

## **General Terms and Conditions (GTC)**

### **1. Validity**

Any deliveries and related services to companies are made exclusively on the basis of the GTC. The instructions of the contracting entity or purchaser (hereinafter: "Customer") which refer to their own terms and conditions are hereby rejected. Deviations from the GTC require the express written approval of the supplier or seller (RECA plastics GmbH, hereinafter: "RECA").

### **2. Conclusion of contract**

2.1 The offers of RECA are non-binding and shall be seen as a request to the customer to make an offer to RECA. To conclude a contract, the customer order (offer) and approval by RECA (which can be stated within 14 days from receipt of the offer) are required. If this should differ from the order, it shall be considered as a new offer from RECA. Verbal agreements, promises, assurances or guarantees by employees of RECA in connection with the conclusion of the contract shall only become binding upon written confirmation from RECA.

2.2 RECA is always entitled to demand a binding determination on the above data from the customer in the case of a call-off order without agreed period of validity, goods acceptance dates or production lot sizes. If the customer does not provide information in this regard within two weeks of being requested to do so, RECA is entitled to set a reasonable grace period and withdraw from the contract after this period has lapsed without success, and/or demand compensation for damages.

### **3. Condition and suitability**

3.1 Unless otherwise agreed, the condition of the goods shall be based exclusively on RECA product specifications. The characteristics of samples or models sent by RECA are only binding insofar as they had been expressly agreed as condition of the goods. In consideration of the customer's interest, RECA reserves the right to change the technical or chemical specifications.

3.2 Insofar as RECA provides support services, such as customer consultation, these are provided to the best of our knowledge. Information about the suitability and use of the goods does not release the customer from conducting its own testing, especially with regard to the suitability of the delivered goods for the purposes intended by the customer.

### **4. Prices**

4.1 Unless otherwise agreed, prices provided by RECA should be understood as "Ex Works" (excluding VAT and other ancillary costs such as packaging and freight). Determining factors (such as quantity, dimensions, weight) that RECA submits to the customer in the declaration of acceptance are decisive for price determination. RECA shall be entitled to change the prices of the goods four weeks after the conclusion of the contract and before delivery, due to circumstances which result in a change in the raw material and/or economic situation and which make the production or purchase of the goods significantly more expensive than at the time of the price agreements, as well as due to an error in the base calculation. RECA is obliged to notify the customer of the price change immediately. In the event of such a price increase, the customer is entitled to withdraw from the contract within 14 days of notification.

4.2 When carrying out the contract in the EU, the customer must provide RECA with its VAT identification number prior to completing the sale. If the customer does not provide RECA with a proof of export required for tax purposes, the customer should also pay the value added tax to be levied on the invoice amount for services within the Federal Republic of Germany.

## **5. Payment terms**

5.1 Unless otherwise agreed or stated in RECA invoices, the purchase price shall be due immediately upon delivery without any discounts, and payment shall be made in such a way that RECA may dispose of the amount in euros on the due date. The costs of payment transactions are borne by the customer. The place of performance for the customer's obligation to pay is RECA's registered office, irrespective of the place of delivery of the goods or the documents.

5.2 The customer shall be in default no later than thirty days after the due date and receipt of the invoice or receipt of the service. RECA is entitled to demand default interest in the event of default by the customer in the amount of 9 percentage points above the discount rate applicable at the time of default, and published by the primary bank of the country in the currency of which the invoice had been issued; for euros, the base interest rate shall apply. Non-payment of the purchase price despite the fact that payment is due is an essential contract infringement. In the event of default in payment by the customer, RECA is entitled to demand the provisional surrender of goods belonging to RECA at the expense of the customer, even without withdrawal from the purchase contract and without setting a grace period.

5.3 The customer may only set off claims put forth by RECA with an uncontested or legally binding counter claim, unless the offsetting claims pertain to the relationship of mutuality. The above provision applies mutatis mutandis to a right of retention asserted by the customer.

## **6. Delivery**

6.1 Unless otherwise regulated, the delivery will be made in accordance with the date in the order confirmation. Partial deliveries are permitted, if such are necessary for RECA to fulfill the contract and if they are reasonable for the customer. Shipment is at the risk and expense of the customer. RECA shall determine the transport route and means of transport, as well as the forwarding agent and carrier, while taking the customer interest into account. The customer is in principle responsible for the observance of legal regulations regarding transport, import, storage and use of the goods.

