

## Purchasing Terms and Conditions

### I. Entry into contract

- These purchasing terms & conditions ("PTC") apply for all transactions and contracts where BJB GmbH & Co. KG (hereinafter referred to as "BJB") is the purchaser or the party placing the order or the principal. By accepting an order placed by BJB, the supplier or the contractor (hereinafter referred to as the "Supplier") declares its agreement to these PTC.
- Exclusively these PTC apply. BJB hereby objects to counter-offers or other references by the Supplier to its general terms & conditions; deviating terms & conditions of the Supplier's only apply if this has been confirmed in writing by BJB. These PTC apply even if in knowledge of contrary or deviating terms & conditions of the Supplier's BJB accepts the delivery without reservation. If the Supplier is not in agreement with the foregoing, then it is obliged to state this expressly in a separate letter. BJB hereby reserves the right to retract the order in such case, without this creating claims of any kind against BJB.
- These PTC apply also for future transactions even if no express reference is made to them.

### II. Order

- Supply contracts (order and acceptance) and supply call-ups as well as their modifications and additions require text form (§ 124b of the German Civil Code [BGB]). Supply call-ups can also be ordered by remote data transmission.
- If the Supplier does not accept the order within two weeks of arrival, then BJB is entitled to rescission without the Supplier being entitled to claims of any kind. Supply call-ups based on existing framework contracts become binding at the latest if the Supplier does not object within two weeks since receipt.
- In the framework of what is reasonable for the Supplier, BJB can request changes to the delivery object with regard to quantity, design and quality. In that context, the impacts, particularly with regard to additional and reduced costs as well as the delivery dates, are to be amicably reasonably regulated.
- If the Supplier is aware of better solutions or more suitable materials due to technical developments for the fulfilment of BJB's orders, the Supplier undertakes to notify BJB of the same. Using those better solutions or more suitable materials requires BJB's written consent.
- Passing on of orders to third parties in whole or in part requires BJB's prior written consent.

### III. Dispatch and invoices

- The Supplier is obliged to deliver the goods packaged free to the door (DDP pursuant to Incoterms in the version applicable upon contract entry). Only when the goods are taken over is the risk transferred to BJB.
- Invoices are to be handed over or sent with the order details.
- In the event of default in payment, in deviation from the statutory regulations BJB pays default interest in the amount of 3 percentage points p.a. above the basic interest rate, but at least 4% p.a.

### IV. Prices and payment

- The agreed prices are fixed prices and preclude subsequent claims of all kinds. If nothing expressly to the contrary has been agreed upon in writing, the prices are understood to be including packaging, dispatch costs, freight, cost of cartage to the destination, other charges and ancillary payments free to the receipt point named by BJB (DDP pursuant to Incoterms in the version respectively applicable upon contract entry).
- Payments are made by date of receipt of the goods or the invoice on two monthly dates after deduction of 3% discount:  
goods and invoice receipt by 5th day of the month: payment on the 15th day of the month  
goods and invoice receipt by 20th day of the month: payment on the 30th day of the month  
otherwise payment is made without deduction within 60 days.
- All payments are made subject to reservation and do not constitute confirmation of a proper delivery. In the event of defective deliveries, BJB is entitled to withhold payment in a reasonable amount until final clarification, without loss of discounts and similar. This is also the case if deliveries are made to companies in which BJB holds majority participations.
- The Supplier is not entitled without BJB's prior written consent, which may not be unreasonably withheld, to assign the Supplier's claims against BJB or to have these collected by third parties.

### V. Complaints about defects

- The statutory provisions for the commercial investigation and complaint obligation (§ 377 and § 381 of the German Commercial Code [HGB]) apply with the following proviso: BJB's investigation obligation is limited to defects which are revealed during the incoming-goods check when subjected to external appraisal, including the delivery documents, as well as during the BJB quality control in the random-sample procedure (e.g. transport damage, wrong and reduced delivery). Insofar as an acceptance process is agreed upon, there is no inspection obligation. Otherwise, it depends on the extent to which an inspection is feasible taking the circumstances of the individual case into account in accordance with proper business practice. Insofar as a quality-assurance agreement has been entered into between the Supplier and BJB, the regulations therein regarding the inspection and complaint obligation have priority.
- In the event of delivery to third parties, any inspection and complaint obligation is only incumbent upon the recipient of the goods, in the framework of 1. above.
- If the recipient of the goods is not BJB and the recipient is only made known after contract entry, 2. applies nevertheless, i.e. the complaint obligation [2. above] is incumbent upon the recipient in lieu of BJB's complaint obligation.

