



GENERAL CONDITIONS OF PURCHASE

§ 1 GENERAL – SCOPE OF APPLICATION

- (1) Our Conditions of Purchase apply exclusively, and in particular for all contracts between us and companies, legal persons under public law or public-law special funds as defined by § 310 Para. 1 of the German Civil Code - BGB - (hereinafter referred to as “suppliers”), which involve the purchase of goods, deliveries based on a contract for labour and materials, services or works of any kind by us. The parties’ rights and obligations under statutory regulations are unaffected by this, unless otherwise specified in these Conditions of Purchase. We will not accept any of the suppliers’ conditions, which are contradictory to or differ from our own Conditions of Purchase, unless we have given explicit consent to these in textual form. Our conditions will also apply, where we accept delivery from a supplier unreservedly in the knowledge of that supplier’s conditions, which may be contradictory to or differ from our own conditions of purchase.
- (2) Agreements between us and the supplier are only effective, if they have been agreed in textual form.

§ 2 ORDERS – SPECIFICATIONS – CONSISTENT QUALITY AND PARAMETERS – ACCEPTANCE PERIODS, DOCUMENTS

- (1) We are only tied to our orders for a period of 2 weeks.
- (2) The supplier guarantees that the goods delivered and services rendered by him use the most up-to-date technology available and also comply with relevant national and international legal regulations and guidelines.
- (3) The supplier makes the assurance to carry out suitably detailed and appropriate quality assurance using the latest technological means and agrees to provide evidence of this on request.
- (4) For orders of raw materials and goods for trade, the relevant specifications agreed with the supplier form part of the contract and the supplier is obliged to provide the goods or services as specified.
- (5) Those specifications for the items (or services) supplied, which are not set out in the contract between us and the supplier may be determined by us unilaterally at our reasonable discretion in accordance with § 315 BGB.
- (6) Where there is no particular specification agreed for a parameter (and where this is also not determined by us retrospectively in accordance with section (5)), then a specification, which was agreed for a previous order for the same goods or service, will also apply for the current order, with respect to this parameter.
- (7) Where there is no particular specification agreed for a parameter (and where this is also not determined by us retrospectively in accordance with section (5)), and where is no specification available from previous orders for the same goods or service with respect to this parameter (in accordance with section (6)), then the goods supplied and services rendered by the supplier must exhibit the quality and parameters to goods supplied or services rendered by the supplier in previous orders with respect to their quality and their parameters (e.g. viscosity, degree of whiteness, density, DE2000, pH-value, etc.) and may not deviate in the relevant measure from this level of quality and these parameters.
- (8) We retain the title and copyright for images, diagrams, calculations and other documents; these may not be made accessible to any third party without our express permission in textual form. They should only be used exclusively for the purpose of completing our order; they have to be returned to us automatically once the order has been completed. They have to be kept confidential from third parties and § 10 Para. (5) is also applicable here.

§ 3 PRICES – DELIVERY LOCATION – PAYMENT CONDITIONS

- (1) The price indicated in our order is binding. Unless agreed otherwise in textual form, delivery has to be made DDP (“delivery duty paid”) in accordance with Incoterms 2010 to the location indicated in our order – if this is not specified: Keimstraße 16, 86420 Diedorf. Also for services where Incoterms 2010 is not applicable, the price includes all costs for travel and transport, customs duty and formalities and packaging, unless agreed otherwise.
- (2) We will not compensate the supplier for the costs of producing his quote, in particular we will not pay for travel costs, samples, working out quotes, projects, plans, etc.
- (3) Statutory VAT is not included in the price.



- (4) We can only process invoices if – as stipulated in our order– they include the order number stated; the supplier is liable for all consequences arising from any non-compliance with this obligation, unless he is able to prove that he is not at fault for this.
- (5) We will pay, unless otherwise agreed in textual form, the purchase price within 14 days with 3% discount, or within 30 days net. Payment terms start from when the invoice is received (= receipt of a verifiable invoice which satisfies (if applicable) the agreed criteria), however not before delivery or acceptance for works undertaken and provision of services for any other services.
- (6) We retain rights of offsetting and retention within the scope of the law.

