



1. Definitions

- 1.1. Covestro: the Covestro entity with whom Contractor enters into a purchasing or services agreement.
- 1.2. Contractor: the contractor with whom Covestro enters into a purchasing or services agreement.

2. Scope

- 2.1. The present General Conditions of Purchase shall be an integral part of the purchase or service agreement with Contractor. Conflicting or deviating conditions stipulated by Contractor or other reservations made by Contractor shall not be deemed accepted unless Covestro has expressly accepted them in writing for a specific order.
- 2.2. Other agreements, amendments or subsidiary agreements shall not be effective unless Covestro has given its written consent thereto.

3. Order

- 3.1. Orders and alterations to orders shall be made in writing. In case of doubt, verbal agreements or arrangements discussed over the phone shall only be binding if confirmed in writing.
- 3.2. Each order or alteration to an order shall only be effective if confirmed in writing by Contractor and Contractor shall treat each order or alteration separately in all correspondence.
- 3.3. The following details shall be stated in all correspondence: the complete order number, the date of the order and Covestro's reference.

4. Period for Delivery

- 4.1. The period for delivery shall run from the date of the order. If Contractor has reason to assume that it will not be able to meet, or meet in time, all or part of its contractual obligations, it shall inform Covestro thereof immediately, stating the reasons and the likely duration of the delay. If Contractor fails to do this, it shall not be entitled to waive its liability for the delay on the grounds of the hindrance.
- 4.2. Should Contractor fail to effect delivery within the agreed period, it shall be liable for such failure. Upon expiry of the agreed term of delivery the Contractor will automatically be in default, without any formality being due in this respect. In such event Covestro is entitled to consider the order as being null and void without any indemnification or compensation due by Covestro and to order the non-delivered items or services elsewhere, subject to notification of Contractor by registered letter, such without prejudice to Covestro's rights to claim compensation.

5. Warranty, Liability and Notification of Defects

- 5.1. The Contractor warrants that its goods and/or services will be free from defects which may reduce their value or affect their usability, will possess the agreed or guaranteed properties, will be suitable for the purpose stipulated in the order, will be in conformity with the generally accepted technical practice, and will conform to the most recent rules and regulations in accordance with the laws of the Netherlands and the appropriate safety specifications and rules for the protection of workers and prevention of accidents. Should the delivered goods or services fail to meet any or all of these requirements, Covestro shall be free, at the expense of Contractor, to demand a remedy of the defect or the supply of defect-free goods, to cancel the contract or reduce the purchase or service price under the existing legal provisions, or to demand compensation or reimbursement for needless expenditure.

If Contractor has undertaken to guarantee the properties or durability of the goods supplied, Covestro can in addition lodge a claim under the terms of the guarantee. This shall not apply to defects or damage caused by

- a) normal wear and tear
- b) inappropriate handling by Covestro.

Covestro shall notify Contractor of any defects in the delivered goods as soon as they are discovered in the regular course of business.

- 5.2. Unless expressly agreed otherwise, the statutory warranty periods shall apply.
- 5.3. Contractor's warranty shall also cover any items manufactured by subcontractors.
- 5.4. If Contractor is notified of a defect, the limitation period shall be extended by the time which elapses between such notification and the repair of the defect. If the item supplied by Contractor is replaced in whole by a new one, the limitation period shall begin anew; if the item is replaced in part, the warranty period shall begin anew for the new parts.
- 5.5. Goods which are subject to complaint under the warranty shall remain at Covestro's disposal until replacements have been supplied, whereupon they shall become the property of Contractor.
- 5.6. In urgent cases, or if Contractor defaults or fails in repairing a defect, Covestro may eliminate the defect itself at Contractor's expense or avail itself of any of the other warranty rights mentioned in section 5.1.
- 5.7. Acceptance of Contractor's supplies of goods or performance of services by Covestro shall not affect Contractor's obligations under the warranty.
- 5.8. Contractor shall hold Covestro harmless from any product liability claims or claims raised under the applicable laws relating to product liability if the defect giving rise to the claim has been caused by Contractor or any of Contractor's suppliers.
- 5.9. Notwithstanding these provisions Contractor shall remain liable under the existing legal provisions.

6. Tests

- 6.1. If tests are specified for the goods or services to be supplied, Contractor shall bear the costs of such tests, including its own personnel costs, but excluding Covestro's personnel costs.
- 6.2. Contractor shall inform Covestro not less than one week in advance of the date on which the goods or services will be ready for testing and shall agree with him a date for the tests. If the goods or services are not presented for testing on this date, Covestro's personnel costs shall be borne by Contractor.
- 6.3. If any defects are found in the goods or services which make it necessary to repeat the tests or conduct further tests, Contractor shall pay all the personnel costs and other costs entailed. Contractor shall also pay all the personnel costs and other costs incurred in connection with testing the materials used by him in executing the order.

