

General conditions of purchase and contract of the Karl Knauer KG

1. General – Field of application

- 1.1 Our following general terms and conditions of purchase and contract that comply with the model terms of the professional association Faltschachtel-Industrie e.V. apply to all contracts concluded by us with entrepreneurs, corporate bodies under public law and public separate estate (hereinafter collectively referred to as „supplier“) according to which the contractual partner renders deliveries or goods and services. The quality characteristics for folding box carton issued by the FFI apply in the current version respectively. Our general terms and conditions of purchase and contract apply exclusively. The terms and conditions of the supplier do not apply by and large unless we have expressly agreed in writing. This also applies for the provisions in the terms and conditions of the supplier that do not oppose our general terms and conditions of purchase. Our general terms and conditions of purchase and contract also apply exclusively if we accept the delivery or the services of the supplier without reservations despite being fully aware of differing provisions of the supplier.
- 1.2 Our general terms and conditions of purchase and contract also apply for all future deals with the supplier.
- 1.3 Rights that we are entitled to beyond these general terms and conditions of purchase and contract as per the legal provisions remain without prejudice.

2. Quotations, order, changes, procurement risk

- 2.1 Quotations must be submitted to us bindingly and free of charge. The supplier shall treat them confidentially.
- 2.2 The supplier is bound to their quotation for a period of 12 weeks starting from our receipt of the quotation.
- 2.3 A contract with us only comes into being if we submit the order in writing (digital form or fax suffices). A written order from us is binding, unless the supplier objects immediately. In this case, the supplier shall contact us immediately and settle the changes, which must be subsequently confirmed in writing (order confirmation). If we remain silent after an offer of a supplier, this does not count as an approval or acceptance of the offer.
- 2.4 Even after the conclusion of the contract we can request changes of the delivery item or the service as far as it is not unreasonable for the supplier. With these changes, both contracting parties shall reasonably consider the effects especially regarding possible additional or reduced costs as well as the dates of delivery or performance.
- 2.5 The supplier assumes the procurement risk regarding the self-supply through their suppliers.

3. Time of delivery or performance, delivery or performance

- 3.1 The agreed dates and deadlines for delivery/performance are binding. Within the period or until the date, the goods must have been received at the place of performance. Before the expiration of the deadline or before the date, we are not committed to acceptance. If delays are to be expected, the supplier has to inform us immediately in writing indicating the reasons and communicate a new date of delivery/performance. We are entitled to withdraw from the contract if we do not agree to the offered new date and the supplier refuses a delivery/performance within an appropriate period of grace suggested by us. If we agree to the new date offered by the supplier or if the supplier accepts a period of grace stipulated by us, this does not imply an extension of the contractually agreed date of delivery/performance or the period of delivery/performance. Rights to damages due to the late delivery remain without prejudice.
- 3.2 If the supplier defaults in part or in total with a delivery/performance, we are entitled to the legal claims (damages/withdrawal) to the full extent. In particular, we are entitled to claim damages instead of the performance after an unsuccessful expiration of an appropriate period of grace. Moreover, we can claim a contractual penalty of 0.25% of the order value per business day from the supplier, however, not more than 5% of the order value, as of the occurrence of the default.
- 3.3 If the supplier defaults with a partial delivery/performance with apportioned contracts or similar contracts, we are also entitled to withdraw from the contract concerning all partial deliveries/performances or to claim damages instead of performance after an unsuccessful expiration of the set period of grace.
- 3.4 Force majeure such as strikes, insurgency, riot, etc. extricate us from our obligation to accept or approve of the ordered delivery/performance for the duration of the disturbance and to the extent of their effect. In this case, we will provide the supplier with the necessary information immediately within reasonable limits. After our notification of the supplier about the discontinuance of the event, the delivery shall take place without delay. If the delivery/performance is no longer usable for us under economic considerations due to the delay caused by force majeure, we are entitled to withdraw from the contract.
- 3.5 The delivery/performance of partial quantities, excess or short deliveries are not admissible unless we have expressly consented in writing.
- 3.6 If we ask the supplier for a deferral of a delivery, they must insure the properly packaged and marked goods and store them in a way that there will be no loss in quality; however, not for more than three months.

