

Terms and Conditions of Purchase of Arichemie GmbH

March 2019

§ 1 Scope

These terms and conditions shall apply solely and exclusively to operators in accordance with § 14 BGB (German Civil Code), as well as to legal entities of public law and the special fund under public law; general business terms of the supplier which contradict, supplement or deviate from these terms and conditions of purchase, shall not be recognized by us, unless we have explicitly approved them in writing. Our terms and conditions of purchase shall also apply if we accept or pay for deliveries and services of the supplier (hereinafter referred to as the object of the contract), being aware of the supplier's contradictory terms or terms which deviate from our terms and conditions of purchase. Our terms and conditions of purchase shall also apply to all future deliveries and services of the supplier.

§ 2 Order

Our orders can only be placed in writing or text form. The content of oral or telephone orders and other agreements shall be binding only if confirmed in writing by us. In case of evident errors, or errors in wording or calculation, we are not to be held liable.

§ 3 Order Confirmation

An order confirmation is to be acknowledged by the supplier in writing within five (5) working days under acceptance of our GCP (Purchasing Conditions), otherwise we reserve the right to withdraw our order.

§ 4 Delivery time

1. The delivery time stated in the order and accepted in the order confirmation is binding. If the delivery time cannot be met, the supplier shall notify us thereof in writing without undue delay, stating the reasons and anticipated duration of the delay.

2. If the supplier does not perform within the agreed delivery period, we shall be entitled to withdraw from the contract without further grace period, or to make the supplier liable to reimburse us for losses suffered as a result of non-fulfillment. We have the right to withdraw from the contract and to demand compensation from the Supplier due to non-fulfillment if only a part of the delivery is delayed, either with respect to this part or to the entire contract. If the Supplier is delayed in fulfilling his obligations on several occasions, so that we can no longer reasonably be expected to adhere to the contract, this can be terminated by us for these exceptional reasons without notice and with immediate effect. If an exceedance of the agreed delivery period or the agreed delivery date can be predicted, the Supplier, without prejudice to his other obligations, must inform us immediately about the prospective duration of the delay. Timeliness of deliveries refers to their arrival at the place of destination we have specified.

3. Delivery shall be – unless otherwise explicitly agreed – free of freight charges, and free of costs for packaging, and other costs. The supplier will have to bear the risk of accidental destruction of the goods until the goods are delivered “free domicile” on our premises or at a place of delivery specified by us. The vendor assures and guarantees to take all measures to assure the safety of the supply chain.

§ 5 Place of performance, deliveries, packaging

1. Unless otherwise arranged on a case-by-case basis, delivery is agreed DDP delivery address (INCOTERMS 2010). The supplier shall therefore bear the risk of accidental loss, deterioration or destruction of the goods until receipt of said goods by us or our agents at the place where the goods are to be delivered as per the order.

2. Partial deliveries are not permitted unless we have expressly agreed to them. If consent has been given, the outstanding quantity is to be itemized.

3. The supplier is obliged to use environmentally friendly packaging that can be reused or disposed of cost effectively. The packaging is intended to provide protection against damage, contamination, humidity and possible electrostatic discharge during transportation and storage, so that the assembly by us, or by a company commissioned by us, can be carried out without additional effort. All information relevant to the content, storage and transport must be visible on the packaging. Loaned packaging will be returned to the supplier at his address, freight collect.

§ 6 Changes in the production process, subcontractor

1. The supplier shall inform us of changes in the production process in advance and in writing. In particular this applies to the exchange of the pre-supplier as well as to changes with regards to the manner or place of production even if these changes are unlikely to affect the production process in accordance with the product specifications.

2. The supplier is not entitled to use subcontractors for the performance of his services without our prior written consent. However, consent must not be withheld unreasonably.

§ 7 Notice of defects

There is no obligation for us to inspect the delivered goods at the time of delivery. The supplier will relinquish the right from § 377 HGB (German Commercial Code), unless the defects, e.g. transport damages, are obvious. Complaint of defects which are not obvious, or can only be discovered in the ordinary course of business is considered in due time if it is made immediately however no more than 14 days following discovery of the defect.

