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1. These General Terms and Conditions of Purchase (GTCP) apply to all orders of Smurfit Kappa Deutschland GmbH and its affiliates within the meaning of Section 15 *et seq.* of the German Stock Corporation Act [Aktiengesetz, AktG] (hereinafter uniformly referred to as "Smurfit Kappa"). These GTCP are part of all contracts Smurfit Kappa concludes with suppliers and contractors (hereinafter uniformly referred to as the "contractor"). Differences from and changes or additions to contracts, including these GTCP, must be made in text form to be effective. In case of other contractual agreements, these GTCP will apply additionally.
2. General terms and conditions (e.g., of sale or delivery) of the contractor do not apply, unless Smurfit Kappa expressly agrees in writing to their application. Placing an order or accepting goods or services (hereinafter also uniformly referred to as a "service") is not considered consent to the application of the contractor's GTC. The contractor's GTC will also not apply if Smurfit Kappa does not refuse their application separately, even if Smurfit Kappa refers to documents that refer to such GTC (e.g., offer forms).
3. These GTCP only apply to entrepreneurs within the meaning of Section 14 of the German Civil Code [Bürgerliches Gesetzbuch, BGB], legal persons under public law and special funds under public law. These GTCP apply to all contracts about goods and services Smurfit Kappa orders or commissions from its contractors; in case of a current business relationship, these GTCP also apply to all future transactions with the contractor even if not expressly referred to again.
4. Disclaimers of the application of legal provisions are only provided for informative purposes. Legal provisions apply even without such disclaimers, unless altered or expressly excluded by these GTCP.
5. Smurfit Kappa's procurement applies to various kinds of transactions, e.g., supply contracts, work/construction contracts or service contracts. **Articles II – IV** of these GTCP specify the **Special Conditions** for each service area and are part of the contracts with the contractor. This also applies if several service items are listed in a document (e.g., an order) relevant to contract conclusion; these Special Conditions will then apply based on the type of the service item. The **General Conditions of Article I** apply to any goods or services ordered or commissioned by Smurfit Kappa.
6. Smurfit Kappa may make changes to these GTCP at its discretion at any time. Smurfit Kappa will inform the contractor in text form about such changes. Changes will be considered accepted by the contractor if the contractor does not object in text form within 6 weeks of receipt of the change notification. Smurfit Kappa will note this to the contractor separately in the change notification.

Section 2 Orders and Contract Conclusion

1. Contracts between Smurfit Kappa and the contractor will normally be concluded by placing and confirming an order. Orders of Smurfit Kappa will be considered accepted by the contractor if the contractor does not refuse the order within 2 (two) business days of receipt. Smurfit Kappa will inform the contractor about this separately in the order. Until a contract is concluded, Smurfit Kappa may cancel the order free of charge.
2. Furthermore, service-related individual or framework contracts or quantity contracts under which Smurfit Kappa will successively call off the agreed quantity of ordered goods or services may be concluded. Call-offs are binding, unless the contractor submits a substantiated objection within 2 (two) business days of receipt. Smurfit Kappa will inform the contractor about this with each call-off.
3. Unless a specific quantity is expressly confirmed by Smurfit Kappa, Smurfit Kappa will not be obligated to accept specific quantities or services.
4. If an order is preceded by an offer of the contractor, this offer will be binding. Payment will not be provided for merely preparing offers.
5. Service-related individual or framework contracts will normally be concluded via a separate contract document. Offers, orders, order confirmations, quantity contracts and call-offs must be prepared in text form and/or transmitted via EDI. Orders placed, agreements concluded and additions or changes made orally or by telephone must be confirmed by Smurfit Kappa in text form or via EDI to be effective.
6. The content and scope of services and the applicable conditions are determined by Smurfit Kappa's contract conclusion statement (normally the order).

Section 3 Service Performance

1. The material of goods and performance of services must correspond to the latest state of the art and the agreed quality. Quality is considered agreed in product and service descriptions (e.g., specifications) which—especially when described or referred to in orders by Smurfit Kappa—are the subject of or are, like these GTCP; included in the respective contract, irrespective

of whether the product or service description comes from Smurfit Kappa, the contractor or a third party (e.g., a manufacturer).

