

## **1. General Exclusivity Clause**

Provided nothing has been expressly and mutually contractually agreed on otherwise in writing, our orders are carried out exclusively based on our General Terms and Conditions of Purchase, the latest version of which can be viewed or downloaded from our website at <http://fctgroup.com/en/company/general-conditions-of-purchase.html>. These Terms and Conditions are an essential component of the order and are accepted by suppliers upon official acceptance of the order. Conditions from our contracting partners that deviate will not become a part of the contract even if we do not expressly object to them. In the event that delivered goods or services are accepted without our express objection, this shall in no way be interpreted to mean that we have accepted your terms and conditions of delivery and service, or parts thereof. The same thing applies to our unconditional payments. Our General Terms and Conditions of Purchase, in the latest version, also apply to all future contractual relationships with you, even if they have not been expressly agreed to in the updated version. Our General Terms and Conditions of Purchase according to § 310 Section 1 BGB (German Civil Code) only apply to businesspeople. All correspondence must contain our order number.

## **2. Orders**

Only written orders from our Purchasing Department will be considered legally binding. Orders granted orally, by telephone, or implied through conduct will require subsequent written confirmation by the Purchasing Department to be considered legally valid. The same thing applies to oral ancillary agreements, amendments to the contract, and to cancellation of the requirement for written form. If you do not confirm our order within 2 business days with a written order confirmation, we shall be authorized at any time to revoke or modify the quoted parts of the contract at no charge. We shall also be authorized to make changes to the goods for delivery and/or the agreed-upon service, even after execution of the contract, provided this is reasonable for you. In the event of any modification to the contract, the effects from both parties, particularly with respect to increased or reduced costs as well as delivery times, shall be appropriately agreed upon. You shall not be authorized to subcontract the order or essential parts of the order to third-parties without our prior written agreement. Said written agreement cannot be unreasonably denied. Orders, delivery schedules, as well as changes thereto, and addenda may be carried out through remote data transfer or through automatically readable data carriers. If no prices are indicated in the order, the valid prices will be your current list prices with the discounts customary in the trade. The agreed-upon prices are fixed prices and exclude subsequent claims of all types. The costs for packaging and transport up to unloading to the point of usage indicated by us shall be included in these prices. The

agreements regarding the place of performance shall not be affected by the type of price determination.

### **3. Costs for quotations and visits**

In general, we require from you a quotation that is binding and free of charge in our requests for quotes (RFQs). We shall not guarantee any sort of compensation for visits or the creating of quotations and projects unless this has been expressly confirmed in writing beforehand by our Purchasing Department.

### **4. Shipping and delivery**

The goods must be packaged such that transport damage is avoided. Packaging materials must be used only in the scope necessary for achieving this purpose. Only environmentally friendly packaging materials may be used. If by exception packaging is invoiced separately, we shall be authorized to return packaging to you that is in good condition in return for compensation amounting to 2/3 of the value resulting for this from the invoice, freight prepaid. Your return obligation for the packaging will be based on the legal provisions. Shipping will be at your risk. The risk of any worsening, including accidental deterioration, shall remain with you until delivery at the place of usage stated by us. The agreed-upon delivery deadlines are binding. If a calendar week is agreed to as a delivery deadline, the last day will be the Friday of that week. If you become aware that an agreed-upon deadline cannot be met for any reason, you shall notify us of this immediately in writing while stating the reasons and the expected length of the delay. At the same time, the contractor shall be obligated to do everything possible to keep the delay as minimal as possible and to possibly implement the contract with a different contractual partner under the same conditions after written confirmation with the purchaser. The definitive date for adhering to the delivery deadline or the delivery time will be the receipt of goods unloaded at the receiving or usage point named by us or on-time successful acceptance inspection. You shall be obligated for the compensation of all indirect and direct damages due to delays. You may only claim the absence of necessary documents to be delivered by us if you have given us a written warning of the documents and have not received them within a suitable timeframe. If the agreed-upon delivery deadline is not adhered to due to a reason caused by you, then we shall be entitled to legal claims in the event of a delivery delay. Force majeure and labor disputes shall release the contracting parties for the duration of the event and within the scope of their affect on the contractual duties. The contracting parties shall be obligated to provide the required information within reasonable bounds without delay and to adapt their obligations to the changed conditions in good faith. We shall be released from the obligation to accept the ordered delivery/service in its entirety or partially and in this regard authorized to withdraw from the contract if the delivery or service is no longer usable

due to the delay at our premises caused by the force majeure or the labor dispute, taking into account economic aspects. In the event of delivery earlier than agreed, we reserve the right to return the goods at your expense. If the goods are not returned with an early delivery, the goods shall be stored until the delivery time at our facilities at your expense and risk. We reserve the right in the event of early delivery to not make payment until the agreed-upon due date. We shall only accept partial deliveries after express agreement. In the event of agreed-upon partial deliveries, the remaining amount must be listed.

