

**General Terms and Conditions of Purchase of Innova Packaging Systems NV (Status: 1/1/2021)**

**1. Scope of Application**

- 1.1 These General Terms and Conditions of Purchase apply to all contracts of the Innova Packaging Systems NV, with its registered office located at Rozendaalstraat 101, 8900 Leper, Belgium (hereinafter referred to as "IPS") with their suppliers. IPS reserves the right to introduce Special Terms and Conditions of Purchase for individual goods as well as for specific services, which contain additions and deviations to these General Terms and Conditions. The following ranking of the contractual components shall apply: Individual agreements take precedence over the General and Special Terms and Conditions of Purchase (together "Terms and Conditions of Purchase"), provisions in the respective Special Terms and Conditions of Purchase take precedence over provisions in the General Terms and Conditions of Purchase. If several goods and services are ordered in one order for which different Special Terms and Conditions of Purchase have been introduced, the relevant Special Terms and Conditions of Purchase for the respective goods or services shall apply.
- 1.2 The General and Special Terms and Conditions of Purchase of IPS shall apply exclusively. In particular deviating or supplementary terms and conditions of the supplier are only recognized if and insofar as IPS has expressly agreed to their validity in writing. The unconditional acceptance of deliveries, their payment or other silence with regard to deviating terms and conditions of sale of the supplier shall not be considered as acceptance of these terms and conditions by IPS, even if IPS is aware of them.
- 1.3 The General and Special Terms and Conditions of Purchase of IPS are valid in current business relations and also for future orders, unless other arrangements have been made explicitly and in writing.

**2. Purchase Order**

- 2.1 IPS sends a purchase order to the supplier for the delivery of movable goods (hereinafter referred to as "Order") at the discretion of IPS by letter, fax and/or e-mail. The mere acceptance of unsolicited offers or samples does not trigger an order.
- 2.2 The Supplier is obligated to confirm the Order within a period of five (5) working days after receipt by letter, fax and/or e-mail ("Order Confirmation"). Decisive for the timely confirmation of the Order is its receipt by IPS. A delayed acceptance is considered as a new offer and requires the acceptance by IPS. Price and delivery time shall be stated with the Order Confirmation.
- 2.3 The Order shall be deemed to be binding upon confirmation of the order, unless otherwise stipulated below. The supplier shall point out obvious errors (e.g. typing and calculation errors) and incompleteness of the Order including the order documents for the purpose of correction or completion before the Order Confirmation; otherwise the contract shall be deemed not to have been concluded.
- 2.4 If the Order Confirmation deviates completely or partly from the contents of the Order and/or goes beyond it, this is considered as a new offer of the supplier and requires the express written acceptance by IPS.

- 2.5 If there is a permanent business relationship between the parties to the contract, the Order shall be deemed accepted even if the supplier does not object to the Order in writing within two (2) weeks.
- 2.6 The supplier shall bear the procurement risk for his services, unless they are custom-made.
- 2.7 In all documents the purchasing department, complete Order number, Order date and Order identification from the Order of IPS must be indicated.
- 2.8 The supplier must accept all changes regarding the order, technical specifications, delivery conditions (deadlines, delivery locations) which IPS can justifiably demand. In these cases IPS will issue a new order. The provisions in para. 2.2 apply.

**3. Prices and Terms of Payment**

- 3.1 The price stated in the Order is binding. The price is always subject to the applicable value added tax (VAT). VAT, customs duties and other taxes shall always be shown separately on the invoices.
- 3.2 Unless otherwise agreed in individual cases, the price shall include all services and ancillary services of the supplier as well as all ancillary costs (e.g. proper packaging, transport costs free place of delivery including any transport and liability insurance).
- 3.3 Payment shall be made after receipt of the invoice and receipt of goods (if applicable acceptance) within 14 days with a 3% discount or within 30 days net and in Euro, unless otherwise agreed in individual cases.

The supplier sends the original invoices, which meet all legal requirements, to IPS at the address of IPS indicated in the Order.

The invoice must contain the Order number and all invoiced items with quantities, unit prices and taxes. The term "final invoice" (or similar) is only used for the invoice that represents the conclusion of the Order.

If the supplier is expressly responsible for transport, these costs will be invoiced separately on the basis of the receipts (if these costs are not already included in the Order).

