

General Purchasing Terms and Conditions

of Söhner Kunststofftechnik GmbH

1. Agreed terms

(1) We place orders with companies as part of commercial transactions within the meaning of § 14 German Civil Code (BGB) exclusively on the basis of the purchasing terms and conditions below. For services with regard to the construction of buildings, the legal provisions of the building contracts apply instead of the purchasing terms and conditions.

(2) Any supplier sales terms and conditions, which we object to generally and in advance, will not become part of this contract. This applies even if the supplier's delivery or services are provided with reference to the supplier's own general terms and conditions, and we accept the delivery or service without explicit objection to the reference.

(3) If the supplier does not accept our terms and conditions in part or in full, the supplier must notify us and name the unacceptable provision and provide a preferred alternative provision before the contract is concluded. If our order is filled without sending a respective notification, the supplier is deemed to have accepted our purchasing terms and conditions for this and all following orders. This applies even if reference is made to the supplier's terms and conditions in an order confirmation, a delivery note, an invoice or another written document of the supplier.

(4) Unless otherwise agreed, our purchasing terms and conditions constitute the master agreement for all orders. Individual contract provisions in individual orders, master agreements, quality assurance agreements and other long-term agreements shall apply with precedence.

(5) The supplier will not receive any remuneration or compensation for its services before the contract is concluded. If no order is placed, the preparation of proposals, plans, projects, models, samples, drawings, etc. will only be remunerated if this was explicitly agreed to. In the event of fee-based measures, the supplier must submit a written note and – to the extent possible – provide the amount of the costs in relation to the measure on a case-by-case basis before performing such measures.

2. Order, framework order

(1) Orders are only binding if submitted in writing or via fax. Orders by phone or verbally and/or additions to orders require our written or faxed confirmation.

(2) If the supplier does not object within five (5) business days after receiving the order, the order will be deemed accepted.

(3) The supplier must notify us immediately and for reasons of proof in writing of any concerns regarding the type of execution desired by us.

(4) Framework orders are only binding with respect to price and should ensure that the supplier is able to plan accordingly. We are only obligated to accept the forecast quantity, if we explicitly agreed to do so. The price adjustment provision in section 9 para. 2 is not applicable to framework orders. A price adjustment will only occur if actual quantities significantly exceeded or fell below forecast quantities (> 20%).

(5) Call-offs as part of a framework order are binding with respect to the ordered quantity to the extent the delivery dates are within four (4) weeks after the order date. Raw material procurement is released for delivery dates up to the eighth week after the order date. Additional delivery dates are non-binding forecasts and may only be used for capacity planning.

(6) Call-offs beyond the fourth week will become binding with regard to the released quantities as time passes if the supplier does not receive any notification of change from us. The same applies to the obligation to accept the raw material for call-offs beyond the eighth week. The period of commitment is therefore always four (4) weeks for the

obligation to accept the call-off quantities and eight (8) weeks for the raw material.

3. Confidentiality

(1) Every order and every contract concluded with us must be treated confidentially. The supplier may reference a commercial relationship with us only if we have given our express consent. This applies even after the contract relationship is terminated.

(2) The contractual parties mutually undertake to treat as business secrets all undisclosed commercial or technical details with regard to the other contractual party that they become aware of as part of the business relationship.

(3) If the supplier is commissioned to develop goods, to build or manufacture tools for the production of goods or with the production of goods based on designs, constructions or tools provided by us, the confidentiality obligation includes all aspects of the business relationship. In this case, the respective details will be regulated in a design, tools or confidentiality agreement.

4. Performance obligation, rules and exceptions for the acceptance obligation

(1) We are not obligated to accept partial, additional or insufficient deliveries that were not previously agreed.

(2) Force majeure entitles us to withdraw from the contract in part or in full. In these cases, the supplier does not have the right to assert claims for damages.

(3) With respect to quantities, weights and measurements, the values determined by us during the incoming goods inspection are decisive.