2. If the contractor recognizes that an agreed quality is unsuited for the use intended by Smurfit Kappa, the contractor must inform Smurfit Kappa of this without undue delay. The contractor must review without undue delay any specifications, drawings, data sheets or other service descriptions or requirements submitted by Smurfit Kappa and inform Smurfit Kappa without undue delay if these are recognizably inaccurate, incomplete or otherwise unclear and, if possible, must offer suggestions for corrections.
3. Approval of samples, models, etc., by Smurfit Kappa does not exempt the contractor from obligations to provide the agreed quality and especially will not affect Smurfit Kappa's defect claims.
4. Smurfit Kappa may also request changes to the quality and performance of goods or services at any time after contract conclusion if technically and economically reasonable for the contractor. The contractor must report the effects of such change requests on schedules or costs to Smurfit Kappa without undue delay upon receipt of the change request. Insignificant changes must be made free of charge.
5. Any changes to the contractor's service performance, including the raw materials, materials, production types and processes, require Smurfit Kappa's prior written permission in text form.
6. The contractor must comply with all applicable national laws and regulations and official, technical and professional requirements for service performance and intended use of the goods and must hold Smurfit Kappa harmless of any third-party claims, including legal defense costs, to which Smurfit Kappa is subjected due to violations of such provisions. These legal compliance obligations especially, but not only, apply to obligations concerning product safety and product labeling.
7. The contractor may not have services owed by the contractor performed by third parties (e.g., subcontractors) without Smurfit Kappa's prior permission in text form. Such permission is considered granted for the storage and/or delivery of products by warehouse and logistics service providers.
8. Service dates and delivery periods specified by Smurfit Kappa are binding. Delivery periods will commence upon the placement of the order. The contractor must inform Smurfit Kappa in text form without undue delay about circumstances that prevent agreed service dates or delivery periods from being met; any claims of Smurfit Kappa from such circumstances will remain unaffected.

Section 4 Prices, Payment Conditions, Invoice Information

1. Agreed prices are fixed prices. Price increases (including those linked to industry-wide indexes) require Smurfit Kappa's prior written permission in text form.
2. All prices are net prices and apply plus VAT which must be stated separately on invoices.
3. Prices are DDP (Incoterms 2020) and, in addition to freight charges and tolls, include costs of further packaging (e.g., wrapping) and insurance and other ancillary costs (storage, external transport, assembly).
4. Invoices must be submitted in PDF format by email to Rechnungseingang-DE@smurfitkappa.de in compliance with legal requirements and with reference to Section 14(1) of the German VAT Act [Umsatzsteuergesetz, UStG].
5. Unless agreed otherwise in text form, invoices will be paid by Smurfit Kappa within 30 days of service performance and receipt of a verifiable invoice. Payments will be transferred to the bank account specified by the contractor. When accepting early deliveries, the payment period will be determined based on the agreed delivery date. Payments will be made on time if the transfer order is received by Smurfit Kappa's bank in time. Smurfit Kappa is not responsible for delays by banks involved in payment transactions.
6. If requested by Smurfit Kappa, the parties will, in good faith, negotiate a separate bonus agreement and/or rule for achieving targeted cost savings.
7. The order and item number, quantity and delivery address specified by Smurfit Kappa for an order must be stated on all order confirmations, delivery documents and invoices. If Smurfit Kappa's invoice processing is delayed because some or all of this information is missing, the agreed payment periods, including any granted discount periods, will be extended by the period of the delay.
8. Smurfit Kappa will not owe interest on maturity. In case of default, Smurfit Kappa will owe default interest of 5% p.a. above the base rate under Section 247 of the German Civil Code.
9. Any assignment of claims against Smurfit Kappa is expressly excluded (Section 399 of the German Civil Code). Section 354a of the German Commercial Code [Handelsgesetzbuch, HGB] will remain unaffected.
10. The contractor may only offset against payment claims of Smurfit Kappa if the claims exercised by the contractor are uncontested or have been legally established. The same applies to the exercise of rights of retention by the contractor for which claims must also be based on the same contract. Smurfit Kappa may offset any of its claims against any of the contractor's claims against Smurfit Kappa, even in case of different maturities.