§ 4 DELIVERY TIME, SCOPE OF DELIVERY, DELAYED DELIVERY

- (1) The delivery time specified in the order is binding. Partial deliveries are only permitted where authorized by us in textual form.
- (2) The supplier agrees to inform us unhesitating in textual form, if any circumstances occur or become apparent to him, which would result in the stipulated delivery time not being met.
- (3) The supplier must notify us when the goods are dispatched, so that, by 2 pm on the working day prior to delivery, we are aware of details about the number of units, dimensions, weight, and if necessary any specific regulations for handling the goods (in particular for unloading, transport and storage), and all other essential information required for the goods to be received.
- (4) As part of the delivery, the supplier must provide, free of charge and in digital format or in a form which can be scanned easily, all documentation required for acceptance, operation, maintenance, repair of the item supplied, which includes e.g. operating instructions, test records, diagrams, plans, repair manuals etc.
- (5) The supplier must add a delivery note to every delivery, on which all advisory labels included in our order are indicated. In particular, agreed partial orders and deliveries to complete an order have to be labelled appropriately. The delivery note has to be attached or enclosed, so that it is accessible and can be checked without opening the packaging.
- (6) In the event of a delayed delivery we are entitled to exercise our statutory rights. In particular, we have the right to withdraw from the contract after a reasonable period has passed with no delivery and to seek damages in lieu of performance of the contract. If we seek damages, the employer is entitled to provide us with proof that he was not at fault for breaching contractual obligations.
- (7) In the event of a delay, we may also impose a contractual penalty for an amount determined by us at our reasonable discretion, in accordance with § 315 BGB.

§ 5 TRANSFER OF RISK – PACKAGING - DOCUMENTS

- (1) Transfer of risk, including any price risk, is only taking place on delivery to the location specified in our order.
- (2) The goods must be packaged in line with national and international statutory requirements.
- (3) The supplier is obliged to indicate our order number precisely on all dispatch papers and delivery notes; if he fails to do so, we are not liable for any delays in processing.

§ 6 ABSENCE OF DEFECTS – INVESTIGATION OF DEFECTS – LIABILITY FOR FAULTS – CONTRACTUAL PENALTY

- (1) We are obliged to check goods supplied for any variations in quality and quantity with respect to the relevant characteristics at the next available opportunity, whenever this is possible during our normal course of business and in line with our workplace organisation without any special arrangements and as soon as this is economically feasible for us.
- (2) We are entitled to make statutory claims for defects in full; in any event we are entitled, at our own discretion, to request that the supplier resolves the fault or delivers of a new item. The right to claim damages, in particular the right to claim damages in lieu of performance of the contract remains explicitly reserved.
- (3) We are entitled to resolve defects ourselves, at the supplier's expense, if a delay presents any risk or there is a particular need for urgency.



- (4) § 445a BGB and § 445b BGB shall apply analogously in those cases, in which we have connected, mixed or in another way used a product or a performance obtained from the supplier for the production of a product or for a performance, and a defect of our product or performance is due to the product or performance obtained from the supplier. There is no right of choice of the supplier as to whether he undertakes respectively organizes the removal and the installation respectively the attachment of the repaired or delivered defect-free product or performance, or pays the replacement.
- (5) In the cases of paragraph 4, the supplier is also obliged to reimburse the costs incurred by us due to the production of a new product or for a new performance, which was necessary in the context of the fulfilment of the claims against us.
- (6) For defects, which place a not insignificant restriction on serviceability, we may impose a contractual penalty for an amount determined by us, at our reasonable discretion, in accordance with § 315 BGB.
- (7) The period of limitation shall be 36 months, dated from the transfer of risk. Where statutory regulations set a longer period of limitation, then these will apply.

§ 7 SAFETY AT WORK – LIMITATION OF LIABILITY – ACCIDENT PREVENTION – ENVIRONMENTAL PROTECTION

- (1) The supplier shall be liable for ensuring that the structural condition (construction and design) of the technical work equipment (plant and machinery) fulfils at least the current relevant and applicable regulations on accident prevention in the German ordinances relating to the workplace and to hazardous materials (ArbStättV and ArbStoffV), as well as the rules on technical safety and occupational health. Any additional requirements, which pass into national law as a result of the implementation of EU guidelines or other international rulings or treaties, must also be observed.
- (2) Where suppliers are required to carry out works in our factory and production areas, we are only liable for intentional and grossly negligent breaches of duty caused by us. This does not apply where we are liable for loss of life, physical injury or damage to health, or violate an essential contractual obligation. In connection with this, the supplier should also note that he is obliged to comply with the provision in § 11 (4).
- (3) Any supplier, who has to provide services or works on our premises as part of his contract with us, will ensure that his legal representatives, subcontractors and other employees have adequate insurance coverage against accidents at work.
- (4) When supplying new raw, auxiliary and operating materials for use by us, safety information and data sheets must be provided. This also applies in the event that safety information and data sheets are updated.