### VI. Delivery periods and deadlines

- Agreed periods and deadlines are binding. What is authoritative for compliance with the delivery period or deadline is arrival of the goods at BJB, at its customer or the agreed use location. If "free use location" is not agreed for the delivery, the Supplier is obliged to make the goods available in a timely manner taking account of the usual time for loading and dispatch.
- If the Supplier must anticipate that an agreed date cannot be adhered to, it is obliged to give notice of this without undue delay, citing the reasons and the probable duration of the delay.  
This notification does not discharge the Supplier from its obligations pursuant to 1. above, however. Insofar as BJB declares itself in writing to be in agreement with a prolongation of the agreed delivery periods, the foregoing provisions in 1. apply correspondingly for the new periods agreed upon.
- In the case of deliveries before the contractually-agreed date, BJB reserves the right to send the goods back at the Supplier's expense or to invoice the Seller for the costs incurred by BJB for interim storage and to deduct them from its invoices.
- For oversupply, the same applies as for delivery before the contractually-agreed date.
- In the event of default by the Supplier, per working day of the default BJB shall be entitled to demand 0.1% but no more than 5% of the price of the relevant goods as flat-rate compensation. However, the Supplier is permitted to prove that BJB has suffered no loss at all or a significantly smaller loss than the flat-rate compensation demanded. Instead of the flat-rate compensation, BJB can rescind the contract and demand compensation of the loss which has actually occurred. More extensive legal claims are unaffected by this provision.

### VII. Origin, composition and safety, compliance

- If nothing to the contrary is expressly agreed upon in the individual case, the Supplier's goods must have their customs-law origin in the European Union. The Supplier is obliged to prove to BJB upon the latter's request the customs-law origin of the goods free of costs, and in particular, as BJB chooses, to make individual supplier declarations and/or long-term supplier declarations in writing or via an online portal to be named by BJB where applicable, in each instance with details regarding preferential origin status, pursuant to EC Regulation 1207/2001 and successor regulations.  
If a customs authority levies additional dues on BJB or BJB's customers due to deficient origin declarations of their own or if BJB or BJB's customers suffer another pecuniary disadvantage and if the error is due to incorrect origin information from the Supplier, then the Supplier is liable for this.
- The Supplier undertakes to designate precisely to BJB in declaration lists all of the substances which are contained in the goods to be supplied and to inform BJB of their concentration and percentage in the goods. In the event of commencing new purchased parts, the Supplier is obliged to send BJB without request an updated version of the declaration list. The same applies if additional substances are used, previously-used substances are omitted and/or the composition and/or concentration of the substances are changed. Moreover, the Supplier is obliged to comply with the respectively-applicable German and European law (prohibition, restriction, registration, evaluation, certification and labelling of certain substances) regardless of its information in the declaration list. The Supplier is obliged to comply with the limits named in EU Directives RoHS-II 2011/65/EU (lead, mercury, cadmium, hexavalent chromium, PBB, PBDE as well as any other pertinent substance) and WEEE 2002/96/EC or 2012/19/EU (plastics containing brominated flame retardants and other substances according to appendix II to Directive 2002/96/EU or Annex VII to Directive 2012/19/EU) as well as the corresponding national implementation legislation, particularly the German Electrical and Electronic Equipment Act (ElektroG). The Supplier warrants in this respect that the products supplied do not contain substances in concentrations for which restrictions exist pursuant to EU Directives RoHS-II 2011/65/EU or WEEE 2002/96/EG or 2012/19/EU as well as their implementation provisions.
- With regard to [EC] Directive nr. 1907/2006 of the European Parliament and the Council dated 18 December 2006 ("REACH" Directive), the Supplier undertakes to comply with all obligations in the REACH Directive and to register all of the substances to be supplied and only to supply substances and preparations to BJB which are already registered. Moreover, all of the goods to be supplied are to be checked on the basis of the respective currently-applicable list for substances of very high concern (SVHC) pursuant to article 57 of the REACH Directive; any listed SVHC ingredients which are contained therein are to be notified to BJB without undue delay pursuant to the REACH Directive.
- The goods supplied by the Supplier will be used to manufacture consumer products which will be provided to consumers for their use. The Supplier is obliged to fulfil the corresponding statutory requirements. In particular, the goods must be supplied in such a way that in the event of proper use or foreseeable improper use the safety and health of users and third parties are not jeopardised. In this context, the potential impacts on and by other products,

product components and ingredients as well as further processing is also to be taken into consideration.

