

General terms and conditions of purchase

1. Scope

- 1.1 These terms and conditions of purchase apply exclusively for all orders, purchase orders, and contracts (in the following "order") we have placed with businesspersons, legal persons under public law, or special funds under public law within the meaning of Section 310 (1) of the German Civil Code (BGB) on the purchase of goods and performance of works or services (in the following "deliveries"). We hereby expressly reject any terms imposed by our suppliers deviating from or in addition to these terms and conditions of purchase; they are not binding on us. Our terms and conditions of purchase also apply exclusively if we do not reject the inclusion of our supplier's terms in a particular case or accept its delivery without reservation with knowledge of contradictory or supplementary terms and conditions imposed by the supplier.
- 1.2 These terms and conditions of purchase also apply to all future transactions with the supplier, even if they are not expressly agreed again.
- 1.3 The invalidity of individual provisions of these terms and conditions of purchase does not affect the validity of the remaining provisions. The invalid provision shall be replaced with a legally permissible provision which comes as close as possible to the commercial purpose of the invalid provision.

2. Conclusion of contract

- 2.1 All agreements between the supplier and us, and all orders, are only binding on us if they are made in writing or in text form. Each amendment, addition, or ancillary agreement before, during, or after the conclusion of the contract also requires our confirmation in writing or text form. This form requirement can only be waived in writing or in text form.
- 2.2 If the supplier does not accept our order in writing or in text form within a period of three (3) working days after its receipt, we are entitled to cancel it. Call-offs are binding if the supplier does not object within three (3) working days of receipt. Amendments, additions, or other deviations from our orders are only valid if these are referred to expressly and separately and we expressly consent to this.

3. Prices and terms of payment

- 3.1 The prices given in the order are fixed prices. The prices include DDP delivery as well as packaging, a suitable transport insurance policy to be concluded by the supplier, and all other costs of the delivery, unless there is express written agreement to the contrary. They do not include the statutory VAT. Unless there is express agreement to the contrary, all Incoterms we use refer to the INCOTERMS 2010 published by the International Chamber of Commerce (ICC).
- 3.2 If the supplier has undertaken the erection, assembly, or commissioning and there is no express written agreement to the contrary, the supplier shall bear all necessary ancillary costs, such as, for example, travel expenses and costs for the provision of tools, for documentation, for testing and approvals, or for any disposal that may be necessary.
- 3.3 Invoices are only processed if they are sent to us by separate post to Chem-Trend (Deutschland) GmbH, RW-Rechnungsprüfung, Ganghoferstraße 47, D-82216 Maisach/Gernlinden. On request, invoices may also be submitted electronically. Each order must be invoiced separately. Collective invoices are also permissible with our prior written approval. The invoice must clearly state and highlight the order number shown in our order, the order date, the supplier number, our item number, and if available to customer, the cost centre, and the project number.
- 3.4 Invoices must be issued in euros. Payments are also exclusively made in euros. The supplier must notify us of its VAT ID number, as well as the correct IBAN and the corresponding BIC for its bank details.
- 3.5 Payments are made by bank transfer, cheque or bill of exchange, at our discretion, after formal acceptance of the delivery and receipt of an auditable invoice, and handover of all documents

included with the scope of the delivery. If this has been agreed in advance, it is also possible for us to offer settlement via a credit note procedure in accordance with the applicable tax laws. Unless there has been express written agreement to the contrary, we pay within 30 days without deduction.

- 3.6 Payment periods begin with delivery of the goods to the place of receipt (shipping address) or final acceptance of the work performed, but not before receipt of the invoice at the invoice address given in the order.
- 3.7 The supplier is not entitled to assign its claims against us in whole or in part or dispose of them in any other way without our prior written consent.
- 3.8 We are entitled to rights of set-off and retention to the extent permitted by law.