(4) A delivery note must be added to every delivery; the delivery note as well as invoices or other correspondence must always contain our order number and the order date as well as any additionally required information. Every item must be clearly identified providing quantity and order number. In the event of tool deliveries, the delivery note must also contain the project number, the exact name of the part to be processed with the tool including its drawing number.

(5) Partial or residual deliveries that were coordinated with our purchasing department must be separately labeled as such.

(6) If a delivery is not respectively labeled as described in paragraphs 4 or 5, our purchasing department is entitled to return or store the shipment at the expense of the supplier until the purchasing department is able to clarify the matter. We will charge a fixed amount of € 50.00 plus VAT for the additional expenditure. We reserve the right to prove higher costs. The supplier has the right to prove in individual cases that costs were not incurred or that they were lower than charged.

(7) We are entitled to change the performance content to the extent the change in performance is reasonable for the supplier. For framework orders, we assume reasonableness if the delivery date is eight (8) weeks after the call-off containing the notification of change. The supplier is obliged to immediately notify us if and for what reasons he considers a requested service change to be unreasonable.

(8) Material certificates (particularly in accordance with DIN 50.049/3.1B) or inspection certificates (particularly in accordance with EN 10204) must be included with every delivery. To the extent that certificates with regard to individual material inspections were agreed, they represent an essential part of the performance. We are not obligated to accept goods without certificates, inspection certificates or statements.

(9) If European guidelines or regulations or other legal provisions, regulations or public orders based on German law require special identification, permissions, authorizations, declarations of performance, specifications or other documentation to prove the legal product features, the supplier is obligated to comply with all required preconditions and to include the required documentation when delivering the goods (lawfully labeled) or – to the extent permissible – to provide it on a reliably and permanently publicly accessible Internet page for download. We are not obligated to accept goods that were delivered to us without complying with these identification and documentation regulations.

(10) Our orders may not be delegated to subcontractors without our previous explicit consent.

(11) Rights of retention regarding the goods, tools, models, design and construction documents or other items, information and documents necessary for a continuous procurement of goods may not be executed if we offer a reasonable security bond for the stated reason of the retention until final settlement of the dispute. The security bond may be provided in the form of a directly enforceable bank guarantee which is unlimited in time. If the reason for the asserted right of retention turns out to have been ineligible, the supplier will have to bear the costs for the security bond.

5. Packaging and shipping

(1) Our shipping terms must be strictly complied with; any additional costs or losses incurred due to failure to comply with our terms must be borne by the supplier. Even after transfer of risk, the supplier is liable for any damage to the goods resulting from insufficient packaging.

(2) The supplier is responsible for the costs to package and ship to the utilization site (place of performance) specified in the order. They are included in the order costs. The delivery is DDP (Incoterms® 2010).

(3) The obligation to accept the return of the packaging is based on statutory provisions. If, in individual cases, packaging costs have been additionally agreed upon, the packaging returned to the supplier at the supplier's cost must be credited at its full-calculated value.

6. Transfer of risk

(1) The delivery is at the risk of the supplier. The shipping risk ends with the completed transfer at the recipient (DDP Incoterms® 2010).

7. Performance term

(1) If the supplier does not object to the delivery dates/deadlines within five (5) days after receiving an order, the dates named by us will be deemed binding. In case of a subsequent change in performance, a new delivery date will be agreed upon in a binding manner.

(2) The agreed upon delivery times are binding. The delivery may not occur too early or too late. An early delivery does not result in the delivery price becoming due and payable earlier, and at the supplier's choice, the early delivery may be returned or stored at the supplier's risk and cost until the delivery date.

(3) Deliveries must be shipped in such a way that they are available at the place of performance on the delivery date.

(4) If a delivery or an agreed upon partial delivery is not delivered in part or in full at the agreed date, we have the right to withdraw from the contract after the unfruitful expiration of a reasonable grace period and to claim compensation for expenditures as well as for damages instead of the performance. A deadline need not be specified, if a fixed delivery date ("just in time" / "just in sequence") had been agreed and the supplier cannot offer any appropriate measures to prevent downtime damage (e.g., supply with extra tours).

