

## 1. General

(1) The following purchase order terms and conditions (hereinafter referred to as POTC) shall exclusively govern all orders for goods and services, which the company Brangs + Heinrich GmbH concludes as a client, subject to deviating provisions for individual contracts. This POTC shall apply to all - including future - orders for goods and services, including the processing of the orders. Any conditions of the seller that conflict or deviate from these POTC shall not be acknowledged by Brangs + Heinrich GmbH, unless otherwise stipulated within these POTC or otherwise agreed in the contract with the seller. If Brangs + Heinrich GmbH accepts goods without expressly rejecting the seller's conditions, this shall under no circumstances imply that Brangs + Heinrich GmbH has accepted the conditions of the seller.

(2) The POTC of Brangs + Heinrich GmbH shall apply exclusively to entrepreneurs, i.e. natural persons or legal entities or partnerships with legal capacity exercising their commercial or freelance occupational activity at the time Brangs + Heinrich GmbH places an order for goods or services, as well as to legal entities established under public law or special funds established under public law.

## 2. Conclusion of the contract

(1) Orders, acceptances of offers and other declarations of intent with suppliers shall only be deemed valid if made in writing or with written consent.

(2) Offers submitted by the supplier which do not stipulate an express term for acceptance may be accepted by Brangs + Heinrich GmbH within 2 weeks of receipt of the offer in writing.

(3) The supplier is obliged to confirm orders made by Brangs + Heinrich GmbH in writing within a period of 3 days. The confirmation letter must state the date of delivery, the prices, the order details and the item numbers. In the event that Brangs + Heinrich GmbH does not receive written confirmation from the supplier within the said period, Brangs + Heinrich GmbH reserves the right to cancel the order or withdraw from a concluded contract without incurring any costs.

(4) Brangs + Heinrich GmbH is entitled to withdraw from the contract if circumstances arise that were not apparent when the contract was concluded, which justify the withdrawal of the order on the basis of reasonable cause. Such circumstances include, for instance, in case of considerable operational and transport disruptions, import difficulties, strikes, force majeure or delays on the part of Brangs + Heinrich GmbH's suppliers.

(5) The supplier is obliged to inform Brangs + Heinrich GmbH of any alterations to its products or services to be delivered in good time.

(6) Verbal agreements made by Brangs + Heinrich GmbH employees or representatives shall only be binding if confirmed by Brangs + Heinrich GmbH in writing.

(7) All quotations compiled and submitted to Brangs + Heinrich GmbH shall be deemed free of charge and non-binding for Brangs + Heinrich GmbH.

## 3. Contract content/Tolerances

(1) The tolerance conditions stipulated in the CEPAC General Conditions of Sale for Paper, Pulp and Board shall apply exclusively for orders concluded with Brangs + Heinrich GmbH. The current version can be found on the Brangs + Heinrich GmbH website. Suppliers can also receive a copy from Brangs + Heinrich GmbH upon request.

(2) Furthermore, the current version of the applicable test and evaluation clauses for polyethylene films and products stipulated by the German Association for Plastics Packaging and Film, a member of the German Association of Plastics Processors (GKV), shall apply exclusively for orders for goods and service concluded with Brangs + Heinrich GmbH. The current version can be viewed at [http://www.kunststoffverpackungen.de/technische\\_broschueren\\_422\\_6.html](http://www.kunststoffverpackungen.de/technische_broschueren_422_6.html). Suppliers can also receive a copy from Brangs + Heinrich GmbH upon request.

(3) In addition, the current version of the respective standards stipulated by the initiatives Pro Stretch (<http://www.prostretch.de/blick.htm>) and Light & Safe (<http://www.lightandsafe.com/infos/indexc.htm>) for stretch, air cushion and foam products shall apply exclusively for orders for goods and service concluded with Brangs + Heinrich GmbH. Suppliers can also receive a copy of these guidelines from Brangs + Heinrich GmbH upon request.