§ 8 PRODUCT LIABILITY – INDEMNITY – LIABILITY INSURANCE COVER

- (1) Where the supplier is liable for damages in accordance with the provisions in the law on product liability, he agrees to indemnify us against claims for damages from third parties at the first request, where the cause for this lies within his sphere of control and organisation and he himself is liable in respect of third parties.
- (2) As part of his liability for damages as defined in Para. (1), the supplier also agrees to cover any expenses in accordance with §§ 683, 670 BGB or §§ 830, 840, 426 BGB, which might arise from or in connection with any recall campaign carried out by us. We will inform the supplier about the content and scope of the recall campaign being carried out – as far as is practicable and reasonable – and give him the opportunity to comment on this. Other statutory claims are unaffected by this.
- (3) The supplier agrees to maintain product liability insurance cover as appropriate for his volume of business and the scope of potential risks arising from this, with its total coverage being no less than € 10 million for personal / material damages – as a lump sum –; where we have further entitlements to make claims for damages, these are unaffected by this.

§ 9 PROPERTY RIGHTS

- (1) In connection with his delivery, the supplier guarantees that no third parties rights have been violated within the Federal Republic of Germany.



- (2) If claims for violation of rights are made against us by a third party, the supplier is obliged to indemnify us at the first request in textual form against the claims being asserted; unless we have the supplier's consent, we are not entitled to enter into any arrangements with the third party, in particular we are not entitled to agree any settlement.
- (3) The supplier's duty of indemnification relates to all our expenses, which by necessity stem from or are in connection with the claim made by a third party.
- (4) The period of limitation is ten years, calculated from the date on which the contract is signed.

§ 10 RETENTION OF TITLE – PROVISION – TOOLS – CONFIDENTIALITY - SURRENDER-OFFSETTING

- (1) Where we provide parts to the supplier, we retain the ownership of these. The supplier is carrying out any processing or alterations on our behalf. If the goods for which we hold retention of title are processed along with other items not belonging to us, we shall acquire co-ownership of the new item in proportion of the value of our property (purchase price plus VAT) to the other items processed at the time of processing.
- (2) If the item provided by us is irrevocably mixed with other items which do not belong to us, we shall acquire co-ownership of the new item in proportion of the value of our property (purchase price plus VAT) to the other items mixed together at the time of mixing. If the mixing results in the supplier's property being clearly visible as the main constituent of the item, it is hereby agreed that the supplier will transfer proportionate co-ownership to us; the supplier will store the goods which are our sole ownership or in our co-ownership on our behalf.
- (3) If the collateral rights assigned to us in accordance with Para. (1) and/or Para. (2) exceed the purchase price of all our unpaid goods under retention of title by more than 10%, we are obliged, at the request of the supplier, to release the collateral rights at our discretion.
- (4) We retain ownership of tools; the supplier agrees to use the tools exclusively for the manufacture of the goods ordered by us. The supplier agrees to insure at his own expense the tools belonging to us against damage from fire and water and against theft for their original value. At the same time, the supplier already now assigns to us all claims for damages arising from this insurance; we hereby accept this assignment of rights. The supplier is obliged to carry out in due time and at his expense any maintenance and inspection works required for our tools, as well as all servicing and repair works. He has to notify us immediately of any malfunctions; entitlement to damages shall remain unaffected if the supplier culpably fails to discharge this obligation.
- (5) The supplier agrees to maintain strict confidentiality in respect of all images, diagrams, calculations and other documents, data and procedures he has received and become aware of in carrying out his delivery/service. These may only be disclosed to third parties with our express permission in textual form. This duty of confidentiality will also continue to apply after this contract has expired; it becomes null and void, if and insofar as the manufacturing techniques or data or procedures contained in the images, diagrams, calculations and other documents surrendered to him have become public knowledge.
- (6) The transfer of monetary claims as well as any other claims arising from the implementation of the contractual relationship to third parties by the supplier is only effective with our agreement in textual form. In accordance with §354a of the German Commercial Code (HGB), it therefore follows from this provision that, although a transfer of this nature is permitted, we are still able to discharge our obligations by making payment to the supplier.
- (7) The supplier may only be entitled to offset claims that are either uncontested or have been upheld by law. The supplier may only exercise a right of retention, if the claim on which the right of retention is based stems from the same contractual relationship.