(5) Our claim for compensation following any damage caused by a delay will not be affected by a delayed delivery or the execution of the rights described in paragraph 4.

(6) If an unavoidable delivery delay is to be expected, the supplier undertakes to immediately notify us together with a proposed new delivery date. If this date is set for more than two (2) weeks after the originally agreed upon delivery date in spite of the supplier having utilized all reasonable acceleration expenditures, we have the right to withdraw from the contract.

(7) If the delivery date is delayed for reasons that the supplier is not responsible for, the performance term is respectively extended, provided the supplier had not guaranteed a fixed date. The supplier undertakes to make every reasonable effort to influence the events that temporarily prevent provision of the performance and to respond in a way that accelerates the situation. Any extra costs associated with the acceleration must be coordinated with us.

(8) We are entitled to withdraw from the contract if the delay lasts for more than two (2) months for reasons described in paragraph 7. The same applies if we are unable to fulfill our own performance obligations in time due to the delay. In the event of a withdrawal based on this provision, both parties will be released from the mutual performance obligations regarding the yet unfulfilled part of the contract without any additional consequences.

(9) The supplier carries the procurement risk. Supply problems, therefore, only represent a delay within the meaning of paragraph 7 if the materials or services required to fulfill the delivery obligation cannot be purchased in time globally.

8. Place of performance, place of fulfillment

(1) The place of performance is the utilization site specified in the order.

(2) The place of fulfillment of the performance obligation is the utilization site specified in the order. Place of fulfillment for our obligations is D-74193 Schwaigern.

9. Prices

(1) The prices specified in the order are fixed prices. If prices have not been specified when an order is issued, the supplier must enter them in the copy of the order to be returned to us. A contract is not considered concluded until we have accepted the prices.

(2) If the performance content is subsequently changed, a price adjustment will generally be based on the original order price calculation basis. A price adjustment is performed in the event of changes in the scope of performance (excess/shortfall quantities). The supplier must provide the original calculation for calculating lower costs (as a rule, in the case of excess quantities) or to justify higher costs (as a rule, in the case of shortfall quantities), provided we did not have the calculation available at the time of the conclusion of the contract and the respective order or order confirmation did not price in excess quantity discounts or shortfall quantity surcharges.

(3) In the event of continuous deliveries, framework orders, multiple delivery contracts with a term of more than one year, prices will be reviewed once annually taking into account the market conditions. If the parties cannot agree on a price adjustment that one of the parties considers to be necessary, the party requesting the price adjustment is entitled to terminate the underlying contract with a phasing-out period of eight (8) weeks. Individual provisions in the affected contract have priority in this case.

10. Invoice and payment terms, right of retention in the event of defects

(1) Invoices must be prepared in duplicate and must contain all information that the delivery note has. Invoices that do not contain this information may be returned for amendment as part of the regular course of business, but no later than eight (8) days after the invoice was received; in such a case, the invoice amount is not due for payment.

(2) Payment will be made twenty (20) days after the invoice was received with a 3% discount, within forty five (45) days after the invoice was received with 2% discount or net within ninety (90) days after the invoice was received.

(3) Any agreed upon prepayments or deposits are only executed concurrently with furnishing security. The supplier may also provide the security by furnishing a directly enforceable indefinite bank guarantee. Prepayments entitle us to receive additional discounts. The discount is 1% for each month between the prepayment and the delivery of the goods or receipt of the performance. The discount deducted in accordance with paragraph 2 and 3 is limited to a max. 5%.

(4) In case of defects or quantity shortfalls, we are entitled to retain three times the amount that will be required to rectify the defects or to procure a replacement for the shortfall until the supplier provides a subsequent delivery and/or a replacement delivery at the supplier's cost. The right of retention is not restricted to the respective contractual relationship.

(5) The payment claim may not be assigned to third parties without our consent.

11. Guarantees, quality management, notification of defects and warranty, defects of title, property rights

(1) The supplier explicitly guarantees that all deliveries and performances are state-of-the-art, comply with applicable statutory provisions, rules and regulations stipulated by public authorities, institutions for statutory accident insurance and prevention and trade associations. The supplier guarantees that the goods have the characteristics as specified and as assumed explicitly or implicitly in the contract and do not have any defects impairing their use, consumption or processing at the time of delivery.

