

Standard Commercial Terms of Delivery and Payment in the Plastics Processing Industry

I. Application

Our Terms of Delivery and Payment shall apply exclusively, and clients declare themselves in agreement with these Terms upon placing an order. These Terms shall also apply to future transactions, even if they are not mentioned explicitly but the client has received them with an order confirmed by us. If an order is placed with terms that differ from ours, then our Terms of Delivery and Payment shall also apply exclusively, even if we give no objection. Therefore, any variation shall only be valid if we have explicitly recognised it in writing.

II. Payment

- For **tools** (moulds), 50% of the price is due on ordering and 50% after the client receives the pattern samples, net, without discount.
- For **finished goods**:
 - The supplier grants 2% discount for payments within 14 days after the invoice date. This discount is given on the delivery price excluding ancillary costs.
 - The delivery price with ancillary costs is due to be paid, without discount, within 30 days from the invoice date.
 - Late payments after the due date shall be calculated with interest on arrears at 6% above the current 3-month Euribor rate.
The seller shall have no obligation for any reason to make further deliveries from any current contract before payment of due invoice amounts including interest on arrears. If the buyer is late with a due payment, or if their asset situation suffers a significant decline, then the seller may demand cash payment before delivery of the goods for all queued orders with discontinuance of the payment target.

- Prices are ex works and do not include freight, customs, or packaging.
- All payments are to be made exclusively to bank accounts at Coface Finanz GmbH, Isaac-Fulda-Allee 5, 55124 Mainz, Germany, with discharging effect. We have transferred our current and future claims from our business relationship to them. Our reserved ownership properties have also been transferred to this institution.
- For deliveries to other countries, legal regulations shall apply together with their applicable agreement.
- The seller reserves ownership of the goods until all of the seller's claims against the buyer have been paid from the business relationship including claims arising in the future from contracts made simultaneously or later. This shall also apply if individual or all claims of the buyer are bundled into one invoice and a balance is struck and recognised.

If, in connection with the payment of the purchase price by the buyer, a mutual liability of the seller is substantiated, the reservation of ownership and its base claim from deliveries of goods shall not expire before payment of the bill of exchange by the buyer as the drawee.

The buyer shall only have the right to onsell the reserved ownership goods in the proper business process if they now and hereby transfer all claims to the seller that might arise from onselling to other buyers or third parties. If reserved ownership goods are sold unprocessed or in connection with items solely owned by the buyer, then the buyer now and hereby transfers the full amount of all claims arising from such sales to the seller. If the buyer, after processing/combining, sells reserved ownership goods together with items not belonging to the buyer, then the buyer now and hereby transfers the claims arising from such sales to the seller, to the amount of the value of the reserved ownership goods with all associated rights and prioritised before all others. The seller shall accept such transfers. Even after transfer, the buyer shall retain the right to collect such claims. The seller's own authorisation to collect such claims shall remain unaffected; however, the seller is obligated to refrain from collecting claims as long as the buyer is properly fulfilling their payment obligations and other obligations. The seller may demand that the buyer inform them about the transferred claims and their debtors, giving all information required for collection, handing over relevant documentation and informing the debtors of the transfer.

Any processing or handling of the reserved ownership goods is done by the buyer for the seller, without any obligations being incurred for the seller. In cases of processing, combining, mixing or blending of reserved ownership goods with other goods not belonging to the seller, the seller shall be granted the co-ownership share of the new item proportionally to the value of the reserved ownership goods and the other processed goods at the time of processing, combining, mixing or blending. If the buyer acquires sole ownership of the new item, the contractual partners agree that the buyer shall assign to the seller a proportion of the ownership of the new item in relation to the value of the reserved ownership goods that have been processed, combined, mixed, or blended, and shall hold this portion for the seller without cost.

If the value of the existing securities exceeds the claim to be secured by more than 20%, the seller is obligated to a release upon request of the buyer.

III. Moulds

- Press moulds, injection moulds, or other moulds made by the supplier or by third parties assigned by the supplier are essentially the supplier's property in view of their construction work, but are used exclusively for the client's orders. Any other use would require an explicit agreement between the supplier and the client. The client shall bear the costs of manufacturing the moulds. These costs shall be paid by crediting 5% of the value of the goods from current invoices until the total amount has been paid back.
- The supplier shall carefully store and maintain the moulds for later orders. They shall not be liable for damages that occur despite proper handling. They shall only bear maintenance costs arising from normal mould wear. The storage obligation shall expire if the client makes no further orders within two years of the last delivery.
- The supplier is not obligated to accept further orders and is not bound to the prices that were agreed upon for the first or previous orders.
- If the client does not pay for the delivered goods, or does not pay on time, the supplier may continue to use the moulds intended for this order as desired.
- The above terms with regard to moulds shall not apply to moulds belonging to the supplier that make general, common-use items.