Each granted discount period begins on the day on which IPS receives the final invoice which fulfills the above-mentioned requirements.

In the case of cross-border deliveries, the supplier is also obligated to provide IPS with corresponding invoices and customs documents at no additional cost.

- 3.4 For the timeliness of a payment owed by IPS (in case of bank transfer) the value date of the account credit at the supplier's bank is decisive.
- 3.5 For the occurrence of default by IPS the statutory provisions shall apply, unless otherwise provided below. Thus, IPS is in default exclusively upon receipt of a written reminder from the supplier. IPS does not owe any interest on maturity.
- 3.6 IPS is entitled to rights of set-off and retention as well as the defense of non-performance of the contract to the extent permitted by law. IPS is in particular entitled to withhold due

payments as long as it is still entitled to claims from incomplete or defective performances against the supplier.

3.7 Payments made by IPS are not considered as acknowledgement of a contractual performance, the freedom from defects of the performed service or a proper invoicing.

3.8 The supplier shall only have a right of set-off or retention on the basis of counterclaims that have been legally established or are undisputed insofar as these do not originate from the reciprocal relationship of the Order.

#### 4. Import and Export Regulations

4.1 Imported goods must be delivered customs paid by the supplier. The supplier shall bear the costs for this.

4.2 The Supplier shall also be obliged to provide, at its own expense, any declarations and information required for import (in particular within the scope of Regulation (EC) No. 1207/2001), to permit inspections by the customs authorities and to provide any necessary official confirmations.

4.3 In the case of deliveries made from a country outside Belgium that is a member of the EU, the supplier shall be obliged to state his EU VAT identification number.

#### 5. Delivery Time

5.1 The delivery time stated by IPS in the Order is binding. Early deliveries are only possible with the written consent of IPS.

5.2 The supplier is obligated to inform IPS immediately by fax, e-mail and/or letter, stating the reasons and the expected duration of the delay, if he will probably not be able to meet the indicated delivery time. At the same time IPS is to be suggested suitable countermeasures to avert the consequences.

5.3 If the supplier does not perform his service or does not perform it within the agreed delivery time or if he is in delay, the rights of IPS are determined according to the legal regulations. According to these regulations IPS is in particular entitled to withdraw from the order after fruitless expiration of a reasonable period of grace set by IPS and to demand compensation for damages instead of the performance.

5.4 If IPS and the supplier have agreed upon a fixed delivery date by individual contract and the supplier does not perform his service or does not perform it within the agreed delivery time or is in default, IPS can declare withdrawal without setting a grace period and demand compensation for damages instead of the service.

5.5 If the supplier is in delay, IPS can - in addition to further legal claims - demand a lump-sum compensation for its damage caused by delay in the amount of 0.3% of the net price per completed working day, but in total not more than 5% of the net price of the delayed delivered goods. IPS reserves the right to prove that higher damages have been incurred. The supplier reserves the right to prove that IPS did not suffer any damage or only a considerably lower damage.

5.6 The contractual penalties according to clause 5.5 apply without prejudice to other rights of IPS.

#### 6. Delivery, Acceptance and Transfer of risk

6.1 The delivery will be made to the place indicated in the Order.

6.2 Even if shipment has been agreed upon, the risk is only transferred to IPS when the goods have been handed over at the agreed place of destination. If in addition to the delivery a work performance was agreed upon, this requires acceptance. In this case the risk is only transferred to IPS after acceptance. The date of acceptance is to be agreed separately with IPS.

6.3 If IPS is in default of acceptance, this is equivalent to handover or acceptance. The statutory provisions shall apply to the occurrence of default of acceptance. However, if the contract concerns an unjustifiable item to be manufactured by the supplier (customized production), the supplier is only entitled to further rights if IPS undertakes to cooperate and is responsible for the failure to cooperate.

6.4 The delivery shall be accompanied by a delivery bill stating the date (issue and dispatch), the contents of the delivery (item number and quantity) and the Order information (date and number). If the delivery bill is missing or incomplete, IPS is not responsible for resulting delays in processing and payment, in particular the payment periods mentioned in paragraph 3.3 are extended by the period of the delay.