- In the event of the supply of goods which – pursuant to the contractual agreements, pursuant to what is contractually required or pursuant to the usual use – are intended for further processing into objects which are intended to come into contact with foodstuffs, or where it can be reasonably foreseen in the case of normal or foreseeable use that they will come into contact with foodstuffs or release their constituents into foodstuffs (e.g. in oven or refrigerator lights), the Supplier warrants compliance with all foodstuff-law acts, ordinances and regulations in the respectively-valid version. In particular, the Supplier warrants that the goods have been manufactured in accordance with good manufacturing practice and there is uninterrupted documentation which permits traceability pursuant to the regulations of [EC] Directive 1935/2004 at all times. Upon request, the Supplier shall provide BJB with the corresponding documentation.
- The Supplier hereby warrants that the items to be delivered are "DRC conflict-free" in accordance with the US-American Dodd-Frank Wall Street Reform and Consumer Protection Act as well as its implementation rules, i.e. do not contain any conflict minerals (which are currently tantalum, tin, gold and tungsten) which finance or benefit directly or indirectly armed groups in the so-called "covered countries" (which are currently the Democratic Republic of Congo, Angola, Burundi, the Central African Republic, the Republic of Congo, Rwanda, Sudan, Tanzania, Uganda and Zambia). The Supplier is obliged to present and prove to BJB upon request all of the authoritative data (including quantitative analyses) regarding the presence of conflict minerals in its goods and to check in sufficient degree that its goods are DRC conflict-free. The Supplier is obliged to inform BJB in writing without undue delay if the Supplier becomes aware of indications in its supply chain which trigger the inference that the warranties pursuant to this paragraph are possibly no longer being complied with.
- The Supplier is obliged to notify BJB without undue delay if there are indications that the goods supplied or to be supplied by it might not or might no longer fulfil one of the prerequisites set out in VII.1 to VII.6 above. In such a case, the Supplier undertakes initially only to inform BJB and to agree with BJB whether and how it will subsequently inform third parties and authorities. Moreover, the Supplier undertakes to provide BJB upon request with information, documents, samples and templates free-of-charge which BJB requests in order to check whether the prerequisites set out in VII.1 to VII.6 above are fulfilled or to what degree they are not fulfilled.
- The Supplier is obliged to organise its company in such a way which corresponds at least with BJB GmbH & Co. KG's code of conduct, whose respectively-current version is published on the Internet at [www.BJB.com/code-of-conduct](http://www.BJB.com/code-of-conduct). Furthermore, the Supplier is obliged to observe and comply with the nationally and internationally applicable laws and regulations for the areas of corruption, money laundering, minimum wage as well as antitrust and competition law and sustainability in the supply chain.
- The Supplier or third parties instructed by it are obliged after entering BJB's company grounds to comply with the "Betriebsordnung für die Beschäftigten von Fremdfirmen" (rules for employees of third-party companies) which are published on [www.BJB.com](http://www.BJB.com) website. BJB has no liability for damage or loss which is suffered by the Supplier or its vicarious agents as a consequence of a breach of the rules. The Supplier is fully liable for damage and loss resulting from breaches of the rules which are committed by people instructed by it.

