



GENERAL PURCHASING TERMS AND CONDITIONS

Preamble

These general purchasing terms and conditions apply to all purchases by our company (hereinafter the “Company”), whether these be tools, machines, parts, raw materials or supplies of any kind, including service provisions (hereinafter referred to collectively as “Products”).

The acceptance of deliveries or services, as well as payment for them, shall in no event be assumed to imply acceptance of the Supplier's general terms and conditions of sale.

These general purchasing terms and conditions may be revised by the Company without notice at any time, on the understanding that all new versions shall take effect upon the date of their receipt by the Supplier.

1. Orders

1.1. The Supplier is bound by an obligation of information and advice regarding the Company. In addition, the Supplier shall promptly inform the Company in writing of any situation affecting it and which may call into question the proper execution of the order, particularly in the event of collective proceedings affecting its business (cessation of payment, receivership or compulsory liquidation), any equivalent situation such as the termination, the total or partial transfer of its activity or any modification that may occur in its organization that has an impact on the proper execution of the order.

1.2. The Supplier shall send to the Company a specific order confirmation for each purchase order confirming Supplier’s receipt and acceptance of the same without amendment, no later than two (2) working days after Supplier receives a purchase order. Failing this, the Company's order will be deemed to have been accepted by the Supplier.

1.3. The terms and conditions of the order may be amended or cancelled in writing by the Company, at any time, within a limit of five (5) working days prior to the initial delivery date of Products or to the purchased service.

1.4. Any conditions of the Supplier that deviate from or contradict the present general purchasing terms and conditions shall only apply if the Company agrees to them in writing.

1.5. All conditions, specifications, standards and other appendices that are attached to the order or are listed therein are part of the order. In case of conflicting provisions, they shall apply in the following order of precedence:

- a) The purchase order
- b) The present general purchasing terms and conditions
- c) The technical specifications
- d) The general specifications and the Company’s Standards.

1.6. If, within the framework of the execution of the order, authorizations (administrative or otherwise) are required, the Supplier must ensure before executing the order that all authorizations have been obtained and that they are not more likely to recourse, in such a way that the Company is not worried.

2. Product Quality / Guarantees

2.1. The Supplier warrants that Products (a) are in accordance with the agreed specifications and requirements, (b) are suitable for the particular destinations communicated to the Supplier, (c) are free from defects in design, function, materials and manufacturing, and all collateral and commitments, and (d) fully meet the requirements expected by the Company and the standards in force.

2.2. Except that the Parties have agreed a longer duration, the duration of the guarantee is two (2) years from the date of delivery of Products, or if a receipt has been scheduled, from the date of entry into



service of Products. It will cover (i) any repair or replacement of Products or (ii) the refund of Products. The warranty includes parts, labour, transportation and travel included. It also includes disassembly, handling, customs and reassembly fees, and for works, the cost of demolition and re-execution of the works.

2.3. This guarantee clause is without prejudice to the compensation of damages suffered by the Company.

2.4. Unless otherwise agreed between the Parties, replacements or repairs of Products under the guaranties in accordance with this article shall be made within a maximum of forty-five (45) days from the written notice by the Company of the defect or dysfunction.

2.5. If Products includes several subassemblies, the Supplier shall correct at its own expense any anomalies and damages that may be caused by such defect or malfunction on the other subassemblies of the said Products.

3. Instructions on packaging and shipping

3.1. The Supplier is required to select packaging suitable to the nature of Products that he delivers and to their mode of transportation and storage in order to guarantee delivery in perfect condition. He is also required, under his own liability, to abide by national and international provisions pertaining to hazardous products.

3.2. A detailed bill of delivery shall be appended to each delivery. This shall permit trouble-free identification of the order, the nature of Products, the quantities delivered, the weight, and more generally, all mandatory legal or regulatory notices information that must appear on the order form.

4. Subcontracting – Transfer

4.1. No assignment, transfer or subcontracting of the order, even partial, shall be permitted without the prior, express and written consent of the Company.

4.2. However, the Company may assign, novate, sub-license, mortgage or otherwise transfer in whole or in part any of its rights and/or obligations under the order to another member of its Group.

