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# TERMS AND CONDITIONS OF PURCHASE

## REHAU GESELLSCHAFT M.B.H. & REHAU POLYMER INDUSTRIE GMBH

### 1. Terms and Conditions of Business:

a) All our orders are based exclusively on these Terms and Conditions of Purchase.

We do not recognise differing general terms and conditions of business of our contractual partner (hereinafter called in short "Supplier"). Such differing general terms and conditions are not deemed agreed upon.

These Terms and Conditions of Purchase apply for the entire duration of the business relation, as long as we do not abrogate them in writing. In the event of further orders, these Terms and Conditions of Purchase do not need to be referred to again.

b) Special terms of business of the Supplier, which conflict with these Terms and Conditions of Purchase, only apply if we expressly declare in writing that we are in agreement with these. We are not required to object to differing conditions of the Supplier in offers or order confirmations.

c) Verbal agreements and amendments of these Terms and Conditions of Purchase are only binding if we have confirmed such in writing.

d) The technical terms of delivery, the special agreements, inspection instructions and any existing REHAU goods insurance provisions are components of our purchase agreements.

### 2. Orders:

These are only valid if they have been issued by us in written form. Agreements made verbally and by telephone must be confirmed in writing to be binding.

### 3. Confirmation of Price and of Delivery:

These must be sent to us immediately on acceptance of the order.

### 4. Prices:

a) A fixed price is agreed on, we will not recognise any subsequent increase.

If the Supplier has, however, agreed when making the agreement that his prices will not be lowered up to the delivery date, and he contravenes this undertaking, then we are entitled to adjust the agreement subsequently by unilateral declaration.

Then the reduced prices are deemed agreed for us as well.

b) We do not recognise recommended purchase and sales prices, equally we are not obliged to abide by these.

c) If the prices were agreed as being subject to alteration, and there is an increase in price then we have the right at our option to approve said price rise or to withdraw from the contract. Any price increases must in any case be notified six weeks in advance.

d) Unless it has been expressly agreed otherwise and in writing, the agreed prices always also include the cost of freight and customs clearance.

e) Changes in the currency parities are at the expense of the Supplier.

### 5. Delivery Dates:

a) The agreed delivery dates are binding and must be met. They are always to be understood without a period of grace. If the delivery date is exceeded, we have the right at our option either to demand delivery and compensation of the damage due to delayed performance or to

withdraw from the contract and to demand damages for non-performance.

b) The Supplier must notify any delays arising immediately after becoming aware of such, giving the reasons and the duration of said delays.

## **6. Deliveries:**

a) In principle, deliveries must be made to the order address. If deliveries are requested to secondary works or other REHAU business premises or storage sites and carried out, then a delivery note must be sent to the place of delivery. The delivery note must contain the order number.

b) The delivery is understood to be freight and charges prepaid to our works or business premises and storage sites.

We only bear the expenses and transport if, in individual cases, it is otherwise agreed in writing. In such cases, consignments must always be shipped to us by the cheapest route. We do not acknowledge any additional costs arising due to non-compliance with this provision, or costs for carriage etc. at the place of dispatch and the place of receipt.

c) Deliveries of goods to our reception location using vehicles are only accepted Monday to Thursday from 7am to 3pm, Friday from 7am to 11am. Packaging material deliveries Monday to Thursday only. No deliveries of goods on Saturday.

## **7. Risk of Loss:**

In principle, the consignments are shipped at the Supplier's risk. The risk is not transferred to us until the unloading process has been completed at the place of destination.

## **8. Withdrawal:**

a) In the event of strike, lockout, fire, explosion, natural disasters, epidemics, work or transport difficulties, stoppages for any reasons, war, uprisings, mobilisation, government actions, the Supplier becoming insolvent or due to other circumstances that are outwith our control and affect our ability to accept and/or to process the goods ordered, we can withdraw from the contract, whereby all claims against us in particular claims for damage are excluded in as far as is legally permissible.

b) The Supplier must be advised of the withdrawal in due course.

## **9. Warranty and Damages:**

a) In the event of defective delivery or delivery of merchandise other than that stipulated, we can, at our discretion, demand rectification of defects, replacement, reduction in price, cancellation of sale and/or damages for non-performance.

b) The delivery item must have the warranted qualities and comply with the accepted engineering standards. If it does not meet these requirements, then, at our request, the Supplier must remedy the defects immediately at his cost. If the Supplier does not meet this obligation, then we can take the necessary measures ourselves at the Supplier's cost and risk; moreover, we reserve the right to all statutory claims.

c) The warranty period is two years from delivery, unless the statutory period is longer. The warranty period is interrupted by each written notice of defects; after each confirmation of defects, it restarts for that item.

d) In the case of a culpable defective or wrong delivery, the Supplier is liable to us, over and above our warranty claims for compensation for all damages and costs we have incurred as a result of the culpable defective or wrong delivery. The statutory period of limitation applies to such claims for damages.

e) If claims are made against us by a third party due to a defective or wrong delivery, then we are entitled to recourse against the Supplier, whereby the Supplier shall indemnify and hold us harmless.

f) Over or under deliveries are not permissible.

g) We cannot immediately undertake the inspection of the goods as soon as they arrive. We are, therefore, not obliged to issue an immediate notice of defects; § 377 UGB is expressly waived. The Supplier waives the defence of delayed notice of defects.

h) The order is placed on the assumption and on condition the Supplier has insured the product risk over and above the scope of the standard liability insurance in order to cover the possible product liability risk. The Supplier shall indemnify and hold us harmless with respect to any product liability claim.

