

## 1. General

- 1.1 These terms and conditions apply to all goods and services procured by Purchaser from Supplier, whether by written procurement agreement or purchase order. Conflicting or divergent terms or conditions of Supplier are not valid, even if not expressly contradicted, and shall only be valid if expressly agreed to in writing by Purchaser.
- 1.2 Offers shall be submitted without charge. Any deviations from Purchaser's enquiry shall be specified.
- 1.3 Purchaser may accept any offer or reject all offers.
- 1.4 Only orders submitted or confirmed in writing by Purchaser are binding.

## 2. Range of Goods

- 2.1 The Supplier shall maintain the range of goods precisely in accordance with demand and shall provide express information in the event of any deviations in the availability of the goods.
- 2.2 Prices are to be listed separately according to the price of the goods and services and VAT or sales taxes, if applicable. Any quotations shall only be remunerated on the basis of a separate agreement.

## 3. Ordering

- 3.1 Any orders and amended orders shall be made in writing. Verbal discussions shall only be binding if confirmed in writing.
- 3.2 Orders shall comply with the specifications selected by Purchaser, shall be without discernible errors and shall be fit for Purchaser's intended purpose.
- 3.3 All written communications shall specify the Purchaser's Purchasing Department and shall contain the complete order number, order date and the internal reference number of the Purchaser, if applicable.

## 4. Delivery

- 4.1 The delivery period shall commence on the date of the order. If the Supplier is unable to fulfil its contractual obligations in whole or in part, including delivery delays, Supplier shall immediately notify Purchaser. Such notification shall state the cause of the failure or delay and the proposed corrective action or anticipated delivery date. Supplier's failure to provide this required notice shall preclude Supplier from later asserting Force Majeure. Purchaser shall have the right, at its sole election, to either cancel any delayed order or receive liquidated damages accrued at the rate of 0.2 % per calendar day of the total amount of the order until delivery takes place. Liquidated damages shall be capped at 15 % of the total order value. If Purchaser elects to cancel the order, Supplier shall be liable for any direct loss suffered by Purchaser because of the delay.
- 4.2 Unless otherwise agreed, for domestic purchases delivery terms shall be DDP Purchaser's location (Incoterms 2020) and for international purchases DAP Purchaser's location (Incoterms 2020).

## 5. Warranty, Notification of Defects and Liability

- 5.1 The Supplier warrants that the goods supplied and services provided are without any defects, which may reduce their value or affect their usability, that they possess the agreed or guaranteed properties, that they are suitable for Purchaser's purpose, that they conform to generally accepted technical practice and that the delivery of the goods and the provision of the services comply with all laws, regulations and ordinances applicable to such goods or

services in the country of delivery of such goods or services. In the event that the Supplier has guaranteed the properties or durability of the goods supplied, the Purchaser may also assert a claim under the terms of such a guarantee. This shall not apply to defects or damage to the object of delivery caused by:

- a) normal wear and tear; and
- b) improper handling on the part of the Purchaser.

The Purchaser shall notify the Supplier of any defects of the goods delivered as soon as these are discovered in the regular course of business. The deadline for notification of defects shall depend on the circumstances of the individual case. Notwithstanding this, the minimum period of such a deadline for notification of defects shall comprise at least five (5) working days (Monday to Friday) after delivery has taken place in respect of obvious defects and at least five (5) such working days after discovery of the defect in respect of latent defects.

The provisions hereinabove stated shall apply mutatis mutandis to services such as assembly, maintenance, etc.

- 5.2 Unless otherwise expressly agreed, the statutory warranty limitation periods, if any, shall apply.
- 5.3 The Supplier's warranty shall also cover any items manufactured by subcontractors.
- 5.4 In the event of notification of defect, the limitation period shall be extended by the time elapsing between such notification of defect and repair of the defect. In the event that the goods are fully replaced by new goods, the limitation period shall begin anew. In the event that such goods are replaced in part, the limitation period shall begin anew in respect of such new parts.
- 5.5 Goods, which are subject to complaint under the warranty, shall remain at the Purchaser's disposal until replacements have been supplied, whereupon they shall become the property of the Supplier.
- 5.6 In urgent cases when it is not possible to wait for the Supplier to remedy a defect or in the event that the Supplier fails to repair a defect notwithstanding the setting of an additional deadline or in the event that an attempt to remedy a defect is ultimately unsuccessful, the Purchaser may eliminate the defect himself at the Supplier's expense or may have recourse to asserting the other warranty rights pursuant to Clause 5.1 hereinabove.
- 5.7 The previous provisions of this Clause 5 shall be without prejudice to any other right or remedy that Purchaser may have at law or equity in connection with a breach by Supplier of the warranties set forth above.