4.3. In any event, the Supplier's guarantee shall also cover items and service provisions transferred, assigned or subcontracted.

5. Deliveries - Complaints

5.1. The delivery times mentioned in the orders are non-negotiable. The delivery date given on the order is the date of arrival of Products at the Company's site or the date scheduled for the fulfilment of services.

5.2. The Supplier cannot claim any delay, whatever the circumstance except for the provisions of clause 9. Where the Supplier recognizes that he is unable to deliver fully or partly within the agreed schedule he shall then be required to inform the Company in writing at the earliest opportunity, giving the reasons for and the probable duration of the delay.

5.3. In the event of late delivery of the Products, the Company shall be entitled:

- Either purely and simply to cancel the order;
- Or immediately to undertake purchase of the Products from another supplier;
- Or refuse the Products, by letter, facsimile or any other agreed electronic ways in the event of failure to abide by the delivery deadline, incomplete or surplus delivery, or non-conformity to the order and/or documents.

5.4. All Products thus refused shall be returned to the Supplier at his own cost and risk. The Supplier shall, furthermore, be required to indemnify the Company for all costs, expenses, duties, fees, penalties



and indemnities incurred by the Company as a consequence of his failure to abide by his obligation of compliant delivery (rejects, storage, sorting, interim costs, retouching, damage to tools, breakdowns, production shutdowns, etc.).

5.5. In the absence of any contrary provision in the order form of the Company or any special provision agreed between the Parties, delivery of Products will be DAP "delivered At Place, in accordance with Incoterms 2020 at the indicated destination by the Company.

6. Transfer of ownership and risk

6.1. The ownership and risk of each delivery is transferred from the Supplier to the Company in accordance with the terms of Incoterms. The Supplier guarantees that at the time of delivery, it will own Products and deliver them free of all security and commitments.

6.2. The Supplier shall therefore subscribe to an insurance policy covering any damage likely to be suffered by Products shipped and an insurance policy covering the financial consequences of his liability subsequent upon any damage that may be caused by Products ordered.

6.3. For the moulds, tools or machines constructed by the Supplier on behalf of the Company, the intellectual or industrial property rights relating thereto shall become the property of the Company as and when they are constructed and may not give rise to retention of ownership by the Supplier, who undertakes to ensure their individualization.

7. Liability

7.1. Each Party is responsible for all acts or omissions in connection with the order and the present general purchasing terms and conditions.

7.2. The Company shall be entitled to recover any loss suffered by itself and any member of Company's Group as a result of any breach committed by the Supplier.

7.3. Except as otherwise set out in the present general purchasing terms and condition, neither Party shall have any liability whether in contract, tort (including negligence), breach of statutory duty or otherwise for any indirect or consequential loss or damage howsoever caused and whether such loss or damage was foreseeable or in the contemplation of the Parties.

7.4. Except as otherwise set out in the present general purchasing terms and condition, nothing in this clause shall limit or exclude a Party's liability under any indemnity.

8. Price and payment

8.1. The prices given on the order are firm and may not be revised. If there is no written agreement stating otherwise, the prices shall be taken to mean DAP "delivered At Place" in accordance with Incoterms 2020 or any subsequent version.

8.2. Failing provision to the contrary, the payment of the Company shall be made at forty-five (45) days end of invoice months, as the Company sees fit.

8.3. Where any part of any invoice issued under the order is disputed by the Company in good faith, the Company shall pay any undisputed element of such invoice and notify the Supplier of its reasons for disputing the total amount. The Company shall not be obliged to pay any sum or interest on such sum, that it disputes in good faith until such sum has been agreed in writing or determined to be properly due to the Supplier.

9. Force majeure

9.1. Each Party shall immediately notify the other Party by written notification no later than two (2) calendar days after the occurrence of a force majeure event that prevents it from fulfilling its obligations.



In these conditions, the Party affected by a case of force majeure can not be held responsible for any failure or delay in the accomplishment of its obligations.