Section 5 Documents, Orders, Tools, Cooperation Obligations

1. Smurfit Kappa reserves all property rights and copyrights to any images, plans, sketches, drafts, calculations, performance instructions, product de-

scriptions, specifications, constructions, samples, tools and similar documents and tools Smurfit Kappa provides to the contractor for service performance ("provided objects"). Provided objects may only be used for performance of the contract with Smurfit Kappa and may not be made available to third parties without Smurfit Kappa's prior written permission. After completing the service, provided objects must be returned without solicitation and electronically-stored data must be deleted and this deletion must be confirmed in text form. Rights of retention for provided objects will not be established for the contractor.

- Materials or parts Smurfit Kappa provides to the contractor for processing and provided production equipment or aids will remain the property of Smurfit Kappa. The contractor will be liable for any loss and damage and must store provided objects for Smurfit Kappa with the due diligence of a prudent businessperson and inform Smurfit Kappa in text form without undue delay if Smurfit Kappa's property is attacked or threatened by third parties when with the contractor. Any resulting legal defense costs of Smurfit Kappa must be borne by the contractor.
- Provided material may only be processed, combined, mixed or blended by the contractor on behalf of Smurfit Kappa. If material provided by Smurfit Kappa is processed, combined, mixed or blended with other objects not owned by Smurfit Kappa, Smurfit Kappa will obtain co-ownership of the newly-created goods for the ratio of the provided material to the other processed objects at the time of processing. The contractor will store the solely or co-owned property for Smurfit Kappa; Subsection 2 correspondingly applies.
- Tools and production aids to be obtained by the contractor and paid for by Smurfit Kappa will become the property of Smurfit Kappa and must be stored carefully by the contractor for Smurfit Kappa and insured at their replacement value against fire and water damage and theft at the contractor's expense. Necessary maintenance or repair work must be performed by the contractor in time at the contractor's expense.
- If Smurfit Kappa is subject to assistance obligations in relation to service performance, the contractor must request the necessary assistance in time. The contractor waives the exercise of rights of retention or performance refusal due to non-compliance with assistance obligations by Smurfit Kappa.

Section 6 Spare Parts, Shipment Readiness

- For 5 (five) years following the last contracted goods or service, the contractor must keep spare parts for products delivered to or services performed for Smurfit Kappa.
- If the contractor intends to suspend production of products that have been contractually supplied to Smurfit Kappa or of necessary spare parts, the contractor must inform Smurfit Kappa in text form without undue delay after making this decision or, at the latest, 12 months before suspending production.

Section 7 Reserved Goods

If deliveries of reserved goods are agreed, title to the supplied goods will be transferred to Smurfit Kappa upon complete payment for the goods; otherwise, title will be transferred upon delivery of the goods. Extended retention of title will not be accepted by Smurfit Kappa.

Section 8 Rights to Work Results

- "Work results" especially include products, product developments, constructions, specifications, drawings, images, sketches, designs, layouts, drafts, test prints, tools, models, samples, concepts, analyses, reports, plans, calculations, etc.
- Smurfit Kappa will be exclusively entitled to all rights, including industrial property rights, copyrights and ancillary copyrights, to any work results produced by the contractor for Smurfit Kappa. The contractor will transfer these rights to Smurfit Kappa upon contract conclusion; should such transfers not be possible for legal reasons, the contractor must grant extensive, exclusive, transferable and sublicensable usage and exploitation rights to such work results to Smurfit Kappa upon contract conclusion. Work results or goods or services based on work results may especially not be supplied to or produced or performed for third parties by the contractor. Smurfit Kappa accepts this rights transfer and/or granting which will be settled by the contractual payment. In addition, the contractor must ensure that the contractor may also transfer and/or grant rights to Smurfit Kappa in relation to employees of and third parties (e.g., subcontractors) commissioned by the contractor and must hold Smurfit Kappa fully harmless of any corresponding third-party claims, incl. legal defense costs.
- The contractor grants Smurfit Kappa simple, transferable, sublicensable usage and exploitation rights, especially for the intended use and resale of goods and services, without temporal, spatial or content limitation to all other work results, i.e., those not produced specifically for Smurfit Kappa and that the contractor also produces for third parties.

