

Terms and conditions of purchase of GRAMMER AG and companies affiliated to it in accordance with Articles 15 et seq. ('GRAMMER') for the production and delivery of production facilities

The English translation of the mandatory German version is for convenience only.

1 GENERAL INFORMATION / SCOPE

Orders by GRAMMER for production facilities are placed exclusively on the basis of these terms and conditions. GRAMMER shall not recognise Supplier terms and conditions that deviate from these terms and conditions of purchase unless GRAMMER has expressly agreed to their validity. These terms and conditions of purchase shall also apply if GRAMMER accepts a delivery without reservation in the knowledge of contrary or deviating Supplier terms and conditions.

2 SCOPE OF SERVICES / DELIVERY ITEMS

- 2.1 The goods to be delivered in accordance with the agreed specifications under these terms and conditions shall hereinafter be referred to as (' Delivery Items').
- 2.2 Delivery Items shall be designed and manufactured in accordance with the documentation and demands submitted by GRAMMER, in particular but not limited to the part drawings and CAD data in compliance with the requirements stipulated in the order, and in particular, in the respective latest index version of the performance specifications ('**Specifications**'). The Supplier undertakes to check the Specifications immediately on receipt and in particular for compatibility with the use required by GRAMMER. If the Supplier discovers during such a check that documents need to be corrected or are not suitable for executing the contract, it shall inform GRAMMER of this immediately.
- 2.3 The Supplier's general product documentation and price lists available in written or other format shall only be binding insofar as this has been expressly agreed in writing.
- 2.4 The Supplier shall produce Delivery Items in accordance with the state-of-the-art and in line with applicable legislation, regulations and standards, and shall take all precautions to ensure that Delivery Items comply with generally accepted technical and health and safety regulations. State-of-the-art within this terms shall mean: a developed stage of technical possibilities at a specific point in time, as far as products, processes and services are concerned, based on the knowledge of science, engineering and know-how to this effect.

3 DRAWINGS

- 3.1 If one of the Parties provides the respective other Party with drawings and technical documentation, these shall remain the property of the providing Party. Drawings and technical documentation in relation to Delivery Items, which are included within the scope of supply and services of said Delivery Items, shall represent an exception to this.
- 3.2 The Supplier shall provide GRAMMER with information and drawings that enable GRAMMER to commission, maintain and repair the respective delivery item, free of charge at the time of acceptance at the latest, unless included in the scope of delivery.
- 3.3 The number of instruction manuals and drawings agreed shall be handed over on acceptance at the latest in the respectively agreed language in electronic and hard copy format that GRAMMER is able to reproduce.

4 ACCEPTANCE

- 4.1 Unless otherwise agreed in writing the (final) acceptance shall occur at the site of operation of the delivery item designated by GRAMMER. The Supplier shall inform GRAMMER promptly in writing of such inspection, to allow GRAMMER to be represented accordingly at inspections and to order material required for the (final) acceptance. Any fiction of acceptance procedures shall not be permitted.
- 4.2 If it transpires during acceptance inspections that a Delivery Item is not capable for an acceptance, the Supplier shall rectify any defects identified by GRAMMER timely and exempt from charges in order to bring the condition of the respective delivery item to the standard specified in the contract. In such cases, GRAMMER may request that the respective acceptance inspection is repeated free of charge.

4.3 Acceptance inspection dates shall be observed as agreed upon. Acceptance procedure costs shall be covered under the payment for the delivery item as per the respective order. Unless agreed otherwise above, the costs of further acceptance inspections shall be borne by the Party responsible for these costs, otherwise each Party shall bear the costs itself.

5 DELIVERY / TRANSFER OF RISK

5.1 The delivery clauses agreed in the order shall be interpreted according to the INCOTERMS in its latest version in force on conclusion of the contract. In the absence of delivery clauses cited in the order, the following shall apply: DAP of the respective site of operation designated by GRAMMER pursuant to INCOTERMS at its latest version.

5.2 Irrespective of the INCOTERMS agreed in each case, risk shall not transfer to GRAMMER until delivery of the Delivery Items to the site of operation designated by GRAMMER.

5.3 Part deliveries shall not be permitted in the absence of other agreements.

6 DEADLINES / DELAYS

6.1 The Parties are aware of the importance of meeting deadlines, particularly in the context of on-going production volume. The Supplier undertakes to draw up a project schedule in order to meet the binding deadlines indicated in the order ('**Delivery Deadline**') and to monitor the progress of Delivery Items using milestones. The Supplier shall send GRAMMER a current progress report every 14 days, without a specific request to this effect, and shall inform GRAMMER immediately in the event that a delivery deadline may be missed. GRAMMER shall be entitled to request additional reports at any time and to assess the respective progress on site. If a GRAMMER customer requests an earlier deadline, the Parties shall take all necessary steps in order to meet the respective deadline. In the event of failure to meet a deadline for which the Supplier is responsible, the Supplier undertakes to compensate and hold GRAMMER harmless from any resulting damage and expenses.

