

ORAFOL Europe GmbH General Terms of Purchase

Revision from: October 2024

I.

General information; Scope

1. These General Terms of Purchase of ORAFOL are a component of the contracts on deliveries and services between the supplier or service provider and ORAFOL.
2. Terms of the supplier or service provider that differ from or supplement these General Terms of Purchase are nonbinding for ORAFOL even if ORAFOL does not object to them or if the supplier or service provider declares that they wish to make deliveries only under their terms.

II.

Delivery period; Transfer of risk

1. The agreed delivery period is binding. For the delivery deadline to be complied with, the defect-free goods must be delivered to ORAFOL during normal business hours with the required shipping documents at the destination specified in the order. The supplier shall notify ORAFOL in writing without undue delay if it becomes aware that, due to newly arising circumstances or for other reasons, the supplier will be unable to adhere to the agreed delivery period.
2. If a delivery is delayed, ORAFOL is entitled to the statutory claims. In particular, ORAFOL may set a reasonable grace period for performance and, if that period expires to no avail, demand damages instead of performance. If ORAFOL demands damages, the supplier may prove to ORAFOL that the breach of duty was not the supplier's fault.
3. Unless otherwise agreed, deliveries must be made "DDP to the destination (Incoterms 2010)." The supplier shall pack and ship the delivery items properly, in compliance with all relevant packaging and shipping regulations. The supplier shall bear the risk of accidental destruction or accidental damage until the goods arrive at the destination as agreed in the contract.
4. The supplier shall ensure that the deliveries and services comply with all regulations on environmental protection, accident prevention, and occupational safety, as well as other safety regulations of the destination country. In particular, the supplier shall observe all requirements pursuant to EU Regulation 1907/2006 from 18 December 2006 (REACH).
5. The supplier shall specify ORAFOL's exact order number on all shipping documents and delivery notes.

III.

Offer / Offer documents

1. The supplier shall accept ORAFOL's orders within 5 days.
2. ORAFOL reserves the ownership and copyrights to all illustrations, drawings, calculations, and other documents; they must not be provided to any third parties without ORAFOL's express written consent. They may be used only for the production based on ORAFOL's order and must be returned to ORAFOL after the order has been filled, with no request being necessary. They must be kept secret from third parties; the regulation of § 8(5) applies to that extent.

IV.

Prices; Payment terms

1. The price shown in the order is binding. Unless otherwise agreed in writing, the price includes delivery "free domicile" and packaging. Any return of the packaging must be agreed separately. The statutory VAT is contained in the price.
2. For each delivery, an invoice must be issued that meets the statutory requirements for invoices under the VAT law of the country to whose VAT laws the invoiced delivery is subject.
3. For each order, the supplier shall issue an auditable invoice that must contain all the information required under German law. The complete order number must be specified on the order.
4. Unless otherwise agreed, ORAFOL shall pay the purchase price within 30 days after delivery and receipt of invoice. If the invoice is paid within 14 days, the price will be discounted by 2%.

V.

Warranty claims

1. ORAFOL must inspect the goods for any quality or quantity deviations within a reasonable period. A notice of defect will be deemed to have been submitted on time if the supplier receives it within 5 business days after the goods are received (or for hidden defects, after their discovery). If the supplier and ORAFOL have entered into a quality assurance agreement, the separate terms of that agreement will apply.
2. ORAFOL is fully entitled to the statutory claims for defects; in any event, ORAFOL may demand that any defects be cured or a new item delivered. The right to damages, particularly the right to damages instead of performance, remains expressly reserved.
3. If a defect is discovered before the defective goods have left the production facilities or before the goods have been processed by ORAFOL, the supplier must be given the chance to cure the defect or replace the defective goods (unless the cure would cause a delay in production at ORAFOL's place of business).
4. If, for operational reasons (especially those connected with the production schedule), ORAFOL cannot reasonably be expected to allow the supplier to cure the defect or replace the goods, or the supplier is not able to provide a repair or deliver a replacement, ORAFOL may cure the defect, or arrange for third parties to cure it, at the supplier's expense.
5. The limitation period is 36 months after risk is transferred unless the compulsory provisions under §§ 445b or 478(2) of the German Civil Code (Bürgerliches Gesetzbuch, BGB) apply. The other compulsory provisions governing recourse against the supplier remain unaffected.

VI.

