

# GENERAL PURCHASE TERMS AND CONDITIONS FOR PURUS PLASTICS GmbH

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As of February 2018

## Section 1 General — scope of application

- (1) The purchase terms and conditions for PURUS PLASTICS GmbH shall apply exclusively; PURUS PLASTICS GmbH shall not recognize any terms and conditions pertaining to the Supplier conflicting with or deviating from the purchase terms and conditions for PURUS PLASTICS GmbH, unless PURUS PLASTICS GmbH has expressly agreed to their validity in writing. The purchase terms and conditions for PURUS PLASTICS GmbH shall also apply if PURUS PLASTICS GmbH accepts the Supplier's delivery without reservation in the knowledge that the Supplier's terms and conditions are contrary to or deviate from their own purchase terms and conditions.
- (2) All agreements concluded between PURUS PLASTICS GmbH and the Supplier for the purpose of executing the order shall be recorded in writing. Oral agreements do not apply.
- (3) Correspondence is to be conducted with the PURUS PLASTICS GmbH Purchasing department. Agreements with other departments, insofar as agreements are to be made that change points stipulated in the contract, require written confirmation by the Purchasing department in the form of an addendum to the contract.
- (4) The purchase terms and conditions for PURUS PLASTICS GmbH shall only apply to entrepreneurs in the sense of Section 14 BGB (German Civil Code), to legal entities under public law and to special funds under public law in the sense of Section 310(1) BGB.
- (5) The order shall be placed by PURUS PLASTICS GmbH only under the condition that its execution complies with the accident prevention and occupational health and safety regulations as well as the generally accepted safety and occupational health rules.

## Section 2 Offer — tender documents

- (6) The Supplier is obliged to accept orders from PURUS PLASTICS GmbH within a period of two weeks.
- (7) If illustrations, drawings, calculations or other documents are enclosed with the order, PURUS PLASTICS GmbH reserves property rights and copyrights and all other relevant rights; these may not be made accessible to third parties without express written consent from PURUS PLASTICS GmbH. They are to be used exclusively for production based on the order from PURUS PLASTICS GmbH; after completion of the order they are to be returned to PURUS PLASTICS GmbH without any request to do so.

## Section 3 Prices — payment terms

- (8) The price stated in the order is binding. In the absence of a written agreement to the contrary, the price includes "free shipping address" delivery including packaging. Return of the packaging requires special agreement.
- (9) Statutory value added tax is included in the price and shall be indicated separately.
- (10) Invoices can only be processed by PURUS PLASTICS GmbH if they indicate the order number and commission number in accordance with the specifications in their order; the Supplier is responsible for all consequences arising from non-compliance with this obligation. Invoices shall be issued in duplicate.
- (11) Unless otherwise agreed in writing, PURUS PLASTICS GmbH shall pay the purchase price with a 3% cash discount if paid within 10 days of delivery and receipt of invoice, with a 2% cash discount if paid within 14 days of delivery and receipt of invoice, or net if paid within 30 days following receipt of invoice.
- (12) PURUS PLASTICS GmbH shall be entitled to offset and retention rights to the extent provided by law. In particular, PURUS PLASTICS GmbH is entitled to withhold due payments to a reasonable extent in the event that defects are observed.

## Section 4 Delivery time

- (13) The delivery time specified in the order or the performance period specified therein shall be binding.
- (14) The Supplier is obliged to inform PURUS PLASTICS GmbH immediately in writing if circumstances occur or become recognizable to said Supplier from which it results that the stipulated delivery time cannot be met, and to indicate both the reason for the delay and its expected duration. The claims resulting from this to which PURUS PLASTICS GmbH is entitled remain unaffected by the notification.
- (15) If the Supplier's performance is delayed, PURUS PLASTICS GmbH is entitled to claim a contractual penalty in the amount of 0.5 % of the delivery value for each week of delay started, however, not more than 5 %; further legal claims remain reserved. The Supplier has the right to prove to PURUS PLASTICS GmbH that, as a result of the delay, no damage or a significantly lower damage has occurred.
- (16) If after the Supplier has incurred a delivery delay PURUS PLASTICS GmbH sets the Supplier a reasonable grace period according to the circumstances with threat of refusal, PURUS PLASTICS GmbH shall be entitled to withdraw from the contract after expiration of this grace period or to claim damages for non-performance.
- (17) If the underlying order is a transaction for delivery by a fixed date as per Section 323(2)(2) BGB (German Civil Code) and Section 376 HGB (German Code of Commercial Law), PURUS PLASTICS GmbH shall be entitled to statutory claims.