## 4. Documents

All calculations, plans, drawings and other documents handed over to suppliers during contract negotiations shall remain the property of Brangs + Heinrich GmbH. Furthermore, all tools, printing plates and patterns paid for by Brangs + Heinrich GmbH shall also be deemed the property of Brangs + Heinrich GmbH. Such items shall remain the property of Brangs + Heinrich GmbH even after completion and delivery of the order. These documents and any copies thereof shall be kept confidential. Brangs + Heinrich GmbH shall maintain exclusive intellectual property rights for these documents.

## 5. Prices

(1) The prices listed in the orders made by Brangs + Heinrich GmbH are fixed prices and shall apply to the entire order or the entire blanket order. The prices do not include the applicable VAT.

(2) If the term "free delivery", "free delivery to chosen address" or any other form of free delivery is included in the offer, the supplier shall include the cost of packaging and shipping as well as the cost of retrieval of the packaging in the price. In cases where deliveries are not covered by the supplier, Brangs + Heinrich GmbH shall only accept reasonable shipping costs, unless Firma Brangs + Heinrich GmbH has specified a particular type of shipment.

Brangs + Heinrich GmbH shall not acknowledge any travel costs or expenses relating to services provided or contractual work.

## 6. Terms of payment

(1) Unless otherwise or more favourably agreed, payments shall be made within 45 days less 3% discount or within 60 days net.

(2) The payment and cash discount terms shall commence on the day the invoice is received, but not before the receipt of the goods, or in the case of services, not before their acceptance. Where the transfer of documentation, inspection documents (e.g. factory certification) or similar documents are agreed upon for fulfilment of the order, the payment term shall not commence before the contractual handover of such documentation to Brangs + Heinrich GmbH.

(3) Payments shall be made by cheque or bank transfer. Payment shall be deemed effected in due time if the cheque has been posted or the bank transfer has been made on the due date.

(4) Brangs + Heinrich GmbH shall be entitled to offset claims or exercise the right of retention to the extent permitted by law.

## 7. Delivery deadlines

(1) Delivery dates or deadlines are binding. In the event of an anticipated delay of the agreed delivery, the supplier is obliged to inform Brangs + Heinrich GmbH in writing immediately, and in doing so submit an adequate proposal to Brangs + Heinrich GmbH to remedy the consequences of such delays.

(2) Notification of deliveries must be received at least two working days in advance. Notification for deliveries planned for Mondays must be received no later than 3 pm the previous Thursday.

(3) Unless otherwise agreed in writing, the decisive date for adherence to the agreed delivery date or delivery deadline shall be the date of receipt of the goods by Brangs + Heinrich GmbH.

## 8. Offsetting, right of retention

Offsetting or exercising the right of retention by the supplier shall be excluded, unless the counterclaim is undisputed or legally established.

## 9. Retention of title

(1) Brangs + Heinrich GmbH shall only acknowledge the agreed simple retention of title by the supplier whereby the ownership of the goods is transferred to Brangs + Heinrich GmbH upon payment.

(2) The following agreements are excluded:

- an extended retention of title (retention of title to processed goods),
- an extended retention of title (authorisation for resale and assignment of customer receivables) and
- an current account retention.

(3) The seller may only claim return of the goods on the basis of the simple retention of title if he has first rescinded the contract.

## 10. Execution of deliveries and transfer of risk

(1) The seller shall bear the risk of accidental loss and deterioration, including for free shipping deliveries, until the goods are physically delivered at the agreed delivery address.

(2) Partial deliveries require the consent of Brangs + Heinrich GmbH.

(3) Delivery quantities exceeding or less than those ordered are only permitted within the typical commercially acceptable range.

(4) Unless otherwise agreed in writing, packaging costs shall be borne by the supplier. In cases where Brangs + Heinrich GmbH is to bear the cost of packaging, this must be calculated reasonably.

## 11. Declarations of origin

In the event that the supplier makes a declaration regarding the origin of the goods sold, the following shall apply:

(1) The supplier shall allow Brangs + Heinrich GmbH to have the certificates of origin verified by the customs authority and shall provide the necessary information for this purpose. The supplier shall also agree to provide any necessary verification.

