

General Conditions of Purchase

of Coko-Werk GmbH & Co. KG
Porschestraße 1-11
32107 Bad Salzufflen

Commercial Register: HRA 265 (District Court of Lemgo)

§ 1 Scope

- (1) All deliveries, services and offers of our suppliers are made exclusively on the basis of these General Conditions of Purchase (GCP) as effective at the time of the conclusion of the contract. They are part of all contracts that we conclude with our suppliers regarding the deliveries or services offered by them. They also apply to all future supplies, services or offers to us, even if they are not the subject of a further separate agreement.
- (2) Any conflicting terms conditions of our suppliers or third parties shall be rejected; they shall not apply, even if we do not specifically object to their validity separately. Even if we refer to a letter that contains the supplier's terms and conditions or those of a third party or refers to such, this does not indicate any consent to the validity of those terms and conditions. If objection is ruled out, the statutory provisions shall replace the contradictory terms and conditions.
- (3) Individual agreements reached in individual cases shall always take precedence.

§ 2 Conclusion of the contract, written form

- (1) A contract shall become effective when the supplier accepts our offer / our order by a written notice (by letter, fax or email) addressed to us. In so far as our offers do not expressly contain a commitment period, we shall commit to the offer for one week from the date of the offer. Acceptance will be seen as punctual if we receive the declaration of acceptance on time. If the offer is made by our supplier, a contract shall only become effective through our written declaration of acceptance (by letter, fax or email).
- (2) Delivery call-offs by us in the scope of an order and schedule plan shall become binding if the supplier does not reject them (by letter, fax or email) within two working days.
- (3) We are entitled, at any time, to change the time and place of delivery, and the type of packaging, in writing within a period of at least 7 calendar days before the agreed delivery date. The same shall apply for changes to product specifications, provided these can be implemented on the basis of the supplier's production process without considerable additional expense; as stated in the above provision, in these cases, the period of notification shall be at least 14 calendar days. We will refund the supplier any proven and appropriate additional costs incurred due to the change. Should the changes cause delays in delivery which are unavoidable in the supplier's normal production and business operations, the delivery date will be postponed accordingly. The supplier will notify us in writing of the additional costs and/or delivery delays expected by him on the basis of a careful assessment, in time before the delivery date, but at the latest within 14 calendar days of receipt of our notification pursuant to clause 1.
- (4) We are entitled to terminate the contract at any time by written declaration indicating the reason if we can no longer use the products in our business operations due to circumstances arising after entering the contract. We shall pay the supplier in this case for the partial service provided by it. No other claims may be considered.
- (5) The legal relationship between the supplier and us is solely governed by the offer and acceptance, which fully reflect all agreements between the contracting parties. Any verbal commitments made

before conclusion of the contract are non-binding and shall be replaced by an offer and acceptance unless verbal statements explicitly specify that they shall continue to be effective and binding.

- (6) Additions and amendments to the agreement concerned, in addition to these GCP, including this written form clause, must be in writing to be legally valid. Supplementary agreements are not affected.

§ 3 Prices, billing information, payment terms

- (1) All agreed prices are fixed prices, including packaging, insurance, transport to a freely selectable site within the Federal Republic of Germany and customs, where applicable, plus sales tax. At our request, the supplier must take back the packaging at its own expense.
- (2) Should the supplier undertake installation or assembly, it shall bear all the necessary ancillary costs, e.g. travel costs, provision of tools, as well as daily allowances.
- (3) Invoices must contain the following information (information marked with * is indicated in the purchase order item):
 - a. Billing address (CoKo-Werk GmbH & Co. KG, Porschestraße 1-11, 32107 Bad Salzuflen),
 - b. Requester,
 - c. Order number,
 - d. Delivery note number,
 - e. Creditor number,
 - f. Material number*,
 - g. Cost centre*,
 - h. PSP element*,
 - i. Statistical commodity code.

If one of the above items of information is missing, a penalty in the amount of 150.00 Euro per individual case will be charged.

- (4) Unless otherwise agreed, we pay net after delivery of the goods and receipt of a proper invoice pursuant to paragraph 3 within 14 days with a 3% discount or within 30 days without deductions. The receipt of the transfer order at our bank is sufficient for the payment to be seen as punctual.
- (5) In the event of default of payment, we shall be liable for default interest in the amount of 5% above the base interest rate pursuant to § 247 of the German Civil Code (BGB).

