

GENERAL CONDITIONS OF PURCHASE

PLÜMAT Plate und Lübeck GmbH & Co KG,
PLÜMAT Maschinenbau Vertriebs GmbH,
PLÜMAT Engineering GmbH,
PLÜMAT Packaging Systems GmbH,
PLÜMAT Asia/Pacific GmbH,
S.-D. David Plate + F. Lübeck GbR,
Arthur Plate GbR,
Pluemat Machinery Trading (Beijing) Co. Ltd.,
Colpitt B. V.

§ 1 General, Scope

(1) The present General Conditions of Purchase (GCP) shall apply to all business relations with PLÜMAT's Contractors. The GCP shall apply only if Contractor is an enterprise in accordance with Section 14 German Civil Code, a corporate entity under public law or a special fund under public law.

(2) The GCP shall apply in particular to contracts concerning the sale and/or supply of movables ("Goods"), regardless of whether Contractor produces the Goods itself or buys from external suppliers (Sections 433, 651 German Civil Code). Unless otherwise agreed, the GCP in the version valid at the time of PLÜMAT's order or alternatively in the version last communicated to the Contractor shall constitute a framework agreement for similar future contracts without any obligation on PLÜMAT's part to refer to the GCP in each individual case.

(3) These GCP shall apply exclusively. Any deviating or opposing or supplementary general terms and conditions of Contractor shall become an integral part of the contract only if and when PLÜMAT expressly confirm their validity in writing. The foregoing requirement shall apply in each and every case, for example even if PLÜMAT accept Contractor's deliveries without reservation, although PLÜMAT are aware of Contractor's general terms and conditions.

(4) Individual agreements made with Contractor in individual cases (including subsidiary agreements, supplements, and amendments) shall always take precedence over these GCP. A written contract or, respectively, PLÜMAT's written confirmation shall be binding with regard to the content of such agreements, unless there is evidence to the contrary.

(5) Material representations and notifications required to be made to PLÜMAT by Contractor after conclusion of contract (e.g. setting of deadlines, payment reminders, or notice of rescission of contract) must be submitted in writing in order to be valid.

(6) Any reference to the applicability of statutory provisions is made for the avoidance of doubt only and statutory provisions shall apply even without such clarification unless these GCP directly modify or expressly exclude application of the statutory provisions.

§ 2 Conclusion of Contract

(1) PLÜMAT's order shall be deemed binding no sooner than three days from receipt of the order confirmation. Contractor shall notify PLÜMAT of any obvious errors (e.g. spelling mistakes and miscalculations) and missing data in the order and/or the order documents for the purpose of correction or completion; the contract shall otherwise be deemed not to have been concluded.

(2) Contractor is obliged to confirm our order in writing within five (5) days or to execute the order without reservation by dispatching the Goods (acceptance). Delayed acceptance shall be deemed to constitute a new offer requiring acceptance by PLÜMAT.

(3) Contractor shall notify PLÜMAT forthwith of any necessary changes and/or supplements to the scope of delivery and services which prove necessary during the contract term. Any changes and/or supplements to the scope of delivery and services shall require our prior written consent.

(4) PLÜMAT is entitled to demand changes to the Goods even after conclusion of contract, provided this is not unreasonable for Contractor. Contractor shall assess a request for change within ten (10) days as to possible consequences, including any effect on the technical execution, costs and time schedule, and shall inform PLÜMAT in writing forthwith of the result of its assessment. If PLÜMAT decide to implement the change, the Parties shall amend the contract as appropriate.

(5) Contractor shall not assign the implementation of orders or material parts thereof to third parties unless it has obtained PLÜMAT's prior written consent.

§ 3 Delivery Time and Default in Delivery

(1) The delivery time stipulated by PLÜMAT on the order shall be binding. If the delivery time is neither stated on the order nor otherwise agreed, it shall be five (5) weeks from conclusion of contract. Contractor undertakes to notify PLÜMAT immediately in writing if, for whatever reason, it assumes it will be unable to meet the agreed delivery time.