(2) The supplier is obliged to pay compensation for any damages incurred as a result of the relevant authority's failure to acknowledge the declared origin due to a lack of documentary evidence or inability to check, unless any such consequential losses are beyond the supplier's control.

## 12. Liability for defects and statute of limitation

(1) The supplier shall deliver the goods to Brangs + Heinrich GmbH free of material defects or defects of title. He shall in particular guarantee Brangs + Heinrich GmbH that the goods and services he provides comply with the recognised standards of technology and with any contractual requirements and standards.

(2) Any deviation from the current standards stipulated by the initiatives Pro Stretch, Light & Safe or CEPAC constitutes a material defect, and gives right to withdraw from the contract and claim damages. In other respects, the statutory provisions for liability for material defects shall apply.

(3) Furthermore, any deviation from the test and evaluation clauses for polyethylene films and products stipulated by the German Association for Plastics Packaging and Film, which are reproduced in section II of these Purchase Order Terms and Conditions, constitutes a material defect, and gives the right to withdraw from the contract and claim damages. In other respects, the statutory provisions for liability for material defects shall apply.

(4) In addition, any deviation from the standards for foam sheets stipulated by the initiatives Pro Stretch, Light & Safe and CEPAC constitutes a material defect, and gives the right to withdraw from the contract and claim damages. In other respects, the statutory provisions for liability for material defects shall apply.

(5) The delivered goods must be neutrally packaged and without any manufacturer's mark. The seller shall avoid any markings that indicate the origin of goods, and if necessary have any such markings removed by the manufacturer or supplier at their expense. Separate orders may not be packed together, except with the express consent of Brangs + Heinrich GmbH. The packaging selected should ensure that the delivery items remain undamaged by the effects of weather and other external influences or impact damage. The packaging material shall be retrieved and disposed of by the supplier free of charge.

(6) The supplier undertakes to maintain product liability insurance with a minimum insured sum of € 3 million per incidence of personal injury or property damage.

(7) If the supplier delivers products to Brangs + Heinrich GmbH that are intended for installation in passenger or commercial vehicles, the supplier is obliged to take out motor vehicle recall insurance with adequate coverage no later than at the time of concluding the contract. This recall insurance should cover the recall of passenger and commercial vehicles in case of defects. Products are deemed intended for installation in passenger or commercial vehicles, if such use is specified in the contract between the supplier and Brangs + Heinrich GmbH or if the product appears suitable for installation in passenger or commercial vehicles and displays features that are commonly used for installation in passenger or commercial vehicles, or where the buyer can reasonably expect such use according to the nature of the product. In case of a violation of the above-mentioned sentences 1 and 2 of this paragraph, the supplier shall be liable to Brangs + Heinrich GmbH for damages, in particular for the sum of the recall costs and any legal defence costs. Furthermore, the supplier shall indemnify Brangs + Heinrich GmbH of all relating claims for damages by third parties. Upon conclusion of the contract, the supplier must provide evidence of his recall insurance policy. Brangs + Heinrich GmbH is also entitled to request proof of recall insurance at a later date.

(8) Upon receipt of goods, Brangs + Heinrich GmbH shall examine the quality and quantity of the goods to the extent that can reasonably be expected and is technically feasible for Brangs + Heinrich GmbH. Notifications of defects shall be deemed on time if received by the seller within eight working days by letter, fax, email or phone. The defects notification period shall begin on the date on which Brangs + Heinrich GmbH discovers the defect or should have done so - or in the case of direct sales, the date on which the Brangs + Heinrich GmbH customer discovers the defect or should have done so.

(9) In the event that the goods shows a defect, Brangs + Heinrich GmbH may exercise its statutory rights.

(10) Goods and services provided by the supplier, which deviate from the order in terms of nature, quality, purity, colour or other characteristics shall be regarded as defective.

(11) The service provided by the supplier shall be deemed non-compliant with the order if the profile dimensions (or dimensions and thicknesses) of the delivered materials deviate from the order. In this respect, standards are referred to in paragraph 11 (2) of these Purchase Order Terms and Conditions.