§ 4 Delivery, delivery time, contractual penalty, transfer of risk

- (1) All delivery documents must contain the information in accordance with § 3 paragraph 3 of these GCP. In addition, the following shall apply:
 - a. Quantity variances equal to or above 10% in relation to the quantity ordered must be reported in advance,

- b. For delivery of raw material granulates and coatings, only batch-specific deliveries (maximum of 2 batches, batch-specific packaging, i.e. only one batch per pallet).
 - c. For delivery of raw material granulates and coatings, deliveries without a works test certificate are not accepted.
- (2) Unless otherwise specified in individual case, delivery must take place as follows:
- a. Delivery address: CoKo-Werk GmbH & Co. KG, Otto Straße 4-10, 32107 Bad Salzufflen
 - b. Goods receiving hours: Mon. - Thurs. 07:30 - 15:00, Fri 07:30 - 14:00
 - c. Silo delivery: Mo.- Thurs. 08:00 - 10:00
- (3) All specified delivery times / delivery dates are binding. Early deliveries are not permitted. The supplier undertakes to inform us immediately in writing should circumstances occur or become apparent which prevent compliance with the agreed delivery period.
- (4) In the case of delays in delivery, we are entitled to claim a contractual penalty after request in writing which amounts to 0.5% per week or part thereof, up to a maximum of 5% of the respective order value. The contractual penalty shall be set off against the damages for delay to be paid by the supplier.
- (5) The supplier is not entitled to make partial deliveries without our prior written consent. The values ascertained during our inspection of incoming goods for numbers of items, weights and measures shall be definitive.
- (6) Risk is only transferred to us when the goods have been delivered to the stipulated premises, even if delivery has been agreed.
- (7) Force majeure, operational disruptions for which the partners are not responsible, unrest, official measures and other unavoidable events which delay the delivery or acceptance, release the contractual partners from their service obligations for the duration of the interference and to the extent of its effects. For the duration of such events, we are entitled to withdraw from the contract if the impediment is expected to last for at least a period of three months or if the delivery/service is no longer of economic value to us as a result of the impediment. This also applies in the case of labour disputes.

§ 5 Ownership protection

- (1) We reserve the ownership of and/or copyright to all orders and assignments submitted by us as well as drawings, illustrations, calculations, descriptions and other documents provided to the supplier. Without our explicit consent, the supplier is neither permitted to make these documents available to a third party nor to reproduce them. The supplier is required to return these documents to us in full if they are no longer needed by it in the ordinary course of business or if negotiations do not result in the conclusion of a contract. Copies thereof made by the supplier must be destroyed in this case; the only exceptions to this are the storage of items due to statutory retention obligations, as well as the storage of data for backup purposes as part of the usual data backup.
- (2) Tools, devices and models which we make available to the supplier or that are manufactured for contractual use and are invoiced separately to us by the supplier shall remain our property or become our property. The supplier must mark them as our property, store them with care, protect them against any damages and use them only for contractual purposes. In the absence of a

- (3) deviating agreement, each of the contract partners shall bear half of the maintenance and repair costs of such objects. However, in so far as such costs are attributable to defects in objects manufactured by the supplier or to improper usage on the part of the supplier, its employees or other vicarious agents, then such costs are the sole responsibility of the supplier. The Supplier shall notify us without undue delay of all damage to said items which is not just negligible. Upon request, the supplier is obliged to hand these objects over to us in proper condition if they are no longer needed for fulfilment of the contracts entered with us.
- (4) Reservation of proprietary rights in favour of the supplier shall only apply in so far as these relate to payment obligations for the given products in respect of which the supplier retains property rights. In particular, extended or lengthened reservations of proprietary rights are not permitted.

§ 6 Warranty claims

- (1) We shall be entitled without restriction to the statutory claims if goods are defective. However, by way of derogation, the warranty period shall be 30 months.
- (2) The goods are accepted subject to an inspection to ensure that they are free of defects, in particular with regard to correctness and completeness, insofar and as soon as this is possible in the ordinary course of business. The supplier shall waive any objection to late notice of defect.
- (3) Notices of any defects as to quality or quantity are deemed to be made in a timely fashion if we notify the supplier within 7 working days after receipt of the goods. In any case, notices of concealed defects are deemed to be made in a timely fashion if the suppliers are notified within 7 working days of their discovery.
- (4) Acceptance or approval of models or samples submitted does not signify waiver on our part of warranty claims.
- (5) The receipt by the supplier of the written notice of a defect shall suspend the term of statutory limitation for warranty claims until the supplier rejects our claims or declares that the defect has been remedied, or refuses to continue to negotiate our claims. In case of replacement delivery or removal of defects, the warranty period for replaced and mended parts shall begin again unless we had to assume from the behaviour of the supplier that it did not feel obliged to take this action but carried out the replacement delivery or rectified the defects as a gesture of goodwill or for similar reasons.
- (6) The unconditional acceptance of a delivery or service does not constitute a waiver of the claims due to us because of a defect or delay.
- (7) In the event of supplementary performance, the statutory limitation of claims in relation to the item delivered for replacement shall begin again when the replacement delivery is made.
- (8) The supplier shall indemnify us internally against any possible claims of third parties which relate to defects of title.

§ 7 Product liability

- (1) The supplier shall be responsible for all claims asserted by third parties due to damage to property or persons where these are attributable to a faulty product delivered by it, and shall be obliged to release us from any liability that may result. If we are obliged to initiate a product recall affecting

third parties due to defects in one of the products delivered by the supplier, the supplier shall bear all costs caused by the recall.