4. Packaging, shipping

- 4.1 Unless otherwise agreed on, the shipping takes place at the supplier's risk and expense to the address indicated in our order.
- 4.2 The supplier guarantees that all applicable shipping and declaration provisions as well as possible export and import terms will be observed. The supplier is liable for any damage arising from the non-observance of these provisions and terms.
- 4.3 The supplier provides customary, proper and clean packaging at their own expense and guarantees that the goods are protected against typical transport damage, corrosion and entry of soiling or moisture by the packaging. The supplier is liable for any damage arising from the non-observance of this provision.
- 4.4 Upon dispatch of any delivery, a specified despatch note indicating our order number, order date, the production plant, delivery address, content, packaging type, package number and the weight must be forwarded to us.
- 4.5 A delivery note indicating our order number, our order date and the content must be enclosed in every delivery.
- 4.6 Unless otherwise agreed, the shipping risk is passed to us only after delivery has taken place.
- 4.7 The supplier is obligated to collect packaging material and transport aids at their own expense from our premises upon request.

5. Insurances

- 5.1 Insurance costs are only borne by us if this was agreed upon in writing.
- 5.2 For the entire supply or order relationship, i.e. until the expiration of the prescription of all claims that could arise from the contractual relationship, the supplier is obligated to maintain a liability insurance, also for product liability damages including the recall risk, with sufficient coverage for personal, property and pecuniary damage (min. € 2 m per person or per property or per pecuniary damage) at their own expense and to present us with evidence upon request. If the supplier does not have the relevant insurance coverage or if he refuses to present the evidence for it even after fixing an appropriate period of grace, we are entitled to

withdrawal and can claim compensation for the loss incurred by us.
5.3 Our entitlements are not limited to the sum insured.

6. Prices, payment terms, assignment, set-off; subcontracting, changes company, change production; job processing

- 6.1 The price is quoted in euro, unless another currency is agreed to in writing.
- 6.2 The price quoted in our order is binding. It includes delivery „franco domicile“ as well as packaging.
- 6.3 Upon dispatch of the goods, invoices must be sent to us directly through the mail or by e-mail separately for every order, indicating the order number and order date and must contain the information whether the order is done or which quantities or units are still to be delivered. If collective invoices make sense, this must be fixed with us individually in advance. The VAT must be specified separately. It must be possible to identify in particular the nature and scope of the delivery or performance from the invoice.
- 6.4 We can pay invoices less 4% cash discount within 30 days or net after 60 days. The period starts with receipt of the invoice, however, not earlier than on the day on which the delivery is received at the address indicated by us.
- 6.5 In case of a faulty delivery or performance or consignment of an invalid invoice, we are entitled to withhold payment until the proper compliance/consignment of the invoice without losing a cash discount.
- 6.6 Assignments are excluded without our written consent. § 354a Commercial Code remains without prejudice. Rights of set-off and retention are only due to the supplier for such claims that are undisputed, acknowledged by us or legally established.
- 6.7 The supplier is not authorised to have the order or parts of the order executed by third parties without our prior written approval. If we give this approval, the supplier still remains responsible for their contractual obligations and is liable for the third party in the same way as for their own actions.
- 6.8 The supplier shall inform us immediately in writing about any changes in the group of shareholders and any change of the company.
- 6.9 If the supplier intends to cease their production in total or to change or cease the production of the goods covered by the contract, they shall inform us immediately in writing, unless our last order of the goods took place more than 6 months ago. They ensure that the goods covered by the contract can still be delivered to us for at least 12 months after this notification.
- 6.10 If the supplier functions as a contract processor for us, they must perform a goods inward inspection of the goods delivered for job processing and inform us about potential deficiencies on the goods prior to the job processing and discuss the further procedure with us. If they fail to do so, they are liable for damages. Our right to assert further statutory claims remains without prejudice.

