

Sonderhoff Holding GmbH General Purchase Conditions

1. Scope

- 1.1 These General Purchase Conditions shall apply to any and all purchase orders placed by Henkel AG & Co. KGaA as well as any and all of its associated companies in terms of Sections 15 et seq. German Stock Corporation Act (*Aktiengesetz*) (hereinafter each referred to as "Purchaser"), in particular to any and all purchase orders regarding deliveries and services under a sales contract (*Kaufvertrag*), a contract for works and services (*Werkvertrag*), or a service contract (*Dienstleistungsvertrag*), including consultancies and any other ancillary services (hereinafter together referred to as "Delivery/Deliveries", unless referred to otherwise) in relationships with entrepreneurs, legal entities under public law and special funds under public law (hereinafter uniformly referred to as "Contractor"). Any and all conditions of the Contractor which deviate from or complement these General Purchase Conditions shall only apply to the extent that the Purchaser has explicitly acknowledged such conditions in writing. This shall apply in particular also if the Purchaser accepts Deliveries in knowledge of deviating or complementing conditions of the Contractor without any reservation or makes any payments.
- 1.2 Within an ongoing business relationship, these General Purchase Conditions shall also apply to any and all future purchase orders of the Purchaser.

2. Contract, Rights of Retention, Setoff Rights

- 2.1 The Contractor shall make offers free of charge.
- 2.2 Any formation of a contract requires a written purchase order of the Purchaser. Any oral agreements prior to a formation of a contract require the written confirmation from the Purchaser.
- 2.3 The Contractor shall confirm purchase orders in writing by quoting the reference number of the Purchaser. If the order confirmation is not issued by the Contractor within 14 days following the receipt of the purchase order, the Purchaser is no longer bound by the purchase order. If the order confirmation deviates from the purchase order, the Contractor must notably highlight the deviation in the order confirmation. Such deviations shall only become integral part of the contract if the Purchaser accepts them in writing.
- 2.4 Any drawings or other documents referred to in the purchase order are an integral part of the purchase order. They become integral part of the contract, unless explicitly otherwise determined by the Contractor in the order confirmation he issues in connection with the purchase order. Section 2.3 3rd sentence shall apply accordingly.
- 2.5 The reference number of the Purchaser, the purchase order date, and, if existent, the position number of the Purchaser, as well as the place of unloading shall be quoted in any and all invoices, shipping documents and delivery notes. The Contractor shall bear any and all costs incurred due to the non-observance of the aforementioned indications, unless he is not at fault for the non-observance.
- 2.6 The Incoterms valid on the day of the formation of the contract shall apply to any interpretation of trade terms.
- 2.7 Unless otherwise agreed upon, the Contractor shall not be entitled to make partial shipments.
- 2.8 Without the prior written consent by the Purchaser, the Contractor is not entitled to commission sub-contractors.
- 2.9 The Contractor may only assert a set off right or a right of retention if his counterclaim against the Purchaser has been established by a final and non-appealable decision or is undisputed.
- 2.10 Contractor acknowledges that Purchaser is a signatory of the BME Code of Conduct (<https://www.bme.de/initiativen/compliance/bme-compliance-initiative/>) and that the BME Code of Conduct forms the basis of any Deliveries hereunder. Contractor shall ensure that his enterprise as well as its suppliers and/or subcontractors are in compliance with its provisions.

3. Prices, Invoices, Payments

- 3.1 The agreed price includes packaging, insurance, freight and storage costs and taxes as well as any and all other related costs, unless otherwise explicitly agreed upon.
- 3.2 The Contractor shall send the Purchaser invoices in duplicate separately for each order. The invoices may not be enclosed in the shipment. Partial Deliveries shall be marked as such on the invoice.
- 3.3 Payments will be initiated within 30 days, on the 5th of the then following month unless otherwise individually agreed upon. If the Purchaser pays within 14 days, he shall be entitled to a discount of 3 %. The term of payment begins once the Purchaser receives the entire Delivery and a proper invoice. The Purchaser is entitled to cash discount deduction also if he executes a set off right or retains a reasonable amount due to defects.
- 3.4 For the timeliness of the payment, the payment act executed by the Purchaser (i. e. inter alia the order to execute the money transfer given to his bank) shall be relevant. Payments made by the Purchaser shall not constitute, nor be deemed as, acceptance or acknowledgement by the Purchaser that the invoice is correct or that the Delivery is free of defects or has been carried out on time.
- 3.5 The Contractor may only assign a payment claim against the Purchaser - without prejudice to Section 354 a German Commercial Code (*Handelsgesetzbuch*) - with the prior written consent of the Purchaser.

