

1 Terms and Conditions of Covestro AG and its affiliated companies as Customer regarding the award and performance of construction work – last updated November 2018

1 General

- 1.1 These terms and conditions shall become part of the respective agreement and of all future agreements regarding construction work. Conflicting or deviating terms or other restrictions of the Contractor shall not be recognized unless the Customer has expressly agreed to them in writing in individual cases.
- 1.2 Other agreements, amendments and subsidiary agreements shall only be valid if the Customer agrees to them in writing.

2 Offer

- 2.1 The Contractor must adhere exactly to the inquiry in the offer and expressly point out any deviations.
- 2.2 The offer shall be made free of charge and shall not create any obligations on the part of the Customer. Cost estimates shall only be remunerated by special agreement.

3 Order

- 3.1 Orders and changes to orders shall only be made in writing. In case of doubt, the content of verbal and telephone meetings shall only be binding if confirmed in writing.
- 3.2 The Contractor shall immediately check the order and all accompanying documents for detectable errors, ambiguities, incompleteness and unsuitability of the specifications selected by the Customer for the intended use and shall immediately inform the Customer of any necessary changes or clarifications to the order.
- 3.3 Each order and order amendment must be confirmed in writing by the Contractor and handled separately in all correspondence.
- 3.4 All documents shall include the following references: purchasing department, complete order number, order date and reference of the purchaser.

4 Order of priority, rules of interpretation

The general terms and conditions of the contractor ("**Contractor**") shall not apply. The contractual components shall apply in the following order of priority:

- the order placed by the customer ("**Customer**"),
- the record of negotiations and its annexes,
- the annexes listed in the order placed by the Customer, in particular the description of goods/services,
- these Terms and Conditions for Construction Work,
- the German Construction Tendering and Contract Regulations Parts B and C (*Vergabe- und Vertragsordnung für Bauleistungen*, VOB/B and VOB/C), as applicable at the time the agreement is entered into.

5 Contractor's obligations

5.1 Contractual performance, completeness

If the description of the goods/services refers to general requirements, the goods/services to be provided by the Contractor shall include all goods/services required for the proper performance of the agreement and for the provision of the work owed under the agreement. The performance obligation shall be construed as meaning that functional and acceptable goods/services in accordance with the object of the agreement are owed. If the description of the goods/services provides detailed provisions, these shall take priority.

5.2 General provisions for the execution of the contract

5.2.1 Generally accepted engineering standards, laws and technical regulations

The Contractor shall comply with generally accepted engineering standards. The Contractor shall respect all applicable laws and other legal norms as well as the accepted current engineering standards, norms and guidelines.

5.2.2 Inspection obligations, reference requirements and information obligations

The Contractor shall immediately inform the Customer in writing if data, information and/or documents as well as technical instructions issued by the Customer are incorrect, incomplete and/or inconsistent.

5.2.3 Reporting concerns

If the Contractor has technical concerns, it shall notify the Customer in writing of such concerns without undue delay and give detailed reasons. This applies, in particular, if the Contractor has concerns about a technical instruction issued by the Customer or about the manner of implementation specified by the Customer.

5.2.4 Monitoring rights of the Customer

The Customer is entitled to monitor the goods/services provided by the Contractor at any time and, where necessary, issue technical instructions within the limits of the description of the goods/services. The Contractor shall ensure that all necessary information is provided to the Customer at any time in order to allow the Customer to assess the goods/services. The Customer shall be entitled to access all places of performance in order to carry out its own checks and gather any evidence.

5.2.5 Approvals of the Customer

The Customer is entitled at any time to require the Contractor to produce any plans, drawings, concepts, other papers and/or documents prepared in connection with the provision of services (hereinafter in this clause referred to as "Documents") for the Customer's approval and/or information. The Customer shall not be under an obligation to approve any Documents.

At the request of the Customer, the Contractor shall provide Documents to the Customer without undue delay and make itself available to provide explanations. The Contractor must provide the Documents – including any explanations – to the Customer in good time to allow the latter reasonable time to carry out checks and decide whether to grant an approval.