6.5 Separated from the delivery bill, IPS shall be sent a corresponding dispatch note with the same content to the e-mail address or fax number stated in the Order.

6.6 Items to be delivered shall be properly packed by the Supplier at its own expense, in particular in accordance with the nature of the goods and ensuring their completeness until delivery and shall be adequately insured against transport damage. The supplier has to take back packing material at his own expense upon request of IPS.

6.7 The supplier is not entitled to make partial deliveries without prior written consent.

6.8 The additional costs in case of delivery to a place other than the agreed place of delivery shall be borne by the supplier,

6.9 If the goods are collected directly from the supplier or from a supplier commissioned by the supplier, they must be in the same condition as in the case of shipment to IPS. If the condition of the goods is defective at the time of collection or if the goods are not transportable, the supplier is obligated, at the discretion of IPS, to (i) replace the goods without delay and make them available to IPS or (ii) to refund the money or (iii) to deliver the goods in perfect condition to an address of IPS.

#### 7. Retention of Title

Ownership of the ordered goods is transferred to IPS upon full payment. Any extended or expanded reservation of title by the supplier is excluded.

#### 8. Assignment, Subcontractor

8.1 The supplier is not entitled to assign his claims arising from the contractual relationship to third parties. This shall not apply insofar for monetary claims. IPS is entitled to transfer all rights and obligations arising from the contractual relationship to companies affiliated with IPS.

8.2 The supplier may not subcontract the contractual performance unless IPS has given its consent in writing in advance. This does not apply to subcontracts which are not part of the agreed performance.

#### 9. Confidentiality, Handling of Documents

- 9.1 IPS reserves all property rights and industrial property rights for illustrations, plans, drawings, calculations, execution instructions, product descriptions and other documents of IPS made accessible to the supplier. Such documents are to be used exclusively for the contractual performance and are to be returned to IPS after completion of the order unless otherwise agreed.
- 9.2 The supplier assures to treat all information and documents which he, his employees and consultants (in written, oral, electronic or other ways) have obtained from IPS and which are either marked as confidential or for which it is objectively recognizable due to the nature of the information/documents or the circumstances of the passing on that it is strictly confidential, not to make them accessible to third parties without prior written consent of IPS, to protect them from the access of third parties by suitable technical measures and to use them only for the purpose of the execution of the Order. This also applies to time after completion of the Order. Any copies made by the supplier are to be destroyed in this case; the only exceptions to this are storage within the framework of legal storage obligations and the temporary storage of data for backup purposes within the framework of the usual data backup. The confidentiality obligation shall only expire if and to the extent that the knowledge contained in the documents provided has become generally known.
- 9.3 The supplier shall be obliged to inform all persons involved in the agreed performance about the aforementioned confidentiality obligation before disclosing any confidential information and to bind these persons to the confidentiality agreement. The present confidentiality obligation shall thus also apply to all employees and/or consultants of the supplier. The supplier is liable for any violation of this agreement by its employees and/or consultants.

## 10. Retention of Title by IPS

Tools, devices and models which IPS makes available to the supplier or which are manufactured for contractual purposes and are invoiced separately to IPS by the supplier remain the property of IPS or become the property of IPS. They are to be marked by the supplier as the property of IPS, to be carefully stored, insured against damages of any kind (at his own expense) and to be used only for the purposes of the Order. The supplier's costs for the permanent maintenance and repair of these objects are settled with the remuneration on the first calculation of the manufacture/acquisition. The supplier will immediately notify IPS of all not only insignificant damages to these objects and - except in emergencies - wait for the written consent of IPS before repairing or technically modifying them. He is obligated upon request to return these objects in proper condition to IPS if they are no longer required by him for the fulfillment of the contracts concluded with IPS.

## 11. Liability for Defects and Warranty

- 11.1 For the rights of IPS in the case of material defects and defects of title of the goods (including wrong, short and excess delivery as well as improper assembly, faulty assembly, operating or instruction manual) and in the case of other breaches of duty by the supplier the legal regulations apply, unless otherwise provided for in the following.
- 11.2 According to the legal regulations the supplier is liable in particular for the fact that the goods have the agreed upon quality at the time of the transfer of risk to IPS. In any case those product descriptions which - in particular by designation or reference in the Order - are subject matter of

the respective Order or which were included in the Order in the same way as these General Terms and Conditions of Purchase are considered as agreement on the quality. It is irrelevant whether the product description originates from IPS, the supplier or the manufacturer.