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- 3.6 The Purchaser may request from the Contractor to provide security prior to Delivery, if, after the formation of the contract, a significant deterioration of the Contractor's solvency or creditworthiness becomes apparent which jeopardizes a claim of the Purchaser, in particular in case of a suspension of payments, a petition to open insolvency proceedings against the Contractor's assets, in case of a bill or check protest, or in case of a seizure. If the Contractor refuses to provide a security within a reasonable period granted to him, the Purchaser may entirely or partially rescind the contract. Any other rights of the Purchaser remain reserved.

4. Rights of Use, Marking

- 4.1 Results which are created by the Contractor or his auxiliary Contractors in the course of the execution of the Contractor's contractual duties, such as ideas, concepts, know how, inventions, recipes, specifications, software (hereinafter "Deliverables") shall be subject to the following: Any and all rights in Deliverables shall become the exclusive property of the Purchaser. Such rights, if transferable, shall be automatically transferred to the Purchaser when they come into existence without need for any further declaration by the Contractor. To the extent that a transfer of the rights in the Deliverables is ruled out due to legal reasons, the Contractor grants the Purchaser, as soon as the Deliverables come into existence, the exclusive rights of use in the Deliverables which shall be unlimited in terms of time, space and content. By granting the rights the Purchaser shall in particular be put into the position to use Deliverables which are protected by copy rights and ancillary copyrights without restrictions and to transfer or license such rights to third parties, also as exclusive rights, or to use them in cooperation with third parties. The transfer or the granting of such rights shall include any and all rights pursuant to Sections 15 et seq. German Copyright Act (*Urhebergesetz*), in particular the right of reproduction and distribution, the right to make Deliverables available to the public, as well as in case of computer programs any and all rights pursuant to Section 69 c German Copyright Act (*Urhebergesetz*), in particular the right to permanent or temporary reproduction, the right of translation, adaptation, arrangement, and any other alteration as well as the right to reproduce the realized results, any way of distributing an original or any reproductions (in consideration of the principle of exhaustion), as well as their lease, communication to the public, and making them available to the public. Furthermore, the Purchaser shall receive any and all exclusive ancillary rights (pre-print and reprint, translation, etc.) for the duration of the main rights pursuant to the foregoing sentence. The Contractor waives his naming right and the right to make the Deliverables available to the public. The agreed price includes an adequate remuneration for the transfer or the granting of the rights pursuant to this Section 4.1. Any separate rights to claim remuneration shall be excluded, unless mandatory statutory provisions, in particular Section 32 c German Copyright Act (*Urhebergesetz*), provide otherwise.
- 4.2 Unless the Purchaser already holds rights in the Deliveries pursuant to Section 4.1, the Contractor shall grant the Purchaser and any associated companies of the Purchaser in terms of Sections 15 et seq. German Stock Corporation Act (*Aktiengesetz*) the non exclusive, transferable, worldwide, and perpetual right to use any and all Deliveries in accordance with their intended use or to allow such use to third parties. In case of software, this right shall include the right to rectify errors of the software or to have them rectified, and to download, display, run, transmit, store, reproduce permanently or temporarily, translate, adapt, arrange and otherwise alter the software for this purpose and to allow the use by external service providers to whom the Purchaser has outsourced IT services and work performances. Any further statutory or agreed rights of use shall remain unaffected.
- 4.3 The Contractor is obligated to properly mark all Deliveries which are subject to marking requirements. The order confirmation, the invoice, and any and all shipping documents shall also contain the required marking.
- 4.4 If required by law, such as pursuant to the Machinery Directive 2006/42/EC, the Contractor shall label the Delivery with the required CE marking and attach a EC declaration of conformity or a declaration of incorporation. If the Regulation (EC) no. 1907/2006 (REACH) is applicable to the Contractor's Delivery, he shall comply with its requirements. The Contractor shall furnish or procure any and all certificates of origin, suppliers' declarations pursuant to regulation (EC) no. 1207/2001, and any other eventually necessary proofs of origin including any and all information required; he shall make them duly available to the Purchaser.