§ 8 Warranty

1. The Supplier is responsible for ensuring that his delivery is in accordance with the relevant legislation and the recognized technological regulations. He is also responsible for ensuring that his delivery possesses the agreed characteristics, and insofar as this has not been

agreed, that the item is suitable for the use stipulated in the contract, and otherwise, that it is suitable for customary use and demonstrates characteristics that are usual in items of the same kind and that we can expect from this kind of item. This also includes properties that we can expect from the published statements made by the Supplier, the manufacturer or his assistants, particularly in the advertising or in the labeling regarding certain properties of the item, unless the Supplier was not aware of that statement and also did not have to be aware that it had been amended in an equally valid manner at the time of conclusion of the contract or that it could not influence the purchase decision. The Supplier shall also ensure that the construction and composition of the delivered goods have not changed in comparison with previous similar defect-free deliveries, unless such changes have been coordinated with us prior to the conclusion of the contract. Notices of defects, even insofar as they relate to excess or short deliveries, which are submitted within two weeks after receipt of the goods at the place of destination, cannot be rejected on the grounds of delayed notification. To maintain our rights, the timely dispatch of the notice of defect is sufficient. Warranty claims are limited to a two-week period starting with the dispatch of the notice of defects if a complaint is sent to the Supplier within the statutory limitation period. If negotiations between the Supplier and ourselves on the settlement of differences under warranty law are pending, the limitation period shall be suspended until one of the parties refuses to continue the negotiations.

2. If the delivered goods are defective, we shall be entitled to make the statutory defect claims. This also includes that deliveries are exempt from trade mark rights of third parties.

3. In especially urgent cases, where it is no longer possible to give the Supplier the opportunity to remedy the defects due to the particular urgency, we are entitled, if we so choose, to rectify the defects ourselves or to have them rectified by a third party or to cover our requirement through a third-party source, in each case at the expense of the Supplier, insofar as this does not incur unreasonable costs for the Supplier. In this process, the particular factors to be considered are the value of the item in its defect-free condition, the significance of the defect, and the question of whether a different type of remedy could be used without posing significant disadvantages for us. In this case, our claim is limited to a lower-priced remedy, although this may not be disproportionate to the defect. The place of subsequent performance is in principle the place of destination in accordance with Point 3 of these Terms and Conditions of Purchase, insofar as this does not cause unreasonable costs for the Supplier as defined in Section 439, Para. 3 of the German Civil Code. If the defective goods are at a different location when the defect is discovered, we have the option to select this as the place of subsequent performance, insofar as this does not cause unreasonable costs for the Supplier as defined in Section 439, Para. 3 of the German Civil Code. The time needed for the repair work is excluded from the warranty period.

§ 9 Product liability

If we are claimed against out of manufacturer's liability due to a defect in the goods delivered by the supplier, the supplier will have to indemnify us from this liability resulting from the defect.

§ 10 Force majeure

1. For delays in deliveries caused by force majeure, the agreed delivery dates shall be extended by the duration of the circumstances preventing delivery. Force majeure events are all external circumstances outside of the control of the contracting parties, like e.g., natural catastrophes, strikes, acts of war, civil unrest, official decrees, general shortage of fuel and raw materials, unforeseeable obstructions of transportation routes.

2. Irrespective of this, the supplier is obliged to notify us immediately of any difficulties or delays with the delivery that are apparent to him, so that appropriate protection against losses can take place by mutual agreement and as early as possible.

3. Should a force majeure event or other events outside of our control occur, we shall be entitled – without prejudice to our other rights – to withdraw from the contract either wholly or in part if our interest in the service ceases as a result.

§ 11 Payment

On the dispatch day the invoice is to be sent separately to us in duplicate. The invoice should state our order number and the accurate content and weight of the consignment and all the required mandatory information pursuant to Article 14, Para. 4 UStG (German Value-Added Tax Act). Invoices with incorrect or missing information are generally not recognized and sent back to the issuer for corrections or additions. The period for claiming any deductions will start only after receipt of a fully-completed invoice. Payment will be made, unless otherwise agreed, within 14 days less a 3% discount or net within 30 days after receipt of the goods and invoice. An offset is equivalent to a payment. In no circumstances will the payment period commence before the agreed delivery date. The claims arising from the contracts concluded with us may only be assigned with our written consent. The Supplier is not entitled to any right of set-off or retention, unless the counterclaim is undisputed or has been established in law.