- (2) The supplier shall be obliged to take out product liability insurance at its own cost which, unless otherwise agreed in individual cases, does not need to cover the risk of recalls or criminal or other damages. The supplier shall send us a copy of the liability insurance policy upon request at any time.

§ 8 Industrial property rights

- (1) The supplier shall guarantee, in accordance with paragraph 2, that products supplied by it do not infringe on third party industrial property rights in countries of the European Union or other countries where it manufactures the products or has them manufactured.
- (2) The supplier is obliged to indemnify us against all claims asserted against us by third parties due to the violation of industrial property rights referred to in paragraph 1, and to compensate us for all necessary expenses in connection with this claim. This claim exists regardless of whether the supplier is at fault.
- (3) This does not affect our further statutory claims due to defects of title of the products delivered to us.

§ 9 Right of withdrawal and termination

- (1) Where good cause exists to do so, each party is entitled to withdraw from the contract immediately or terminate it without notice. Good cause shall be deemed to exist, in particular, if:
 - a. a significant deterioration of the other part's financial situation occurs or is at risk of occurring, causing a threat to the fulfilment of the contractual obligation.
 - b. the other part is insolvent or over-indebted or an application is filed for the commencement of insolvency proceedings, or such an application is rejected due to lack of assets.
 - c. the other part violates an essential obligation under the contractual relationship despite a reminder that specifies a time limit.
- (2) If withdrawal or termination is declared on the basis of this provision, the other part must reimburse the costs arising therefrom unless it is responsible for the good cause.
- (3) Statutory provisions shall remain unaffected.

§ 10 Confidentiality, contractual penalty

- (1) Both parties undertake to maintain secrecy regarding the following and not to make them accessible to third parties or the public without the express prior written consent of the other party: the content of the business relationship, the conditions of the order as well as all information and documentation provided to them for this purpose and for the offer preparation and the contract implementation, the contractual product and all data concerning the other party, business and trade secrets or information marked as confidential, files, documents and other information which by their nature are to be regarded as confidential (in particular, technical or product-related data, CAD data, drawings, calculations, illustrations, design sketches, product developments, patterns, machines, testing facilities, recipes / internally adapted colours, raw materials or other aids). Third

parties are not persons if they need certain information to comply with this contract (on a need-to-know basis).

- (2) Paragraph 1 does not apply to such information which (a) is demonstrably available in the public domain, or (b) demonstrably becomes available in the public domain through no fault of the obligated party, or (c) was demonstrably known to the party obliged to maintain confidentiality before the commencement of contract or was or is legally obtained during the contract term by a third party, or (d) have been demonstrably and independently developed by the party obliged to maintain confidentiality.
- (3) Information shall also be excluded from confidentiality requirements if it must be made accessible to authorities, courts, or other third parties due to compulsory legal obligations or a court order by a competent court.
- (4) The confidentiality obligation shall continue to apply beyond a possible termination of the contract. The supplier shall, at our request and at any time, hand over the information, files, documents and objects provided by us without delay.
- (5) The supplier must take all necessary and reasonable precautions to prevent unauthorised parties from accessing the confidential information referred to in paragraph 1 etc. Insofar as the supplier engages third parties to fulfil its obligations, it must ensure that they are committed to the same degree of confidentiality.
- (6) For each case of infringement of the confidentiality requirement, the supplier forfeits a contractual penalty, the amount of which is at our reasonable discretion and can be verified to that extent by the competent court.

§ 11 Assignment, offsetting

- (1) The supplier is not entitled to assign its claims from the contractual relationship to third parties. This does not apply if they are monetary claims.
- (2) The supplier shall only be permitted to offset payment against counter-claims insofar as these are ascertained as indisputable or legally binding.

§ 12 Final provisions

- (1) The place of fulfilment for all obligations arising from the contractual relationship shall be, unless determined otherwise, Bad Salzuflen.
- (2) The place of jurisdiction for all disputes arising from or in connection with the business relationship shall be Bad Salzuflen.
- (3) German law shall apply exclusively to the exclusion of the UN Convention on Contracts for the International Sale of Goods and international civil law.
- (4) If any provision of this contract is or becomes wholly or partially invalid, this will not affect the validity of the remaining provisions. The invalid or unenforceable provision shall be replaced with retroactive force by the valid and enforceable regulation agreed which legally and economically comes closest to what the parties wanted or would have wanted according to the meaning and
- (5) purpose of this contract had they considered that point when concluding the contract. The same applies if the contract has a loophole. Should the invalidity of a provision be related to a criterion of

service or time (deadline or date) defined therein, the legally permitted criterion which comes closest to the original one shall be deemed to have been agreed. § 139 BGB is hereby waived as a whole in accordance with the unanimous will of the parties.