6.2 For each delivery, the RECA registered office shall apply as the place of fulfillment. In the case of delivery of the goods to a consignor or with agreed pickup of goods with their provision communicated to the customer, the risk of accidental loss, loss or damage to the goods is transferred to the customer. The above also applies to freight-paid delivery.

6.3 If loaned packaging is used in the delivery, it is intended for the transport of the delivered goods only and must be returned immediately to RECA by the customer at its expense. Until receipt by RECA, the customer shall be responsible for any damage or loss, if due to negligence by the customer.

## **7. Molds**

7.1 If RECA separately produces molds for the manufacture of goods, this shall in principle be at the expense of the customer. The cost of the molds does not include the cost of testing and processing equipment, or the cost of sampling and changes made by the customer after placing the order.

7.2 The mold costs offered are always proportionate mold costs of 50%. In principle, the costs for molds amounting to 50% are payable without any deductions upon order confirmation. As long as the customer complies with payment and acceptance obligations, the molds will be used only for the specific customer order. RECA shall keep the molds manufactured for the customer for two years from the date of the last delivery of the product manufactured by the mold.

7.3 Basically, RECA retains ownership of molds made for the customer. Regardless of the legal right of the customer to recover possession of the molds and the service life of the molds, RECA shall be entitled to exclusive ownership of the molds until the acceptance of an agreed minimum quantity has been made and/or until the agreed upon production period has expired. At the request of the customer, the molds can be maintained and/or insured at the customer's expense. If it is agreed that the molds should become the property of the customer, they will be transferred accordingly upon final and full payment of the purchase price for the molds. Storage shall be assured by RECA, instead of handing the property over to the customer.

7.4 If the customer should provide the molds used to execute the order to RECA, the liability of RECA is limited for storage and any maintenance to the diligence of a professional trader. Liability of RECA for breach of duty is governed by the provisions of Section 10. The obligations of RECA with regard to the molds stored for the customer expire if the customer fails to pick up the molds

by a set deadline.

7.5 Subsequent orders using the molds made for the first order can only be accepted by RECA if the molds which had been used are still available at RECA or if there is any obligation to retain the molds. However, the customer has no claim to the terms of the first order.

## **8. Customer rights in case of defects**

8.1 The customer should report any complaints for transport damages immediately within the deadlines set for this purpose.

8.2. Any defects of the goods, which can be detected through a proper inspection, should be communicated to RECA immediately upon receipt of the goods; other defects immediately after their discovery. Notification should be made in writing, and the nature and extent of the defects should be specified.

8.3 In the case of defective goods, of which the customer has duly notified RECA in accordance with the rules above, RECA is entitled to statutory rights with the following stipulations: initially, RECA has the right, at its discretion, either to remedy the defect or to supply the customer with non-defective goods (supplementary performance). RECA reserves the right to make two attempts of supplementary performance. Should the supplementary performance fail or be unreasonable for the customer, the customer can either withdraw from the contract or demand a reduction in the purchase price. For claims for damages and for compensation for expenses incurred in vain due to a defect, section 10 shall apply.

8.4 Warranty claims of the customer expire after one year from the delivery of the goods. Instead of the deadline specified above, the statutory limitation periods below shall apply:

- a) in the case of liability owing to intent,
- b) in the case of fraudulent concealment of a defect,
- c) for claims against RECA for the defectiveness of a good, if it has been used for a structure in accordance with its normal use and has caused its defectiveness,
- d) for claims for damages resulting from injury to life, limb or health, which are based on a negligent breach of duty by RECA or a willful or negligent breach of duty by a legal representative or vicarious agent of RECA, and
- e) for claims for other damages that are based on a grossly negligent breach of duty on the part of RECA or on an intentional or grossly negligent breach of duty of its legal representative or vicarious agent.

## **9. Exemption**

The customer shall exempt RECA from claims of third parties arising from the fact that RECA violates the rights of third parties due to the specified customer specifications regarding marks, designs, utility models or patents, drawings or designs for the ordered goods or services. The customer must compensate RECA for all damages caused by such a case.