Section 9 Defect Rights

- In case of defects, Smurfit Kappa will be entitled to the defect rights provided by law, unless specified otherwise hereafter.
- Remedies will be provided at Smurfit Kappa's discretion either by rectifying the defect or supplying or producing a defect-free object.
- If the contractor fails to comply with a remedy request within an appropriate grace period set by Smurfit Kappa, Smurfit Kappa may have the defect remedied at the contractor's expense. In case of withdrawal from the contract, Smurfit Kappa may also cancel the contract for the non-defective service parts and/or obtain compensation for damages.
- In case of defective performance, Smurfit Kappa may, without prejudice to the rights in Subsection 3 above and with prior notice, remedy the defects at

the contractor's expense or perform a hedging transaction if necessary for preventing or shortening operational disruptions. Smurfit Kappa may also remedy defects at the contractor's expense without notice in case of imminent danger or special urgency, especially to prevent further damages, including in the interest of the contractor.

- Unless longer guarantee periods are required by law (e.g., for construction contracts), the statute of limitations for defect claims and related recourse claims lasts 36 months as of the transfer of risk. Expiration of defect claims will be suspended after receipt of Smurfit Kappa's defect report until the contractor declares the defect to have been remedied or remedies are prevented by the defect claims or ongoing negotiations. The statute of limitations for replaced or rectified components of supplied goods or services will recommence when the defect has been remedied. Remedies will be considered acknowledged within the meaning of Section 212(1)(1) of the German Civil Code, unless the contractor expressly states to have remedied the defect out of goodwill and without acknowledging legal obligations.

Section 10 Third-Party Rights

- The contractor guarantees that the contractor's services, especially goods and their contractual use, processing and/or resale by Smurfit Kappa and its buyers across the entire supply chain, do not infringe on industrial property rights, copyrights, ancillary copyrights or other third-party rights in the countries of performance and in which these goods are intended to be used.
- The contractor must hold Smurfit Kappa fully harmless of any exercised and alleged third-party claims related to third-party rights or other impairments, including legal defense costs. This obligation to hold Smurfit Kappa harmless also requires defense against exercised or threatened third-party claims or measures against Smurfit Kappa and against (consequential) damages incurred by Smurfit Kappa, especially due to supply shortages or production disruptions.
- The statute of limitations for claims based on third-party rights infringements for which the contractor is responsible lasts 3 (three) years, unless longer periods are required by law.
- The contractor will only not be responsible for third-party (property) rights infringements if and to the extent that the contractor verifiably produced goods based on specifications of or using material provided by Smurfit Kappa and the rights infringement was demonstrably caused by these specifications or materials.

Section 11 Liability, Default Penalty, Product Liability Release

- The contractor's liability for damages is, irrespective of the legal grounds, determined by law.
- If the contractor defaults, Smurfit Kappa may impose a contractual penalty of 0.2% of the order value subject to default for every calendar day that started, though no more than 5% of the order value. Smurfit Kappa reserves the right to assert further damages—to which contractual penalties that have already been paid will be credited. Smurfit Kappa does not have to reserve the right to a contractual penalty for supplied goods, but may instead impose the contractual penalty until the final payment.
- If the contractor is responsible for product damages or if claims are exercised against Smurfit Kappa due to strict liability towards third parties under mandatory laws, the contractor must hold Smurfit Kappa harmless of any third-party claims to compensation to the extent that the cause lies within the contractor's sphere of influence, organization and liability to third parties.
- The contractor must maintain adequate business and product liability insurance coverage and submit confirmation of this to Smurfit Kappa if requested.