- 11.3 The Supplier shall in particular ensure that the Supplies comply with the acknowledged rules of technology and the contractually agreed characteristics; it shall comply with the relevant binding technical as well as safety, occupational health and safety, accident prevention and other regulations and standards (e.g. CE, ISO, VDI, VDE and DIN). Relevant certificates, test reports and proofs are to be presented to IPS free of charge on request.
- 11.4 IPS is entitled to claims for defects without further do even if the defect remained unknown to IPS due to gross negligence when the order was placed.
- 11.5 The costs incurred by the supplier for the purpose of inspection and rectification of defects shall be borne by the supplier even if it turns out that no defect actually existed. The liability for damages of IPS in case of unjustified demand for remedy of defects remains unaffected; in this respect IPS is only liable, however, if it has recognized or grossly negligently not recognized that there was no defect.
- 11.6 If the supplier does not meet his obligation for subsequent performance - at the discretion of IPS - by remedy of the defect or by delivery of a defect-free item within a reasonable period of time set by IPS, IPS may remedy the defect itself and demand from the supplier reimbursement of the necessary expenses or a corresponding advance payment. If the replacement by the supplier has failed, no deadline needs to be set; the supplier must be informed immediately, if possible, in advance.
- 11.7 In addition, IPS is entitled to reduce the purchase price or to withdraw from the contract in case of a defect of quality or title according to the statutory provisions. In addition, IPS is entitled to a compensation for damages and expenses according to the legal regulations.
- 11.8 IPS or a third party designated by IPS has a right of presence during the replacement work carried out by the supplier.
- 11.9 IPS is entitled - during normal working hours, accompanied by a third person appointed by IPS - to carry out inspection visits to the premises where the contractually agreed order is carried out by the supplier, in order to ensure the proper fulfilment of the contractually agreed services. IPS will inform the supplier at least three (3) days before the planned inspection visit. The controls carried out by IPS do not release the supplier from his liability, in particular liability for defects, and do not lead to a contractual acceptance of the services.

## 12. Manufacturer Liability

- 12.1 If a damage is caused by the defect of a product, the supplier has to indemnify IPS from claims of third parties, unless the cause is not within his area of control and organization.
- 12.2 Within the scope of his indemnification obligation the supplier has to reimburse IPS for expenses of IPS, which result from or in connection with a claim by third parties including recall actions carried out by IPS. IPS will inform the supplier - as far as possible and reasonable - about the content and extent of recall measures and give him the opportunity to comment. Further legal claims remain unaffected.

12.3 The supplier is obligated to take out and maintain business liability insurance with product liability coverage with worldwide validity for indirect export, including environmental liability insurance with a lump-sum coverage of at least ten (10) million Euro per personal injury and property damage and at least one (1) million Euro for financial losses per insured event, and to provide IPS with proof of the insurance contract and ongoing premium payment upon its request.

The supplier undertakes to keep the insurance policy in force as long as the obligation from the order exists. The supplier must inform IPS immediately of any change in the insurance policy which affects the scope of the warranties from the order. In this case a new insurance confirmation must be issued.

12.4. Items lent or rented to the supplier by IPS are insured by the supplier.

### 13. Obligations to Examine

13.1 The statutory provisions shall apply to the obligations to examine and give notice of defects, subject to the following provision:

13.2 An inspection of incoming goods shall only be carried out by IPS with regard to externally recognizable damage and externally recognizable deviations of identity and quantity. IPS or a party determined by IPS will immediately (i.e. within two (2) working days) give notice of such defects after their discovery.

13.3 IPS or a party determined by IPS reserves the right to carry out a more extensive inspection of incoming goods.

13.4 In addition, IPS or a party determined by IPS will give notice of defects as soon as these are determined according to the circumstances of the proper course of business. In this respect the supplier waives the objection of delayed notice of defects. As far as an acceptance is agreed, there is no obligation to examine. In all cases, a complaint (notice of defect) shall be deemed to be immediate and timely if it is received by the supplier within two (2) working days after the defect has been discovered.