Product liability; Indemnification; Insurance protection

1. If the supplier is responsible for product damage, the supplier shall indemnify ORAFOL on first demand against claims for damages asserted by third parties insofar as the cause lies in the supplier's sphere of control and organization and the supplier is itself liable toward third parties.
2. Within the bounds of its own liability for incidents of damage for the purposes of para. 1, the supplier shall reimburse ORAFOL for any expenses pursuant to §§ 683, 670, 830, 840, or 426 BGB that arise from or in connection with a recall lawfully carried out by ORAFOL. If possible and if ORAFOL could reasonably be expected to do so, ORAFOL shall notify the supplier about the content and scope of such a recall well in advance and give the supplier the opportunity to state its position. ORAFOL, in consultation with the supplier, shall provide the competent authority with the necessary information in accordance with the provisions of the Product Safety Act (Produktsicherheitsgesetz, ProdSG).
3. The supplier shall maintain product liability insurance during the term of this agreement (meaning, until the limitation period for claiming defects expires) with an adequate coverage level that takes the liability risk into account in the specific case. In this regard, the supplier acknowledges that ORAFOL exports its end products to the USA, Canada, and Australia, among other places. This insurance policy does not constitute a limitation of liability favoring the supplier or affect any further claims for damages to which ORAFOL is entitled.

VII.

General liability; Ranking; Other agreements

1. Unless otherwise set forth in these General Terms of Purchase, the supplier shall be liable pursuant to the statutory provisions.
2. If an existing supply contract or framework supply contract contradicts these terms of purchase, the supply contract or framework contract will take precedence.

VIII.

Proprietary rights

1. The supplier ensures that no third-party rights will be infringed in connection with its delivery.
2. If a third party asserts claims against ORAFOL in this regard, the supplier shall indemnify ORAFOL against those claims on first request.
3. If a third party asserts claims for damages, the supplier may provide evidence that it was not to blame for the breach of the third-party rights. ORAFOL shall not enter into any agreements with the third party (particularly a settlement) except with the supplier's consent.
4. The supplier's obligation to indemnify relates to all expenses that ORAFOL must incur from or in connection with the claim(s) asserted by a third party unless the supplier proves it was not responsible for the breach of duty on which the infringement of protective rights was based.
5. The limitation period for these claims amounts to three years, beginning with the transfer of risk.

IX.

Reservation of title; Provision of parts; Tools

1. If ORAFOL provides any parts at the supplier's place of business, ORAFOL will remain their owner. Any processing or transformation carried out by the supplier will be deemed to have been carried out on ORAFOL's behalf. If ORAFOL's goods whose title it has reserved (the "Reserved Goods") are processed with other items not belonging to ORAFOL, ORAFOL will acquire co-ownership of the new item in the ratio of the value of the item belonging to ORAFOL (purchase price plus VAT) to the other processed items at the time of processing.
2. If the item provided by ORAFOL is inseparably mixed with other items not belonging to ORAFOL, ORAFOL will acquire co-ownership of the new item in the ratio of the value of the Reserved Goods (purchase price plus VAT) to the other mixed items at the time of mixing. If the mixing occurs in a manner such that the supplier's item is deemed the main item, the supplier acknowledges that it shall assign proportionate co-ownership to ORAFOL amounting to the value of the provided item.
3. ORAFOL reserves ownership of tools; the supplier shall use the tools only to produce the goods ordered by ORAFOL. The supplier shall at its expense also insure the tools belonging to ORAFOL against damage from fire, water, and theft, at their original prices. The supplier hereby assigns to ORAFOL all claims for damages arising from this insurance policy. Simultaneously, ORAFOL hereby accepts that assignment. The supplier shall perform all necessary maintenance, inspection, and repair work on ORAFOL's tools, at the supplier's expense and in a timely manner.
4. If the security rights arising from paragraphs 1, 2 or both exceed the purchase price of all of ORAFOL's Reserved Goods not yet paid for by more than 10%, ORAFOL shall release the security rights at its discretion at the supplier's request.
5. The supplier shall treat all the illustrations, drawings, calculations, and other documents and information it receives as strictly confidential. Such information must be deemed trade secrets. It must not be disclosed to any third parties except with express consent. The nondisclosure obligation will survive this contract's termination. It will expire, however, if and to the extent that the production knowledge contained in the transferred illustrations, drawings, calculations, and other documents has become generally known or was already verifiably known to the supplier when it was communicated for the purposes of sentence 1. The supplier shall not refer to the existing business relationship with ORAFOL except with ORAFOL's written consent.

X.

Performance of work

Anyone who works in or on the factory site to perform the contract must observe the provisions of the respective operating regulations.

XI.