7. Guarantee, prescription

- 7.1 The supplier guarantees that the goods or performance is free from material defects and defects of title, are in conformity with the state-of-the-art, the applicable national and European legal regulations (especially, however, not limited to the food and articles of daily use law), the provisions and directives of authorities, occupational insurance associations and professional associations as well as the specifications committed by us, the agreed nature and the details in the order/commission as well as the declaration of conformity.
- 7.2 If a deviation from the specification, the agreed nature or the details in the order is necessary in a given case or if there are concerns about the type of design requested by us, the supplier must point this out to us immediately. We will inform the supplier as soon as possible if and which changes are to be implemented. The liability of the supplier is not limited by this consent. If the changes lead to a change of the costs incurred by the supplier because of the performance of the contract, both we and the supplier are entitled to request a corresponding adjustment of the compensation due to the supplier.
- 7.3 Moreover, the supplier guarantees that the goods or performance are suitable for the agreed intended use or the intended use arising from the nature of the goods or performance and that they do not contain prohibited or non-valuated substances. With goods that are used for packaging of food or toys, the supplier guarantees that the goods are also suitable for contact with food or toys and that such contact has no negative effects on the food or toy.
- 7.4 The supplier guarantees that the goods are properly labelled.
- 7.5 The supplier guarantees to execute the order/commission in a way that the law regarding technical working equipment, the safety of machinery act, the accident prevention regulations of the relevant occupational insurance association, the fire-protection regulations as well as the respective newest version of the DIN and VDE provisions as well as the guidelines for CE-marking are observed.
- 7.6 If the delivered goods/performance are – identifiably for the supplier – intended for the use in countries outside the European Union, the supplier provides the guarantees as per the paragraphs 7.1 to 7.5 also for such countries that were identifiable as the recipient pursuant to the contract.
- 7.7 We are entitled to the complete statutory guarantee claims. In particular, we are entitled – at our option – to request the removal of defects or the delivery of a flawless item/performance of a flawless service. If the supplier does not perform the obligation to remedy defects within an appropriate period stipulated by us, we can perform the necessary measures ourselves or have them performed by a third party at the expense and risk of the supplier. In urgent cases we are entitled to self-remedy of defects even before expiration of a period of grace if the supplier does not confirm bindingly and in writing within 24 hours after the request that they are prepared and in the position to provide immediate supplementary performance. We can bill in-house efforts at normal third-party market prices in case of a self-remedy of defects. Apart from that our statutory rights remain without prejudice.
- 7.8 In case of defects, the supplier bears all expenditures arising in connection with establishing and correcting the deficiency irrespective of the fault, also to the extent they incur at our company, especially examination costs, installation, removal and reinstallation costs for inferior parts, work and material costs as well as transport and other costs upon the replacement of inferior parts.
- 7.9 If and when we are entitled to withdrawal, this can be limited – provided that the non- or misperformance is limited to a definable part of the performance – to this part under maintenance of the rest of the contract.
- 7.10 Our right to claim damages remains unaffected by the withdrawal or a reduction.
- 7.11 Guarantee claims because of material defects and defects of title prescribe after 36 months, unless a longer statutory period of prescription is applicable and the expiration of the prescription is inhibited. The period of prescription starts with the receipt of the goods at our premises or the acceptance of the performance. If the acceptance is delayed without any fault on the supplier's part, the warranty period is 36 months after the provision of the goods/performance for acceptance.
- 7.12 If the goods are obtained for resale or for the use in the manufacturing of products, the period starts at the time at which the warranty period of the product equipped with the delivered goods begins, however, no later than 6 months after the delivery of the goods to us.
- 7.13 If the supplier provides a substitute within the context of the supplementary performance, the period of prescription for the alternatively delivered goods restarts with their delivery to our premises. With a repaired part, the period of prescription restarts in total with completion/

General conditions of purchase and contract of the Karl Knauer KG

acceptance of the rectification of defects.

8. Requirement to give notice of defects

Complaints that are received by the supplier within a period of two weeks, with obvious defects calculated from the receipt of the goods and with hidden defects from the discovery of the defect, are always considered as immediate within the meaning of § 377 Commercial Code. The period is also kept if the complaint takes place verbally or by telephone.