Section 12 EU REACH Regulation (Regulation 1907/2006/EC)

- The contractor must comply with all requirements of the EU REACH Regulation for all supplied substances and must especially assure to have completed the necessary pre-/registration with the European Chemicals Agency.
- The contractor guarantees that substances supplied to Smurfit Kappa do not contain SVHCs (*substances of very high concern*) within the meaning of Article 57 *et seq.* of the EU REACH Regulation in concentrations of more than 0.1%. Should one or several supplied/to-be supplied substances contain concentrations of more than 0.1%, the contractor must inform Smurfit Kappa without undue delay.
- The contractor must provide without undue delay and free of charge any information required by Smurfit Kappa and under the EU REACH Regulation and must comply with the storage obligations under the EU REACH Regulation. The contractor guarantees to Smurfit Kappa the accuracy of provided information, especially in chemical safety reports and safety data sheets.
- The contractor must hold Smurfit Kappa fully harmless of any claims of third parties and of any buyers in the supply chain based on violations of the contractor against the EU REACH Regulation. The same applies to Smurfit Kappa's legal defense costs. Smurfit Kappa will inform the contractor without undue delay about the exercise of such claims.

Section 13 Quality Assurance

- The Contractor must maintain a quality assurance system based on common standards (e.g., DIN ISO 9001 *et seq.*) and must submit proof or certificates of this to Smurfit Kappa if requested.
- Smurfit Kappa may request the conclusion of a separate quality assurance agreement (QSA).
- The contractor permits Smurfit Kappa and Smurfit Kappa's agents to, with appropriate notice, conduct audits, especially system, process or product quality audits, to review the contractor's quality management during the con-

tractor's regular business hours. In case of indications of significant qualitative defects, audits may also be performed unannounced. For such audits, the contractor must grant Smurfit Kappa access to relevant production sites, warehouses and adjacent areas and to relevant documents. The contractor must also properly assist audits, especially by providing necessary staff resources. Qualitative defects that are detected and reported to the contractor must be remedied without undue delay; the contractor must submit an action to Smurfit Kappa for this. When detecting significant qualitative defects, Smurfit Kappa may charge the costs of the audit to the contractor.

4. The contractor acknowledges that Smurfit Kappa is subject to certain requirements of its buyers concerning quality assurance. If such customer requirements exceed Smurfit Kappa's own requirements, the contractor agrees to also comply with the customer's requirements and assist Smurfit Kappa with its obligations to its buyers.
5. The contractor must also integrate the contractor's pre-suppliers and, if applicable, legitimately-commissioned subcontractors into the contractor's quality management system and ensure that pre-suppliers and subcontractors also submit corresponding proof and enable audits if requested by Smurfit Kappa or its buyers.

Section 14 Compliance

Smurfit Kappa's business and management activities are governed by several codes of conduct and policies, e.g., on ethical business principles and the environment and social and sustainable practices. The buyer agrees to comply with the codes of conduct and policies available at <https://www.smurfit-kappa.com/us/sustainability/performance/policies> and to comply with these when choosing pre-suppliers and subcontractors. The contractor also acknowledges that, if requested by individual customers, Smurfit Kappa may be required to have the contractor and the contractor's pre-suppliers and subcontractors comply with customers' codes of conduct; the contractor already hereby agrees to this and to require such compliance from the contractor's pre-suppliers and subcontractors.

Section 15 German Minimum Wage Act [Mindestlohngesetz, MiLoG]

1. The contractor agrees to comply with all obligations under the German Minimum Wage Act, especially to pay legally-required minimum wage fully and on time. The contractor agrees to (a) only use subcontractors or temporary workers with Smurfit Kappa's prior written permission in text form; (b) ensure compliance with minimum wage obligations, including requiring such compliance from any further subcontractors and temporary employment agencies, across the subcontractor chain through written agreements with subcontractors and temporary employment agencies; (c) confirm in writing and submit proof of compliance with the German Minimum Wage Act and grant access to business documents to Smurfit Kappa without undue delay if requested; (d) inform Smurfit Kappa without undue delay when the contractor learns or should have learned of violations of minimum wage obligations by a subcontractor or temporary employment agency.
2. The contractor agrees to hold Smurfit Kappa harmless of any damages, claims and costs, incl. legal defense costs, asserted by third parties and/or resulting from or in relation to non-compliance with the German Minimum Wage Act by the contractor, a subcontractor or a temporary employment agency commissioned by the contractor or a subcontractor. Further claims to compensation for damages will remain unaffected.