## **5. Documents and samples**

The shipment of any documents and samples will be at your risk. The risk of any worsening, including accidental deterioration, shall thus remain with you until delivery at the place of usage stated by us. The documents (e.g. drawings, formulations, samples, etc.) shall generally be returned to us at your expense without delay (i.e. when they are no longer required for implementing the order or orders).

## **6. Invoices and payments**

Invoices shall be submitted to us as a single copy with all of the corresponding documents and data after completed delivery/service separately in proper form via e-mail or regular postal mail, separate from the respective shipment. Value-added tax must be allocated separately in all invoices. The supplier shall ensure the requirements of a proper invoice are met in the legally prescribed form and content. Improperly submitted invoices (i.e. containing errors, incomplete, improper, not verifiable, and not received) will not be considered received by us until the time the correct invoice is received. All invoices must contain the order code or order number indicated by us. Payment shall be made in the customary ways, that is either within 14 days with 3% discount or after 60 days net, calculated after delivery or service that is error-free, according to the contract, without complaint, and with incoming inspection and submission of a proper, complete, error-free, and verifiable invoice or the respective contractually agreed-upon separate stipulation. To the extent that certifications, such as material inspections have been agreed upon, they form an essential part of the delivery/service and shall be sent to us together with the invoice. They must be received by us no later than 14 days after receipt of invoice. The time for payment of invoices starts with the receipt of a complete, proper, correct, and verifiable invoice as well as the agreed-upon certificate. In the event of faulty delivery/service, we shall be authorized to withhold payment as a portion of the value until proper performance. We shall not be considered in delay until you have sent us a written reminder and we have no justified reasons for withholding partial value until complete performance according to the contract. In the event of advance payments, you shall obtain, at our request, an appropriate financial guarantee by means of an

open-ended, directly enforceable guarantee from a German bank – to be paid upon the first request, without the right of objection. Receivables against us may only be assigned to third-parties or collected from us by third-parties with our agreement, which shall not be unreasonably denied. In the case of simple retention of ownership, the agreement shall be deemed granted. If the supplier assigns its receivables against us to third-parties without our agreement, the assignment will be effective however. Nevertheless, we may, however, make payment either to the supplier or to the third-party in question with a discharging effect on the obligation. Settling of payments may only occur after our prior written agreement provided they were undisputed and acknowledged by us.

## **7. Defect claims and warranty for defects**

The supplier shall guarantee and ensure that all deliveries/services correspond to the current state of knowledge, technology, and science; the pertinent legal provisions; and the regulations and guidelines of authorities, mutual indemnity associations, and professional and trade associations of the Federal Republic of Germany, the European Community, and the country of destination. The supplier shall further ensure that its delivered goods and services provided meet all requirements, have the agreed-upon quality, and are suitable for the contractually designated use. If there are deviations from these stipulations necessary on a case-by-case basis, you shall be required to obtain our written agreement for these. This agreement does not limit your warranty for defects. If you have concerns regarding the desired type of implementation, you shall notify us of this in written form without delay. The documents (e.g. drawings, formulations) shall be created according to the purchaser's specifications. The documents shall be inspected by the contractor regarding their technical correctness without delay. We must be notified of any complaints immediately after receipt in writing. Deviations from the agreed-upon quality cannot be accepted. The contractor will be liable for defective reproduction. You are obligated to use environmentally friendly products and processes with your deliveries/services including for deliveries or ancillary services from third-parties within the scope of economic and legal possibilities. You shall be liable for the environmental compatibility of the delivered products and packaging materials and for all consequential damages resulting from the violation of your legal disposal obligations. At our request, you shall issue a quality certificate for the delivered goods. We shall notify you of any obvious defects in the delivery/service in writing without delay as soon as they are identified in the normal course of business, but no later than 5 business days after receipt of the delivery at our facility. Any defects (including deviations in quantity and weight, incorrect deliveries) in the delivery/service complained about during the warranty period, which also include the non-achievement of guaranteed data and the lack of agreed-upon and warranted quality, shall be eliminated by you upon request without undue delay and free of charge, including any ancillary costs, either by repairing the defect or by replacing the defective parts/new production at our discretion within the

