on and be in accordance with the well-known laws of engineering while reflecting the current legal and official regulations as well as the client's company rules and regulations. The contractor must particularly observe the instructions about accident prevention, keep to the instructions of the employers' liability insurance association, and observe the generally accepted rules relating to security technology and industrial medicine. Machines and technical work equipment must be supplied with operating instructions according to the regulations about machines, and with a declaration stating EU conformity.
- 3.2. So far as this is applicable, the contractor shall maintain a quality assurance system. The client is entitled to examine that system according to adjustment.
- 3.3. In case the contractor delivers substances classified as hazardous as defined by the GefStoffV (Gefährstoffverordnung - Hazardous Substances Ordinance), the contractor is obliged to provide the EU security and safety data sheet in accordance with the GefStoffV to the client, and he shall do this without being asked and prior to delivery. The same shall apply to information concerning legal restrictions on commercialization. The contractor is forbidden to use cancer-causing substances.
- 3.4. The contractor must continually adjust the quality of the products to be delivered to his client to latest developments in technology, and he has to point out to the client options for improvement and technical modification.
- 3.5. The contractor guarantees that all substances included in the goods correspond to the requirements of the EC regulation No. 1907/2006 for registration, evaluation, permission and limitation of chemical substances (REACH-regulation). In addition to that the contractor guarantees that the client obtains safety data sheets corresponding to the REACH regulation respectively the information required according to article 32 of the REACH regulation. As far as the supplier delivers goods as defined by article 3 of the REACH regulation he is obliged to provide the necessary information according to article 33 of the REACH regulation.
- 3.6. As far as it deals of deliveries of products and aids for the production of paper, the supplier guarantees that they meet the current prescriptions of the German law or the law of the European Community, especially the guidelines of the German food register as well as the regulation for utensils and the recommendations of the Federal Institute for Risk evaluation and that they have been treated, stocked and transported with the necessary care and based on the necessary hygienic and quality control.
- 3.7. The client developed his company policy on environmental and energy-saving technologies in order to conserve the natural resources. Services and goods ordered by the client have been judged also according to environmental and energy aspects. Based on that we expect from our suppliers and service providers that these aspects are also considered for the supply of products and services ordered by us.

4. Insurances

- 4.1. For the duration of the contract including the guarantee and warranty period, the contractor must take out third-party liability insurance with usual conditions in the trade (a flat rate of 5.000.000,00 minimum coverage per insurance loss or material damage). The contractor must supply proof of the insurance in force on the client's request; a coverage that is lower than customers minimum must win the client's approval in each and every case. In case the client is entitled to claim damage exceeding the amount of coverage, his claim shall continue to be valid.
- 4.2. All consignments addressed directly to the client must be insured by the contractor (e.g. consignments on account of bills of sales, factory supply contracts, maintenance and service contracts and made to order items, but not material deliveries for work contracts that the contractor performs at the client's plants).

5. The Contractor's Offer

- 5.1. The contractor must keep strictly to the specifications and the wording used in the inquiry when making his offer. In case of divergence, express reference shall be required.
- 5.2. The client shall reserve the rights of ownership and copyright with regard to illustrations, drawings, calculations and other documents submitted with the client's inquiries. Passing on any of these documents to third parties shall require the client's particularly approval in writing. The documents are exclusively to be used for the manufacturing of the client's order; the contractor shall return them to

the client without being asked once the order has been processed. Working out of an offer shall be free of charge and without obligation for the client.

5.3. Meeting the requirements of Article 48 EstG (Einkommenssteuergesetz - income tax law), the contractor must submit with his offer a legible copy of a valid exemption certificate under Article 48b of the EstG, or a certificate in the original if it relates to the order in question, as the case may be. The offer cannot be taken into consideration in the tendering proceedings unless these documents are provided. In case a valid exemption certificate is countermanded, the contractor must inform the client immediately

6. The Client's Purchase Order

- 6.1. Purchase orders, verbal collateral agreements accompanying the purchase order, arrangements reached and statements made by the client's staff shall become binding not until they have been confirmed in writing by the client. This shall also apply to subsequent modifications and supplementations.
- 6.2. The contractor will notify the client immediately in writing about modifications or extensions regarding the scope of deliveries or services that turn out to be necessary in the course of the execution. They require the client's prior approval in writing.
- 6.3. It is understood that the written form shall be considered observed if and when electronic data transfer is used as a method of transmission.
- 6.4. The purchase order must be confirmed by the contractor within eight working days by a copy of the purchase order (acceptance of order) that bears a legally valid signature. This also applies to purchase orders transmitted by the client by way of electronic data transfer. In this case, confirmations must be made within two working days. Non-confirmation is considered as acceptance.