(2) If Contractor does not deliver performance, does not deliver performance within the agreed period or is in default, our rights shall be governed by the statutory provisions, in particular the right of rescission and compensation for damages. This shall not affect the provisions of the following §3 (3).

(3) If Contractor is in default, PLÜMAT shall be permitted to demand a penalty for breach of contract amounting to one per cent of the net price for each full calendar week, the sum total of which, however, shall not exceed five per cent of the net price of the delayed Goods. PLÜMAT shall be entitled to demand the contractual penalty over and above performance and as the minimum sum of the damages owed by Contractor in accordance with the statutory provisions; this shall not affect PLÜMAT's right to assert a further claim for damages. If PLÜMAT accepts the delayed performance, PLÜMAT shall claim the contractual penalty no later than at the time of the final payment.

§ 4 Performance, Delivery, Passing of Risk, Default of Acceptance

(1) Contractor shall not be entitled to have third parties (e.g. subcontractors) deliver any performance that Contractor is obligated to deliver without our prior written consent. The procurement risk for the performance shall be Contractor's responsibility, unless otherwise agreed in any given case (e.g. limitation to goods in stock).

(2) Delivery throughout Germany shall be effected carriage free to the place stated on the order. If no destination is stated and nothing else is agreed, delivery shall be made to our registered office in Espelkamp, Germany. The place of destination shall also be the place of performance for delivery and for any supplementary performance (obligation to be performed by debtor at creditor's address).

(3) The delivery shall be accompanied by a delivery note, which states the date (issue and dispatch), content of the delivery (article number and quantity), as well as PLÜMAT's order data (date and number) and the item number. PLÜMAT cannot be held responsible for any delays in processing or paying for deliveries if the delivery note is missing or incomplete.

(4) The risk of accidental destruction and accidental degradation of the Goods shall pass to PLÜMAT on delivery at the place of performance. If an acceptance procedure has been agreed, this shall be decisive for the passing of risk. The statutory provisions in respect of contracts for work shall also apply to acceptance. If PLÜMAT is in default of acceptance, this shall be deemed equivalent to transfer and/or acceptance.

(5) The statutory provisions shall apply to the occurrence of default of acceptance on PLÜMAT's part. However, Contractor shall be obliged to expressly offer its services even if a defined or definable calendar period has been agreed for any act or collaboration on PLÜMAT's part (e.g. furnishing of material). If PLÜMAT is in default of acceptance, Contractor shall be entitled to claim compensation for additional expenditure in

accordance with the statutory provisions (Section 304 German Civil Code). If the contract relates to a non-fungible article to be produced by Contractor (custom-made item), Contractor shall have further rights only if PLÜMAT has agreed to collaborate and are responsible for failing to collaborate.

§ 5 Prices and Terms of Payment

(1) The price stated on the order shall be binding. All prices are net and are exclusive of VAT unless VAT is shown separately.

(2) Unless otherwise agreed in individual cases the price shall be inclusive of all deliveries, performance and ancillary services provided by Contractor (e.g. assembly and installation), and all additional costs (e.g. proper packaging, transport costs including any transport and liability insurance).

(3) Payment of the agreed price is due within thirty (30) calendar days from complete delivery and performance (including any acceptance procedure that may have been agreed) and delivery of a proper invoice. If PLÜMAT pays within fourteen (14) calendar days, Contractor shall grant PLÜMAT a discount of 3 per cent on the net invoice amount. If payment is made by bank transfer, it shall be deemed punctual if PLÜMAT remittance order is received by PLÜMAT's bank prior to expiry of the payment deadline; PLÜMAT cannot be held responsible for any delays caused by the banks involved in the payment process.

(4) PLÜMAT does not owe any interest on overdue payments. The statutory provisions shall apply in respect of default in payment.

(5) PLÜMAT shall be entitled to the rights of setoff and retention and the right to plead the defence of non-fulfilment of contract to the extent permitted by law. In particular, PLÜMAT shall be entitled to retain any due payments as long as PLÜMAT is still entitled to claims against Contractor for incomplete or defective deliveries.

