

## **GENERAL TERMS AND CONDITIONS OF PURCHASE**

(As of: 1 January 2012)

The following General Terms and Conditions of Purchase shall apply for all orders of Coveris Flexibles Deutschland unless individual agreements that differ from these are made in writing. They shall apply with respect to commercial business partners as well as for follow-up transactions without these requiring further communication of the terms and conditions.

### **1. ORDER, CONTRACT**

Only members of the board of management as well as staff of the purchasing department or staff authorised by the purchasing managers are entitled to place orders to the account of Coveris Flexibles Deutschland. Orders shall be placed strictly in writing. Should verbal or telephone orders as an exception have immediate obligations, this shall be expressly emphasised by the purchaser. The content of such an order shall be specified subsequently by our letter of confirmation. Upon acceptance of the order, the supplier/manufacturer accepts our General Terms and Conditions of Purchase.

Should changes occur to the delivery or production programme on the part of the deliverer or manufacturer after receipt of our order, we are to be informed immediately so that we can make a decision regarding this. All offers and samples shall be free of charge for us. The supplier must represent us in the event of force majeure, riots and industrial disputes or other disturbances to the delivery and production of the supplier. In the event of force majeure, riots, industrial disputes and other disruptions of business on the part of Coveris Flexibles Deutschland, we are entitled to withdraw from the contract. This shall also apply in the event of relevant disruptions of business on the part of third parties whose operation is significantly important for the manufacture of a Coveris product.

If the supplier makes changes to the order, such changes must be expressly approved by our company in advance and shall result in a new order placement or an order change which takes the amendment into account. For an online arrangement, the contract shall be made if the order confirmation from our company is received by the suppliers.

By accepting an order from our company, the supplier acknowledges these Terms and Conditions of Purchase irrevocably and unconditionally. Statements from the supplier which differ from the order and are made together with the order confirmation shall only be effective if they are acknowledged by our company in writing. Furthermore, changes to the Terms and Conditions of Purchase may no longer be made if the supplier and our company have agreed on the Terms and Conditions of Purchase applicable for the order before issuing of the order.

The following order of priority shall apply for the content of the purchase agreement:

- The written contract signed by the contracting parties and/or
- The purchase order
- These Terms and Conditions of Purchase
- The Product Requirement Document/ Functional Specifications Document
- The technical product specifications
- The order confirmation

### **2. PRICE**

The prices are fixed prices excluding VAT unless a reduction of price occurred between ordering and delivery. In this case, the lower price shall be authoritative.

The prices are to be understood free delivery including packing and packaging (which we can return free of charge according to the Packaging Ordinance based on § 14 Waste Management Act), insurance, installation, duty paid. The supplier shall bear the risk for the transport of the goods.

For machines and mechanical systems, the proper installation and start-up including briefing of our staff is included in the price. The supplier must take care of the proper removal of any waste (building rubble, packaging material etc.) at its own cost.

The supplier shall ensure and guarantee that the price billed to our company for delivery is at least as

low as the price which the supplier bills to other purchasers at similar conditions and that all prices comply with all applicable laws and provisions at the time of the offer, sale and delivery. The supplier shall ensure that the prices billed to our company are comparable with prices of other suppliers for similar products. The supplier shall take part in our company's cost saving and production increase programmes.

### **3. DELIVERY DATES AND DEADLINES**

The agreed delivery dates and deadlines shall be binding. The receipt of goods at our office or proper installation and start-up in the case of machines/systems by the supplier at the same location shall determine timely delivery.

We are to be informed immediately in writing with details of reasons of all circumstances which could lead to a delay of the delivery date. In the event that goods are not delivery on schedule or by the deadline - even if no one is at fault - we are entitled to withdraw from the contract or to demand compensation due to non-fulfilment, after setting of a reasonable extension time. If the delivery deadline was expressly referred to as a fixed deadline in our order, the supplier is liable without warning for all damages including consequential damages in the event of delay in delivery.

### **4. TRANSPORT, DELIVERY, CUSTOMS REGULATIONS AND EXPORT CONTROL**

Unless otherwise expressly agreed in writing between the parties, the supplier must undertake the shipping of the supplies on the delivery date to the place of delivery specified in the order at its own cost and risk DDP (Delivery Duty Paid (Incoterms 2010)) according to the Incoterms valid at the order date. All fees and duties shall be settled by the supplier unless otherwise agreed by the contracting parties.