scope of subsequent performance. After failure of the second attempt at subsequent performance, we shall have and may exercise any other rights available to us under the law, in particular the right of withdrawal, reduction of the price, and indemnification instead of the service. If you do not satisfy your obligation for warranty within a reasonable deadline set by us and you are at fault, we may carry out the necessary measures personally or have these carried out by third-parties at your expense and risk – notwithstanding your warranty obligation. In urgent cases, we may undertake the repair ourselves or have it done by a third-party after obtaining your written agreement. The warranty time for defects is 48 months provided nothing contrary has been expressly agreed to. The warranty time starts with the transfer of the goods for delivery to us or the third-party named by us at the place of usage stipulated by us or upon successful acceptance inspection (transfer of risk). The supplier is also liable for the compensation of consequential damages in accordance with the BGB. You are obligated, upon the first request, to release us from the corresponding compensatory damage claims of third-parties if we have a claim brought against us regarding defectiveness in our performance that is due to your performance (cause in your organization and domain area) due to a violation of official regulations or due to domestic or foreign product liability regulations or laws. In all of these cases, we shall be authorized to demand compensation for these damages provided they have been caused by the services and products provided by you and yourself are liable in the external relationship. These damages shall also comprise the cost of a precautionary recall action or a recall implemented by us and the corresponding expenses in accordance with §§ 683, 670 BGB, and those in accordance with §§ 830, 840, 426 BGB, which are to be reimbursed by you. Other legal claims will remain out of consideration. You shall mark your goods for delivery such that they are permanently recognizable as your products. You shall implement suitable quality assurance, the type and scope of which corresponds to the state-of-the-art, and shall verify this to us upon request. You shall execute with us a corresponding quality assurance agreement provided we consider this to be necessary. In addition, you shall obtain insurance policies in an appropriate amount to cover all risks resulting from product liability, including the risk of recall, for the duration of the business relationship, and shall present the insurance policies and receipt of payment for inspection upon request. Should you discontinue your payments or if insolvency proceedings against your assets or judicial or extra-judicial settlement proceedings are petitioned for, we shall have the right to withdraw, in whole or in part, from the contract. If the withdrawal from the contract is stated by us due to a violation of obligation caused by you, the services carried out up to that point will be settled at contract prices only to the extent that they can be utilized by us according to the intended use. Damages resulting for us will be considered during the settlement.



## **8. Retention of ownership rights and other security rights**

The purchaser will recognize no rights to retention of ownership or other security rights, regardless of their form, content, effect, and scope, and hereby expressly objects to any such rights. We will recognize simple retention of ownership. We may use and/or resell the delivered goods without any limitation in the ordinary course of business.

## **9. Conventional/contractual penalty in the event of delay**

In the event of delay, we shall be authorized to demand 0.3% of the order value per calendar day for the duration of the delay as a contractual penalty plus a maximum overdue fine, in the amount allowed by the Federal Court of Justice. The total amount of the contractual penalty is limited to a maximum of 5% of the respective total order value or to the amount permissible in accordance with the latest case law. Even if we accept the late delivery, we will still demand the contractual penalty from you. The contractual penalty will be calculated directly according to the cycle to be stipulated by us by means of the debit note. We reserve the right to assert compensatory damage claims going beyond this amount.

## **10. Tools/formulations/business secrets**

All services, including things such as molds, tools, reproductions, diagrams, samples, formulations, packaging, punches, photos, printing plates, layouts, technical terms of delivery, and the like, which have been produced and paid for at our expense and/or which will be transferred to the supplier by us, shall be considered our property at the time of manufacture and/or shall remain our property and in our ownership. These items shall be retained, maintained, and protected by the supplier without compensation. These items must be transferred to us upon request without any assertion of retention rights. In the event of faulty documents (e.g. photos, drawings), our prior written agreement is required before the supplier may invoice for expenses for the resulting correction for which the supplier is not at fault.

The purchaser will retain the unlimited and open-ended usage right exclusively. The contractor is hereby prohibited from granting a usage right, uncompensated transfer to third-parties, as well as sale to third-parties, as a whole or in parts; express written agreement by the purchaser – corporate management – is required on a case-by-case basis. This applies to all legal transactions starting today and into the future.

Items such as molds, tools, reproductions, diagrams, samples, formulations, packaging, punches, photos, printing plates, layouts, technical terms of delivery, and the like produced according to our documents may only be produced exclusively for us and delivered to us, unless we agree with the delivery to a third-party expressly in writing.

You shall treat the execution of the contract confidentially and may only make reference to business connections with us in advertising materials after obtaining written agreement from us. The contracting parties are obligated to treat all non-public business or technical details made known to them as a result of the business relationship as confidential. Subcontractors shall also be subject to the same obligation.

### **11. Proof of origin**

The supplier is obligated to provide us with the necessary papers regarding the origin of the goods upon request and is liable for the correctness thereof.

### **12. Minimum wage**

The supplier and/or contractor is obligated to show proof of adherence to minimum wage requirements at our express request.

### **13. Data protection**

The purchaser and contractor are authorized, within the scope of the business relationship, to collect, save, modify, and process data regarding the respective other business partner and to provide that data to third-parties, in accordance with the German Federal Data Protection Act.

### **14. Applicable law**

The law in the Federal Republic of Germany applies exclusively. Application of the United Nations Convention on Contracts for the International Sale of Goods (CISG), adopted 11 April 1980, will not apply. Should individual parts of these General Terms and Conditions of Purchase be or become void, the effectiveness of the remaining provisions will not be affected.

### **15. Place of performance and jurisdictional venue**

Unless otherwise expressly agreed, the place of performance for the delivery obligation is the place of usage indicated by us; for all other obligations of both parties, the place of performance is the registered domicile of our headquarters. Provided the contractor is a registered trader, the district court or the high district court

at the headquarters of the buyer or purchaser shall be the jurisdictional venue for both parties exclusively. The place of performance for all deliveries and services resulting from this contract shall be the place of delivery or performance respectively determined by us on a case-by-case basis.