7. Insurance

- 7.1. Transport insurance shall in all cases be Contractor's responsibility and at Contractor's expense.
- 7.2. Contractor shall take out at its own expense adequate third party liability insurance to cover damage resulting from services rendered by or goods delivered by or property belonging to him, its personnel, or third parties commissioned by him. Contractor shall, if so requested, submit to Covestro documents showing the sums insured per occurrence.
- 7.3. The procurement of special assembly/erection insurance in addition to the third party liability insurance mentioned in section 7.2 shall in each case be subject to written agreement between Covestro and Contractor.
- 7.4. Any machines, apparatus, etc. supplied to Covestro on loan will be insured by Covestro against the usual risks. Any further liability of Covestro for destruction of such machines, apparatus, etc., or damage thereto, shall be excluded, unless it has been caused willfully or through gross negligence.

8. Shipping Requirements and Acceptance of goods

- 8.1. On the day on which the goods are dispatched, Contractor shall send Covestro a detailed dispatch note for each consignment separately from the goods and invoice. The goods shall be accompanied by a delivery note and packing slip. Covestro's order number and line item number needs to be mentioned in all delivery documents. If the goods are sent by ship, the shipping papers and invoice shall state the name of the shipping company and the ship.
- Contractor shall choose the mode of transport most favorable and most suitable for Covestro. The documents for delivery need to be separately added to the transportation documents in triplicate.

Contractor shall show in full the order reference number and point of unloading specified by Covestro in all dispatch notes, delivery notes, packing slips, bills of lading and invoices, on the outer packaging of the goods and elsewhere if appropriate.

- 8.2. Contractor shall pack, mark and ship dangerous goods in compliance with the appropriate national and international regulations. The accompanying documents shall show not only the risk category but also any further particulars required by the appropriate transport regulations.
- 8.3. Contractor shall be liable for any damage caused by non-compliance with these provisions and shall pay any costs incurred thereby. He shall also be responsible for ensuring that these shipping requirements are complied with by subcontractors.
- 8.4. Any consignments of which Covestro is unable to take delivery because of non-compliance with these provisions shall be stored at Contractor's expense and risk. Covestro shall have the right to verify the contents and condition of such consignments. Tools and erecting equipment shall not be loaded together with goods.
- 8.5. The goods shall be delivered DDP (ICC Incoterms 2010) to the place specified by Covestro, unless otherwise stipulated in the applicable purchase order. Risk and title of the goods will be transferred from Contractor

to Covestro upon Covestro's receipt of the goods at its premises (i.e. upon signing by Covestro of the delivery documents accompanying the shipment of the goods). Deliveries can in principle be made any statutory working day from Monday to Friday between 08.00 and 16.00 hrs, except if specified otherwise in writing.

8.6. The goods supplied must conform to the conditions of origin specified in the preferential agreements of the EEC, unless the order confirmation expressly states otherwise.

9. Incidental Items

Molds, models, tools, films, etc. that have been made by Contractor to enable him to execute the order shall, if paid for by Covestro, become the property of Covestro, even if they remain in Contractor's possession. Contractor shall be obliged to hand them over to Covestro on request.

10. Assembly, Erection, Maintenance, Inspection, Repairs, etc.

10.1. If assembly, erection, maintenance, inspection, repairs, etc. are carried out in any of Covestro's factories or premises, such work shall be subject to the safety, security and conduct regulations for contractors and their personnel working on the premises of Covestro or of the parties for which the purchase is intended. These regulations will be supplied at the start of the assembly or erection work, or they should be requested from Covestro's plant security department. All suppliers and all providers of services involved in assignments related to real estate shall be registered in compliance with Belgian law before the execution of their assignment.

10.2. Covestro shall not be liable for any property of Contractor or its personnel which is brought onto Covestro's premises.

10.3. Contractor guarantees that it, its personnel, its subcontractors and their personnel shall comply at all times with all imperative legal provisions regarding the performance of services and/or the delivery of goods in the Netherlands, such as but not limited to imperative provisions of labour law and social security law, (e.g. valid work permits, visa, E-101 forms, certificates, attestations, etc.). Contractor shall hereto safeguard Covestro, its representatives and each party in whose name and for whose account Covestro is acting, against any claim in this respect, and Contractor shall in occurring case indemnify Covestro, its representatives and each party in whose name and for whose account Covestro is acting, for all costs and expenses that they may incur in this respect.