(6) Contractor shall have the right to setoff or retention only for legally established or undisputed counterclaims.

§ 6 Services

(1) Deliveries and services shall be provided according to the state of the art. Contractor shall comply with the laws, regulations and legal restraints applicable in the Federal Republic of Germany as well as with the technical rules, standards and guidelines in the version applicable at the respective contract date.

(2) Contractor shall notify PLÜMAT forthwith and in writing if it has any reservations regarding our specifications, our drawings, other documents pertaining to the order and/or the envisaged type of implementation.

(3) Quantities, weights and measures shall be as determined by PLÜMAT's incoming goods inspection, unless proven otherwise.

(4) PLÜMAT is entitled to specify the carrier to be used for deliveries effected ex works.

§ 7 Items provided by Plümat / Reservation of Title

(1) PLÜMAT reserves title to any items provided to Contractor. Any processing or conversion of items shall be effected by Contractor in PLÜMAT's name. If the Goods subject to PLÜMAT's retention of title (hereinafter: Retained Goods) are processed together with other goods owned by third parties, PLÜMAT shall acquire co-ownership in the new item in proportion of the value of the Retained Goods (purchase price plus VAT) to the other goods at the time of processing.

(2) If the Retained Goods are inseparably combined with other goods owned by third parties, PLÜMAT shall acquire co-ownership in the new item in proportion of the value of the other components to the value of the Retained Goods (purchase price plus VAT) at the time of combination. If the other components used for the combination constitute the major part of

the new item, the Parties herewith agree that Contractor shall confer upon PLÜMAT co-ownership in the Goods on a pro-rata basis; Contractor shall keep the Goods owned or partially owned by us in its custody on our behalf.

(3) To the extent that any collateral granted to PLÜMAT pursuant to the above § 7 (1) and/or § 7 (2) exceeds the purchase price of all unpaid Retained Goods by more than 10 %, Contractor shall be entitled to demand that we release collateral at our discretion.

§ 8 Packaging

(1) Contractor shall package all Goods at its own expense, properly and appropriate to their nature, the mode of transport, and in accordance with German regulations.

(2) Unless otherwise agreed, Contractor shall take back packing materials at the place of destination free of charge. Should PLÜMAT releases Contractor from the above obligation, packing materials and containers will become PLÜMAT's property, in which case Contractor shall not be entitled to any compensation.

§ 9 Nondisclosure and Retention of Title

(1) PLÜMAT retains the right of ownership and copyright in all images, plans, drawings, calculations, execution instructions, product descriptions and other documentation. Such documents shall be used only for the contractual performance and shall be returned to PLÜMAT on completion of the contract. Contractor shall impose the same obligation on any subcontractors commissioned with PLÜMAT's permission. The documents shall not be disclosed to any other third parties, even after termination of the contract. The obligation to secrecy will expire only if and insofar as the knowledge contained in the documents supplied by PLÜMAT has become common knowledge.

(2) The above provision shall likewise apply to substances and materials (e.g. software, finished and semi-finished products), and to tools, templates, samples, and other items that PLÜMAT provide to Contractor for the production. As long as they are not used in production, such items shall be stored separately and sufficiently insured against destruction and loss at Contractor's expense.

(3) Processing, mixing, or combining (further processing) of items provided by Contractor is carried out on PLÜMAT behalf. The same applies if PLÜMAT process supplied Goods, so that PLÜMAT is deemed to be the manufacturers and acquire ownership in the product in accordance with the statutory provisions during the processing at the latest.

(4) The transfer of ownership of the Goods to PLÜMAT shall be unconditional and regardless of payment of the price. However, if, in individual cases, we accept Contractor's offer of transfer of ownership induced by payment of the purchase price, Contractor's retention of ownership shall terminate no later than on payment of the purchase price for the delivered Goods. PLÜMAT shall be entitled to resell the Goods in the ordinary course of business even before payment of the purchase price subject to advance assignment of the relevant receivables (alternatively, simple extended retention of ownership to apply to resale of the Goods. Any other type of retention of ownership shall be excluded, particularly extended or transferred retention of ownership or any extension to cover processing of the Goods.