§ 12 Retention of title

A retention of title is excluded for the Supplier, except where we have given our express written consent.

§ 13 Code of Conduct, Safety

1. Arichemie's precondition of any order is that the supplier undertakes to respect Arichemie's standards of conduct formulated in the **Code of Conduct for Suppliers** available on our website so that Arichemie's suppliers and subsuppliers are able to comply with Arichemie's non-negotiable minimum standards.

2. The Supplier, with regard to the products to be delivered to Arichemie, will comply with the current EU requirements/directives for the safety of ingredients, specifically with regard to the impacts on humans, nature and the environment (hereinafter referred to as "Requirements") at any time and continually check the products for compliance with the Requirements. The Supplier will continually update his knowledge of the current status of the Requirements. If changes in the Requirements necessitate changes in the manufacturing process or in the substances contained in the products, the Supplier will immediately implement these changes in consultation with Arichemie. In particular, the Supplier undertakes not to use substances in the manufacturing of products to be delivered to Arichemie which, according to EU Regulation 1272/2008, as well as its adaptations to technical progress (ATP), are classified as reprotoxic, teratogenic, mutagenic or cancerous. In addition, the Supplier undertakes not to import substances mentioned in Annexes XVI and XVII of the REACH Regulation 1907/2006 or appearing on the

SVHC list to the EU market or to use them for the manufacture of products to be delivered to Arichemie. This must be respected by all those who manufacture, use or market these substances. Adherence to the RoHS Directive (2002/95/EC) is also required.

3. Supplier shall comply with all applicable international and national laws and regulations, including and without limitation, those relating to corruption, transportation, safety, health and customs.

4. Should Arichemie be subsequently debited by a customs authority because of incorrect declarations of origin or if Arichemie incurs any other financial disadvantage and if the error is based on an incorrect indication of origin of the supplier, the supplier shall be liable for this and compensate Arichemie for any damages incurred. Further claims for damages remain unaffected.

§ 14 Industrial property rights of third parties

1. The supplier guarantees that his supplies are free from the industrial property rights of third parties (in particular patents, registered designs, copyrights etc.).

2. In the event of a breach of the industrial property rights, despite contractual use by us or by our customers, the supplier is obligated to procure the necessary rights for us from the holder of the industrial property rights at his own expense.

3. The supplier shall indemnify us and our customers on first demand from all claims by third parties of alleged breaches of industrial property rights. Moreover, he must reimburse us or our customers for all expenses, which we or our customers incurred in connection with the claims of third parties.

§ 15 Confidentiality

The supplier shall be liable for ensuring that all knowledge, experience, and data related to our company, or our business (especially our buyers, products, production facilities, production procedures, and production sites), gathered in connection with the preparation or execution of the order, will be kept secret, and will not be made accessible to any third party without our written consent unless the information becomes publicly known.

§ 16 Applicable Law

1. German Law applies.

The application of the UN Sales Convention of 11 April 1980 on international purchasing is precluded. Customary clauses shall be interpreted in accordance with the applicable Incoterms.

§ 17 Place of Performance, Jurisdiction

1. Place of performance for all reciprocal claims is Eppstein.

2. The exclusive venue for all disputes arising from the contractual relationship is the court having jurisdiction in dispute, this is, depending on the sum in dispute, either the district court of Königstein or the regional court of Frankfurt (Main). However, Arichemie is entitled to sue the supplier before any other court of statutory jurisdiction.

§ 18 Final Clauses

Should any of the provisions of these Purchasing Conditions, or of other terms agreed, be or become void, the validity of the remaining parts of these conditions shall not be affected. Contracting language is German. Provided that the contracting parties use another language at the same time, the German wording will have priority.