11. Supply of Services

- 11.1. The Contractor shall meet any performance dates for the services specified in the order or notified to the Contractor by Covestro.
- 11.2. In providing the services, Contractor shall:
 - (a) co-operate with Covestro in all matters relating to the services, and comply with all instructions of Covestro;
 - (b) perform the services with the best care, skill and diligence in accordance with best practice in the Contractor's industry, profession or trade;
 - (c) use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that Contractor's obligations are fulfilled;
 - (d) provide all equipment, tools and vehicles and such other items as are required to provide the services;
 - (e) use the best quality goods, materials, standards and techniques, and ensure that all goods and materials supplied and used in the services or transferred to Covestro, will be free from defects in workmanship, installation and design;
 - (f) obtain and at all times maintain all necessary licenses and consents, and comply with all applicable laws and regulations;
 - (g) observe all health and safety rules and regulations and any other security requirements that apply at any of Covestro's premises.

12. Place of Performance

Unless otherwise stipulated in the order, the place of performance shall be the point of delivery specified by Covestro.

13. Invoice and Payment

- 13.1. Contractor's invoices shall be sent separately from the goods. Covestro's order number, applicable purchase order number and line item number needs to be mentioned in all correspondence. Any additional or deleted services or supplies shall be stated separately in the invoice.
- 13.2. Periods for payment shall begin on the specified dates, but not before the dates on which the goods and invoices are received. Payments shall be made within 60 days after receipt of the corresponding invoice, unless otherwise stipulated in the applicable purchase order.
- 13.3. Payment shall not be deemed to constitute acceptance of conditions and prices. The time of payment shall not affect Contractor's warranty obligations or Covestro's right of complaint.

14. Documents and Confidentiality

- 14.1. All equipment and tools, drawings, standards, guidelines, methods of analysis, recipes and other documents supplied by Covestro to Contractor for the manufacture of the goods to be supplied or for the services to be performed, as well as any such documents prepared by Contractor according to special instructions from Covestro, shall remain Covestro's property and shall not be used for any other purpose, reproduced or made available to third parties by Contractor. Contractor shall, if so requested, surrender them, and all copies and duplicates thereof, to Covestro without delay. Covestro reserves the Intellectual property rights to all documents it supplies to Contractor.
- 14.2. Contractor shall regard the inquiry and the order and all work in connection therewith as a trade secret and treat them accordingly as confidential. Contractor shall be liable for any loss suffered by Covestro due to Contractor's failure to comply with any or all of these obligations.
- 14.3. Contractor shall provide Covestro with all documents needed for discussion of the goods or services to be supplied. Such discussion or other involvement of Covestro shall not release Contractor from any warranty or obligation.
- 14.4. Contractor shall supply to Covestro in a timely manner, at no cost and without prior request, all documents needed by Covestro for the use, erection, installation, processing, storage, operation, servicing, inspection, maintenance or repair of the goods or services supplied.
- 14.5. Whenever Covestro specifies standards or regulations, the latest version shall apply. Contractor shall request Covestro to supply it with its works standards and regulations, in the event these were not supplied by Covestro.

15. Patent Infringement

Contractor shall be liable for any infringement of patents, licenses or Intellectual property rights of third parties that may result from the supply or use of the goods and/or the performance of services by Contractor. Any license fees payable shall be borne by Contractor.

16. Advertising Material

Contractor shall not refer to its business connection with Covestro in any information or advertising material except with Covestro's prior written consent.

17. Termination and suspension

Covestro is entitled to suspend the performance of its obligations in whole or in part or terminate the purchase order or agreement with the Contractor with immediate effect, without prejudice to its right to claim damages and without any compensation to or indemnification of Contractor (i) in case Contractor breaches any of its obligations under the agreement or Covestro, in its reasonable discretion, determines that Contractor cannot or shall not deliver the goods or perform the services as required, (ii) in case Contractor has been declared bankrupt, is in a state of liquidation, has ceased or suspended whole or substantial part of its business, is subject of a court order or preventative legal scheme of settlement (iii) in case of non-compliance with import, export or chemical control regulations or the provisions of safety, health, environment and security.

18. Assignment

Covestro reserves the right to assign any of its rights and obligations under the purchase order or agreement to a third party, without the prior written approval of Contractor. Contractor shall not assign any of its rights and obligations under the purchase order or agreement without Covestro's written consent.

19. Governing Law and Jurisdiction

The present General Conditions of Purchase and the purchase or service agreement concluded with Contractor shall be subject to Dutch law. Application of the UN Convention on Contracts for the International Sale of Goods dated April 11, 1980, which came into effect on January 1, 1991, shall be excluded. Any dispute will be submitted to the exclusive jurisdiction of the courts of Groningen, the Netherlands.