9. Reservation of title

A reservation of title to the goods on the supplier's part is excluded. The supplier guarantees that the delivered goods are free from property rights of a third party. The supplier indemnifies us insofar against any third party claims upon the first request and also bears all costs that we incur in this regard. This also applies for lawyer's and court fees.

10. Property rights

- 10.1 The supplier guarantees that the goods or the performance is free from property rights and intellectual property of third parties and that in particular no patents, licences, utility models, designs, trademarks, copyrights or other property rights of third parties are violated by the delivery and use of the delivered goods or performance.
- 10.2 The supplier keeps us indemnified against all third party claims from possible violation of the third party rights stated in subparagraph 10.1 upon the first request and also bears all costs that we incur in this regard. This also applies for lawyer's and court fees.
- 10.3 We are entitled to obtain permits that are required for the use of the goods or performance from authorised third parties at the supplier's expense.
- 10.4 Further statutory claims, e.g. from warranty of title, remain without prejudice.
- 10.5 The supplier is not entitled to use our trade names, logos, trademarks or other property rights to their own benefit or for the benefit of third parties.
- 10.6 Goods or performances that are not part of the supplier's standard offerings and that were manufactured based on our instructions or as per our drawings or technical specifications must not be offered, sold, delivered to or brought to the attention of third parties without our prior written consent.
- 10.7 The supplier must not offer, sell, deliver or otherwise launch goods from their standard programme to third parties if our trade name, our logo, our trademark or any other property right of our company is identifiable on them.

11. Work materials

- 11.1 We retain the title and the intellectual property for all work material ceded to the supplier for the preparation of an offer or the execution of the order/commission or all work material that is produced in accordance with our specifications such as drafts, templates, drawings, movies, lithographies, printing blocks, punches, punching dies, negatives, print cylinders, printing plates, moulding equipment, digital data, impression cylinders, tools, samples, models, printing materials, calculations etc. The supplier is obligated to return all received work materials immediately upon the first request. They must not keep any copies or other reproductions.
- 11.2 The supplier must not use work materials within the meaning of subparagraph 11.1 for any other purpose than the compliance with the order/commission. Moreover, they must neither make third parties aware of these work materials nor make them available to third parties. In case of non-compliance, the supplier is liable for damages.
- 11.3 In case of a loss of the work materials within the meaning of subparagraph 11.1, the supplier is obligated to procure a replacement at their expense and to pay damages.

12. Product liability

- 12.1 If a claim is made on us because of the violation of official safety regulations or because of domestic or foreign product liability regulations or laws because of a faultiness of our products that is attributable to the goods delivered by the supplier, the supplier shall compensate our loss to the extent that it is caused by the goods delivered by them. If the damage is caused by goods delivered by several suppliers, they are liable as joint and several debtors. If a damage occurred that is a typical consequence of a defect of the goods delivered by the supplier, it is assumed that the damage is caused by it. It is at the supplier's discretion to prove that the defect did not cause the damage.
- 12.2 Within their liability in cases of loss within the meaning of subparagraph 12.1 the supplier is also obligated to reimburse expenses pursuant to §§ 683, 670 BGB (German Civil Code) as well as §§ 830, 840 426 BGB that arise from or in connection with a recall performed by us. Concerning the content and scope of the recall measures to be performed, we will – as far as it is possible and reasonable – inform the supplier in advance and give them the opportunity to give an opinion. Other statutory claims remain without prejudice.

13. Quality assurance

The supplier guarantees that they maintain, perform and document a quality assurance system suitable in type and scope, and in conformity with the state-of-the art of science and technology. The supplier is obligated to keep records of the performed tests, measurements and controls and to archive all test, measurement and control results for 10 years and to guarantee the traceability. We are entitled to review the entire quality assurance system with regard to the goods delivered to us on site without prior notice by means of an audit during the normal business hours. With regard to the goods delivered to us, the supplier furthermore allows us inspection of the entire documentation of the quality assurance system upon request and leaves copies to us to the necessary extent.