7. Time of Delivery and Performance

- 7.1. The deadlines for delivery or performance stated in the purchase order are binding. Consignments arriving prior to the delivery date agreed upon can be rejected by the client. The contractor is obliged to inform the client immediately in writing, if and when circumstances arise or become discernible from which must be concluded that the agreed deadline cannot be met. At the same time, appropriate preventive measures must be recommended to the client, in order to avert the consequences of the delay. The obligation to meet the agreed deadlines remains unaffected. The receipt of goods by the client shall be the decisive date with regard to whether the delivery date or the delivery deadline have been met unless other agreements have been reached in writing.
- 7.2. As a matter of principle, the contractor shall only be entitled to partial deliveries/ services if he has the client's approval in writing.
- 7.3. The client shall reserve the right to acknowledge additional or short deliveries.
- 7.4. In case the contractor cannot meet the date of delivery, the client shall be entitled to lay claim to his statutory rights. He shall particularly be entitled to claim damages instead of performance once an adequate extension period he has set expires without results. The client's right to claim delivery shall not be excluded until the contractor has paid damages. In case of delay in delivery on the part of the contractor, the client shall be entitled to claim damages caused by delay determined at a flat rate amounting to 1% of the delivery per completed week, but not more than 10%. The contractor shall be entitled to prove that the client has not suffered a loss arising from the delay or that the loss arisen is substantially smaller. The customer reserves the right to put forward further statutory claims instead of the flat rate determined as caused by delay, particularly withdrawal from the contract or damages for non-performance.
- 7.5. In case of force majeure, the client shall be entitled to demand execution at a later date. The client shall be under the obligation to notify the contractor promptly.
- 7.6. Supplementary to the regulations entered into in the preceding paragraphs, the provisions of the law shall apply.
- 7.7. The contractor can plead the absence of essential documents to be provided by the client only if, and when he failed to receive them within a reasonable period of time in spite of sending reminders in writing.

8. Dispatch - Place of Delivery

- 8.1. The dispatch shall take place for the account and at the risk of the contractor. The transport facilities most favourable to the client are to be selected unless he has expressly given particular transport instructions. The consignments are to be packed in such a manner that damage in transit is avoided.
- 8.2. Apart from stating readiness for dispatch, the transport documents must show the details of the client's order (order number, date of order, destination of the delivery, name of consignee, and materials number if applicable). As a matter of principle, the client's ordering department shall be informed in writing on the day the consignment is dispatched.
- 8.3. Costs arising from misdirection of consignments shall be borne by the contractor provided he takes care of the transport or is responsible for the misdirection. In case the transport documents fail to state the client's reference number or other comments pertinent to the order, all costs resulting from this - such as demurrage, rearrangement fees and expenses of that kind - shall be payable by the contractor. Place of delivery shall be the client's delivery address as shown in the order.
- 8.4. Packing charges shall be borne by the contractor unless otherwise agreed in writing. Should the client, in individual cases, pay for packing, it must be calculated at the lowest possible price. Obligations to take back the packing shall be governed by the German Packaging Act, as amended.

9. Declaration of Origin

In case the contractor should make statements on the origin of the goods sold, the following shall apply:

- 9.1. The contractor shall be under the obligation to enable the relevant authorities of the customs office to examine the certificates of origin, and he shall give them the necessary information and also provide any certificates that might be required.
- 9.2. The contractor shall be under the obligation to pay for loss resulting from the appropriate authority's failure to accept the stated origin as a result of an incorrect certificate or as a result of a missing verification except that the contractor cannot be held responsible for this consequence.

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10. Passage of Risk

10.1 The risk shall not be passed to the client until the consignment has either been handed over to or the service has been accepted by him, as the case may be.

10.2 Once the goods have arrived, the client shall test them in all technically feasible ways that he can be expected to perform as regards quality and completeness. Notifications of defects shall be regarded as having been given in good time if and when they have arrived at the contractor's office within twelve working days by letter, fax, e-mail, or phone. The period of time for giving notification of defects starts at the time when the client has or must have discovered the defect, i.e. on receipt of the consignment when the defect is apparent, and at the time the defect is discovered in case it is hidden. This shall also apply to the contractor's purchaser in case of a third-party deal.

11. Warranty

11.1 The client shall be entitled to all claims arising from regulations concerning warranty and damages prescribed by law. The contractor must particularly guarantee the client that his deliveries and services are in accordance with the well-known regulations of engineering, and with the properties and standards agreed upon in the contract. Irrespective of this, the client shall be entitled to have a choice of whether he wants the contractor to provide a correction of faults or a replacement. In this case, the contractor shall be under the obligation to take on all expenses required to remedy the fault or deliver replacement. This includes the client's expenditure arising from his contract with the purchaser provided the fault already existed when the risk passed to the client. A subsequent improvement of the contractor in a first attempt is already considered as a complete failure.