An approval does not release the Contractor from liability regarding the accuracy and/or completeness of the Documents prepared and/or checked by it. An approval does not entail any acceptance or partial acceptance.

5.2.6 Coordination, interfaces

The parties shall agree to a list of interfaces, which specifies the respective obligations of the Customer and the Contractor. Where the Contractor's own obligations are concerned, the Contractor shall be solely responsible for integrating and coordinating any goods/services to be provided by other parties involved. This shall constitute a material basic obligation. Coordination shall entail, in particular, proactively planning the involvement and engagement of other parties involved, providing information to them in timely manner, as well as the timely request and supervision of goods/services provided by them to the extent that the Contractor's own obligations are concerned.

The Contractor shall perform all coordination work and measures to coordinate the goods/services to be provided by it and coordinate any subcontractors and third-party contractors engaged by it.

In the context of its coordination obligations, the Contractor shall, in particular, arrange any participation on the part of the Customer in terms of both content and timing. The Contractor shall give due advance notice to the Customer if requesting any participation on the part of the Customer.

5.2.7 Award of subcontracts by the Contractor

The award of any subcontracts to subcontractors who have not been named in the offer shall only be permissible with the Customer's prior written consent. The Contractor shall make a written application to the Customer for the approval of the subcontractor; the Customer may, at its reasonable discretion, make the consent conditional upon the submission of documents that are relevant to the contract, e.g. the business registration.

The Contractor undertakes to only commission competent and solvent subcontractors. The subcontractor must possess sufficient third-party liability insurance cover and provide evidence of such cover by submitting an insurance certificate to the Contractor. When awarding subcontracts, the Contractor shall comply with all applicable legal provisions pursuant to the German Act on the Posting of Workers (*Arbeitnehmerentsendegesetz* – AEntG), the German Temporary Workers Act (*Arbeitnehmerüberlassungsgesetz* – AÜG) as well as all social security and collective bargaining regulations and occupational health and safety laws. The Contractor shall ensure that the subcontractor complies with its obligations vis-à-vis all workers deployed in the context of this agreement.

5.3 Daily construction reports

The Contractor is obligated to prepare daily construction reports and provide a copy of these to the Customer's representative at least once a week. The daily construction reports must contain all details that may be important for execution or invoicing, e.g. regarding weather, temperatures, number and nature of staff working on the construction site, quantity and type of large-scale equipment, material construction progress (beginning and end of major building work, concrete placing times, etc.), interruptions of construction including reasons, accidents, obstructions and other events.

5.4 Safety and occupational safety

The Contractor shall ensure that all work carried out by the Contractor under the agreement is carried out in compliance with statutory provisions, official requirements and the Customer's safety and procedural rules.

If the German Construction Site Regulation (*Baustellenverordnung*) requires the preparation of a health and safety plan (*Sicherheits- und Gesundheitsplan*), the Contractor must participate in this with regard to the rules applicable to

the Contractor's trade. The Contractor shall ensure that its employees comply with the aforementioned rules. Any health and safety instructions issued by the health and safety coordinator (*Sicherheits- und Gesundheitsschutzkoordinator*) must be complied with.

The Customer shall appoint a coordinator pursuant to Regulation 1 of the German Social Accident Insurance Association (*Deutsche Gesetzliche Unfallversicherung*) and pursuant to the German Construction Site Regulation (*Baustellenverordnung*).

5.5 Construction products, construction materials, waste

The construction products and types of construction must comply with the respective construction regulation (*Landesbauordnung*). The Contractor shall ensure compliance of the construction products with technical provisions. The certificates required in accordance with construction law must be available at the time of execution and must be handed over, in a complete and orderly manner, at the time of acceptance.

Unless otherwise agreed, e.g. in the CHEMPARK guidelines, any construction waste, packaging and other waste located on the construction site must be removed and correctly disposed of by the Contractor at regular intervals in accordance with the construction permit and the provisions of public law, provided that the Contractor was responsible for creating the waste.