### VIII. Warranty

- In the event of defective delivery, BB can assert the statutory warranty rights. The statutory warranty period applies, but at least 24 months from acceptance. A new warranty period applies for parts replaced or repaired within the warranty.
- In urgent cases or in the event of delay, in BJB's discretion BJB can procure replacements or rectify defects or have defects rectified at the Supplier's expense without announcement.
- The Supplier is liable for all damage and loss which the Supplier itself and/or its agents or employees culpably cause or which is attributable to the Supplier in another way. Limitation of liability to intentional behaviour or gross negligence is hereby excluded.
- For BJB's security, the Supplier hereby assigns to BJB the warranty claims to which the Supplier is entitled against its suppliers. BJB hereby accepts this assignment and has the right to decide freely whether it will make a claim against the Supplier or the Supplier's supplier.
- BJB is entitled without limitation to its statutorily-defined recourse claims within a delivery chain (supplier recourse pursuant to § 445a, § 445b, § 478 of the BGB) in addition to the defect claims. In particular BJB is entitled to demand precisely the type of subsequent performance (subsequent improvement or replacement delivery) from the Supplier which BJB owes its customer in the individual case. BJB's statutory right to choose (§ 439.1 of the BGB) is not limited thereby. BJB's claims arising out of supplier recourse apply even if the defective goods have been further processed by BJB or another contractor, e.g. through installation into another product.
- In the event of the delivery of parts or materials, the Supplier warrants in particular compliance with agreed specifications. Error rates are only permissible if they have been agreed upon in writing. BJB is entitled to verify compliance with these specifications and any error rates at its own company or at the Supplier's company.
- The specifications in test reports and similar certificates are quality and durability warranties in the sense of § 443 of the BGB.
- The Supplier is obliged to have the items to be delivered approved by a recognised inspection body (e.g. TÜV) before delivery.
- In the event of the delivery of tools, moulds or similar, the Supplier warrants in particular compliance with the agreed dimensions and tolerances. The samples manufactured from the delivery object at BJB's company or the Supplier's company are the benchmark for compliance with the contractual agreements.
- The Supplier warrants that the delivery object is free from third-party rights and in particular does not infringe third-party intellectual property rights.

### IX. Product liability, indemnification

- If a claim is made against BJB on the basis of product liability for damage and loss which are attributable to the goods supplied by the Supplier, then the Supplier will indemnify BJB in this respect upon first demand against third-party compensation claims insofar as the cause falls within the Supplier's organisation and sphere of control and the Supplier would be liable in the external relationship itself.
- In this framework, the Supplier is also obliged to reimburse any expenditure and to compensate for damage and loss which arise out of or in connection with a recall or warning conducted by BJB or ordered by an authority. BJB will notify the Supplier – insofar as possible and reasonable – concerning the contents and scope of the measures to be carried out, and give the Supplier the opportunity to make a statement. Other statutory claims remain unaffected.

### X. Retention of title

A simple retention of title expressly requested by the Supplier is not objected to. However, an extended retention of title and group clauses are hereby objected to. The Supplier will release the securities held by it insofar as their value exceeds by more than 20% in total the claims to be secured.

### XI. Confidentiality

- All of the drawings, drafts, norm sheets, print templates, models, samples, tools and similar which BJB provides to the Supplier in any form whatsoever remain BJB's property and are to be returned to BJB without request after delivery has been effected. They are to be kept secret from third parties, stored carefully, and may not be used for other purposes. The Supplier is forbidden in particular to supply third parties using BJB's tools.
- The Supplier undertakes to keep confidential all non-obvious commercial and technical details which become known to it as a result of the business relationship, and not to make them accessible to any third parties. Employees and sub-suppliers are to be obligated accordingly.
- These confidentiality obligations (lnrs 1. and 2. above) also apply after the cessation of the business relationship. They cease to apply only if and insofar as the commercial and technical knowledge contained in the drawings, drafts, norm sheets, print templates, models, samples, tools and similar has become generally known.

### XII. General provisions

- The Supplier hereby grants BJB the right to process the data received about it arising out of the business relationship or in connection therewith, in the framework of what is legally permissible, irrespective of whether the data comes from the Supplier itself or from third parties.
- If a provision of these PTC and the further agreement entered into is or becomes invalid, then the validity of the rest of the contract shall not be affected thereby. The contract parties are obliged to replace the invalid provision with a provision which comes as close as possible thereto in terms of financial success.
- Only the substantive law of the Federal Republic of Germany applies. In addition, Incoterms in the version current upon contract entry applies, insofar as they do not contract these PTC.
- The place of performance for all of the parties' performance, regardless of the destination of the goods, is BJB's headquarters.
- The courts of Arnsberg have local and international jurisdiction for all disputes in connection with the contract relations between the Supplier and BJB
  - if the Supplier is a businessperson, public-law legal entity or a public-law special asset, or
  - if the Supplier has no general legal venue (place of residence, headquarters or usual residence) within the Federal Republic of Germany, or
  - if after contract entry the Supplier relocates its place of residence or usual residence to outside the territory of the Federal Republic of Germany or if its place of residence or usual residence is unknown at the time of filing the lawsuit.
- BJB is also always entitled to sue the Supplier in the courts of the Supplier's general legal venue.
- The statutory provisions apply for dunning procedures.

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BJB GmbH & Co. KG, Arnsberg/Germany