### 14. Force Majeure, Liability

14.1 The contracting parties shall be released from their mutual obligations to perform for the duration of a disturbance caused by force majeure or industrial disputes and to the extent of their effect. The supplier must inform IPS immediately about the existence of force majeure. He is obligated to undertake everything reasonable in order to perform as soon as possible after the end of the force majeure. If the interruption due to force majeure lasts longer than one (1) month, IPS is entitled to withdraw from the Order.

14.2 IPS shall be liable for intent and gross negligence, also of its agents, in accordance with the statutory provisions. The same applies to negligently caused damages from injury to life, body or health. In case of negligently caused material and financial damages IPS and its agents are only liable in case of violation of an essential contractual obligation, however, limited in the amount to the damages foreseeable and typical for the contract at the time of conclusion of the contract; essential contractual obligations are those whose fulfillment characterizes the contract and on which the supplier may rely.

As far as IPS gives technical information or acts in an advisory capacity and this information or this advice is not part of the contractually agreed scope of services, this is done free of charge and under exclusion of any liability.

### 15. Termination

Either party has the right to terminate the contract (i) in case of force majeure (see clause 14.1), which is capable of delaying the performance owed under the contract by more than 30 days, (ii) if either party fails to comply with its contractual obligations within 15 days of a written reminder.

### 16. Limitation Period

16.1 The mutual claims of the contracting parties shall become statute-barred in accordance with the statutory provisions, unless otherwise provided below.

16.2 The general limitation period for warranty claims is three (3) years from the date of transfer of risk. If acceptance has been agreed, the limitation period shall commence upon acceptance. The three-year period of limitation applies accordingly also to claims arising from defects of title. Furthermore, claims arising from defects of title do not become time-barred under any circumstances as long as the third party can still assert the right - in particular in the absence of limitation - against IPS.

16.3 The limitation periods of the right of purchase including the above extension shall apply - to the statutory extent - to all contractual claims for defects. As far as IPS is also entitled to non-contractual claims for damages due to a defect, the regular legal limitation period applies for this, unless the application of the limitation periods of the law of purchase leads to a longer limitation period in individual cases.

16.4 Upon receipt of the notification of defects (by letter, fax and/or e-mail) by the supplier, the limitation of warranty claims shall be suspended. In case of replacement delivery and removal of defects the warranty period for replaced and repaired parts starts new, unless IPS had to assume after the supplier's behavior that the supplier did not feel obliged to remove the defects, but made the replacement delivery or removal of defects only as a gesture of goodwill or for amicable settlement.

### 17. Severability Clause

Should one or more provisions in these General Terms and Conditions of Purchase or the Special Terms and Conditions of Purchase or other agreements between IPS and the supplier be or become ineffective or impracticable, the effectiveness of all other provisions and agreements is not affected. In this case the regulations which correspond as far as possible to the economic purpose of the ineffective regulation shall apply. Insofar as a reinterpretation for legal reasons is ruled out, the contractual partners undertake to establish supplementary provisions corresponding to the preceding sentence. The above provision shall apply accordingly if a gap requiring supplementation becomes apparent in the interpretation or execution of the order on which the Terms and Conditions of Purchase or other agreements are based.

### 18. Place of Jurisdiction, Applicable Law, Supplier Guidelines

18.1 Belgian law shall apply; the U.N. Convention on Contracts for the International Sale of Goods is waived. The contract language is English.

18.2 The supplier agrees that IPS will store and process personal data that serves the purpose of the fulfillment of the contract, and that it will not receive a notification of this in individual cases. The supplier will be informed of the

processing of personal data that is collected within the framework of the initiation of the contract.

- 18.3 The exclusive place of jurisdiction for all disputes arising from legal relationships between IPS and the supplier is the registered office of IPS or, at IPS's discretion, the location of the supplier.
- 18.4 In all other respects reference is made to the current Supplier Guideline of the CABKA Group GmbH, the provisions of which apply additionally to the supplier. The guideline is available under <https://cabka.com/de/de/m/supplier-guideline/>.
- 18.5 The parties shall endeavor to settle all disputes arising from the contract amicably.
- 18.6 Any side agreement or amendment to these terms and conditions must be made in writing.
- 18.7 In the event of any inconsistency between these Terms, the English version shall prevail.