## **10. Liability and force majeure**

10.1 RECA is liable for damages in accordance with the statutory provisions. In case of simply negligent violation of essential contractual obligations, RECA's liability is limited to the replacement of typical, foreseeable damages; in the event of simply negligent breach of non-essential contractual obligations, RECA's liability is excluded. The above limitations of liability do not apply to damage resulting from injury to life, limb or health.

10.2 If circumstances beyond the control of RECA (such as natural disasters, war, labor disputes, shortages of raw materials and energy, traffic and operational disturbances, fire and explosion damage) reduce the availability of the product, such that RECA cannot fulfill its contractual obligation, RECA is released from the contractual obligations and is not obliged to procure the goods elsewhere for the duration of the disturbance and to the extent of its effects. The above also applies if the circumstances make the execution of the contract for RECA uneconomic in the long term. If these circumstances persist for more than three months, RECA is entitled to withdraw from the contract. RECA must notify the customer immediately of this disturbance. In the event of execution of the contract following the disturbance, the delivery time shall be postponed by the period of the ongoing disturbance and the period needed to reestablish business relationships with RECA's affected trading partners.

## **11. Collaterals**

If it becomes apparent to RECA after the conclusion of the contract that the claim for payment is at risk due to a lack of efficiency of the customer, RECA is entitled to the rights under §321 of the German Civil Code - BGB (objections due to uncertainty). In the event of reasonable doubts as to the customer's solvency, in particular in the case of default of payment, RECA may, subject to further claims, revoke payment terms granted and make further deliveries dependent on the concession of security.

## **12. Retention of title**

12.1 In any case, RECA will remain the owner of the delivered goods until full payment of the purchase price. If the customer has paid the purchase price for the delivered goods, but further liabilities from the business relationship with RECA are not fully met by the customer, RECA shall further reserve ownership of the delivered goods until full payment of all liabilities.

12.2 In the case when the customer processes goods supplied by RECA, RECA is considered the manufacturer and acquires ownership of the newly created goods. If processed together with other materials, RECA directly acquires co-ownership of the new goods in proportion to the invoice value of the goods delivered by RECA to that of the other materials.

12.3 If a connection or combining of the goods delivered by RECA with a product of the customer takes place in such a way that the customer's item is to be regarded as the main item, it shall be deemed agreed that the customer transfers co-ownership of the main item to RECA, in proportion of the invoice value of the goods delivered by RECA to the invoice value (or, in the absence of such, the market value) of the main item. The customer retains the resulting sole ownership or co-ownership free of charge for RECA.

12.4 The customer is entitled to dispose of the goods owned by RECA in the ordinary course of business, as long as the customer is not in default. All claims arising from the sale of goods to which RECA has reserved ownership shall be assigned to RECA at the time of the conclusion of the contract with RECA; insofar as RECA has acquired joint ownership in the event of processing, combining or mixing, the assignment is made in the ratio of the value of the goods delivered by RECA under reservation of ownership to the value of the goods subject to the reservation of ownership by third parties. The customer shall assign recognized balance claims from current account agreement to RECA at the time of the conclusion of the contract with RECA in the amount of RECA claims still outstanding at that time.

12.5 Upon request, the customer should provide RECA with all necessary information about the stock of the goods owned by RECA and the receivables assigned to RECA. Likewise, the customer shall, upon request, identify any goods owned by RECA as such, as well as inform its customers of the

assignment.

12.6 If the value of the collateral exceeds the value of RECA claims by more than 15%, RECA shall waive the collateral in this respect.

### **13. Final provisions**

13.1 The contract language is German. If the GTC should also be submitted to the customer in a language different than the contract language, this will only be done to facilitate understanding.

13.2 The ineffectiveness of an agreement or parts of an agreement between the contracting parties has no influence on the existence and continuity of the respective contract.

13.3 The place of jurisdiction is, at the discretion of RECA, either the court responsible for the jurisdiction of the RECA registered office or the court competent under the applicable general statutory provisions.

13.4 The contract is subject to the substantive law of the Federal Republic of Germany, under exclusion of the United Nations Convention on Contracts for the International Sale of Goods ("CISG").