(2) Inserts must be generally free of any fragments or other impurities. Any required quality certificates will be compiled upon request and attached to the deliveries. The supplier guarantees the utilization of proper materials, dimensional accuracy in processing as part of the agreed upon or applicable tolerances in accordance with the state of the art, as well as the suitability of packaging and means of transport.

(3) The supplier guarantees that he has established and consistently maintains an effective quality assurance system for its products that ensures quality inspections of the end products. Unless otherwise agreed in individual cases, the quality assurance system must at least comply with the requirements in accordance with DIN EN ISO 9001, as amended (currently DIN EN ISO 9001:2015), and seek a further enhancement to achieve VDA 6.1 and ISO/TS 16949. If a quality assurance agreement has been concluded for the duration of the business relationship, the provisions of the quality assurance agreement take priority.

(4) Due to the supplier's established final inspections, we are not obligated to inspect the delivered goods. We will immediately notify the supplier if we detect any obvious defects and transportation damage. Any further obligation for inspection and notification of defects shall not apply.

(5) With "just in time" or "just in sequence" deliveries, the delivered goods will go directly into processing without any means of inspection. We will immediately send notification of any defects as soon as we become aware of them.

(6) Without prejudice to the right to recourse in accordance with §§ 478 f German Civil Code (BGB), the supplier provides the following warranty for goods that were not delivered as agreed or delivered defective:

We retain the option to choose between replacement deliveries or rework even if the defect becomes obvious only during processing. In certain legally stipulated cases and to prevent consequential damage, we have the right to rectify a defect ourselves or have others rectify the defect at the supplier's costs instead of subsequent rework by the supplier, without prejudice to our other claims. The same applies if the supplier has not rectified the notified defect within a reasonable grace period by rework or by delivering a replacement. If the supplier lets expire a grace period of two (2) weeks set by a notification of defect without taking any action, we have the right to withdraw from the contract and to claim compensation for expenditures and damages instead of performance. We are no longer obligated to accept supplementary performance after the grace period has expired.

(7) With respect to a defect discovered in "just in time" or "just in sequence" deliveries, we have the right to immediately take any measures necessary to maintain our own production processes or those of our customer at the supplier's costs. The supplier will be immediately notified of the measures taken and must take all additional measures to ensure supplementary performance and rectifying any damage so that the production processes may continue without any interference or interruption.

(8) In the event of standing orders, framework orders, apportioned contracts of series products with a term of more than one year, the supplier undertakes to provide continuous defect-free deliveries and performance (zero-defect goal). The essential product features must be constantly inspected and the results of the inspections must be documented. Any detectable source of error must be avoided from the outset, unknown sources of error must be immediately determined, any detected sources of error must be permanently removed. In all these cases, the supplier is obligated to provide transparent documentation involving our purchasing department and quality assurance (8D report).

(9) The limitation period for claims arising from defects is three (3) years. It starts with the delivery at the place of performance or with the acceptance of the performance. This period restarts for any defective parts of the delivery or performance as of the arrival of the replacement delivery or the acceptance of a rework. The expiration of the period of limitation is suspended by our notification of defect. The suspended expiration will end one month after the final rejection of the defect by the supplier. In the cases described in paragraph 8, the delay ends one month after the 8D report was completed. The date of its receipt at our site shall be decisive.

(10) The supplier guarantees that the delivered good is free of third party rights. References to such rights, reservations for the benefit of third parties and similar issues are irrelevant with respect to this guarantee obligation, even so if they arise from invoices, delivery notes, confirmation letters, etc., and even so if we do not explicitly object. If third party claims are raised against us directly or indirectly via our customers because of violations of copyrights, then the supplier must indemnify us against all claims and reimburse the costs arising out of the legal dispute. We are furthermore entitled to obtain third-party authorization for the use of the affected delivered goods or performance at the supplier's costs.

