

**General Terms and Conditions of Purchase
of WAREG-Verpackungs GmbH
(Date: 1. September 2019)**

I. General, scope of application

- (1) These General Terms and Conditions of Purchase shall apply to all commissions and orders placed by us for the purchase of goods as well as works and services (hereinafter referred to as “deliveries”). The General Terms and Conditions of Purchase shall only apply if the Supplier is an entrepreneur (§ 14 German Civil Code (BGB)), a legal entity under public law or a special fund under public law.
- (2) The General Terms and Conditions of Purchase, as amended, shall also apply to future contracts with the same supplier, without us having to refer to them again in each individual case. In the event that changes are made to our General Terms and Conditions of Purchase, we shall inform the Supplier immediately.
- (3) The General Terms and Conditions of Purchase shall apply exclusively; general terms and conditions of the Supplier that conflict or deviate from our Terms and Conditions of Purchase shall not be recognised unless their validity is expressly agreed to in writing. Deviating conditions of the Supplier are hereby expressly precluded. Our General Terms and Conditions of Purchase shall even apply if we accept without reservation a delivery from the Supplier in the knowledge that the Supplier’s terms and conditions of purchase conflict with or deviate from our Terms and Conditions of Purchase.
- (4) Individual agreements made with the Supplier on a case-by-case basis (including sub-agreements, additions and amendments) shall always take precedence over these Terms and Conditions of Purchase. The content of such agreements must be set forth in a written contract or in a written confirmation from WAREG.
- (5) Legal declarations and notifications that are to be submitted to us by the Supplier after the contract has been signed (e.g. setting of deadlines, notifications of defects, declarations of rescission) must be made in writing in order to be deemed valid.
- (6) References to the validity of statutory provisions are for the purposes of clarification only. Even without such clarification, the statutory provisions shall apply insofar as they are not directly amended or expressly precluded in these Terms and Conditions of Purchase.
- (7) No remuneration shall be granted for the preparation of schedules or similar.

II. Signing of the contract

- (1) An order from us shall be deemed binding at the earliest upon written submission or confirmation. Before accepting an order from us, the Supplier must, for the purposes of correction and/or completion, expressly notify us of any obvious errors (e.g. spelling mistakes or miscalculations), order incompleteness (including in the order documents) or deviations from the order. Otherwise, the contract shall be deemed not to have been concluded.
- (2) The Supplier must confirm our order in writing within a period of 3 working days. A late acceptance of the Supplier shall be deemed a new offer and shall in turn require our acceptance.

III. Provision of services, procurement risk

- (1) The Supplier shall ensure that the delivered goods have the agreed upon quality and correspond to our material specifications. We shall not accept equivalents or similar materials or materials from other manufacturers.
- (2) Unless otherwise agreed on a case-by-case basis, the Supplier shall bear the procurement risk for its services.
- (3) We may demand changes be made to the contract even after the contract has been signed insofar as these do not pose an unreasonable burden for the Supplier. In the event that the contract is amended, the impact on both sides, in particular with regard to additional costs, cost reductions and delivery dates, must be adequately taken into account. An additional cost that arises as a result of changes made to the contract performance must be communicated to us without delay and shall require prior written consent.

IV. Delivery time, delayed delivery

- (1) Unless otherwise agreed, the delivery time specified by us in the order shall be deemed binding. If the agreed delivery time cannot foreseeably be met by the Supplier, the Supplier is obliged to inform us immediately of this in writing.
- (2) In the event that the Supplier is in default, we shall, in addition to further statutory entitlements, retain the right to demand a flat-rate for damages amounting to 0.25% of the net price of the goods, but only up to a maximum of 5% of the net price. We reserve the right to prove that costs incurred are higher. In turn, the Supplier reserves the right to prove that no or only significantly lower damage has been incurred.
- (3) Should, in the event of non-compliance with the delivery date, the Supplier invoke force majeure, we reserve the right to terminate the contract in whole or in part or demand performance at a later date without the Supplier having any claims against us upon termination of the contract.

