

## GENERAL TERMS & CONDITIONS OF PURCHASE (10-2019)

### 1. Scope

1.1 These Terms & Conditions of Purchase shall apply exclusively to all of our or our affiliated companies' orders and contracts (hereinafter "order") governing the purchase of goods and services (hereinafter "delivery"). We hereby explicitly object to any deviating or supplementary conditions set by our suppliers, they shall not be binding for us. Our Terms & Conditions of Purchase shall also apply exclusively if we do not object to the incorporation of our supplier's conditions in individual cases or if, although being aware of contrary or supplementary terms and conditions of the supplier, we accept a delivery without reservation.

1.2 These Terms & Conditions of Purchase also apply to all future business relations with the supplier, even if they are not explicitly agreed upon again.

1.3 Should any provision of these Terms & Conditions of Purchase be invalid or unenforceable, this shall not affect the validity of the remaining provisions. The invalid provision shall be replaced by a lawful provision coming as close as possible to the commercial purpose of the invalid provision.

### 2. Formation of contracts

2.1 Any agreement with the supplier and all orders shall be considered binding for us only if they are put down in writing or in text form. Any modification, addition or subsidiary agreement before, at or after the contract formation also requires our consent in writing or text form. This form requirement may only be waived in writing or in text form.

2.2 If the supplier does not accept our order in writing or in text form within two (2) weeks of receipt, we shall be entitled to revoke the order. Delivery calls shall be binding unless the supplier objects within three (3) working days of receipt. Any deviation from, modification of or supplement to our orders shall only be effective if explicitly and separately indicated as deviation, modification or supplement and expressly approved by us.

### 3. Prices and payment

3.1 Prices specified in the order are firm. Unless otherwise agreed upon, prices shall apply for "delivery at place" (DAP), as well as any packaging, adequate transport insurance to be taken out by supplier, and all other costs of delivery, unless explicitly agreed otherwise in writing. VAT is not included in the price. Unless explicitly stated otherwise, any use of Incoterms shall be deemed as a reference to the INCOTERMS 2010 as published by the International Chamber of Commerce (ICC).

3.2 In cases where the supplier is responsible for erection, assembly or commissioning, and the parties have not agreed otherwise in writing, the supplier shall bear all necessary incidental costs, such as travel expenses and costs for provision of tools.

3.3 Invoices will not be processed until we receive them by separate mail. Each order must be invoiced separately. Collective or electronic invoices may also be issued with our prior written consent. Invoices must state the order number specified in our order, the order date, the company name of supplier and our item number, all clearly highlighted.

3.4 Invoices must be made out in GBP, payments will be made in GBP only, unless agreed otherwise. For each bank account, the supplier shall provide the correct IBAN and BIC codes, as well as its VAT identification number or comparable bank account information.

3.5 Payments will be made, at our option, by bank transfer or cheque or bill of exchange after taking delivery and receipt of a verifiable invoice and all documents pertaining to the delivery. Accounts may also be settled by us in line with the credit note procedure (self-billing procedure) according to the applicable tax laws, if agreed upon in advance. Unless otherwise agreed upon in writing, we shall pay within 30 days without discount.

3.6 The supplier shall not be entitled to assign or otherwise dispose of its claims wholly or partly against us without our prior written consent.

3.7 We shall be entitled to exercise statutory setoff and retention rights.

### 4. Dates and terms of delivery

4.1 Delivery dates specified in the order or otherwise agreed upon are binding and must be strictly met. The supplier shall promptly notify us in writing of any potential delays or non-compliance with delivery dates and deadlines, explaining the reasons for the delay and specifying how long they are expected to prevail.

4.2 Deliveries by instalments and premature deliveries shall be allowed only with our written consent. Payment claims, however, shall be due no earlier than on the delivery date originally agreed upon.

4.3 Unless otherwise agreed upon, deliveries must be accompanied by a delivery note and a works test certificate according to EN 10204:2005-

01 or any other equivalent internationally recognized test certificate specifying the characteristics agreed upon with the supplier. Initial supplies must be accompanied by an initial sampling according to our Guideline for Suppliers.

4.4 On-site deliveries are only possible at the time stated in the order or as otherwise agreed upon. When entering an Aquabio / Freudenberg site all occupants of vehicles must be registered. It is generally prohibited to take children or animals along to a Freudenberg site. Wearing safety boots is mandatory at loading and unloading facilities. Any instructions by the safety staff must be complied with.