12. Liability (product liability, liabilities for consequential damage caused by a defect, damages caused by default, other contract violations)

(1) The supplier vouches for his delivered products being free of any defects. If, as part of product liability, claims are asserted against us due to product defects which trace back to reasons caused by the supplier, the supplier will hold us harmless within the internal contractual relationship with us. The claim for damages also comprises costs arising from monitoring the product or a precautionary recall campaign if we are obligated to perform such a campaign due to statutory provisions, jurisdiction, a decision by a public authority or instructions from our product liability insurer.

(2) The supplier will maintain a product liability insurance to be presented upon request which fulfills the requirements of the good's utilization purpose as far as the supplier is able to determine. The supplier has the right to obtain from us the respective information needed for a risk evaluation.

(3) The supplier vouches for his delivered products being free of any defects. The supplier must provide unlimited compensation for any damage incurred to us, our customers or subcontractors caused by a product defect of the supplied good. In particular, the supplier is also liable for determination costs, sorting costs, costs for extra tours, costs for dismantling the defective delivery and installation of the replaced defect-free item as well as the costs for urgent measures in accordance with Section 11(7) if the respective preconditions are fulfilled. To the extent that a negative impact on production flow cannot be avoided, the supplier must bear the additional costs caused by the defect as well as the damages incurred as a result of the downtime.

(4) In the event of damages caused by default, the supplier is liable according to statutory rules. We have the right to bill 15% of the agreed upon net purchase price for the delayed part of the delivery without providing substantiation. The burden of proof that the damage has not incurred or is lower than charged lies with the supplier.

(5) The liability for claims for damages from violations of the contract is based on statutory provisions. Due to the provided guarantees and the established quality assurance systems, the supplier' conduct shall be deemed culpable in case of a damage event. Proof of exoneration is admissible.

13. Offset

(1) We are entitled to offset claims for payment against the supplier's claims even if the due dates for the mutual claims are not the same or if different types of payment were agreed upon.

(2) We also have the right to offset the supplier's claims against claims from our affiliated companies against the supplier. In the event of the supplier's insolvency, this only applies if the claims to be offset arose before insolvency proceedings were initiated.

14. Models, samples, plans, documents

(1) All models, samples, drawings, standard specifications sheets, designs, technical specifications and similar items that are provided to the supplier as part of an order may not be used for any purpose that is not related to our orders, or copied or disclosed to third parties.

(2) The same applies to models, samples, drawings, standard specifications sheets, designs and similar items that the supplier has produced based on our specifications.

(3) The supplier is obligated to treat such documents as business secrets and to treat them as confidential. The supplier is held liable for any incurred damages arising from violations of these obligations.

(4) The supplier undertakes to return to us all documents and copies of these documents that were provided to him upon our request at any time at its own costs by sending them back to us. The same applies without special request if the order is not executed. Any unauthorized use may give rise to a claim for damages.

(5) The delivery of similar items to other recipients of the supplier requires our written consent.

(6) All models, samples, drawings, standard specifications sheets and designs we provide remain our ownership. All models, samples, drawings, standard specifications sheets and designs that were produced for us become our ownership. The supplier transfers all copyrights and ownership of the created physical objects and documents, and copies of these documents, to us for all conceivable utilization purposes and for unlimited, exclusive use.

15. Tools, provided parts

(1) If we provide tools, we retain ownership of these tools. The supplier acts as a safekeeper and is obligated to treat the tools properly and with care, and to maintain and insure them at his own cost. The tools are to be exclusively used for processing our orders. In the event of violations or after the contractual relationship has ended, we are entitled to request the tools be returned. The supplier's right of retention with regard to these tools is expressly excluded. If a separate tools agreement has been concluded, the provisions of the individual agreement take priority.

(2) If the supplier buys the tool or produces it at its own cost, we both already hereby agree that the ownership of the tool will be transferred to us. The same applies for any potential remainders and claims for transfer of property including any potential ancillary rights and claims. The transfer will be replaced by the above described safekeeping agreement as *constituum possessorum*.