§ 11 OBLIGATIONS AND ASSURANCES RELATING TO COMPLIANCE WITH LEGAL NORMS, INTERNATIONAL TREATIES AND STANDARDS

- (1) The supplier makes the assurance that he will abide by the relevant applicable legal norms, international treaties and standards, especially in respect of human rights (in accordance with ECHR and UDHR), non-discrimination and fair working conditions (in accordance with ILO core labour standards), environmental protection and hazardous materials legislation. He makes the further assurance that he will abide by all steps and recommendations, which the Association of the German Paint and Print Industry reg. soc. (even if the supplier is not a member of this association) and additionally the steps and recommendations of all associations, in which the supplier is a member, have issued for their members relating to compliance with these norms, treaties and standards, including in particular the abolition of child labour, forced labour, etc.



- (2) In particular, the supplier makes the assurance that he will comply with regulations relating to the health and safety at work of his employees and that he provides safe and healthy working conditions.
- (3) In particular, the supplier makes the additional assurance that his employees, who are working on our premises, will make themselves available for regular briefings under § 12 Para. 2 German General Equality of Treatment Act (AGG), and will provide evidence of these briefings to us on request. If we have become liable for our staff becoming disadvantaged and this has been caused by the supplier's staff, in particular under § 15 Para. 1 and 2 AGG, the supplier will indemnify us against any subsequent financial damages.
- (4) The supplier further agrees to ensure and guarantee that all persons carrying out works on our premises on behalf of the supplier as part of fulfilment of the contract agreed between us and the supplier, will observe the provisions in the "guidelines for external contractors" (available at <https://www.keim.com/en-de/general-terms-and-conditions/>).
- (5) In addition, the supplier agrees to comply with all his obligations arising from minimum wage legislation. The supplier will also obtain the agreement of all subcontractors appointed by him in his supply chain to comply with these obligations and provide proof of this to us on request. The supplier will indemnify us against all claims and demands made by third parties (e.g. employees/temporary workers in the supply chain, social insurance agencies, public authorities, etc.), which are based on any violation of obligations under minimum wage legislation, which is attributable to the supplier, or on any violation of obligations under minimum wage legislation by subcontractors appointed by him. This duty of indemnification includes in particular costs for legal proceedings and legal defence arising in connection with this, as well as fines. With employee wage demands transferred to us under § 774 BGB, we are entitled to offset these against the supplier's rights to payments - even if he has become insolvent.
- (6) The supplier makes the assurance that he will also promote compliance with the norms, treaties and standards named in Para. (1) within his own supply chain and will take appropriate steps in this regard. He makes the further assurance that he will also ensure compliance with the regulations named in Para. (2) to Para. (4) in his supply chain.
- (7) We consider compliance with the norms, treaties and standards named here in § 11 as essential for the contractual relationship with our supplier. Culpable violation of these will constitute a right to invoke an extraordinary termination by us of the contract concerned without notice. If this occurs, we also reserve the right to make a claim for damages against the supplier. The supplier agrees to provide us with appropriate evidence of compliance with the norms, treaties and standards named on request, as well as consenting, at our request, to verification of compliance by persons subject to obligations of professional confidentiality.

§ 12 JURISDICTION - PLACE OF FULFILMENT - APPLICABLE LAW

- (1) If the supplier is a business person (as defined by § 1 HGB (German Trade Law)), our main office is the place of jurisdiction; we are however also entitled to institute proceedings against the supplier at his own local court.
- (2) The delivery address named in our order is the place of fulfilment. If no delivery address is stated on our order, then our main office is the place of fulfilment.
- (3) The contractual relationships are regulated exclusively by national law as applicable inside the Federal Republic of Germany with the exclusion of UN purchasing law (CISG).

§ 13 FINAL PROVISIONS

If one of the clauses agreed herein or any of the other agreements between the parties to the contract is fully or partially invalid, this will have no effect on the validity of the remaining General Conditions of Purchase and of all other contractual agreements.