5. Delivery time

- 5.1 The Delivery time quoted in the purchase order is binding.
- 5.2 Acceptance by the Purchaser shall be decisive for the timeliness of Deliveries.
- 5.3 The timeliness and the completeness of the Delivery are also subject to the provision of agreed material testings as well as the handing over of documents to be delivered.
- 5.4 Time for Delivery begins on the day the order is placed.
- 5.5 As soon as it becomes apparent to the Contractor that he will be unable to execute the purchase order or a part of it in due time, he shall notify the Purchaser of it without undue delay, stating the reasons and the anticipated duration of the delay.
- 5.6 If the Contractor does not provide the Delivery or not in due time, the Purchaser may make use of his statutory rights. If the Contractor is in delay with the Delivery (*Verzug*), the Purchaser is entitled to claim a penalty for each commenced week of delay in the amount of 0.5% of the agreed net price of the part of the Delivery which is delayed, but not to exceed 5 % of such net price, unless the Contractor is not at fault for the delay. The Purchaser reserves any and all further claims for damages. Paid penalties shall be credited to any further claims for damages. The Purchaser may also claim the penalty if he does not make any reservation upon the acceptance of the Delivery; however, the Purchaser is only entitled to claim the penalty after the final payment if he reserves such right at the latest when he makes the final payment.

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6. Supply Chain, Audit

- 6.1 Contractor acknowledges that Purchaser is a signatory of the BME Code of Conduct (<https://www.bme.de/initiativen/compliance/bme-compliance-initiative/>) and that the BME Code of Conduct forms the basis of any Deliveries hereunder. Contractor shall ensure that its enterprise as well as its suppliers comply with the provisions of the BME Code of Conduct.
- 6.2 Contractor furthermore acknowledges that Purchaser is a member of the Together for Sustainability (TfS) initiative (<http://www.tfs-initiative.com>). Any final audit report prepared on the basis of an audit under the TfS initiative can be used for 36 months. It will be shared with the members of the TfS initiative without disclosing the identity of the member who commissioned the audit.
- 6.3 Contractor grants to each of Purchaser and its Auditor (Purchaser's internal auditors and external auditors and their representatives incl. Regulatory Authorities) the right to assess and audit operations, processes, productions, rendering of services and delivery of goods by Contractor and its subcontractors with the purpose of establishing the degree of compliance by Contractor with the respective standards set by the BME Code of Conduct and the TfS initiative. In order to make such assessments and audits effective, Contractor shall maintain a complete and auditable administration, and hereby grants to each of Purchaser and its Auditor the unrestricted right:
- to access and inspect all Contractor locations, including sites at or from which subcontractors provide services and products, as well as related accommodations and transportation systems;
 - to access and inspect all relevant documents, officers, employees, consultants, media, data and systems related to the services and products;
 - to inspect all internal processes that are relevant to the rendering of services, production of goods and compliance with all relevant rules and regulations in the field of management, environment, health & safety, labor & human rights, and governance.

Contractor shall bear all costs of the Auditor related to the assessment and audit.

7. Packaging, Shipment

- 7.1 The goods shall be packed in a manner suitable to avoid transportation damages.
- 7.2 Shipment shall be made pursuant to the requirements made by the Purchaser. Unless otherwise agreed upon in writing, Delivery shall be effected DDP (Incoterms 2010), including discharge. The Contractor is obligated to insure the goods for the duration of the shipment.
- 7.3 The delivery note shall be enclosed in every shipment as shipping document if delivery is made by vehicle, carrier or mail. In case of deliveries by train, the delivery note shall be sent by mail on the day of dispatch.
- 7.4 The Purchaser has the right to request detailed dispatch notes from Contractor in triplicate for each shipment, regardless of the type of dispatch at the latest on the day the Delivery is dispatched.

8. Transfer of Risk, Acceptance

- 8.1 In case of Deliveries without erection or installation, risk shall pass to the Purchaser upon handing over of the Delivery at the place of receipt. If Deliveries include erection or installation, risk shall pass to the Purchaser upon acceptance or, if acceptance is not required, upon handing over of the Delivery.
- 8.2 The Purchaser may declare acceptance up to six weeks after the Contractor has notified him of the completion of the work.