9.2. Obligations whose accomplishment is become impossible by the occurrence of a case of force majeure will be suspended for the duration of this event. If the case persists for a duration exceeding fifteen (15) days, the Company will be authorized to immediately resolve the relationship and full right, without any notification being required.

9.3. The Party invoking force majeure undertakes to take all necessary steps to limit the harmful consequences of this event for the other Party.

9.4. Only an event simultaneously fulfilling all the conditions hereafter can be considered as a case of force majeure :

- a) This event must be beyond the control of the Party invoking it,
- b) This event could not be reasonably anticipated when the order was issued,
- c) The effects of this event can not be avoided by appropriate measures,
- d) This event prevents the Party invoking it from fulfilling its obligation.

9.5. It is expressly agreed between the Company and the Supplier that general strikes, or strikes by the Supplier and/or its subcontractors, lock-outs and labour disputes can not be considered as a case of force majeure.

The Supplier may only invoke the delays of its own suppliers or subcontractors when the cause of such delays can be considered as a case of force majeure in accordance with this clause.

10. Intellectual Property – Brand Names – Patents – Designs and Models

10.1. The Supplier hereby declares that he is the owner or licence-holder of patents, licences, trademarks, designs, models and processes implemented for the fulfilment of the order.

The Company shall be free to use the drawings and documents, including the software instruction manuals, drawn up under the letterhead or trademark of the Supplier for the purposes of the order.

10.2. In the event of proceedings for infringement of patent and/or unfair competition being brought against the Company and/or its clients owing to the order, the Supplier undertakes to guarantee the Company and to hold it safe of all costs and rulings which may be handed down against it, by standing in for it in all proceedings and for any liabilities incurred, without limitation, on the stipulation that the Company must give its consent on the means of defence and the choice of attorney(s) and counsel.

10.3. If the Supplier's standing in for us in proceedings prove to be impossible or undesired by the Company, the Supplier undertakes to provide the Company with technical and legal assistance for its defence and to cover not only the sums resulting from rulings handed down against the Company but also all expenses incurred by such defence for the purposes of the proceedings.

10.4. Unless otherwise agreed, the drawings, specifications, computer files, technical and commercial documentation, test results, photographs, samples, prototypes, studies, reports, specifications, correspondence, patents, models and designs, etc., which the Company forward to the Supplier, shall remain in the ownership of the Company. Consequently, the Supplier shall refrain from circulating them in any way without the prior, express and written consent of the Company and undertakes only to use them within the strict limitations of the agreed purpose.

10.5. The Supplier who becomes aware of any infringement of patent, trademarks and other intellectual property rights held by the Company shall immediately inform it thereof by e-mail, confirmed by registered letter with request for acknowledgement of receipt.



11. Publication - Advertising

Without the Company's prior, written and express consent, the Supplier shall not make public any information in connection with the order, the Products or the plants or cause any such information to be public. This shall also apply for use of the Company as reference, e.g. for sales purposes.

12. Confidentiality

12.1. The Supplier is required to treat all Information provided to it, regardless of its nature and medium, as confidential information for the entire duration of the relations that he maintains with the Company and for a period of three years following the end of such relations.

12.2. The Supplier is only permitted to mention his commercial relationship with Knauf after the prior, express and written consent of the Company.

12.3. Any failure to abide by this obligation of confidentiality shall entitle the Company to cancel orders pending as of right and without prior formal notice.

13. Insurance

The Supplier shall have subscribed to any insurance policies required prior to commencement of fulfilment of the order, including, in particular:

- A policy covering the Supplier against all risk of loss or destruction incurred by Products in process prior to their delivery to the Company and against such risk resulting from use of the Products subsequent to delivery and the financial consequences ensuing therefrom;
- A shipping insurance policy covering all risk of loss or damage incurred by the Products during transport;
- A civil liability policy on products to cover, subsequent to delivery of the Products, the financial consequences of any damage occasioned to all third parties, including the Company, which may originate in a defect, error or omission imputable to the Supplier in the fulfilment of his contractual obligations as set out in the order and the present general purchasing terms and conditions.