## Section 5 Shipping — packaging

- (18) Shipments shall be at the risk of the Supplier, who shall ensure proper and appropriate packaging. All damages incurred in this respect shall be reimbursed by the Supplier unless they prove that they are not responsible for such damages.
- (19) Dispatch notes with exact details like release date, quantity, weight, etc. have to be sent to PURUS PLASTICS GmbH on the day of dispatch. In the case of partial deliveries, the remaining quantity to be delivered shall be indicated. The delivery bill must contain additional information on gross and net weight.

## Section 6 Transfer of risk — documents

- (20) Unless otherwise agreed, delivery shall be made DDP to the place of dispatch designated by PURUS PLASTICS GmbH in the order. The costs of transport insurance for the goods shall be borne by the Supplier.

- (21) The supplier is obliged to state the exact order number from PURUS PLASTICS GmbH on all shipping documents and delivery bills; if they fail to do so, delays in processing are unavoidable for which PURUS PLASTICS GmbH is not responsible.

## Section 7 Contract work and services

- (22) The Supplier undertakes to ensure that workers sent by them to perform work at PURUS PLASTICS GmbH's operating facilities comply with the operating regulations for PURUS PLASTICS GmbH. Contract work and other services are remunerated only against proof of a timesheet signed by PURUS PLASTICS GmbH.
- (23) If, in the case of contracts for work and services, the Supplier performs their contractually agreed services at PURUS PLASTICS GmbH's premises, they shall independently inquire about the existence of the required protective devices and, if necessary, install them to protect their employees. The Supplier shall ensure that their employees observe special safety regulations. In the event that safety regulations are violated, PURUS PLASTICS GmbH is entitled to deny the Supplier's respective employees access to the assembly site. Any liability of PURUS PLASTICS GmbH for claims exceeding the insurance coverage is excluded. All damage and malfunctions caused by the Supplier or their agents shall be borne by the Supplier.
- (24) Unless otherwise agreed in the individual contract, assembly of the goods owned shall be carried out by the Supplier and at the Supplier's expense. PURUS PLASTICS GmbH is only obliged to provide technical assistance on the basis of a special contractual agreement.

## Section 8 Incoming goods inspection

- (25) PURUS PLASTICS GmbH is obliged to inspect the goods for any deviations in quality or quantity within a reasonable period of time; the notice of defect is in time if it is received by the Supplier within a period of 10 working days. Separately agreed continuous performance tests remain unaffected by this regulation.
- (26) Insofar as delivered goods cannot be fully inspected due to their nature, the inspection for defects shall be carried out by means of random samples in an appropriate quantity and with sufficient spread. If PURUS PLASTICS GmbH detects that the permissible limit quality values are exceeded within the scope of inspection by sampling, PURUS PLASTICS GmbH is entitled to reject the goods completely or to inspect each individual part at the Supplier's expense and risk. The Supplier shall bear all material and personnel costs for this. In this case, the Supplier shall provide material certificates for the primary materials on request.

## Section 9 Warranty

- (27) The Supplier is liable to PURUS PLASTICS GmbH for negligent or intentional breaches of duty. The Supplier may not invoke a limitation of liability with regard to their employees either.
- (28) The Supplier issues a warranty for delivery in accordance with the Agreement or standard delivery with regard to the appropriate material, appropriate design, flawless assembly, power requirement, performance, efficiency, etc. They assure that the goods comply with the specifications from PURUS PLASTICS GmbH as well as with the generally accepted rules of technology, the industrial safety and accident prevention regulations as these are particularly defined in DIN standards, and other accepted technical regulations.
- (29) PURUS PLASTICS GmbH shall be fully entitled to statutory warranty claims. In particular, PURUS PLASTICS GmbH is entitled to demand at their discretion that the Supplier, rectifies defects or replaces the delivery. In this case, the Supplier is obliged to bear all expenses necessary for the purpose of rectifying the defect or delivering a replacement. The right to claim damages, in particular the right to claim damages for non-performance and the right to withdraw from the contract or reduce the price, is expressly reserved. The Supplier shall be bound by any quality and durability guarantees given.
- (30) The warranty period shall be governed by statutory provisions.
- (31) The Supplier shall be obliged to supply spare parts for the period of the expected technical use, but at least for 10 years after delivery, under reasonable conditions. If the Supplier stops producing the spare parts, they are obliged to give PURUS PLASTICS GmbH the opportunity to place a last order or to hand over to PURUS PLASTICS GmbH all equipment and documents necessary for manufacture of the spare parts, and to allow PURUS PLASTICS GmbH free use.