4.5 In case of delays in delivery we shall be entitled to impose a contractual penalty of 1% for each commenced week of delay, but no more than a total of 10% of the order value; the supplier shall however have the right to prove that no damage was caused or the damage is materially lower. We reserve the right to claim further damages. We shall reserve the contractual penalty no later than upon payment of the invoice, following receipt of the delayed delivery.

4.6 Events of *force majeure* that render a delivery by our supplier or the acceptance or use of the delivery in our or at our customer's business impossible or substantially more difficult shall postpone our acceptance duty for an appropriate period of time, considering our actual demand. In cases of *force majeure* concerning us or our supplier we shall also have the right, at our discretion, to wholly or partially withdraw from the contract.

### 5. Place of performance, passage of risk and acquisition of ownership

5.1 The place of performance shall be the location to which, according to the order, the goods have to be delivered or where the service is to be performed. Unless otherwise agreed upon, the place of performance shall be our registered office.

5.2 The delivery shall be properly packed and made, according to the agreed Incoterm, to the address designated by us or performed there for the supplier's account and at supplier's risk. The risk of accidental perishing or deterioration of delivery will pass to us only with receipt of delivery by us or by a forwarding agent appointed by us at the agreed place of performance or after final acceptance of the delivery, whichever is later, even if we have agreed to pay the freight charges.

5.3 With passage of risk at the place of performance or with delivery to a forwarding agent specifically appointed by us we shall acquire ownership of the goods without reservation of any rights for the supplier.

5.4 In case of delivery of machinery or plants, the risk shall pass only after their final acceptance at the place of performance.

### 6. Liability for defects and other liability

6.1 We will inspect the delivered goods based on the accompanying documents for identity and quantity as well as for visible transport damage. Defects in the delivery will be notified to the supplier once we discover them in the ordinary course of our business, within an appropriate time of at least five (5) working days following the detection.

6.2 Unless stipulated otherwise in this clause 6, the supplier shall be liable according to the applicable statutory provisions, in particular for defects of the delivery and the fitness for the agreed use or such fitness for a particular purpose or use by us or our customers which is known or should have been known to supplier, and this liability shall not be limited or excluded, neither in cause nor amount, and shall also indemnify and hold us harmless from and against any third party's claims to the same extent. Furthermore, the supplier hereby assigns to us any and all transferrable warranty and guarantee rights related to the deliveries or parts thereof which have been provided or granted to supplier by its sub-suppliers.

6.3 In principle we shall be entitled to choose the type of subsequent performance. The supplier may however refuse the type of subsequent performance chosen by us if the costs resulting from that type of subsequent performance were unreasonably high.

6.4 If the supplier fails to remedy the defect promptly upon our request, we shall - in urgent cases, in particular to avert imminent danger or to mitigate damages - have the right to remedy the defect ourselves at the supplier's cost or have this done by a third party without having to grant a period of grace in advance.

6.5 Claims for defects shall become time-barred 24 months after the sale of the final product to the consumer, but no later than 30 months after receipt of the delivery by us, unless agreed otherwise or unless mandatory statutory provisions provide for extended limitation periods. In case of claims resulting from contracts for services and works, claims for defects shall become time-barred 30 months after the written final acceptance. This shall not apply to deliveries that,

consistent with their common application, are used in buildings and have caused the building's defectiveness, in that case claims will lapse after five (5) years. Our additional statutory rights under the applicable law shall remain unaffected by this provision.

- 6.6 In addition, the supplier shall indemnify us from any third-party claims related to deficiencies in title. For deficiencies in title, including indemnification claims pursuant to sentence 1, a limitation period of ten (10) years shall apply.
- 6.7 If a defective delivery necessitates extra work in the incoming inspection process, the supplier shall bear the resulting costs.

## 7. Product liability and insurance

- 7.1 The supplier shall indemnify us from any third party claims, costs and expenses (including legal fees) arising out of defects or other breaches of this contract, the death of or injury to any person or damage to property, if and to the extent the causes for the respective claim lie in the supplier's domain. Under these circumstances the supplier shall also reimburse us for all costs and expenses related to this contract as well as according to the statutory provisions on the administration of others' affairs that we or our customers incur as a result of or in connection with a recall action or any other measure.
- 7.2 The supplier shall maintain a product liability insurance (including coverage for extended public- and product liability and recall costs) with a coverage of at least GBP 5,000,000.00 (GBP five million) in total per claim for personal, property or product-related damages; however, our claims shall not be limited to the covered amount. Supplier shall immediately provide a certificate of insurance documenting such coverage.