The packaging of the supplies must be suitable for the product, the means of transport and its proper unloading at the destination. On the exterior of each packaging unit, the required labelling based on the applicable shipping instructions as well as directions for special storage conditions must be attached legibly. All damage resulting from unsuitable or incorrect packaging of the supplies (ruined goods, short delivery, loss etc.) shall be at the cost of the supplier. The supplier is obliged to comply with all instructions which apply to the transport of goods ordered by our company. The supplier shall ensure that the supplies are not damaged during shipping e.g. by instructing the carrier not to transport hazardous goods and operating materials besides the supplies ordered by our company. The supplier shall hand over to our company immediately on request the required certificates of origin as well as all other information on taxes and duties arising, including VAT and information on the source of the supplies in order to fully comply with all customs, tariff and other applicable official regulations.

### **5. EXCESS OR SHORT DELIVERIES**

Only excess or short deliveries up to 1% shall be considered negligible deviations of quantity in terms of § 378 HGB (German Commercial Code).

### **6. PAYMENT**

We shall regulate bills to the end of the month within 65 days after receipt of the bill and receipt of the total goods. If we pay within a time limit of 35 days to the end of the month, we shall deduct 3 % discount. We shall send back bills which cannot be processed properly due to missing information. The payment deadline shall only begin upon new receipt of the complete bill.

We are entitled to bring claims strictly within 3 weeks after receipt of the goods or in the case of hidden defects after discovery of the defect.

## **8. GUARANTEES, COMPENSATION, LIMITATIONS**

The supplier shall ensure that it complies with the statutory and official requirements in its deliveries - in particular in the area of food law, environmental law and noise control - and also with the approved regulations for technology, safety regulations (UW and VDE) and the agreed technical data. If the supplier performs inadequately, we can at our choice demand subsequent improvement, substitute delivery, cancellation or - if the statutory conditions exist - compensation.

If we decide for subsequent improvement or delivery, the supplier must take action immediately. If this does not occur and/or remains unsuccessful, we may provide for proper replacement ourselves or through third parties at the cost of the supplier and send the goods back at the cost and risk of the supplier. Our approval of bills, sketches etc. does not release the supplier from its responsibility for design, execution, function and quality and does not signify a waiver of guarantee.

If legislature has not provided for an extended deadline, our warranty claims due to defects to machines and systems shall expire by limitation 24 months after proper start-up, and in the case of any defective manufacture and defective delivery of goods, 13 months after receipt of goods or after approval of the works.

The supplier shall guarantee the traceability of its supplies and is obliged to give to our company all information about sources and characteristics of its supplies.

## **9. TRADE MARK RIGHTS**

The supplier alone is entirely responsible for making sure that the rights of third parties are not violated through its delivery/ services. If the defective performance of the supplier leads to violation of the rights of third parties whom the supplier must represent, the supplier must release us from any liability.

## **10. PROPERTY, COPYRIGHT, CONFIDENTIALITY**

All documents and items which we surrender to the supplier for completion of our order shall remain our property and may not be communicated to third parties. The documents and items are to be duly insured and returned unprompted after completion of the order. The supplier must keep all experience, knowledge and documents from our company strictly confidential with regard to third parties. It shall be liable in the event of violation of this duty.

## **11. INSURANCE**

The supplier must hold an insurance policy which covers all personal, material and abstract damages of a direct or indirect nature in connection with the fulfilment of the contract and which are caused by it or by its subcontractors or sub-suppliers. The insurance amount for third-party liability, public liability and product liability of the supplier must amount to at least ten (10) million Euros for a delivery to the value of under one (1) million Euros and at least twenty (20) million Euros for a delivery to the value of over one (1) million Euros. This insurance policy must be concluded with a recognised sound insurance company. On request the supplier shall surrender to our company insurance certificates in which the limit of liability, the number of the policy as well as the expiry date of the insurance concluded by the supplier are stated. These insurance certificates must include that termination (without extension or replacement) or reduction of the limit of liability or of the extent of coverage shall be communicated to our company in writing at least 30 days in advance. The submission of insurance certificates does not release the supplier from its duties or responsibilities from an order. If the supplier does not maintain insurance with regard to an order, our company is entitled to conclude this insurance itself; in this case the supplier shall refund our company on request for all costs and expenses that actually arise for the conclusion of this insurance.

## **12. PRODUCT LIABILITY**

The supplier must release us from all claims of third parties which the latter asserts against us due to

defects of the products supplied by it. The existence of public and product liability which covers damages typical for the contract at least is to be proved on request. We can withhold payment and acceptance of the delivery without this proof.