9. Defects

- 9.1 The Purchaser will only examine if the goods comply with the ordered amount and type, if there are externally obvious transportation damages and any other obvious material defects. The Purchaser is not obliged to observe any further duties to examine the goods. A notification of an obvious defect is made without undue delay if it is declared within a period of two weeks following the receipt of the Delivery. A notification of a hidden material defect is made without undue delay if it is declared within two weeks after its discovery. This Section 9.1 shall only apply to sales contracts and within the scope of commercial transactions in the meaning of Section 377 German Commercial Code (*Handelsgesetzbuch*).
- 9.2 Deliveries shall comply with the current state-of-the-art of science and technology.
- 9.3 Agreed power/capacity and consumption data of a machine delivered by the Contractor constitute an agreed quality and an independent warranty/guarantee.
- 9.4 If the Delivery is defective, the Purchaser may, irrespective of any other rights, request either remedy of the defect or new delivery or re-manufacturing (hereinafter collectively "Cure") at its own discretion. Place of performance of the Cure shall be the place where the defective Delivery is located. The Contractor shall bear the costs of the Cure.
- 9.5 To the extent that the defective goods are, as agreed, picked up by the Purchaser or any third party commissioned by the Purchaser, the Contractor shall bear the costs and the risk of the backhaul.
- 9.6 If the Contractor fails to carry out the Cure within a reasonable grace period granted for this purpose, the Purchaser shall be

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entitled, irrespective of any other rights, to remedy the defect himself or to commission a third party with remedying the defect at the expense of the Contractor. In case of imminent danger or particular urgency, the Purchaser shall also be entitled to remedy the defect himself or to commission a third party with the remedy of the defect at the expense of the Contractor without having to grant a grace period. To the extent that it is possible and reasonable, the Purchaser shall inform the Contractor about the respective defects in advance.

- 9.7 Any further rights of the Purchaser remain unaffected.
- 9.8 Claims of the Purchaser based on defects shall become time-barred within three years after the statutory commencement of the limitation period, unless the law prescribes a longer limitation period.
- 9.9 The Contractor shall be liable for any work carried out in order to remedy defects or for a new delivery or re-manufacturing to the same extent as for the initial Delivery. Deliveries which were repaired or re-executed due to a remedy of a defect shall be subject to a new and independently running limitation period of 24 months for claims based on defects; this shall not apply if the Contractor remedies the defect without acknowledging any legal obligation to remedy the defect. However, should the initially applicable and remaining limitation period be longer, such limitation period shall remain applicable. The statutory provisions regarding the suspension and the new commencement of the limitation period shall remain unaffected.
- 9.10 The Contractor shall indemnify and hold harmless the Purchaser from any and all third party claims which the third party asserts against the Purchaser, based on the third party's assertion, due to defective Delivery made by the Contractor for which the Contractor is at fault for; the Contractor shall also indemnify and hold harmless the Purchaser from any and all expenses which the Purchaser necessarily has to bear out of or in connection with such claims asserted by the third party.
- 9.11 The Purchaser shall have the rights set forth in Sections 9.2 to 9.11 in case of a service agreement (*Dienstvertrag*), too, without prejudice to his statutory rights.

10. Ownership, Free-issue Parts, Documents, Confidentiality

- 10.1 Any reservation of title for the benefit of the Contractor shall have the legal effect of a simple reservation of title.
- 10.2 If the Contractor reserves ownership contrary to the contract, the Purchaser keeps his right to claim unconditional transfer of ownership, even if he accepts the Delivery.
- 10.3 If the Purchaser provides the Contractor with materials so that the Contractor can fulfill his contractual obligations, the Purchaser reserves ownership of such materials (hereinafter "Reserved Goods"). Reserved Goods shall be stored separately, identified, and administrated by the Contractor, all free of charge. They may only be used for purchase orders placed by the Purchaser. Any processing of the Reserved Goods is carried out for the Purchaser as manufacturer. If the Contractor processes, combines, or mixes the Reserved Goods together with other material, the Purchaser shall be entitled to co-ownership of the newly created object in the ratio of the value of the Reserved Goods to the value of the other material that has been used. If the Purchaser's ownership extinguishes due to the processing, combination or mixing, the Contractor transfers, already at this moment, all of his ownership rights in the newly created object in the ratio of the value of the Reserved Goods to the value of the other material that has been used and stores them for the Purchaser free of charge.
- 10.4 The Purchaser reserves any and all title and copyrights to illustrations, drawings, calculations, recipes, specifications, and any other documents (hereinafter collectively "Documents"). Without the explicit written consent of the Purchaser, Documents may not be made available to third parties. They must be used exclusively for the purchase order; following the execution of the purchase order, the Contractor shall return them to the Purchaser unrequestedly.
- 10.5 The Contractor shall provide any and all Documents which the Purchaser needs for the erection, operation, maintenance, or repair of the Delivery free of charge, in due time, and unrequestedly.
- 10.6 If services such as maintenance or repair work are agreed subject matters of the contract, the Contractor shall prepare minutes for each on-site service and provide the Purchaser with a copy of it.
- 10.7 The Purchaser has a rightful interest to review any and all inspection and test reports of the Contractor which concern a Delivery made to the Purchaser. The Contractor is obligated to allow such review.
- 10.8 The Contractor shall treat the Documents as well as any business and trade secrets of the Purchaser (hereinafter "Information") as confidential. In particular, he is not entitled to forward information to third parties without the prior written consent of the Purchaser or to make it available to third parties. The Information shall be protected from unauthorized access or use. Without prejudice to any further rights, the Purchaser may demand the return of the Information if the Contractor is in breach of these obligations. To the extent that the Purchaser has given his consent to the sub-contracting of work, the respective third parties shall sign a corresponding written commitment. The obligation of secrecy shall remain in force for a duration of up to 10 years following the execution of the respective Delivery. The obligation of secrecy shall not apply to the extent that such information was already known to the Contractor in the moment of the formation of the contract without this being based on an infringement of a confidentiality agreement or any statutory provisions. However, information which was already known to the Contractor prior to the formation of the contract because the Purchaser revealed it to him shall nonetheless be kept confidential.
- 10.9 The Contractor may only publicly announce his business relations with the Purchaser if the Purchaser has given his prior written consent.