11.2 In urgent cases or in case of default of the contractor regarding the correction of faults, the client shall be in the position to take the necessary steps himself, or have them taken by a third party, at the contractor's expense. The client will inform the contractor before these measures are put into effect. If this is impossible and the matter is of great urgency, the steps necessary to ward off damage can be taken without prior notification; in these cases, the client will notify the contractor without delay. The contractor's obligation to ensure warranty shall not be affected by this.

11.3 If a correction of faults is impossible or unacceptable for the client, he shall be in the position to withdraw from the contract or demand a discount.

11.4 The right to claim damages especially as a result of non-performance shall expressly remain reserved. The client shall be entitled to withdraw from the contract even if the contractor's breach of duty in question is only insignificant.

11.5 Claims to warranty/guarantee prescribed by law come under the statute of limitations within two years after passage of risk unless the law provides for longer periods. In so far as the client is laid claim to by a third party on grounds of faultiness of goods (enterprises's recourse), the statute of limitation will be suspended for a maximum of five years. The contractor's liability for defects expires ten years after delivery of the goods at the latest. This restriction shall not apply provided the client's claims are founded on facts the contractor was familiar with or could not have been unaware of and failed to reveal them to the client. At this early stage and on account of performance, the contractor assigns to the client all claims the contractor may be entitled to on the occasion of and in connection with the delivery of defective consignments. The contractor will hand over to the client all documents required to put forward such claims, and he shall make all necessary statements.

11.6 If faults are discovered, the warranty period shall be extended by the time lying between notification of defects and correction of faults. In case the delivered article or service has been delivered anew, or in case subsequent improvements have been necessary in whole or in part or the delivered article or service has been replaced, the warranty period shall start afresh for the newly delivered or replaced article or for the article that has been rectified in whole or in part.

11.7 As far as the contractor is responsible for a defective product, he shall be under the obligation to exempt the client from claims for damages by third parties at the first request if the cause is identified as lying in the contractor's sphere of control or influence and if he is liable in the external relationship himself.

11.8 Within the scope of his liability for claims according to sub-paragraph 11.7, the contractor shall also be under the obligation to refund any expenditure under Articles 683, and 670 of the BGB (Bürgerliches Gesetzbuch - the German Civil Code) and under Articles 830, 840 of the BGB also resulting from or in connection with a recall initiated by the contractor. If possible and reasonable, the client will notify the contractor about the subject matter and the extent of the recall to be carried out, and he shall provide him with an opportunity to comment on the situation. Other statutory rights the client may have shall be reserved.

12. Prices, Rendering of Accounts

12.1 The prices quoted in the order - inclusive of all discounts and surcharges - shall be fixed prices (plus VAT as prescribed by law) and include costs for packing, corrosion protection, and delivery costs, and they shall include free delivery to the place of utilization. The client shall pay only the lowest freight charges in case of carriage forward unless he has specified a special way of delivery. The method of price quotation shall have no effect on the place of delivery. The client shall pay the agreed price deducting a 3% cash discount provided nothing else has been agreed upon in writing and as long as the contractor does not offer more favourable terms.

12.2 The periods for payment and cash discount shall begin on the day the invoice is received, but they shall not start until the goods have arrived or the services have been provided and accepted, as the case may be. Neither shall this period begin until documentation, test certificates, or documents of that kind within that scope of performance have been handed over to the client as stipulated in the contract.

12.3 The client shall pay the invoice deducting the cash discount mentioned above within 14 days. However, he shall also be entitled to pay the invoice without deduction on the 15th day of the month following the delivery after receipt of a complete and unobjected consignment and after receipt of the invoice.

12.4 Payments that have been made shall not signify acknowledgement of an invoice.

12.5 Payments shall be made by means of cheque or bank transfer. Payment is made in good time if and when the cheque is sent off by mail on the due date, or if and when the bank is instructed to transfer the money on the due date, as the case may be. Due date interest cannot be claimed. Interest on arrears shall be 5 per cent above the base interest rate. The client shall in any event be entitled to prove that the loss resulting from delay was smaller than the amount claimed by the purchaser.

12.6 The client shall have the right to set off costs against each other and the right of recoupment as prescribed by law.

12.7 The invoices shall be issued in duplicate and be sent to the invoice address mentioned in the order or to the client's head administration offices, as the case may be. They shall be issued separately for each order once the consignment has been delivered or the services have been performed. Order numbers must be stated and all accounting documents (parts lists, certificates of employment, record of detailed measures etc.) must be enclosed.

12.8 Invoices for partial deliveries or services must bear the note "Invoice for Partial Delivery" or "Invoice for Partial Services", as the case may be. Final invoices must bear the note "Final Invoice for Delivered Remainder" and "Final Invoice for Remainder of Services" respectively.