### **13. HEALTH AND ENVIRONMENTAL PROTECTION - SAFETY - ILLEGAL EMPLOYMENT**

The supplier shall comply with all applicable laws and regulations as well as the statutory provisions ordinarily applied in the areas of health protection and safety, workers' representation and illegal employment, regardless of whether the supplier is acting alone on site or together with other suppliers. The supplier shall bear sole responsibility for its staff; it must therefore ensure that they have knowledge of (i) the site rules, (ii) the safety regulations, (iii) special provisions particularly the rules on the wearing of individual protective gear and the current environmental regulations if any within the scope of our company. It shall be solely responsible for the management, the accounting as well as the employment of labour and the monitoring of its employees assigned for the achievement of the order. The supplier shall ensure that its employees assigned for the achievement of the order are competent and that there are enough to provide the supplies as per the order. If the employees are located at the offices of our company, the supplier shall appoint a project manager on site with power of supervision and power to direct with regard to its employees. Besides the statutory provisions and those under regulatory law, the supplier is obliged to comply with the instructions and procedures of our company, including those regarding safety, environmental protection and quality.

### **14. COMPLIANCE WITH ANTI-CORRUPTION LAWS**

The supplier shall comply with the strictest ethical and moral regulations. In particular the supplier shall ensure and guarantee that neither it nor its management staff, employees, associates, representatives or authorised agents ("associated parties") grants or offers directly or indirectly payments, gifts or other benefits in connection with orders, (i) which would violate anti-corruption laws or regulations applicable to the suppliers or our company, (ii) which influence people or reward them for contravening against expected principles of good faith, impartiality or trust, or plan to do this, or the acceptance of which by the receivers would be otherwise improper, (iii) which occur to or in favour of an official with which the objective is to influence the latter and gain or maintain an advantage for the purposes of the business operations, or (iv) which an independent third party would otherwise consider unethical, illegal or improper. The supplier shall inform the purchasing department of our company immediately about violations against the above-mentioned undertaking.

The supplier (i) shall document exactly and accurately in its books and records all business transactions which are in any relationship to the orders ("record of business transactions") and (ii) shall on written request provide the records of the business transactions and/or any other information which our company reasonably requires in order to monitor the compliance of the duties of the supplier according to its anti-corruption guidelines. In this paragraph all records, statements of account, account books, accompanying documentation and other records and documents (including without restrictions to invoices, transfer documents and other documents) shall be considered "books and records", whether in hard copy or other form. Failure to keep to the obligations, promises and guarantees in this paragraph shall authorise our company to end current orders immediately without compensation and claims subject to any legal recourse which our company could have towards the supplier.

## 15. DATA PROTECTION

We shall save the business data of the supplier with its consent for use in the commercial course of business.

## 16. MISCELLANEOUS

**Partial invalidity.** If parts of these Terms and Conditions of Purchase are declared invalid, this shall not affect the validity of the remaining provisions of these Terms and Conditions.

**Waiver.** A waiver of individual provisions of these Terms and Conditions is not to be interpreted as a further or permanent waiver of these or other provisions.

**Force Majeure.** Any incident due to external influences which is unforeseen and unavoidable and makes the achievement of the contractual duties completely or partially impossible shall be considered force majeure. The contracting party affected shall inform the other contracting party of the occurrence of such an event within forty-eight (48) hours after occurrence of the incident, and in the case of adjustment of the contractually provided delivery deadlines, the dates shall be postponed according to the duration of the incident of force majeure. If the incident of force majeure persists over a period of more than thirty (30) working days, our company can withdraw from the contract in writing. The following are in principle not considered as incidents of force majeure:

- Strikes by the supplier, its subcontractors or subsuppliers
- The direct or indirect effects of disturbances to the data processing systems of the supplier, its subcontractors or subsuppliers

The contracting party is to be informed in writing about the end of the incident of force majeure within forty-eight (48) hours from the end.

**Publications.** The supplier is prohibited from making reference to Coveris Flexibles or its associated companies in press releases, advertisements, sales brochures or elsewhere without the written consent of our company.

**Limitation of Liability.** Our company is liable to the supplier for lost earnings, lost profit or other incidental or consequential damage (excluding people and damage to health) due to a violation or another impairment of performance under an order only if and to the extent that our company or its agents have acted deliberately or with gross negligence. This shall also apply if our company was informed about the possibility of this damage. Legal steps of the supplier against our company are to be undertaken within one year after the violation or the incident substantiating the claim.

## 17. PLACE OF FULFILMENT AND JURISDICTION

The law of the Federal Republic of Germany shall apply exclusively. The place of fulfilment is Warburg / Germany Place of jurisdiction Warburg District Court or Paderborn District Court.