## 6. Tests

In the event that tests are specified for the goods supplied, the Supplier shall bear the costs of such tests in respect of the expense of conducting such tests and the human resources expenses incurred by the Supplier. The Purchaser shall be responsible for his own personnel costs incurred by the tests. The Supplier shall provide the Purchaser with binding notification no less than one week prior to the date on which the goods will be ready for testing and shall agree with the Purchaser on a date for conducting such tests. In the event that the goods are not presented for testing on the date stipulated, the Purchaser's personnel costs shall be borne by the Supplier. In the event that defects are discovered, which render it necessary to repeat the tests or conduct further tests, the Supplier shall bear all personnel costs thus incurred and all costs incurred for conducting the tests. The Supplier shall also bear all personnel costs and other costs incurred in connection with testing the materials used in executing the order.

**7. Insurance**

- 7.1 Unless otherwise agreed, transport insurance shall in all cases be taken out by the Supplier.
- 7.2 The Supplier shall conclude and maintain at his own expense adequate third party liability insurance to cover any damage caused by the Supplier, its staff or representatives resulting from services rendered or any goods or items delivered. The Supplier shall provide the Purchaser with documentation indicating the amount insured per occurrence of damage if the Purchaser so requests.
- 7.3 Any machines, appliances, etc. supplied to the Purchaser on a loan basis shall be insured by the Purchaser against usual and customary risks. Any further liability of the Purchaser concerning the destruction of or damage to such machines, appliances, etc. shall be excluded, insofar as such destruction and damage is not the result of a willful or grossly negligent act.

**8. Dispatch Requirements**

- 8.1 The Supplier is obliged to provide for each individual consignment a detailed dispatch note on the date of dispatch, separate from goods and invoice. Goods shall be accompanied by a delivery note and a packing slip. In the event that goods are to be dispatched by ship, the dispatch documentation and invoice shall specify the names of the shipping company and the ship. The Supplier shall choose a mode of transport, which is most beneficial and most suitable for the Purchaser. All dispatch notes, packing slips, bills of lading and invoices as well as all outer packaging etc. must indicate the complete order reference and details concerning the unloading point specified by the Purchaser.
- 8.2 The Supplier is obliged to pack, mark and dispatch dangerous goods in accordance with relevant national or international regulations. Accompanying documentation must indicate the risk category of the goods supplied and any further stipulations, which may be required pursuant to the relevant transportation regulations.
- 8.3 The Supplier shall be liable for any damage caused by the non-compliance with these provisions and shall be responsible for the payment of any costs thereby incurred. The Supplier shall be responsible for ensuring compliance with said shipping requirements on the part of sub-suppliers.
- 8.4 Any consignments of which the Purchaser is unable to take delivery due to the non-compliance with these provisions shall be stored at the Supplier's expense and risk. The Purchaser shall be entitled to ascertain the contents and condition of such consignments. Tools and equipment shall not be loaded in the same consignment as the goods supplied.

**9. Pricing**

The pricing on Purchaser's original purchase order as accepted by Supplier shall be binding. Any change in the price shall be mutually agreed between Purchaser and Supplier.

**10. Invoicing and Payment**

- 10.1 Invoices must be in accordance with the phraseology used, the sequence of the text and the prices stated in the order placed. Any additional or reduced services must be specified separately in the invoice.
- 10.2 Terms of payment shall begin on the dates specified, but not prior to the date on which goods or, in case invoices are issued, invoices are received. Unless otherwise agreed, any payment claim is due 30 (thirty) days net after receipt of the invoice.

- 10.3 A payment shall not be deemed to constitute the acceptance of conditions and prices. The time of payment shall be without prejudice to the Supplier's warranty obligations or the Purchaser's right to complain about defects.