## 8. Industrial property rights and legal compliance

- 8.1 The supplier will commit to and comply with international standards and initiatives like UN Global Compact, international labour standards (ILO) and other applicable laws and regulations. The supplier will comply with all applicable laws relating to anti-bribery and anti-corruption (including the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977). The supplier shall maintain adequate policies and procedures designed to ensure such compliance by itself, its personnel and its subcontractors.
- 8.2 The supplier shall ensure that neither the delivery nor its use infringe upon industrial property rights or other rights of third parties and do not violate statutory provisions or official regulations of any kind. The supplier must comply with our guideline „Avoidance of particularly hazardous substances“ (FSS 7), which we will provide upon request, and the environmental standard ISO 14001. Upon our request, the supplier shall provide all relevant IMD system data, REACH data, GHS data and any other data relevant under export law free of charge.
- 8.3 The supplier shall indemnify us from all claims raised against us by third parties for reasons of or in connection with the delivery or its use. Clause 6.6, sentence 2 shall apply to such claims.
- 8.4 The supplier's obligation of indemnification shall also cover all costs and expenses (including legal fees) arising from or in connection with claims raised by a third party.
- 8.5 For the supply of machinery and plants falling under the EU Machinery Directive 2006/42/EG or under any other laws and regulations issued on the basis of this Directive, the supplier shall also provide a risk analysis or risk assessment in conformity with DIN EN ISO 12100:2011 in accordance with the EU Machinery Directive 2006/42/EG free of charge and together with the products.
- 8.6 The supplier acknowledges that we, as a manufacturer of products and items, are considered as a downstream user within the meaning of the European Chemicals Regulation No. 1907/2006 ("REACH") and warrants to comply with all REACH obligations, in particular those governing the sale, processing or trading of goods within the EU, including (a) to perform any legally required pre-registration, registration or authorization of chemical substances or preparations, (b) to implement internal organizational measures to document compliance with REACH, (c) to ensure that any use(s) of chemicals or preparations in the products (including packaging materials), which we or any of our customers have specified or notified to the supplier, is covered by the respective pre-registration, registration or authorisation, (d) to inform us without undue delay if a pre-registered substance or preparation will not or cannot be finally registered or authorized within the respective transition period and (e) not to sell or deliver any product containing prohibited Substances of Very High Concern (SVHC) ((a) to (e) together "REACH Warranties"). The supplier acknowledges that any breach of a REACH Warranty will generally result in a defect of the respective substance, preparation or other product or item under the applicable law and agrees to indemnify us against any claims, liabilities, expenses and damages caused by the supplier as a result of breaching the aforesaid REACH Warranties, and will support us in our legal defence against such claims at supplier's cost.
- 8.7 The supplier undertakes to provide a so-called proof of origin for the products, i.e. the supplier shall provide us with the required declarations

of origin in terms of commercial and preferential law in a timely manner, and shall also notify any change of origin without undue delay and without request. The supplier may have to prove its declarations of the products' origin by means of an information sheet certified by its competent customs office. If the supplier fails to fulfill this obligation, it shall be liable for any resulting damage and commercial disadvantages.

- 8.8 The supplier ensures that it will provide the performance owed pursuant to clause 1.1 itself and that it will use subcontractors and downstream contractors (hereinafter referred to as the "Subcontractor Chain") only with our previous written consent. The supplier ensures that all timber in deliveries, materials and pallets are delivered through the Subcontractor Chain in accordance with the Forest Stewardship Council certificate.

It further ensures that it shall itself, and all contractors of the Subcontractor Chain who have been duly called in by it as well as possible temporary employment agencies commissioned by them shall also pay to the deployed temporary workers the applicable legal minimum wage and comply with all applicable labour legislations that are in force.

We shall be entitled already in the course of the examination of the offer, to request from the supplier on a spot-check basis the submission, without any specific reason, as anonymized data, the current payslips for the workforce used by the supplier and the Subcontractor Chain (payrolls). The supplier shall also provide to us upon request proof of compliance with any relevant labour law that is in force as on the date of the compliance requirement.

In the event that claims are asserted against us by an employee of the supplier of the Subcontractor Chain, the supplier undertakes to fully indemnify us for each such instance of an assertion of claims, and we shall be entitled to terminate any orders pursuant to clause 1.1 on an extraordinary basis and thus without notice.