14. REACH, hazardous substances

- 14.1 The supplier guarantees that their delivery complies with the provisions of the regulations (EC) no. 1907/2006 (REACH regulation) in its respective valid version. In addition, the supplier provides us with safety data sheets with the relevant intended use in line with the provisions of the REACH regulation or the information required in accordance with the REACH regulation.
- 14.2 The compliance with the provisions of the REACH regulation does not absolve the supplier from the general obligation to inform us immediately about any changes in the goods and the materials in a qualified manner while handing over a data sheet.
- 14.3 For materials (substances/compounds) and objects (e.g. goods, parts, technical devices, uncleaned things in stock) that may pose a risk to life and limb or the health of human beings, the environment as well as to objects due to their nature, their characteristics or their conditions and that therefore require special treatment concerning the packaging, transport, storage, handling or waste disposal, the supplier provides us with a completely filled in safety data sheet pursuant to § 14 of the Ordinance on Hazardous Substances and an applicable accident procedures sheet (transport) at the time of the quotation, however, no later than prior to the shipment.

15. Safety

If employees or representatives of the supplier take action on our premises, the supplier ensures that they observe the respective applicable safety and accident prevention regulations as well as the fire-protection regulations as well as the site rules issued by the plant. The supplier makes their employees or representatives constantly aware of these regulations. If the supplier fails to remedy a violation of these regulations immediately, however no later than within three days after a written warning, or if repeated violations of these regulations take place, we are entitled to an immediate termination of the contract without notice. Damage and costs that we incur due to the non-observance of these regulations shall be reimbursed by the supplier.

16. Deterioration of the financial situation

- 16.1 If a significant deterioration of the financial situation of the supplier or associated companies (e.g. cessation of payments, creditor's protection, application for the opening of insolvency proceedings) or other indications that seem to jeopardize our entitlement to counter performance due to a lack of the performance capability of the supplier become known to us, we are entitled to withhold our performance until the supplier has delivered the counter performance or has furnished security. If the supplier does neither render the complete counter performance nor provides a suitable security within one week after the request, we are entitled to withdraw from the contract. § 323 BGB shall apply mutatis mutandis. Our right to claim damages under the legal prerequisites remains without prejudice.
- 16.2 In case of other factually justified indications that let the continuation of a reliable business relationship appear as seriously endangered, we are also entitled to withdraw from the entire contract.

17. Confidentiality

- 17.1 The supplier is obligated to maintain strict secrecy for all confidential information from the pre-contractual correspondence and the collaboration and to use such information exclusively to satisfy the contractual relationship, unless it is commonly known or lawfully obtained from a third party. Confidential information includes in particular enquiry and quotation, technical data, buying quantities, prices, information on products and product developments, research and development schemes, all company data and all work materials within the meaning of subparagraph 11.1.
- 17.2 Employees that are entrusted with the preparation of the quotation and/or the execution of our order/our commission by the supplier, must be bound to the corresponding secrecy.
- 17.3 If the supplier realises that confidential information has come into the illegal possession of a third party or that confidential documents have been lost, the supplier must inform us immediately.
- 17.4 If the supplier violates their obligations under subparagraph 17.1 to 17.3, the supplier shall be liable for all costs and damage caused by this violation.
- 17.5 The supplier may only point out the business relationship with us in publications after obtaining a prior written approval.
- 17.6 The obligations under subparagraph 17.1 to 17.5 continue to apply indefinitely after termination of the contractual relationship.

18. Place of performance, place of jurisdiction, applicable law

- 18.1 The place of performance of the delivery or performance is Biberach/Baden. Place of payment for our payment obligations is our registered office.
- 18.2 With commercial transactions with entrepreneurs, corporate bodies under public law and public separate estate, the place of jurisdiction shall be – at our discretion – our registered office or the registered office of the supplier.
- 18.3 The laws of the Federal Republic of Germany shall apply exclusively to the exclusion of the international private law and the uniform international UN Sales Convention (CISG). This also applies in case of cross-border deliveries/performances to us.
- 18.4 If a non-German version of the general terms and conditions of purchase and contract exists, the German version is exclusively applicable in case of doubt or contradictions.

Effective: 21.11.2017