14. Termination – Consequence of termination

14.1. Without affecting any other right or remedy available, a Party may terminate the relation by giving written notice to the other Party: (a) with immediate effect if the other Party commits a breach of its obligations which is irremediable or if such breach is remediable fails to remedy that breach within a period of thirty (30) days after being notified in writing to do so; (b) with immediate effect if the other Party is subject to a collective proceedings ; (c)

in accordance with clause 9.in case of Force Majeure.

14.2. The termination of the relation for any reason, will not affect the continuation in force of any of its provisions which expressly or by implication are intended to continue in force thereafter.

15. Litigation

15.1. The purchases of the Company shall be governed by French law, with no regard to its own rules of choice of law.

15.2. The Convention on the International Sale of Goods shall not apply to the purchase.

15.3. The Parties may by common consent, before any referral to a court, to seek to mediation.

15.4. As regards any litigation, the courts sitting in the town or city of the Company's registered offices shall be solely competent, even in the event of an incidental claim, impleader or more than one defendant. The Company nonetheless reserves the right to bring the case before the courts having



jurisdiction over the town or city in which the Supplier's registered offices, its establishment or the place of delivery of Products or fulfilment of the contractual service provisions are located.

16. Compliance

16.1. The Supplier warrants and undertakes that, in connection with the order, it will comply with all applicable laws decrees and regulations enacted by all national, European, local or other authorities, and with all rules or regulations of private or public entities pertaining to his business.

Especially, on matters of health and safety and on matters of environmental protection, the Supplier hereby states that he has taken due cognizance of the rules applicable, the observation of which forms an essential part of his obligations.

16.2. Furthermore, the Supplier guarantees that it respects the social legislation to which it is subject. It also guarantees that the service will be provided in accordance with the social legislation in force in the country in which the service is provided, particularly with regard to combating undeclared work, foreign labour and posting workers. Depending on whether the Supplier is domiciled in France or abroad, it undertakes to deliver to the Company, at the latest on the date of the first order and in any event before the start of the service, the following documents :

- Certificate of provision of social declarations and payment of social security contributions and contributions provided for in Article L. 243-15 of the Social Security Code issued by the URSSAF less than 6 months old;
- Commercial registry extract or a copy of the identification card in the Trade and Companies Register dating back less than 3 months;
- Nominal list of foreign employees employed provided for in Article L5221-2 of the Labour Code established from the single staff register.

16.3. If the order concerns machines, apparatus or equipment, the Supplier shall draw up the CE declaration of conformity under his sole liability and affix the appropriate markings (CE / NF / others). The Supplier shall be directly and exclusively liable for any consequences that may ensue upon the neglect of such obligations.

The Supplier hereby agrees to abide by all principles, rules and standards set by the "REACH" regulation (Regulation (EC) n° 1907/2006 of 18 December 2006 relating to Registration, Evaluation, Authorization and Restriction of Chemicals) and its modifications, all at its sole costs and expenses. The Supplier shall also ensure that its subcontractors and its own suppliers fully comply with the said regulation.

In addition, according to the candidate list with critical substances „Substances of Very High Concern“ (SVHC) for inclusion in Appendix XIV of the legislation, published regularly by ECHA, the Supplier shall inform the Company about the presence of SVHC-substances with > 0,1 weight %, contained in the Products procured by the Company.

The Supplier shall be liable for, and shall defend, indemnify and hold the Company harmless from any damages, claims, lawsuits or other losses arising from the breach of the aforesaid. Any breach of obligation shall entitle the Company to terminate the order forthwith, by written notification.

In relations between the Company and the Supplier, the Supplier shall be solely liable for the conformity of Products to all regulations concerning the safety of such Products.

For all work conducted on the Company's premises, the current version of its safety directives is applicable to the Supplier and his subcontractors.

The Supplier shall be responsible for any financial and/or administrative consequences borne by the Company due to the failure by the Supplier, his employees, his subcontractors and suppliers to abide by the laws, decrees, regulations and others aforementioned.



16.4. The Supplier shall at all time comply with the KNAUF Group's Supplier Code of Conduct, which the Supplier acknowledges having read.