(5) The Contractor shall be permitted to refer to PLÜMAT's mutual business relations in advertising materials only with PLÜMAT's express written consent. This shall also apply to product images showing machines and machine parts or similar.

§ 10 Defective Delivery

(1) Unless otherwise specified below, the statutory requirements shall apply to our rights with regard to material defects and defects in title of the Goods (including wrong and short delivery, improper assembly or installation, inadequate installation or operating instructions), and in case of other breaches of duty on the part of Contractor.

(2) In accordance with the statutory regulations, Contractor shall be particularly liable for the Goods having the agreed properties at the time of passing of risk. The agreement on the properties of the Goods shall be deemed to be the product descriptions that are the subject of the relevant contract, particularly through designation or reference on PLÜMAT's order, or which are incorporated into the contract in the same way as these GCP. It is irrelevant whether the product description comes from PLÜMAT, from Contractor, or from the manufacturer.

(3) PLÜMAT shall not be obliged to inspect the goods or make any special enquiries about any defects at the time the contract is concluded. Notwithstanding § 442 para. 1 sentence 2 BGB, PLÜMAT shall therefore be entitled to claim for defects without restriction even if PLÜMAT was unaware of the defect at the time the contract was concluded as a result of gross negligence.

(4) The commercial duty to inspect the Goods and notify Contractor of any defects shall be governed by the statutory provisions of Sections 377, 381 German Commercial Code, save that PLÜMAT's duty to inspect shall be limited to defects that are obvious from a visual inspection during our incoming goods inspection, including inspection of the delivery notes, and/or our quality control during random sample testing (e.g. damage in transit, wrong and short delivery). Insofar as an acceptance procedure has been agreed, there shall be no inspection obligation. Apart from that, it will depend on the extent to which an inspection would be expedient in accordance with proper business practice, taking into account the circumstances of the individual case.

PLÜMAT's obligation to give notice of any subsequently discovered defects shall remain unaffected. Notwithstanding PLÜMAT's duty to inspect, PLÜMAT's complaint (notification of defects) shall in any event be deemed to be prompt and timely if it is sent within 21 working days of discovery or, in the case of obvious defects, of delivery.

(5) If Contractor fails to honour its obligation to supplementary performance – at PLÜMAT's discretion either by rectifying the defect (repair) or by supplying a non-defective item (substitute delivery) – within a reasonable period of time set by PLÜMAT, PLÜMAT shall be entitled to rectify the defect itself and demand from Contractor reimbursement of the costs required or an appropriate advance payment. If supplementary performance by Contractor has failed or is unacceptable to PLÜMAT (e.g. because of particular urgency, risk to operational safety, or imminent occurrence of disproportionate damages), PLÜMAT shall not be obliged to set a deadline; PLÜMAT shall notify Contractor of such circumstances immediately and, if possible, in advance.

(6) In the event of a defect in quality or title PLÜMAT shall additionally be entitled to a reduction of the purchase price or rescission from the contract in accordance with the statutory provisions. PLÜMAT shall furthermore be entitled to claim damages and reimbursement of expenses in accordance with the statutory provisions.

§ 11 Recourse against Supplier

(1) In addition to the claims for defects PLÜMAT shall be fully and unrestrictedly entitled to PLÜMAT's statutory right of recourse within the supply chain (supplier recourse in accordance with Sections 445a, 445b, 478 German Civil Code). In particular PLÜMAT shall be entitled to demand from Contractor exactly the type of supplementary performance (remedy of defects or replacement) that PLÜMAT owe to its customer in the given case. This shall not restrict our statutory option (Section 439 (1) German Civil Code).