4. Delivery dates and delivery terms

- 4.1 The dates, quantities, and qualities given in the order or otherwise agreed are binding and must be strictly observed. The supplier must notify us immediately in writing of an imminent delay or breach of the agreed dates and deadlines, indicating the reasons for such delay and its expected duration.
- 4.2 Partial deliveries, over or under deliveries, and advance deliveries are only permissible if we have expressly declared our agreement to them in writing. However, the payment claim is due on the originally agreed delivery date at the earliest.
- 4.3 Unless otherwise agreed in writing, a works test certificate in accordance with EN 10204 or an equivalent internationally recognised test certificate must be attached to the delivery in addition to the delivery note, listing the characteristics agreed with the supplier; in addition, these documents are to be sent unprompted at the latest three (3) days before delivery to analyse@chemtrend.de. Complete initial sample documentation must be attached to initial deliveries, particularly those which are samples.
- 4.4 Deliveries are only possible at the times given in the order or otherwise agreed. All persons in vehicles must register before entering a Chem-Trend facility. The bringing of children or animals into the Chem-Trend facility is prohibited. Wearing safety shoes and personal protective equipment is obligatory at the loading and unloading site. Safety instructions are available at the central office. The orders of the security staff must be followed.
- 4.5 In the event of a delay in delivery, we are entitled to demand a contractual penalty of 1% for each week of delay or part thereof, but not exceeding a total of 10% of the order value; the supplier is entitled to prove to us that no damage or significantly less damage was incurred. We reserve the right to assert further damages. We are obligated to declare the reservation of the contractual penalty at the latest when paying the invoice which follows receipt of the delayed delivery.
- 4.6 Incidents of force majeure which make impossible or significantly impede delivery from our suppliers or the formal acceptance or use of the delivery in our operations or at our customer's location shall postpone our acceptance obligation appropriately in accordance with our actual needs. In cases of force majeure at our or our supplier's location, we are also entitled to rescind the contract in whole or in part, at our discretion.

5. Place of performance, transfer of risk, acquisition of title

- 5.1 The place of performance is the location to which the goods are to be delivered or at which the work or service must be provided. The place of performance for our payments is our registered office.
- 5.2 The delivery is to be made DDP, properly packed for transportation, for the supplier's account and at its risk, to the address we have specified, or performed there. The risk of accidental loss or accidental deterioration of the delivery shall only pass to us upon the acceptance by us or our assigned carrier at the agreed place of performance or after the final formal acceptance of the delivery, depending on which time is the later, even if we have declared that we are prepared to assume the freight costs.

- 5.3 We acquire title to the goods without reservation of any rights for the supplier upon transfer of risk at the place of performance, or with handover to one of our specially commissioned carriers.
- 5.4 The transfer of risk for the delivery of machinery and equipment only occurs after their final acceptance at the place of performance.

6. Liability for defects and for other matters

- 6.1 We only inspect the delivered goods based on the accompanying documents for identity and quantity as well as for externally visible transport damage. We shall notify defects in the delivery to the supplier within a reasonable period of at least five (5) working days after detection as soon as they have been detected in our ordinary course of business. In this regard, the supplier waives the right to object due to delayed notice of defects (Section 377 of the German Commercial Code (HGB)).
- 6.2 Unless this Clause 6 provides otherwise, the supplier is liable in accordance with the statutory provisions, particularly for defects in the delivery, without this liability being restricted or excluded in reason or amount, and indemnifies us in this respect against claims from third parties.
- 6.3 We are entitled to choose the type of rectification. The supplier can refuse the type of rectification we have chosen if it is only possible with disproportionate costs.
- 6.4 Should the supplier not start to remedy the defect immediately after our request to remedy the defect, we are entitled to remedy the detected defects by ourselves or have these remedied by third parties at the supplier's expense in urgent cases, especially for averting acute dangers or avoiding greater damage, without this requiring the setting of a prior grace period.
- 6.5 Claims due to material defects become time-barred, unless otherwise agreed or statutory provisions provide longer periods, 24 months after sale of the final product to the consumer, but at most 30 months from delivery to us. Where works have been provided, the limitation period is 30 months from written final acceptance. If the delivery has been used, in accordance with its customary use, for a building and has caused its defectiveness, the limitation period is 5 years. Further statutory rights are not affected by this provision.
- 6.6 In the event of defects in title, moreover, the supplier shall indemnify us against any existing third-party claims. A limitation period of 10 years applies for claims due to legal defects, including indemnity claims under Sentence 1.
- 6.7 If an incoming goods inspection going beyond the usual extent is necessary as a result of a defective delivery, the supplier shall bear the costs of it.

7. Product liability

- 7.1 The supplier indemnifies us against any third-party claims from and in connection with personal injuries and property damage if and insofar as the cause was under the supplier's control and organisational sphere. In this context, the supplier is also obligated to reimburse us for all expenses we incur from or in connection with a recall campaign or other measure carried out by us in accordance with the statutory regulations on negotiorum gestio.
- 7.2 The supplier undertakes to maintain a product liability insurance policy (including extended product liability and recall costs cover) with an insured sum of at least a 3,000,000 euros (three million euros) flat rate per case of personal injury, property damage, and product-related financial loss; however, our claims are not limited to the sum insured.