12.9 Each and every invoice must identify the sales tax as prescribed by law. Invoices in the original must not be enclosed with the delivery.

13. Non-assignability

Assignments and other transfers of the contractor's rights and duties to regions outside the purview of Article 354a of the HGB (commercial code) shall be ruled out. Exceptions shall require the client's consent in writing in order to become effective.

14. Termination

14.1 The authorization to carry out jobs or services can be terminated by the client at any time under Article 649 BGB either until the job is done or the service has been executed. Departing from the regulations prescribed by law concerning the consequences of termination, the following shall apply: If and when a contract is terminated by the client for an important reason, the contractor is responsible for only those individual performances must be paid for which have been provided to and made use of by the client till the day the termination reaches the contractor. The client's claims for damages continue to be not affected. The contractor must particularly reimburse the resulting extra costs.

14.2 In case the client terminates the contract for good cause the contractor cannot be held responsible for, the contractor shall be paid only the agreed fee for those individual deliveries and services delivered to and accepted by the client till the day the contractor received notice of the termination. Further claims by the contractor shall be ruled out. Apart from that the regulations concerning consequences of termination prescribed by law under Article 649 BGB shall apply.

14.3 The client shall be in the position to withdraw from the order placed for deliveries (§ 433 BGB) at any time if there is good cause until the deliveries have been handed over. In this case, the above sub-paragraphs shall apply accordingly with regard to fees claimed by the contractor; the client shall acquire ownership of the partial deliveries made and services paid for.

14.4 There is good cause in the sense of sub-paragraphs 14.2 and 14.3 particularly if and when - as a result of sovereign decisions - the client's interest in being provided with the performance stipulated in contract no longer applies. There is good reason also if and when the contractor files for insolvency or fulfils the requirements for insolvency proceedings, or if and when he fails to meet his obligations to rectify defective services within a reasonable period of time set down in writing.

15. Industrial Property Rights (Patents, Licences, Utility Models etc.), Copyright

The contractor shall guarantee that patents or industrial property rights held by third parties shall not be infringed upon by delivery and use of the delivery items and/or works produced. The contractor shall be under the obligation to exempt the client from any claims by third parties due to infringement of these rights and indemnify him from all rights. The client shall be entitled to reach agreements with the third party without the contractor's consent and particularly to effect a compromise with him. Even though the contractor may hold industrial property rights, the client or his authorized representative may carry out repairs.

16. Observance of Secrecy

16.1 The contractor shall be under the obligation to treat all information he obtains in the ordering process absolutely confidentially.

16.2 All documents the contractor is entrusted with by the client shall remain the client's property. They must not be made available to third parties. Special experts and subcontractors brought in by the contractor shall not be considered third parties if and when they have guaranteed the contractor to handle the documents in question absolutely confidentially as well. The contractor shall be liable for all damage resulting from breaches of this obligation.

16.3 The client shall exclusively be entitled to all rights of use with regard to illustrations, drawings, calculations, methods of analysis, mixtures, and other works produced or developed by the contractor in the course of reaching an agreement about and managing the order.

17. Data Protection

The contractor agrees to the client's storing, processing, and transmitting the contractor's personal data to affiliated companies as defined by article 15 of AktG (Aktiengesetz - German Stock Corporation Act) on the basis of the GDPR (General Data Protection Regulation) and the BDSG (Bundesdatenschutzgesetz - Federal Data Protection Act), as amended, as far as this is necessary for the handling and processing of the order.

18. Publication, Advertising

An evaluation or announcement of business relations with the client in publications or for advertising purposes shall only be permissible with the client's explicit prior approval in writing.

19. Place of Jurisdiction

Insofar as the contractor is an entrepreneur, a legal person under public law, or special funds under public law, the client's place of jurisdiction shall exclusively be the place of jurisdiction for all disputes arising from the contractual relationship indirectly or directly. In addition, the client shall be entitled to go to that court having jurisdiction at the contractor's place of business.

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20. Language of the Contract, Applicable Law

20.1 Insofar as these general purchasing conditions are also made available to the contractor in another language, only the German version shall apply. German law shall apply.

20.2 If the contractor's place of business is abroad, it is understood that German law shall apply ousting the conflict of laws provisions as well as ousting the United Nations' agreement on contracts about international purchase of goods of 11.04.1980.

21. Severability Clause

In case individual stipulations of these purchasing conditions are or turn out to be null and void or are impracticable, the remaining stipulations shall continue to take effect. After finding out that an individual clause is inoperative or impracticable, the parties shall be under the obligation to replace the inoperative or impracticable stipulation as soon as possible by one which is, if at all possible, economically of equal value.