(2) Before PLÜMAT accepts or meets a claim for defects made by PLÜMAT's customer (including reimbursement of expenses in accordance with Sections 445a para. 1, 439 (2) German Civil Code), PLÜMAT shall contact Contractor with a brief description of the circumstances of the case and ask for a written statement. If no such statement is received within a reasonable period of time and no mutually acceptable solution is found, the claim for defects actually granted by PLÜMAT shall be deemed owed to PLÜMAT's customer, in which case it shall be incumbent upon Contractor to furnish proof to the contrary.

(3) PLÜMAT claims from recourse against Contractor shall apply even if the Goods have been processed by PLÜMAT or by one of our customers, e.g. by way of incorporation into another product, prior to their sale to a consumer.

§ 12 Manufacturer's Liability

(1) If Contractor's responsible for a product defect, Contractor shall indemnify PLÜMAT for third-party claims insofar as the cause is within Contractor's sphere of control and organisation and Contractor itself is liable to third parties.

(2) As part of its obligation to indemnify, Contractor shall reimburse any expenses in accordance with Sections 683, 670 German Civil Code that arise from or in connection with a third-party claim, including any product recall carried out by PLÜMAT. PLÜMAT shall notify Contractor of the content and scope of any recall programme – as far as this is possible and reasonable – and give Contractor the opportunity to comment. Any additional statutory claims shall remain unaffected.

§ 13 Trade Mark and Industrial Property Rights

(1) Supply of the Goods and their use by PLÜMAT must not violate any third-party property rights within the Federal Republic of Germany. PLÜMAT shall notify Contractor of any infringements alleged by third parties and coordinate with Contractor any subsequent steps in respect of judicial or extra-judicial disputes with the third party concerned.

(2) If a claim is made against PLÜMAT in respect of a violation of property rights for which Contractor is responsible, Contractor shall compensate PLÜMAT for all costs incurred by PLÜMAT in relation to third parties due to the violation of property rights (legal costs, penalties, damages, etc.)

(3) If the utilization of the delivery by PLÜMAT is impaired owing to existing third-party property rights, Contractor shall either acquire the required authorisation at its own expense or shall modify or replace the affected parts of the delivery in such a way that the utilization of the delivery no longer constitutes an infringement of third-party property rights, whilst at the same time complying with the provisions of the contract.

§ 14 Period of Limitation

(1) The mutual claims of the Parties to the contract shall become time-barred in accordance with the statutory provisions unless otherwise specified below.

(2) Notwithstanding Section 438 (1) No. 3 German Civil Code, the general limitation period for claims for defects shall be three (3) years as from passing of risk. Insofar as an acceptance procedure has been agreed, the limitation period shall commence upon acceptance. The three-year limitation period shall also apply mutatis mutandis to any claims for defects in title without affecting the statutory limitation period for material claims for the restitution of property of third parties (Section 438 (1) No. 1 German Civil Code); claims on the grounds of defects in title shall not become statute-barred as long as the third party is still entitled to assert the right against PLÜMAT, in particular in the absence of limitation.

(3) The limitation periods pursuant to the laws governing the sale of goods, including the aforementioned extension, shall apply to the extent permitted by law to all contractual claims for defects. Insofar as PLÜMAT is also entitled to non-contractual compensation, the regular statutory limitation period (Sections 195, 199 German Civil Code) shall apply unless the application of the limitation periods of the law governing the sale of goods results in a longer period of limitation in any individual case.

§ 15 Applicable Law and Place of Jurisdiction

(1) These GCP and the contractual relationship between PLÜMAT and Contractor shall be governed by the law of the Federal Republic of Germany, including international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods.

(2) If Contractor is a merchant within the meaning of the German Commercial Code, a legal entity under public law, or a special fund under public law, the sole legal venue for any disputes, inclusive of any international disputes, arising from the contractual relationship shall be PLÜMAT's registered office in Espelkamp. The same shall apply if the Contractor is a company within the meaning of Section 14 German Civil Code. However, PLÜMAT shall always be entitled to bring an action at the place of performance of the delivery obligation in accordance with these GCP or any overriding individual agreement, or at Contractor's general place of jurisdiction. Overriding statutory provisions, in particular in respect of exclusive judicial competence, shall remain unaffected.

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