8. Compliance with property rights and regulations

- 8.1 The supplier warrants that its delivery and its use do not breach either industrial property rights or other third-party rights or statutory or official regulations of any kind. The supplier is expected to comply with the applicable environmental provisions and use an environmental management system e.g. in accordance with ISO 14001. The supplier undertakes to provide all relevant IMD system data, REACH, GHS, and other data relevant to export regulations at our request, free of charge.
- 8.2 The supplier is obligated to indemnify us against all claims brought against us by third parties due to or in connection with the delivery or its use. Clause 6.6 Sentence 2 applies.

- 8.3 The supplier's obligation to indemnify also extends to all expenses we incur from or in connection with a claim asserted by a third party.
- 8.4 The supplier must supply a risk analysis free of charge for deliveries of machinery and equipment which fall under the Machinery Directives 2006/42/EC or 2014/34/EC.
- 8.5 The supplier acknowledges that we, as a manufacturer of goods and items, are a so-called downstream user within the meaning of the European Chemicals Regulation No 1907/2006 ("REACH"), and guarantees that it will comply with all REACH provisions, particularly those which are necessary to be able to process, sell, or distribute goods within the EU, particularly: (a) to pre-register, register, or authorise chemical substances or preparations to the extent legally required, (b) to implement internal organisational measures which document compliance with REACH, (c) to ensure that each use of a chemical substance or preparation in goods (including packaging materials) which we or our customers have specified or reported to the supplier is covered by the corresponding (pre-)registration or authorisation, (d) to inform us immediately as to whether a substance or a preparation which has been pre-registered should not or cannot be finally registered within the relevant transition period, and (e) not to sell or deliver any goods of any kind which contain prohibited substances, particularly Substances of Very High Concern (SVHC) ((a) to (e) are referred to together as "REACH compliance").
The supplier acknowledges that breaches of REACH compliance within the meaning of the applicable law lead to a defect in the substances, the preparation, or other goods or items, and shall indemnify us against all claims, liabilities, expenses, and losses (together "claims") which have been caused by the supplier due to a breach of the aforementioned REACH compliance, and to support us in our legal defence against such claims at its own expense.
- 8.6 The supplier is obligated to provide so-called proof of origin for the goods, that is, the supplier must supply us in good time both with the required declarations on the origin of the goods in terms of commercial law and the law on preferential treatment, and also notify us of a change of origin immediately and unprompted. Where appropriate, the supplier must prove its information on the origin of the goods using an information certificate verified by its customs office. If the supplier does not comply with this requirement, it is liable for all resulting losses and commercial disadvantages.
- 8.7 The supplier warrants that it provides the service owed under Clause 1.1 itself, and that it will only engage sub-contractors (hereinafter referred to as "chain of sub-contractors") with our prior written consent.

It further warrants that it and all contractors in the chain of sub-contractors it has permissibly engaged, as well as any hirers commissioned by these, will pay the employees deployed the respective applicable minimum wage in accordance with the German Minimum Wage Act (Mindestlohngesetz, hereinafter referred to as the "MiLoG"). Moreover, the supplier confirms that its own company and the contractors in the chain of sub-contractors it has engaged are not excluded from award of public contracts under Section 19 MiLoG.

We are already entitled, within the context of reviewing the supplier's offer, to request submission of up-to-date pay slips for the employees engaged by the supplier and the contractors in the chain of sub-contractors in anonymised form (payrolls) on a random basis without specific reason. On request, the supplier can also provide us with evidence of compliance with the MiLoG for itself and along the chain of sub-contractors by immediately submitting up-to-date confirmation from a suitable objective expert (for example, an auditor).

Should claims be made against us by an employee of the supplier of the chain of sub-contractors due to an actually existing payment claim in accordance with the MiLoG, the supplier undertakes to pay us a contractual penalty of 250 euros for each case on first request. The contractual penalty to be paid shall be credited to any possible compensation claim of the customer, and is limited per order to a maximum of 10% of the respective order value, and in total per calendar year to a maximum of 25,000 euros. There is no obligation to pay the contractual penalty if the supplier is not at fault, for which it bears the burden of proof.

Should claims be made against us by an employee of the supplier of the chain of sub-contractors due to an actually existing payment claim in accordance with the MiLoG, we are entitled to terminate orders under Clause 1.1 extraordinarily and thus without notice.

The supplier is obligated to indemnify us on first request against any claims brought against us by third parties in connection with breaches of the MiLoG. However, this does not apply if we and/or our employees or vicarious agents have, in this individual case, ourselves demonstrably breached the provisions of the MiLoG intentionally or with gross negligence.