V. Delivery, transfer of risk, default of acceptance

- (1) In Germany, deliveries shall be carried out DDP at the place specified in the order (Incoterms 2010). If the destination is not indicated or not otherwise agreed, deliveries shall be made to our premises at Lilienthalstraße 55-57, D-64625 Bensheim. The place of destination is both the place of performance for services carried out by the Supplier and the place of execution of our payments.
- (2) Upon delivery of the goods to the place of performance, the risk of accidental loss and/or accidental deterioration shall be transferred to us. Agreed acceptance shall be deemed decisive for the transfer of risk. In the event of acceptance, the provisions of the law governing contracts for work and services shall apply accordingly. Should we be in default of acceptance, the transfer shall be deemed to have taken place.
- (3) The occurrence of default of acceptance shall be governed by statutory provisions. An express offer from the Supplier shall also be required if a certain or determinable time according to the calendar has been agreed for an act or cooperation. If we are in default of acceptance, the Supplier may demand compensation for additional expenses within the scope of the statutory provisions (§ 304 German Civil Code (BGB)). In the event that an

unacceptable item is produced by the Supplier (one-off production), the Supplier shall only be entitled to further rights if a breach of the duty to cooperate takes place for which we are responsible.

VI. Prices, terms of payment

- (1) The price or pricing clause specified in the order shall be deemed binding. All prices shall be quoted, even if not shown separately, including statutory value-added tax.
- (2) The price shall include all services and ancillary services of the Supplier (e.g. assembly, installation) as well as all additional costs (e.g. proper packaging, transport costs).
- (3) The Supplier shall, at our request, take back any packaging material free of charge and carriage paid. Alternatively, we reserve the right to dispose of the packaging material at the expense of the Supplier.
- (4) Unless otherwise agreed, the price shall become due for payment within 30 calendar days from the completed delivery and service (including an agreed acceptance) as well as our receipt of a proper invoice. The invoice must be submitted separately in duplicate form and must not be attached to the consignment. In the case of bank transfers, payments shall be deemed to have been made on time if our transfer order is received by our bank before the expiry of the period for payment. We shall not be held responsible for delays in the payment process caused by the banks involved.
- (5) The right to charge interest pursuant to § 353 (1) German Commercial Code (HGB) shall be precluded.
- (6) We shall only be in default after a written reminder from the Supplier. The default interest per annum shall be 5% points higher than the basic rate of interest (§ 247 German Civil Code (BGB)).
- (7) We shall be entitled to withhold due payments if we are still entitled to claims against the Supplier in connection with ordered goods or earlier deliveries and services.
- (8) Unconditional payment shall not represent our approval of the deliveries and services provided by the Supplier as in accordance with the contract.

VII. Confidentiality

- (1) We reserve all property rights and copyrights to illustrations, plans, drawings, calculations, implementation instructions, product descriptions and other documents. The documents are to be used exclusively for the execution of the contract and are to be returned to us at our request at the latest after completion. The retention of excerpts and copies is not permitted. The Supplier shall undertake to not make the documents available to third parties, even after termination of the contract. An obligation to secrecy shall no longer exist if the knowledge contained in the documents has become a matter of common knowledge.
- (2) The provision in para. 1 shall apply mutatis mutandis to the items provided to the Supplier by us for manufacture (e.g. substances, materials, tools, templates, samples, etc.). The Supplier is obliged, at its own expense, to store such items separately for as long as they are not processed and to insure them to an appropriate extent against destruction and loss.
- (3) If the items provided to the Supplier are processed, mixed or combined (further processed), this shall be done on our behalf. If the delivered goods are further processed by us, the same shall apply; we shall in this respect be considered the manufacturer and

shall, in accordance with the statutory provisions, acquire ownership of the product at the latest upon further processing.

VIII. Reservation of title

- (1) Title to the goods shall, upon delivery, be transferred to us unconditionally and regardless of whether the purchase price has been paid.
- (2) In the event that the transfer of ownership of the delivered goods is conditional on the Supplier paying the purchase price, the reservation of title shall expire at the latest upon payment of the respective goods.
- (3) Even before the purchase price has been paid, we shall, in the proper course of business, be entitled to resell the goods with advance assignment of the claim resulting therefrom (alternatively, the validity of the simple reservation of title extended to resale). This shall exclude all other forms of reservation of title, namely extended or transferred reservation of title or reservation of title prolonged for further processing.