6.2 On expiry of a Delivery Deadline, GRAMMER shall be entitled to flat-rate compensation. This shall be agreed, for each week started following the Delivery Deadline, at 1%, however at a maximum of 8% of the purchase price indicated in the respective order, and shall be due and payable when claimed in writing by GRAMMER. The Supplier shall be entitled to produce evidence indicating that there is no damage or less damage.

6.3 GRAMMER shall lose its entitlement to the above-mentioned flat-rate compensation if GRAMMER fails to claim this in writing within a period of 6 months from the Delivery Deadline.

6.4 Further claims by GRAMMER shall remain unaffected.

7 PAYMENT TERMS

Details shall be defined in the respective individual order.

The Supplier shall not be entitled to assign claims against GRAMMER that it is entitled to make or allow these to be collected by a third party. If the Supplier assigns a claim against GRAMMER to a third party nevertheless, the assignment shall still be valid. GRAMMER may, however, make payment to the Supplier or a third party at its discretion with discharging effect.

8 WARRANTY

8.1 The Supplier warrants that the Delivery Item meets the Specifications, the agreed machine availability and is suitable for the use designated by GRAMMER. The warranty period shall be 36 months following (final) acceptance.

8.2 In addition to the (final) acceptance GRAMMER shall not inspect the Delivery Item. After a final acceptance GRAMMER shall notify the Supplier of any defects identified in the context of standard operating processes and shall describe the respective defect. The Supplier shall waive the plea of late notification of defects in this respect.

- 8.3 Following the receipt of a notification of defects, the Supplier shall, at its discretion and at its expense, rectify the defect or replace the delivery item or the part of the delivery item affected ('**Subsequent Performance**'). Defects must generally be rectified at the respective site of operation of the Delivery Item. Any transportation of Delivery Items and/or parts thereof required in the context of Subsequent Performance shall be at the Supplier's risk and expense.
- 8.4 If the Supplier fails to provide Subsequent Performance within a stipulated period, GRAMMER may provide Subsequent Performance itself or arrange for this through a third party at the Supplier's risk and expense. Setting a deadline for Subsequent Performance shall be unnecessary for GRAMMER in urgent cases. An urgent case shall exist, in particular but not limited to, in order to avoid production line stoppages, production losses or significant additional costs (e.g. air freight).
- 8.5 The Supplier shall be responsible for Delivery Items meeting the statutory and local requirements regarding but not limited to the applicable Product Safety Act, accident prevention regulations and other protective regulations.

9 SUBCONTRACTORS

The Supplier shall be liable for vicarious agents and/or other parties employed. Irrespective of this, the Supplier shall notify GRAMMER in writing in advance of any subcontracting to a third party and shall only allow this to proceed with prior approval from GRAMMER. GRAMMER may only refuse to give its approval for good cause and this shall not release the Supplier from its total liability.

10 GENERAL PROVISIONS

- 10.1 GRAMMER commits itself to the Verhaltensrichtlinie des Bundesverbandes für Materialwirtschaft, Einkauf und Logistik e.V. („BME Code of Conduct“) and expects its Suppliers and sub-suppliers to comply with this BME Code of Conduct or similar guidelines. The BME Code of Conduct is available at: <http://www.grammer.com/en/supplier-support/purchasing.html>
- 10.2 The parties agree that the courts having jurisdiction over the principal place of business of the ordering GRAMMER entity shall have exclusive jurisdiction.
- 10.3 The terms of any order including this Terms and Conditions shall be governed in accordance with the laws of the country of the ordering GRAMMER entity's principal place of business. Application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) of 11 April 1980 and the applicable conflict of laws principles are hereby expressly excluded.
- 10.4 If a provision is or shall become invalid, this shall not affect the validity of the other provisions. The contracting parties undertake to replace the invalid provision with another provision that most closely reflects the commercial intention of the original provision.
- 10.5 Additional agreements have not been reached. Amendments or additions shall only be possible in writing. This also applies to amendments to this written form clause.
- 10.6 For the purpose of executing this Agreement or any amendment or supplement thereof, facsimile signatures, PDF image signatures or electronic signatures rendered via an electronic signature service (e.g. DocuSign, AdobeSign) shall be treated as original signatures if in accordance with the applicable law and any such document shall be deemed to be in writing.