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11. Changes

- 11.1 Contractor shall not change any process, material, or manufacturing location without prior written notification and approval of Purchaser. Process changes include but are not limited to:

- Changes of product specification
- Changing of sub-suppliers
- Moving production to a different but similar machine
- Relocation of manufacturing equipment within a facility, or relocation to an alternate facility
- Changing key process parameters as defined by Contractor and/or Purchaser
- Combining processes to streamline manufacturing
- Outsourcing production to a sub-supplier
- Addition of tooling to increase capacity
- Substantive changes to testing procedures or COA reports.

No testing method or testing standard shall be changed or eliminated without prior written notification and approval of Purchaser.

No report specification or specification tolerance shall be changed without prior written notification and approval of Purchaser.

Contractor shall comply with Purchaser's Supplier Requirement Manual (<https://www.supplier-portal.henkel.com/supplier/SuppQuality.do>)

- 11.2 Contractor shall provide at least two (2) years' advanced written notice of a proposed discontinuation in the manufacturing of any good sold to Purchaser. In the event that the discontinuation of the manufacturing of a good becomes inevitable, in addition to providing the above notice, Contractor shall allow Purchaser to make a last-time purchase of at least one year's supply of the goods.

12. Technical Investment Goods

If the purchase order concerns technical investment goods, the Purchaser shall be entitled to inspect the execution of the purchase order at the place of execution, be it at the Contractor's or any other place. The Contractor is obligated to provide the Purchaser access for the purpose of the inspection within the usual operating time. He shall obligate his sub-contractors and suppliers according to sentences 1 and 2 of this Section 12. The Contractor shall support the Purchaser during the execution of the inspection. He shall provide the necessary facilities and equipment for this purpose free of charge. The Contractor shall remedy any defect of the manufacturing process of the technical investment goods identified during the inspection without undue delay. Such inspection shall be without prejudice to the Purchaser's right to notify any defects identified after the inspection and to claim any other rights.

13. Final Provisions

- 13.1 To the extent that these General Purchase Conditions require written form, text form (letter, fax, email, etc.) shall be sufficient for the written form requirement.
- 13.2 Should any individual provision of these Purchase Conditions or of any contract be or become invalid, the validity of the other provisions shall remain unaffected.
- 13.3 Place of performance for any and all obligations of the Purchaser and the Contractor arising out of the contract shall be the registered office of the Purchaser. Exclusive place of jurisdiction for any and all disputes arising from or in connection with the purchase order shall be Düsseldorf; this shall also apply to special procedures deciding claims arising out of a bill of exchange (*Wechselprozess*) and summary procedures where plaintiff relies entirely on documentary evidence (*Urkundsprozess*). However, the Purchaser shall also be entitled to take legal action against the Contractor at the Contractor's place of general jurisdiction or before any other competent court.
- 13.4 The relationships between the Purchaser and the Contractor shall be subject to the laws of the Federal Republic of Germany. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.