IX. Right of set-off and retention

The Supplier shall only have the right of set-off and retention if its counterclaims have been established as final and absolute, are undisputed or have been acknowledged by us. It shall only be entitled to exercise a right of retention insofar as its counterclaim arises from the same contractual relationship.

X. Warranty, guarantee

- (1) In the event of material defects or defects in title of the goods, and in the event of other breaches of duty on the part of the Supplier, statutory provisions shall apply unless otherwise specified below.
- (2) The Supplier shall, for its deliveries and services, assume a guarantee of 36 months from the transfer of risk that its deliveries and services, during the term of the guarantee,
 - a) are free from defects of any kind;
 - b) are fully suitable for the intended or agreed purpose; and
 - c) exhibit the contractually agreed or warranted properties.

If the Supplier has voluntarily provided or offered a longer or more extensive guarantee, this guarantee provided or offered by the Supplier shall apply.

- (3) Notwithstanding § 442 (1) sentence 2 of the German Civil Code (BGB), we shall even be entitled to unrestricted warranty claims if the defect remains unknown to us upon conclusion of the contract as a result of gross negligence.
- (4) Goods or works about which a complaint has been made shall only be accepted at the risk and expense of the Supplier and shall be stored in its name and at its risk. Payments shall in no case constitute a waiver of our right to complain.
- (5) The Supplier shall bear the costs incurred in testing and repair (including any removal and installation costs) even if no defect is found. However, in the event of an unjustified demand to remedy defects, we shall only be liable for damages if we have recognised or, through gross negligence, failed to recognise that there was no defect.
- (6) If the Supplier does not fulfil its obligation to provide supplementary performance within a reasonable period of time set by us, we shall, at our discretion, be entitled to remedy – by

means of rectification (removal of the defect) or the supply of a replacement (delivery of a defect-free item) – the defect ourselves and to demand reimbursement from the Supplier of the expenses required for this or a corresponding advance payment. A deadline need not be set if the subsequent performance by the Supplier has failed or is unacceptable for us (e.g. due to a particular urgency, endangerment of operational safety or imminent occurrence of disproportionate damage). We shall, where possible, inform the Supplier of such circumstances in advance.

XI. Product requirements

- (1) The Supplier shall undertake to comply with all applicable laws and relevant legal and technical regulations, in particular those that serve to protect the environment, such as DIN standards, VDE, VDMA, UVV and TÜV regulations and accident prevention regulations. The latest state of science, technology, experience and the rules of craftsmanship must be taken into account.
- (2) Furthermore, the Supplier shall guarantee that the delivered products are free of substances that are harmful to the wetting properties of lacquers (LABS). Upon request, the Supplier shall provide us with proof of this free of charge.
- (3) Upon request, the Supplier shall provide us free of charge with a long-term supplier declaration for each delivery year for the products supplied, including all product-related data such as the customs tariff number and the country of origin.
- (4) The delivered goods shall only be inspected by us on the basis of the accompanying documents for identity, quantity and externally visible transport damage. We shall report defects in the delivery as soon as they are discovered in the proper course of our business at the latest, however, after delivery to the place of receipt specified by us, but at the earliest within at least 5 working days from the date of delivery agreed in writing, and upon detection by us.

XII. Recourse of the Supplier

- (1) In addition to claims for defects, we shall, within a supply chain, be entitled without restriction to statutory claims of recourse (recourse of the Supplier pursuant to §§ 478, 479 German Civil Code (BGB)). We shall also be entitled to demand from the Supplier the type of subsequent performance (subsequent rectification or replacement) that we owe to our Customer in individual cases. Our right to choose in accordance with § 439 (1) BGB shall remain unaffected thereby.
- (2) Before we acknowledge or fulfil a warranty claim asserted by our Customer (including reimbursement of expenses pursuant to §§ 478 (3), 439 (2) BGB), the Supplier shall be informed of this by us and asked for a written statement describing the facts of the case. Should the Supplier not respond within a reasonable period of time and no amicable solution is reached, the warranty claim actually conceded by us shall be regarded as owed to our Customer. The Supplier shall be responsible for providing proof to the contrary.
- (3) The claims arising from the recourse of the Supplier shall also apply if the goods have been further processed by us or one of our customers before being sold to a consumer (e.g. by incorporation into another product).