## Section 10 Product liability — indemnification — liability insurance coverage

- (32) To the extent that the Supplier is responsible for product damage, they are obliged to indemnify PURUS PLASTICS GmbH against claims for damages from third parties on first request, as the cause falls within their sphere of control and organization, and they themselves are liable in the external relationship.
- (33) In this context, the Supplier is also obliged to reimburse any expenses according to Sections 683 and 670 BGB (German Civil Code) resulting from this, or in connection with a recall action carried out by PURUS PLASTICS GmbH. PURUS PLASTICS GmbH will inform the Supplier about the content and extent of the recall measures to be carried out — as far as is possible and reasonable — and give them the opportunity to comment.
- (34) The Supplier undertakes to take out product liability insurance with an insured sum of €2,000,000.— per personal injury / property damage — lump sum; if PURUS PLASTICS GmbH is entitled to further claims for damages, these shall remain unaffected.

## Section 11 Property rights

- (35) The Supplier warrants that no third-party rights are infringed in connection with their delivery.
- (36) If a claim is made against PURUS PLASTICS GmbH by a third party for this reason, the Supplier is obliged to indemnify PURUS PLASTICS GmbH against these claims on first written request; PURUS PLASTICS GmbH is not entitled to make any agreements with the third party without the supplier's consent, especially to conclude a settlement.
- (37) The Supplier's indemnification obligation refers to all expenses incurred by PURUS PLASTICS GmbH out of necessity from or in connection with claims by a third party.
- (38) PURUS PLASTICS GmbH reserves the property rights and copyrights for illustrations, drawings, calculations and other documents; these may not be made accessible to third parties without express approval. They are to be used exclusively for production based on the order from PURUS PLASTICS GmbH; after completion of the order they are to be returned to PURUS PLASTICS GmbH without request. They must be kept secret from third parties. The same applies if PURUS PLASTICS GmbH provides the Supplier with tools to produce the delivery item.

### Section 12 Retention of title

(39) Insofar as PURUS PLASTICS GmbH provides parts to the Supplier, PURUS PLASTICS GmbH shall retain the title thereto. Processing or transformation by the Supplier is carried out for PURUS PLASTICS GmbH. If the goods subject to retention of title by PURUS PLASTICS GmbH are processed with other objects not belonging to PURUS PLASTICS GmbH, PURUS PLASTICS GmbH acquires co-ownership of the new item in proportion of the object's value (purchase price plus VAT) to the other processed objects at the time of processing.

(40) If the item provided by PURUS PLASTICS GmbH is inseparably mixed with other items not belonging to PURUS PLASTICS GmbH, PURUS PLASTICS GmbH shall acquire co-ownership of the new item in the ratio of the item's value subject to retention of title (purchase price plus VAT) to the other mixed items at the time of combination. If the combination takes place in such a way that the Supplier's item is to be regarded as the main item, it shall be deemed as agreed that the Supplier transfers co-ownership to PURUS PLASTICS GmbH on a pro rata basis; the Supplier shall keep the co-ownership or the sole ownership for PURUS PLASTICS GmbH.

(41) PURUS PLASTICS GmbH also acquires the ownership or an exclusive, unlimited, non-restrictable right of use and exploitation of any manufacturing and process technologies developed for PURUS PLASTICS GmbH.