Section 16 Force Majeure

In case of force majeure or other unforeseeable circumstances for which Smurfit Kappa is not responsible, e.g., wars, unrest, forces of nature, epidemics, pandemics, accidents, strikes, lockouts, defects or procurement difficulties concerning energy, water, raw materials or equipment, significant disruptions to traffic or operations and incidents with comparable effects on Smurfit Kappa's business operations, Smurfit Kappa may fully or partially withdraw from or terminate the contract or appropriately postpone service acceptance if use of the agreed service becomes impossible or significantly more difficult economically.

Section 17 Confidentiality, Data Protection

1. Both parties agree to treat strictly for another 5 (five years) after the end of their collaboration and not make available to third parties, except affiliates and third parties commissioned for contract performance or legitimately with corresponding confidentiality obligations, any technical or commercial information about the other party's business operations, especially trade and industrial secrets ("confidential information") and corresponding documents and material containing confidential information provided or of which the parties learn as part of contract performance. Subcontractors commissioned by the contractor or legitimately must especially be committed to confidentiality.
2. These confidentiality obligations do not apply to information of the recipient party that was already public knowledge or known to the recipient party before being disclosed by the disclosing party or subsequently becomes public knowledge or known to the recipient party without violations by the recipient party, is verifiably developed by the recipient party without knowledge of the information disclosed under the contract or learned or that must be disclosed by law or due to a court order.
3. Neither party may obtain trade secrets by observing, examining, dismantling or testing a product or an object ("reverse engineering"). Section 3(1)(2)(b) of the German Trade Secret Act [Geschäftsgeheimnisgesetz, GeschGehG] is expressly waived.
4. Both parties agree to comply with all applicable data protection regulations. Smurfit Kappa will process data of the contractor for contract performance purposes. If an order requires the contractor to process personal data subject to the responsibility of Smurfit Kappa, the parties will conclude an additional processing agreement in accordance with Article 28(3) of the EU General Data Protection Regulation (GDPR).

Section 18 Contract Term and Termination

1. The term of the contract is determined by the agreements concluded when concluding the contract. Each party's right to terminate the contract without notice for a compelling reason, especially if the other party regularly violates an essential contractual obligation and fails to cease this violation in time despite notice with an appropriate grace period, will remain unaffected. If the other party's assets are threatened or deteriorate or if the other party is re-structured in accordance with the German Business Stabilization and Restructuring Act [Unternehmensstabilisierungs- und -restrukturierungsgesetz, StaRUG], becomes insolvent or suspends payments or if or insolvency proceedings for the other Party's assets are requested, opened or rejected due to a lack of assets, the other party may withdraw from the non-performed part of the contract or terminate the contract without notice. Terminations and other statements resulting in contract termination must be issued in written form; email or telecommunications (e.g., fax) submissions do not suffice.
2. In case of withdrawal and/or termination without notice, Smurfit Kappa may, at the contractor's expense and risk, return or have third parties store any goods received from the contractor.

Section 19 Place of Performance, Choice of Law, Place of Law

1. Unless specified otherwise by the contract or in the following Special Conditions of these GTCP, the place of performance for the contractor's obligations will be the delivery destination or place of service performance specified in the order and, for Smurfit Kappa's obligations, the registered office of the Smurfit Kappa subsidiary placing or commissioning the order.
2. The service and legal relationship between the parties is governed exclusively by German law under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
3. If the contractor is a merchant, legal person under public law or a special fund under public law, the exclusive place of jurisdiction for any disputes under or in relation to the contract will be Hamburg, Germany, with the local courts of Hamburg-Mitte as the competent courts. Smurfit Kappa may also sue the contractor at the contractor's general place of jurisdiction. Exclusive legal competences will remain unaffected.