XIII. Manufacturer's liability

- (1) If the Supplier is responsible for damage to a product, the Supplier must indemnify us against claims by third parties to the extent that the cause lay within its sphere of control and organisation and the Supplier themselves is liable in relation to third parties.
- (2) Under its obligation to indemnify, the Supplier shall reimburse any expenses pursuant to §§ 683, 670 German Civil Code (BGB) that arise out of or in connection with any recourse taken by third parties including for recall campaigns carried out by us. We shall, to the extent possible and reasonable, notify the Supplier of the content and extent of recall measures and give him an opportunity to comment. Further statutory claims shall remain unaffected.
- (3) The Supplier shall take out and maintain product liability insurance with a flat-rate coverage of at least EUR 10 million per personal injury / incidence of material damage.

XIV. Limitation period

- (1) Insofar as nothing to the contrary results from the following provisions, the mutual claims of the contracting parties shall become statute-barred in accordance with statutory provisions.
- (2) Notwithstanding § 438 (1) no. 3 German Civil Code (BGB), the general period of limitation for defects in quality and title shall be 3 years. The statutory limitation period for claims in rem for the restitution of property shall, in accordance with § 438 (1) no. 1 BGB, remain unaffected. Furthermore, claims arising from defects of title shall under no circumstances be statute-barred as long as the third party can still assert the right against us, in particular due to a limitation period.
- (3) Notwithstanding § 438 (1) no. 2 BGB, the general limitation period for defects in quality and title for buildings and objects which have been used for a building in accordance with their usual purpose and which have caused its defectiveness shall be six years.
- (4) The limitation period shall begin with the transfer of risk.
- (5) For our non-contractual claims for damages which are connected with a defect of the goods, the limitation periods of sales law and clauses (2) and (3) above shall only apply as minimum periods. Otherwise, the regular statutory limitation period shall apply (§§ 195, 199 BGB). The same shall apply if a sold right does not exist, the Supplier has assumed a guarantee or fraudulently concealed a defect.

XV. Assignment, pledge

Rights existing in relation to contracts concluded with us may only be assigned or pledged with our written consent.

XVI. Accident prevention

All machinery, apparatus, vehicles and the like must be fitted with the protective devices against accidents and occupational diseases prescribed by the latest accident prevention regulations of employers' liability insurance associations or by the latest relevant statutory provisions.

XVII. Industrial property rights

The Supplier shall warrant that the delivery and use of the ordered goods do not infringe any copyrights, trademarks, patents or other industrial property rights of third parties. The Supplier shall, at first request, fully indemnify us against any claims asserted by holders of industrial property rights and shall be obliged to provide us with all of the support required in the defence against claims by third parties and to bear the costs thereof. This shall also apply to deliveries from third parties to the Supplier, which the Supplier then passes on to us.

XVIII. Extraordinary services

- (1) Extraordinary services shall only be remunerated if it has been agreed upon in writing. Extraordinary services shall be invoiced monthly.
- (2) Extraordinary services done for us shall only be acknowledged if the number of hours has been signed off by the respective head of department.

XIX. Inventory support for components provided

Insofar as we provide the Supplier with components for the performance of its services, the Supplier shall take an inventory of these components using the inventory form provided by us on January 1 of each year and send this to us without delay.

XVIII. Place of jurisdiction, applicable law

- (1) The signing of the contract and the contractual relations between us and the Supplier shall be subject exclusively to the law of the Federal Republic of Germany. The application of the United Nations Convention on Contracts for the International Sale of Goods is hereby precluded.
- (2) The place of jurisdiction for all disputes arising from the contractual relationship shall be our registered office at D-64625 Bensheim. However, we shall also be entitled, at our discretion, to initiate proceedings at the Supplier's registered office.