(12) Firma Brangs + Heinrich shall be entitled to withdraw from the contract even if the breach of the seller's obligations is only slight.

(13) Brangs + Heinrich GmbH may request reimbursement of the defect-related costs from the seller, which it has incurred vis-à-vis its customers if the defect was already present upon transfer of risk.

(14) The statutory period of limitations shall apply for warranty claims by Brangs + Heinrich GmbH. The limitation period shall begin with the timely notification of the defect in accordance with the preceding paragraph (3) of this section of the POTC.

(15) In accordance with the fulfilment of his contractual obligations, the supplier hereby transfers to Brangs + Heinrich GmbH all claims he has against his suppliers resulting from and in connection with the delivery of defective goods or such goods which lack the agreed or guaranteed properties. He is also obliged to hand over to Brangs + Heinrich GmbH all documentation required to assert such claims.

### **13. REACH - Information requirements in accordance with Article 33 of Regulation (EC) No. 1907/2006 and others**

(1) All orders/inquiries made by Brangs + Heinrich GmbH are based on the assurance of the supplier that the materials supplied by him as well as substances used in preparations are pre-registered or registered in accordance with the information requirements (REACH).

(2) Furthermore, in accordance with paragraph 12 (1), the order is based on the condition that the supplier also complies with other obligations of applicable European Union and the Federal Republic of Germany law, for example, the clause referred to in the heading - at the time of writing - the REACH regulation (Regulation EC No. 1907/2006).

(3) Furthermore, the supplier shall immediately inform Brangs + Heinrich GmbH of any relevant changes in the product, its supply availability, use or quality due to legal regulations, in particular the REACH regulation, and where necessary consult Brangs + Heinrich GmbH on suitable measure to be taken.

(4) In the event a change is necessary in accordance with paragraph 12 (3) of these conditions, the supplier shall bear the costs at his own expense, if the supplier should have recognised or must have known such measures would be necessary after prior consultation with Brangs + Heinrich GmbH.

(5) For each case of non-compliance with the relevant regulations, Brangs + Heinrich GmbH shall have the right of withdrawal and shall not bear any resulting costs from the withdrawal from the contract. Where necessary, reimbursement shall be made by the supplier.

(6) Brangs + Heinrich GmbH is by no means obliged to (pre-) register the delivered goods.

### **14. Minimum wage**

(1) The supplier is obliged to pay his employees the statutory minimum wage. At the request of the client, the supplier is obliged to present the relevant documentation (esp. documents in accordance with § 17 para. 1 MLog, clearance certificate from the relevant social insurance fund or holiday fund, etc.) within 14 days of the request. This obligation applies for the entire contract period and up to six months after the termination of the contract.

(2) The supplier shall indemnify the client against any claims of third parties (esp. the client's employees, customers and nationwide representatives) in connection with a breach of the obligation to pay the statutory minimum wage at the first request.

(3) The supplier is obliged to ensure that any possible subcontractor undertakes to provide verifiable payment of the statutory minimum wage to the same extent and indemnify the client, in the same manner it itself is bound in paragraphs 1 and 2. If the subcontractor in turn uses subcontractors, the supplier must ensure that all subcontractors are obliged accordingly.

(4) The supplier shall be liable to the client for all claims of third parties arising from a breach of the obligation to pay the statutory minimum wage by subcontractors.

### **15. Place of fulfilment, place of jurisdiction and applicable law**

(1) Place of fulfilment for deliveries is the headquarters of Brangs + Heinrich GmbH, unless otherwise agreed.

(2) Place of jurisdiction is the registered office of Brangs + Heinrich GmbH. Brangs + Heinrich GmbH is also entitled to file suit against the supplier at his place of jurisdiction.

(3) The law of the Federal Republic of Germany shall apply to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods, even if the deliveries are made directly by a seller affiliated to foreign supplier. The contract language is German.

(4) In cases of doubt, the interpretation of trade clauses shall be governed by the latest version of the Incoterms.

(5) If any provision of these POTC is or becomes invalid, this shall not affect the validity of the remaining provisions.

The Management