Mission Statement on the Human Rights Strategy; Guiding Principles

1. When rendering its deliveries and services, the supplier shall observe our company's Mission Statement on the Human Rights Strategy, Suppliers' Code of Conduct, and Guiding Principles as amended and require its employees and subcontractors to do the same. The documents are retrievable on the website <https://www.orafol.com/de/>, or we will provide them on written request.
2. The supplier shall take suitable, appropriate measures to ensure that the statutory provisions and internationally accepted standards on protecting the environment and respecting human

rights—especially the bans on child labor, forced labor, and discrimination; regulations on minimum wages and safety; and the fundamental rights of employees—will be complied with along the entire supply chain of the delivery item. In particular, the supplier shall not take any actions, or fail to act, if this might lead to a violation of statutory provisions and internationally accepted standards on protecting the environment and respecting human rights. The supplier shall use suitable contract regulations to implement compliance with the statutory provisions and internationally accepted standards on protecting the environment and respecting human rights in its supply chain (meaning, by its upstream suppliers). Please see the provisions of the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG).

3. Pursuant to § 5 LkSG on performing risk analyses, and pursuant to § 6 LkSG, the supplier shall take reasonable preventative measures without undue delay if it determines a risk during a risk analysis.
4. The supplier shall ensure human rights training or environmental training for employees who are responsible for minimizing the risks involved, or are exposed to them, in the supplier's business.
5. If ORAFOL requests information from the supplier to identify or assess human rights risks or environmental risks as part of the risk analyses to be performed pursuant to the LkSG, the supplier shall give ORAFOL the necessary information to a sufficient extent, as long as this is permitted under contracts or applicable law.
6. 6. If the supplier discovers or otherwise learns of a potential violation of human rights obligations or environmental duties in its business operations in relation to the rendering of services for ORAFOL, the supplier shall notify ORAFOL thereof and of the action the supplier is taking.

XII.

Supplier evaluation; Supplier audit

ORAFOL performs annual supplier evaluations based on key figures and sends the results to its suppliers. A supplier evaluation reveals the supplier's performance, the quality they achieve, how well they meet expectations, and ORAFOL's satisfaction with them. The supplier shall continually improve the results of the supplier evaluation in proactive collaboration with ORAFOL.

The supplier shall grant ORAFOL access to its offices and its production and service facilities for the purpose of a supplier audit. The supplier and ORAFOL must schedule this early on and agree on an agenda. The supplier shall provide the documents, premises, and contact persons required for the appointment.

XIII.

Documents; Ingredients; Import; Export

The supplier shall give ORAFOL all the documents it needs for storage, processing, or placement on the market, with no request being necessary. These also include goods-related verification and certificates on the product and the product ingredients.

In particular, documents for hazardous goods or substances and documents related to import or export must be transmitted to ORAFOL before delivery.

The supplier shall provide ORAFOL with proof of origin for all the goods it sells to ORAFOL, with no request being necessary. All long-term supplier declarations must be transmitted on or before 31 January of the following year.

ORAFOL may refuse to accept goods if documents are missing, with no recourse by the supplier being possible, and withdraw from the order in the event of nonperformance.

XIV. Sustainability; Certificates

ORAFOL expects a realistic, long-term sustainability strategy from its suppliers. This must be relevant, published, and freely viewable, and contain quantifiable goals for CO2 reduction. The supplier shall pursue attainment and publish it annually in a sustainability report.

ORAFOL's Code of Conduct (Supplier Code of Conduct) sets forth the basic values that apply in regard to human rights and environmental protection. The ORAFOL Supplier Code of Conduct is a component of these General Terms Of Purchase.

The supplier shall transmit a product-specific carbon footprint (PCF) for all the products it sells to ORAFOL. This value contains the CO2 value up to fulfilment in accordance with Incoterms.

For each delivery, the supplier shall send all relevant data, documents, and information on the deforestation-free supply chains (EUDR 2023/1115), fluorinated greenhouse gases (EU 2023/2432), and the recycling rate in the product (Ecodesign for Sustainable Products Regulation (ESPR)) and the packaging (EU PPWR).

ORAFOL works in accordance with the quality management system ISO 9001. To ensure that we continually receive high-quality goods and services, we expect our suppliers to follow this management standard as well.

ORAFOL recognizes the certification pursuant to ISO 45001 as a means for presenting safety measures and health protection. Moreover, for a long-term collaboration, the supplier should establish an environmental management pursuant to ISO 14004 and an energy management pursuant to ISO 50001.

Suppliers shall send ORAFOL valid, updated certificates without being asked.

XV. Severability clause; Applicable law; Forum

1. Finding one or more provisions or sub-provisions of the contract to be ineffective or unenforceable will not affect the continued existence of the respective contract.
2. Contracts on deliveries and services between suppliers or service providers and ORAFOL are governed by the laws of the Federal Republic of Germany under exclusion of the United Nations Convention on Contracts for the International Sale of Goods.
3. If the supplier is a merchant, the courts at ORAFOL's registered office have jurisdiction. However, ORAFOL may bring an action against the supplier at the supplier's general place of jurisdiction.

Oranienburg, October 2024