Section 20 Other Provisions

1. The contractor may not transfer the contract or individual rights or obligations thereunder to third parties without Smurfit Kappa's prior written permission. Smurfit Kappa may transfer the contract and rights or obligations thereunder to its affiliates within the meaning of Section 15 *et seq.* of the German Stock Corporation Act without separate permission of the contractor.
2. Annexes and attachments referred to in contract documents (e.g., orders) are essential parts of the contract and include documents that are retrievable online and referred to by the contract documents or these GTCP via a link specifying the URL.
3. Section 126b of the German Civil Code applies to the satisfaction of the text form requirement under these GTCP. Submissions of statements via EDI will only satisfy the contractually-agreed formal requirements if expressly agreed for the form of communication under these GTCP. Written form within the meaning of these GTCP requires a statement signed personally by the issuer that (unless excluded by these GTCP) may also be submitted via means of telecommunications (e.g., as a PDF attachment to an email).
4. If individual provisions of the contract between the parties or of these GTCP are or become fully or partially ineffective, this will not affect the effectiveness of the remaining provisions.

II. Special Conditions for Supply Contracts

This Article II applies to both purchase and service contracts within the meaning of Section 650 of the German Civil Code; Section 650 Sentence 3 of the German Civil Code will remain unaffected.

Section 21 Deliveries

1. Deliveries and shipments must be sent DDP (Incoterms 2020) to the delivery address (destination) specified by Smurfit Kappa, irrespective of whether the contractor uses the contractor's own employees or third parties.
2. The destination is also the place of performance for the delivery and any remedies.
3. The contractor bears the risk of accidental deterioration and accidental destruction until the handover to Smurfit Kappa at the destination (Section 447(1) of the German Civil Code does not apply).
4. The agreed delivery provisions apply. The type of transport must be coordinated with Smurfit Kappa.
5. Quantitative differences (excess or short deliveries) and partial deliveries require Smurfit Kappa's prior permission in text form.
6. All shipments must include a delivery note. All shipment documents and delivery notes must state the order and item number, quantity and delivery address.
7. Goods will be packaged and packaging will be disposed of at the contractor's expense, unless it was agreed that these costs will be borne by Smurfit Kappa. Packaging returns (e.g., pallet exchanges) require a separate agreement.

Section 22 Outgoing Goods Inspections, Defect Reports

1. The contractor must perform and document in writing outgoing goods inspections that allow Smurfit Kappa's incoming goods inspections to be reduced

to the extent specified in Subsection 2. This outgoing goods inspection documentation must be submitted to Smurfit Kappa with the delivery.

- Smurfit Kappa's commercial inspection and defect reporting obligations for incoming goods are limited to the identity and quantity of delivered goods, obvious defects and transport damage. For obvious defects, defect reports will be considered submitted without undue delay and on time if sent within 3 (three) business days; hidden defects must be reported within 10 (ten) business days. For obvious defects, the reporting period will commence upon delivery and, for hidden defects, upon detection. Obvious defects are defects (e.g., transport damage, incorrect deliveries) easily detected through external examination, including of the delivery documents, during incoming goods inspections or through sampling during (irregular) quality controls by Smurfit Kappa. Hidden defects are defects that are only detected through inspections that require the packaging to be removed, container components to be separated, chemical or physical inspection methods to be applied or the performance of testing processing, etc., and that are detected by measuring or testing plates, tools or other devices or equipment parts.
- In case of justified suspicions of defects that require further inspections of supplied goods, the defect reporting period in Subsection 2 will only commence upon completion of the inspection. Inspections must be performed by a recognized testing institute or by an expert appointed and certified by the competent chamber of commerce and industry of the destination. Costs resulting from inspections of delivered goods suspected to be defective must be borne by the contractor if the inspection confirms the presence of the defect.