## **10. Offset and Retention:**

For all due and not due claims we are entitled to against the Supplier, we are authorised to offset or to assert rights of retention.

## **11. Inspections:**

The Supplier's factory inspections ensure that the deliveries meet our technical terms of delivery. The Supplier undertakes to make records of the tests carried out and to archive all test results, readings and inspection results for 10 years. We have the right to have access to these

documents at any time and to make copies.

#### **12. Invoices:**

Invoices must be sent only after provision of services and/or after acceptance by the responsible REHAU department.

#### **13. Payment:**

- a) Place of payment is Neulengbach.
- b) We make payments within 30 days of receipt of the invoice with 3 % discount or within 90 days of receipt of the invoice net.

#### **14. Customs Declarations:**

By accepting the order, the Supplier undertakes to disclose the precise country of origin of the goods and, for goods originating from the EU, to submit a long-term supplier declaration for goods with preferential origin status. Where the delivery originates from a preferred country, the Supplier is obligated to create a valid preference document EUR.1 or a declaration of origin on the invoice. If the Supplier's declarations or preference documents prove to be false, the Supplier undertakes to compensate for the resulting loss.

At the request of REHAU, the supplier is obliged to inform REHAU, in writing and legally binding form in the related business documentation, about any applicable (re)export license requirements for the goods under National, European or US export control law and customs regulations as well as under the export control law and customs regulations of the country of origin of the goods. This includes the supplier providing REHAU with the following information:

- the export list number according to annex AL of the German export administration regulations or equivalent list items of applicable national export lists,
- for US goods the ECCN (Export Control Classification Number) as per the US Export Administration Regulations (EAR),
- the commercial origin of his goods and of the components of his Goods (as per the customs code), including technology and software,
- whether the goods were transported through the U.S.A., were manufactured or stored in the U.S.A. or made using US technology,
- the statistical goods number (HS code, customs tariff number) of his goods, and
- a contact in his organization to answer any questions about technical details and export control.

At our request, the supplier is obliged to provide us with any other foreign trade data relating to his goods and their components, in writing, and to inform us of all changes of such data, in writing, without delay (and in any case before delivery of any goods affected by such).

#### **15. Health-/Environment Regulations**

The Supplier is fully liable for compliance of its supplies with the Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (hereinafter "REACH-Regulation"). Namely, the Supplier is liable that the substances contained in the products supplied by it have been preregistered and thereafter registered, if required under the REACH-Regulation, and that safety data sheets in accordance with the REACH-Regulation and the information as per section 32 of the REACH-Regulation shall be provided. To the extent the Supplier is supplying articles as defined by section 3 of the REACH-Regulation, the Supplier is namely liable for full compliance with its duty to provide information as per section 33 REACH-Regulation.

#### **16. Assignment:**

The assignment of accounts receivable from us is excluded. The Supplier is not permitted to assign the contractual rights to third parties without our express agreement.

#### **17. Retention of Ownership:**

We do not recognise a right of retention of ownership for goods delivered.

**18. Proprietary Rights:**

- a) The Supplier guarantees that third party proprietary rights are not infringed through the delivery and use of the purchased items. The Supplier undertakes to indemnify us and keep us indemnified against any claims for damage or costs made by third parties.
- b) All models, samples and drawings are to be treated in confidence and must only be used to execute our orders. The Supplier expressly undertakes not to duplicate our models, samples and drawings. All parts produced in accordance with our data, drawings and models etc. or for us protected, may only be supplied to us, never to third parties or even left to them. The same applies if equipment is created for the manufacturing etc., regardless what name they bear, at the Supplier's cost. This also applies even when further orders are not going to be issued. Samples, as well as drawings remain our property in every case. Drawings, data sheets, models etc. must be sent back to us in a usable condition at the latest with the back order and without our consent must neither be handed on to third parties or used for said persons.
- c) The Supplier is obliged to regard as a trade and business secret all knowledge about the production etc. that has been acquired in the context of carrying out the order or a visit. To that extent he is obliged to maintain silence about all the things he sees or otherwise learns about and not to make these known to third parties, either by word of mouth, in writing or otherwise. Suppliers will impose appropriate obligations to secrecy on the employees entrusted by the Supplier with the execution of the order and, in particular, will instruct the employees with respect to § 11 and § 12 UWG [law against unfair competition].
- d) The Supplier is obliged to regard our orders and the work resulting from them as a business secret and to treat such in confidence.

**19. Advertising:**

The Supplier may only refer in his advertising to his business relation with us if we have expressly declared our agreement to such in writing.

**20. Place of Jurisdiction:**

Place of Jurisdiction for all disputes arising from REHAU orders is the local court at the address Wiener Neustadt with jurisdiction in rem for REHAU Gesellschaft m.b.H. or St. Pölten with jurisdiction in rem for REHAU Polymer Industrie GmbH. However, REHAU also has the right to call the relevant court at the Supplier's place of business.

**21. Law to be applied:**

Austrian law is to be applied to the legal relations to the Supplier. Expressly excluded is the application of the agreement of the United Nations dated 11.4.1980 concerning contracts on the international sale of goods.

**22. Invalid Provisions:**

Should individual provisions of these Terms and Conditions of Purchase become null and void, they do not affect the legal validity of the remaining provisions and of the legal transactions based on these terms. The invalid provision is to be replaced by a valid provision coming closest to the essence and purpose of the invalid provision.