If payment is made in advance, the Purchaser shall have the right to demand a bank guarantee to secure performance at Supplier's expense.

#### **11. Documentation**

- 11.1 All information, drawings, certificates standards, guidelines, methods of analysis, formulas and other documents provided to the Supplier by the Purchaser for the purpose of manufacturing the goods to be supplied and any such documents drawn up by the Supplier in accordance with special instructions submitted by the Purchaser shall remain the property of the Purchaser and may not be used for any other purpose, reproduced or made available to third parties by the Supplier. The Supplier shall surrender all such documentation and all copies and duplicates thereof without delay if so requested. The Purchaser shall retain the industrial and intellectual property rights to all documents provided to the Supplier. The Supplier is obliged to treat all enquiries and orders and all work and information associated therewith with strictest confidence. The Supplier shall be liable for any loss incurred by the Purchaser arising as a result of a breach of any one of these obligations by the Supplier. The Supplier shall provide the Purchaser with all documents required for discussing any details of the goods to be supplied. Any such detailed discussion concerning the goods to be supplied or any other involvement of the Purchaser shall take place exclusively within the area of responsibility of the Supplier and shall not release the Supplier from any warranty or other obligations.

- 11.2 The Supplier shall provide the Purchaser free of charge, unless otherwise agreed with all documents required by the latter for using, assembling, installing, processing, storing, operating, servicing, inspecting, maintaining or repairing the goods supplied and shall provide any such documents in a timely manner, and without being specifically requested to do so.

- 11.3 Any standards and guidelines specified by the Purchaser shall apply as amended.

#### **12. Objects**

Any molds, models, tools, films, etc. that have been manufactured by the Supplier for the purpose of fulfilling the order, shall become the property of the Purchaser once payment has been made for such objects. This shall apply even in the event that said objects remain in the possession of the Supplier. Said objects shall be handed over to the Purchaser on request.

#### **13. Assembly, Maintenance, Inspection, Repairs, etc.**

- 13.1 In the event that assembly, maintenance, inspection, repair work, etc. is carried out on the Purchaser's premises, such work shall be subject to the safety and procedural regulations applying in respect of external companies executing orders on the premises of Purchaser or its affiliated companies. The current version can be found on our homepage [www.kronostio2.com](http://www.kronostio2.com). An indication of this is included in our orders.

- 13.2 The Purchaser shall not be liable for any damage or loss to any property of the Supplier brought onto the Purchaser's premises by the Supplier or the Supplier's staff.

#### **14. Patent Infringement**

The Supplier guarantees that patents, licenses or industrial or intellectual property rights of third parties will not be infringed as a result of the supply or use of the goods supplied by the Supplier. Any required license fees shall be borne by the Supplier.

**15. Advertising Material**

The Supplier shall not refer to business relations with the Purchaser in any information or advertising material without the Purchaser's express written agreement.

**16. Applicable Law, Interpretation of the Provisions of the Agreement etc.**

16.1 The law of the jurisdiction of the Purchaser's incorporation shall govern all deliveries of goods and services and shall apply to all disputes related thereto and to the interpretation of these terms and conditions, without regard to conflicts of laws principles of such jurisdiction. The application of the UN Convention on Contracts for the International Sale of Goods, as amended, shall be excluded.

16.2 Customary trade terms shall be interpreted in accordance with the Incoterms 2020.

**17. Subcontracting**

Subcontracting, in whole or part, is prohibited without the express written consent of the Purchaser.

**18. Data protection**

Supplier acknowledges and agrees that Purchaser will store and use its personally identifiable information in connection with Suppliers provision of goods and services to Purchaser.

**19. Place of fulfillment**

For deliveries and services, the unloading point shall be Purchaser's location unless otherwise agreed in writing.

**20. Agreement on Place of Jurisdiction**

The sole place of jurisdiction for disputes hereunder shall be the jurisdiction of the Purchaser's incorporation.

**21. REACH**

21.1 For European purchases, if there is a requirement that the product must be registered according to REACH, upon delivery the product shall be approved and registered according to REACH regulations.

21.2 All costs in connection with REACH compliance shall be borne by the Supplier.