Section 23 Supplier Recourse

- As part of the supplier recourse under Sections 445a and 445b of the German Civil Code, Smurfit Kappa may obtain the exact remedy from the contractor that Smurfit Kappa owes to its customers. The discretion under Section 439(1) of the German Civil Code will remain unaffected.
- Before Smurfit Kappa recognizes or satisfies defect claims asserted by its customers, Smurfit Kappa will inform the contractor and request a written statement that briefly explains the matter. If no substantiated statement is released by an appropriate deadline set by Smurfit Kappa and no amicable solution is found, the defect claims actually granted to Smurfit Kappa will be considered owed to the customer. In this case, the contractor will be responsible for providing proof to the contrary.
- Supplier recourse claims also apply if the defective goods have been processed by Smurfit Kappa or another entrepreneur, e.g., through installation in another product.

III. Special Conditions for Work and Construction Contracts

Section 24 Employee Deployment

- The contractor must use sufficiently-qualified employees for contracted services. Changes to employees deployed for work commissioned by Smurfit Kappa must be reported to Smurfit Kappa by the contractor without undue delay. Use of and, if applicable, changes to subcontractors requires Smurfit Kappa's prior permission in text form.
- Irrespective of Smurfit Kappa's professional requirements for contractual objects, the contractor alone will remain responsible for resource planning and organizational and disciplinary management of the employees used by the contractor, even when deployed to Smurfit Kappa's premises. The contractor's employees will not become part of Smurfit Kappa's organization.
- The contractor alone will be responsible compliance with applicable work, social, tax, social security and minimum wage requirements for all deployed employees and must hold Smurfit Kappa fully harmless of any claims of the contractor's employees, incl. of any corresponding legal defense costs.

Section 25 Compliance with Instructions

The contractor must ensure compliance with applicable work, workplace, accident prevention, organizational and hygiene instructions issued by Smurfit Kappa. Smurfit Kappa will submit instructions to the contractor in time before service performance. Instructions will become part of the contract, unless their inclusion is unreasonable for the contractor.

Section 26 Service Changes

- Smurfit Kappa may request changes to the content or scope of services at any time. The same applies to goods that have already been produced or delivered.
- If requested changes are more than minor, the contractor must determine the resulting effects on dates, deadlines and (additional) expenses and the parties will agree on corresponding adjustments to the contract.
- Additional costs of service changes for which Smurfit Kappa is not responsible may not be charged by the contractor.
- Before their implementation, all service changes must be documented in an additional written agreement specifying the additional costs and scheduling changes.

Section 27 Delivery; Transfer of Risk

- If the contractor sends a work or parts thereof to Smurfit Kappa, Section 21 above applies.
- If, at Smurfit Kappa's request, the contractor sends a work or parts thereof to a destination other than the place of performance, the contractor will nonetheless bear the risk of delivering the work to the destination specified by Smurfit Kappa (Section 644(2) of the German Civil Code does not apply).

Section 28 Acceptance

- The contractor must report the completion of the work to Smurfit Kappa without undue delay. If there are no defects, Smurfit Kappa will accept the work within an appropriate period determined at Smurfit Kappa's discretion.
- The contractor must participate in and assist the acceptance review (if necessary) by providing test cases, test material and test data.
- Acceptance will be performed in writing using acceptance records to be signed by both parties.
- The contractor must remedy any defects reported by Smurfit Kappa and must report the completion of the remedy to Smurfit Kappa without undue delay. The acceptance procedure will then recommence.
- If Smurfit Kappa does not perform acceptance inspections or start using a work in time, this will not represent acceptance by Smurfit Kappa.

Section 29 Construction Contracts

- Construction contracts are also subject to legal provisions (Section 650a *et seq.* of the German Civil Code), unless agreed otherwise by the parties.
- The application of the Construction Contract Procedures Part B [Vergabe- und Vertragsordnung für Bauleistungen, VOB/B] is expressly excluded.

IV. Special Provisions for Service Contracts

Sections 24, 25 and 26 of the Special Conditions for Work Contracts apply correspondingly to service contracts.