(3) The quantity of material provided by us must be immediately inspected and confirmed upon receipt. We retain ownership of the material we supplied. Processing or transformation is always carried out for us as manufacturer, but without any obligation against us. If the good is also processed together with items, materials that we do not own or other third party items for a third party as manufacturer, we obtain joint ownership in the new item in proportion to the value of our good to the value of the other foreign items at the time of processing.

(4) Should our joint ownership be ended by combining, it is hereby already agreed that the (joint) ownership of the supplier in the jointly owned good shall be transferred to us proportionate to its value (invoice value of the provided material). The supplier shall safeguard the (jointly) owned goods free of charge. As safekeeper, the supplier is particularly obligated to insure them properly and to maintain them and to ensure that no risk to people or property is can arise. Any and all potential risks shall be reasonably covered by insurance policies.

16. Right to withdrawal in special cases

(1) If an application for insolvency proceedings has been submitted or insolvency proceedings regarding the supplier's assets have been initiated, in the event of bill of exchange or check protests, suspension of payments, payment difficulties or if out-of-court settlement proceedings (moratorium) are sought, we are entitled to withdraw from the contract, even if the contract has been fulfilled by us or the supplier or both parties in full or in part, but the supplier's warranty obligations have not yet expired.

17. Data protection

(1) We store and process personal data that we gain access to as part of this contract or the business relationship in compliance with the privacy policy and data protection laws. Any details are regulated by our privacy policy.

18. Code of conduct, compliance, compliance with statutory provisions

(1) The supplier is obligated to comply with the code of conduct stipulated by the international standard of the International Labor Organization (ILO). The currently applicable BSCI Code of Conduct dated January 2014 is contractual basis.

The BSCI Code of Conduct is based on the International Labor Organization (ILO) core labor standards and contains the conventions regarding the following topics:

- Ban on child labor
- Ban on forced or compulsory labor
- Reasonable working hours
- Appropriate wages, particularly compliance with minimum wage provisions
- Ban on discrimination
- Health and safety at the workplace
- Right to assembly and right to negotiate collective agreements
- Prevention of environmental problems
- Financial responsibility
- Disclosure of information
- Confidentiality and data protection
- Prohibition of corruption
- Compliance with antitrust law
- Conflict of interest
- Intellectual property
- Export controls and economic sanctions
- Counterfeit parts
- Whistleblowing and protection from retaliation

(2) The supplier undertakes to inform us about the location of the production sites for the goods, upon request, and agrees to the auditing of these production sites, upon request.

(3) The supplier encourages compliance with the Code of Conduct and requires all his suppliers, contractors, subcontractors and vendors that deliver the materials, goods, services, work or products in connection with the development, production, manufacture or the transport of goods, to comply with the Code of Conduct and ensures its abidance.

(4) During contract negotiations and the entire duration of the business relationship with the supplier, our employees are not permitted to give or accept any donations in order to avoid any conflicts of interest and to prevent corruption as part of unfair competition. Violations will lead to the immediate dismissal of the respective employee. The supplier is aware that an active violation of these principles (attempt or bribery of one of our employees) can result in the immediate termination of the business relationship.

(5) The supplier vouches that his deliveries and performances including all ancillary obligations regarding declaration, identification, packaging, disposal and documentation are conforming to the law and in accordance with the public-law provisions of the Federal Republic of Germany and the European Union. The supplier must immediately notify us in the event of any possible statutory violations in relation to the supplier's deliveries and performances and agrees to hold us harmless from all resulting claims, costs, expenditures, fines and other detrimental legal acts and the costs of the legal defense.

19. Jurisdiction, applicable law, language

(1) The contractual relationship shall be subject to German law only to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG). If, by way of an exception, the supplier is not an entrepreneur in accordance with § 14 BGB, statutory provisions will apply instead of our Purchasing Terms and Conditions.

(2) The exclusive place of jurisdiction, including for bill of exchange, check and documentation procedures, shall be D-74072 Heilbronn/Neckar.

(3) Only the German version of the Purchasing Terms and Conditions shall be authoritative for the interpretation of the contract.

Schwaigern, July 2021