(42) PURUS PLASTICS GmbH retains ownership of tools provided to the Supplier; the Supplier is obligated to use the tools exclusively to produce the goods ordered by PURUS PLASTICS GmbH. The Supplier is obliged to insure the tools belonging to PURUS PLASTICS GmbH at their replacement value against fire, water and theft damages at their own expense. At the same time, the Supplier already assigns to PURUS PLASTICS GmbH all claims for compensation resulting from this insurance by means of this Agreement; PURUS PLASTICS GmbH hereby accepts these claims. The Supplier is obliged to carry out any necessary maintenance and inspection work on PURUS PLASTICS GmbH's tools, as well as all maintenance and repair work, at their own expense and in due time. They must notify PURUS PLASTICS GmbH immediately of any malfunctions; if they culpably fail to notify PURUS PLASTICS GmbH, they are obliged to pay damages to PURUS PLASTICS GmbH. Other claims for damages from PURUS PLASTICS GmbH remain unaffected.

### Section 13 Confidentiality

(43) "Confidential information" in the sense of this Agreement shall be any information and data, including trade secrets, commercial and technical information and data, which PURUS PLASTICS GmbH discloses to the Supplier in connection with this Agreement or in connection with the respective order. "Confidential information" also includes copies, summaries, and portions of information of a physical and incorporeal nature, including in electronic form.

Any confidential information disclosed under this Agreement

- shall be used solely for the purpose of this Agreement, and the Supplier shall keep such information confidential and use all means necessary to prevent unauthorized disclosure of the information;

- may not be distributed, published or disseminated by the Supplier in any way or form, except to their own employees or employees of affiliated companies who need to have insight into the confidential information for the purpose of fulfilling the contract concluded with PURUS PLASTICS GmbH, and who are obligated to confidentiality by virtue of their employment contract or otherwise. Affiliated companies are companies within the meaning of Sections 15 et seq. AktG (German Stock Corporation Act) that existed as affiliated companies at the time the contract was concluded;

- remain the property of PURUS PLASTICS GmbH. Apart from use within the scope of the purpose of this contract, the Supplier is not entitled to use the confidential information for their own purposes or the purposes of third parties. Furthermore, they are not permitted to apply for industrial property rights for the information or parts thereof.

(44) The obligations under Clause 46 shall not include information that was already in the Supplier's possession at the time of disclosure to the Supplier, is independently developed by the Supplier, is provided to the Supplier by a third party without breach of a confidentiality agreement, is already in the public domain, or is subject to a legal or regulatory obligation to disclose. The Supplier bears the burden of proof for the existence of these exceptions, and informs PURUS PLASTICS GmbH immediately if it is to be assumed that confidential information has come into the possession of third parties, has become evident, or must be disclosed due to legal regulation.

(45) For each individual case of violation of this Agreement and under exclusion of the objection of continuation, the Supplier is obliged to pay PURUS PLASTICS GmbH a contractual penalty of €50,000.- (fifty thousand euros) insofar as the violation refers to business or trade secrets, and of €5,000.- (five thousand euros) insofar as the violation refers to other information. PURUS PLASTICS GmbH will reduce the contractual penalty appropriately if and to the extent that the impact of the violation, in particular the extent of the damage caused, justifies such a reduction. PURUS PLASTICS GmbH reserves the right to claim further damages.

(46) Upon termination of the contract or after fulfillment of the order by the Supplier, the Supplier undertakes to return the disclosed documents to PURUS PLASTICS GmbH without request. If confidential information — in particular such information presented by PURUS PLASTICS GmbH in visualized form or orally — is used by the Supplier to prepare their own documents, these documents must be destroyed upon termination of the contract; the Supplier has to provide proof of this destruction to PURUS PLASTICS GmbH.

(47) The duties of confidentiality imposed on the Supplier under this Agreement shall continue to apply after termination of the Agreement as long as the confidential information has not become public knowledge.

### 14 Place of jurisdiction — place of performance

(48) The place of jurisdiction is the court responsible for the registered office of PURUS PLASTICS GmbH. However, PURUS PLASTICS GmbH is entitled to take legal action at the Supplier's headquarters.

(49) Unless otherwise stated in the order confirmation, the place of performance shall be the place to which the performance is to be delivered or at which the performance is to be rendered in accordance with the order.

(50) The relationship with PURUS PLASTICS GmbH is exclusively subject to the law of the Federal Republic of Germany. The validity of the UN Convention on Contracts for the International Sale of Goods is excluded.