IV. Property rights

- Insofar as the supplier is to deliver items according to diagrams, models or samples given by the client, the client shall accept liability for the supplier that the

manufacture and supply of the items shall not violate property rights of third parties.

- If a third party owns a property right and, with reference to this, prohibits the supplier from manufacturing and delivering items made according to diagrams, models or samples provided by the client, then the supplier shall have the right to cease manufacture and delivery, and demand compensation of costs expended, without being obligated to investigate the legal situation.
- The client is obligated to release the supplier from third-party damage compensation claims immediately. Upon request of the supplier, the client is to pay an appropriate advance for any and all direct and indirect damages which arise from the violation and assertion of any property rights.
- Provided samples or diagrams shall only be returned on request. If an order is not placed, the supplier is permitted to destroy samples and diagrams three months after giving a quote.

V. Reinforcement components

- If reinforcement components are to be supplied by the client, e.g. metal parts to be pressed in or injected, then the client is obligated to deliver these, freight-free and on time, to the supplier's factory with an excess quantity of 5-10% depending on the agreement in case of rejects. These must be in perfect condition and in such quantities that the supplier can process them without interruption.
- If delivery of reinforcement parts is not on time or not in sufficient quantity, the client is obligated to pay for additional costs arising for this reason. The supplier reserves the right to interrupt manufacture and begin it again later in such cases.

VI. Delivery dates

- The delivery period shall begin after all required order fulfilment documents and the agreed deposit payment have been received. If the client is to deliver reinforcement components, this period shall not begin before they are received.
- The delivery date given in the quote can generally be met if the order is placed immediately; it can only be determined when the order is received, but in all cases is only to be seen as approximate and non-binding. If the client does not specify freight type and route, we will select these according to our best judgment.
- Partial deliveries are acceptable.
- The supplier reserves the right to provide the order at up to 10% under or over the ordered quantity.
- If a delivery date is not agreed upon, the supplier shall have the right to demand acceptance (of the goods) three months after the date of the order confirmation, with 14 days' notice, or to withdraw from the contract and claim compensation. If acceptance is demanded, immediate payment may also be demanded, even before the goods are manufactured. If the goods are already manufactured and acceptance has been demanded, then from that point they will be stored by the supplier at the client's cost and risk.
- Force majeure shall release the supplier from contract fulfilment for the duration of the disruption; if this lasts more than six months, the supplier may withdraw from the contract.
- Force majeure shall also include accidents and all other causes that cause a full or partial cessation of work, such as scarcity of material or operating fuel, transportation difficulties in energy supply, operational disruptions in our own company or that of our suppliers.
- If the supplier does not withdraw from the contract according to Para. VI No. 5, then the client shall remain obligated to accept the delivery even if it is delayed.
- If the client does not accept a complete fixed quantity specified in the order, then the supplier shall have the right to apply a minimum quantity fee.

VII. Transfer of risk

- Even if delivery is included, the risk shall transfer to the client no later than on leaving the supplier's factory. If sending is delayed by the client's actions, the risk shall transfer to the client with notification that the shipment is ready to send.
- Breakage of delivered goods does not give the client any right to exchange or price reduction. Packaging is completed with care. Upon the client's written request, the goods will be insured at the client's cost against breakage, transportation and fire damage.

VIII. Liability for faults in delivered goods

- The quality and finish of pressed and injected goods shall be dictated by average production samples provided by the supplier to the client for inspection.
- The client alone shall bear responsibility for the correct construction design of press moulds and injection moulds as well as for their practical suitability, even if the supplier provided advice on their development.
- Fault claims must be made immediately and no later than ten days after receiving the delivery at the intended location. These shall have no effect on the agreed payment conditions. If a fault claim proves to be substantiated, then the supplier shall provide replacements free of cost. Further claims by the client are excluded. Any replaced goods shall become the property of the supplier and are to be returned on request and at the supplier's own cost.

IX. Court of Jurisdiction

- The place of fulfilment for all obligations arising out of this contract shall be the location of the supplier's company.
The court of jurisdiction for both parties shall be the Local or Regional Court of Tübingen.
- By placing an order, the client recognises these Terms of Delivery and Payment as exclusively authoritative.
- For later orders, it is sufficient for the supplier to make note of these Terms in order to make them exclusively authoritative for the later order.