9. Retention of title, tools

- 9.1 We retain title to goods supplied by us (e.g. parts, components, semi-finished products).
- 9.2 The retention of title extends to the full value of the products ensuing from the processing, mixing, or combining of our goods, whereby these processes are performed for us, so that we are deemed to be the manufacturer. If third parties retain their ownership rights in the event of processing, mixing, or combining with third-party goods, we acquire joint ownership of the product in the proportion of the objective values of these goods.
- 9.3 The tools made available to the supplier and any tools manufactured by the supplier itself on our behalf or ordered from third parties, to which we have paid a contribution to cover costs, remain our property or become our property upon manufacture or upon acquisition by the supplier, and are to be clearly labelled as our property and stored separately in a visible manner.
- 9.4 The supplier is obligated to store the tools safely for us free of charge and separately in a visible manner, insure these sufficiently, and provide us with proof of the insurance cover upon request. The supplier is obligated to use the tools exclusively for the manufacture of parts intended for us, unless agreed otherwise. Such approval is hereby granted regarding the production of parts based on orders of other companies belonging to the Freudenberg Group.
- 9.5 The supplier must maintain and service tools supplied, at its own expense. At the end of the contract, the supplier must return the tools to us immediately upon our request, without being entitled to a right of retention. When returning the tools, these must be in a perfect technical and optical condition in keeping with the previous use. The servicing costs shall be borne by the supplier. Under no circumstances may the supplier scrap the tools without our prior written consent.

10. Quality assurance

- 10.1 The supplier undertakes to maintain a quality management system during the entire business relationship which complies with the requirements of DIN ISO 9001, to monitor this in regular intervals through internal audits, and, on discovering deviations, to immediately introduce the necessary measures to ensure the perfect quality of all deliveries to us. We are entitled to review the supplier's quality assurance at any time by prior appointment. The supplier shall permit us to inspect certification and audit reports as well as test procedures carried out, including all test records and documents concerning the delivery upon request.

11. Confidentiality, documents

- 11.1 All information, formulae, drawings, models, tools, technical records, processing methods, software, and other technical and commercial know-how made available by us or learned by the supplier about us, as well as work results achieved in connection with these (hereinafter referred to as "confidential information"), must be kept confidential with respect to third parties by the supplier and may exclusively be used in the supplier's own operations for making deliveries to us and only be made available to persons who must have knowledge of the confidential information in connection with the business relationship and have been obligated to maintain confidentiality in accordance with this provision. This also applies beyond the term of the business relationship as long as and insofar as the supplier cannot provide proof that the confidential information was already known to it at the time of obtaining it, it was publicly known, or it has become publicly known subsequently without its fault.
- 11.2 All documents (e.g. drawings, figures, test specifications), samples, and models etc., which we make available to the supplier in connection with the business relationship, remain our property and must be returned to us or destroyed at the supplier's expense, at our discretion, at any time upon our request, no later than at the end of the business relationship (including any existing copies, transcripts, extracts, and reproductions). In this respect, the supplier is not entitled to a right of retention.

- 11.3 The disclosure of confidential information does not establish any rights whatsoever to industrial property rights, know-how, or copyrights for the supplier, and does not constitute a prior publication or a right of prior use within the meaning of the applicable patent, design, and utility model laws. Any form of licence requires a written agreement.

12. Applicable law and place of jurisdiction

- 12.1 The law of the Federal Republic of Germany applies exclusively, excluding its private international law, the United Nations Convention on Contracts for the International Sale of Goods (CISG), and any other bilateral and multilateral convention serving the purpose of standardising international sales.
- 12.2 The exclusive place of jurisdiction for all claims from our business relationship with the supplier, particular from contracts or about their validity, is our registered office. This place of jurisdiction also applies to disputes as to the creation and validity of the contractual relationship. However, we are also entitled to bring an action against the supplier in any other general or special jurisdiction, at our discretion.
- 12.3 If the supplier has its registered office outside of the Federal Republic of Germany, we are further entitled, at our discretion, to have all disputes from or in connection with our business relationship with the supplier, including on the validity of contracts, finally decided in accordance with the arbitration code of the German Institution of Arbitration (Deutsche Institution für Schiedsgerichtsbarkeit e.V. – DIS) to the exclusion of the normal legal process. At the supplier's request, we will exercise this choice before commencement of proceedings. The court of arbitration has its registered office in Frankfurt am Main, Germany. The arbitration proceedings are held in German, unless the supplier requests English as the language of the proceedings.

13. Ethical Sourcing Behaviour Programme

- 13.1 As a company in the Freudenberg Chemical Specialities Group, and in accordance with our company principles, it is one of our primary aims that all materials and products we use for our operations and in the manufacture of our products are chosen and produced in accordance with internationally recognised ethical standards, which are embedded in the Global Compact of the United Nations. We expect equally responsible behaviour from our suppliers, and we will regularly enquire about and check this.