The supplier shall indemnify us upon first demand from any claims which asserted by third parties against us in connection with infringements of any labour related legislation.

## 9. Retention of title and tooling

- 9.1 We reserve rights to the title of all items provided by us as part of the delivery (e.g. parts, components, semi-finished goods).
- 9.2 The retention of title shall also apply to new products resulting from the processing of our items, or their mixing or combining with other items, in each case at the full value of the respective new product. These processes shall be performed on our behalf so that we shall be deemed to be the manufacturer. If third-party ownership rights remain after processing of our items or their mixing or combining with third party items, we shall acquire joint ownership in the new product at the ratio of the objective value of the processed, mixed or combined items.
- 9.3 Tools made available to the supplier as well as tools manufactured by the supplier on our behalf or ordered from a third party on our behalf shall remain in our property or shall become our property upon manufacturing or acquisition by the supplier, in each case provided that we have entirely or partially paid for the tools. All of the abovementioned tools must be clearly marked as our property.
- 9.4 The supplier shall store our tools on our behalf free of charge and clearly separated from other items, insure them adequately in accordance with clause 7. The supplier shall use the tools exclusively for the purpose of manufacturing parts for us, unless otherwise agreed upon. We hereby already approve to the supplier's use of our tools for the manufacturing of parts based on orders from other companies of the Freudenberg Group.
- 9.5 The supplier shall ensure proper maintenance and repair of the tools provided at his own cost. Upon termination of this contract, the supplier shall return the tools without undue delay at our request, and without exercising any right of retention. At the time of their return, the tools must be in impeccable condition, taking into account their previous use. Costs of repair shall be borne by the supplier. The supplier is prohibited from scrapping the tools without our prior written approval.

## 10. Quality assurance

- 10.1 The supplier shall maintain a quality management system throughout our business relations in line with standards DIN EN ISO 9000 ff., QS9000, to monitor the system by internal audits in regular intervals and to promptly take action if any deviation is detected, in order to ensure flawless quality of all items supplied to us. We shall have the right to inspect the supplier's quality assurance system anytime with prior notice. Upon request the supplier shall permit us to examine certification and audit reports as well as inspection procedures including all test records and documents relevant to the delivery.
- 10.2 Part of any order placed by us or any agreement between us and the supplier is our Guideline for Suppliers in its current version which will be made available to the supplier on request and is also available under <http://www.aquabio.co.uk>.

## 11. Confidentiality and documents

- 11.1 The supplier shall treat any information including, but not limited to, formulas, drawings, models, tools, technical records, procedural methods, software and other technical and commercial knowhow made available by us or acquired through us, as well as any related work results and the fact that the parties have entered into a contractual relationship (hereinafter "confidential information") strictly confidential towards third parties. The supplier may only use the confidential information in its own business for purposes of performing deliveries to us and may only make it available to such persons who need to have access to it in connection with our business relation and are bound by a respective confidentiality obligation. This provision shall apply beyond the duration of our business relation if and to the extent the supplier is unable to prove that the confidential information was known to him or was in the public domain already at the time it was acquired or was later made public without the supplier's fault.
- 11.2 We retain title to any documents (e.g. drawings, figures, test specifications), samples, models etc. made available by us to the supplier in the course of the business relation, they shall be returned to us or destroyed at the supplier's cost upon our request at any time, but no later than upon termination of the business relationship (including any copies, extracts and replicas). The supplier does not have any right of retention in relation to confidential information.
- 11.3 The disclosure of confidential information shall not establish any industrial property rights, rights to knowhow or copyrights of the supplier and does not constitute a prior publication or right of prior use according to the applicable patent, design and utility model laws. Any kind of license is subject to a written agreement.

## 12. Applicable law and place of jurisdiction

- 12.1 The business relationship with the supplier shall be exclusively governed by the laws of England and Wales, excluding its rules of private international law, the UN Convention on the International Sale of Goods (C.I.S.G.) and other bilateral or multilateral conventions on the harmonisation of law on the international sale of goods.
- 12.2 For all claims resulting from our business relation with the supplier, in particular the contract or its validity, the exclusive place of jurisdiction shall be Worcester, England. This shall also apply to disputes concerning the formation and validity of a contractual relationship. We shall, however, also have the option to sue the supplier in any other general or special legal venue.

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