6 Changes to the scope of goods/services

6.1 Supplementary agreement; Customer's right to make demands

The Customer is entitled to demand changes to the agreed work owed and to demand changes that are necessary to achieve the agreed work owed (hereinafter the "Change(s)"). This right also applies to demands that result in a change to the contractually-agreed construction time, e.g. acceleration measures. The right to make demands does not apply to changes to the agreed work owed and to acceleration measures if the Contractor cannot reasonably be expected to implement them in the individual case, in particular if the Contractor's business is not equipped to provide such goods/services. If the Contractor cites internal processes to claim that Changes are unreasonable, the Contractor shall bear the burden of proof in that regard.

The provisions of the VOB/B regarding the commissioning of changed or additional goods/services (sections 1(3), 4, 2(5), 6 VOB/B) shall not apply.

If the Contractor is of the opinion that the execution of the Change is unreasonable for the Contractor, the Contractor shall notify the Customer of this fact without undue delay and no later than within 7 calendar days from receipt of the Contractor's request for Change, together with detailed reasons.

In addition, the Contractor shall notify the Customer – without undue delay and no later than 14 calendar days from receipt of the Customer's request for Change – of the Contractor's complete, clear and verifiable supplementary offer which lists the cost and time implications of the Change conclusively and in detail. This applies even if generating the offer requires the preparation of plans, provided that it is reasonable for the Contractor to be required to prepare plans, for instance because its company is equipped to prepare such plans.

The Contractor shall prepare the offer in due consideration of the provisions of clause 3.2; estimates of any increased or reduced costs shall be provided accordingly. Further, the Contractor shall inform the Customer of any consequences in terms of timing.

At the request of the Customer, the Contractor shall explain the details of the offer and, at the request of the Customer, submit supporting documents. The parties undertake to negotiate the offer without undue delay and in a spirit of cooperation, with the aim of avoiding any construction delays and with the aim of entering into supplementary agreements in a timely manner; such agreements shall fully cover any increased or reduced costs and any effects on timing.

The supplementary agreement must be executed in writing. If the parties fail to reach an agreement regarding the increased and/or decreased fee, the Customer may demand the implementation of a Change in writing. Such demand shall generally only come into effect after 30 days, calculated from the date of receipt of the request for a Change by the Contractor.

In addition – in acute cases in which the execution is urgent or if, due to specific circumstances, it can be assumed that the tasks have failed to reach an agreement, or if the interest of the Customer in the immediate provision of the goods or services requested outweighs the Contractor's interest in the prior agreement of a fee, and provision prior to expiry of the aforementioned 30-day period is reasonable for the Contractor – the Customer may, at any time including prior to the expiry of the 30-day period, demand Changes in writing even if no written agreement has yet been reached on the increased and/or reduced fee and/or the consequences in terms of timing. An acute case is deemed to exist, in particular, if the Customer suffers a significantly greater loss or damage by waiting for the expiry of the 30-day period than the Contractor would suffer were the deadline not complied with, e.g. due to a delay to the project.

In the event that the Customer makes such a demand, the Contractor undertakes to provide the goods/services demanded even if there is a dispute regarding the contractual scope of goods/services, the verifiability and/or the extent of the supplementary offer made.

6.2 Remuneration for Changes

The fee for the Change is based on the agreed unit prices. If no unit prices have been agreed, the reduced and/or increased costs shall be based on the actual costs with reasonable surcharges for general business costs, risk and profit. Unless otherwise agreed, a reasonable surcharge shall be a surcharge of 5%.

In addition, the Contractor undertakes, at the request of the Customer, to submit to the Customer a contract estimate in a sealed envelope within 2 weeks. The contract estimate shall contain a transparent and clear breakdown of individual costs of the partial performance, construction site overheads, subcontractor costs, general business costs, risk and profit as well as average wages. Goods/services provided by subcontractors shall always include the Contractor's surcharges on these goods/services. If, in accordance with the aforementioned requirements, the calculation has been broken down and provided sufficiently transparently and clearly, the Contractor may also base the calculation of any supplementary goods/services on the assessment of costs used in the calculation. There is a rebuttable presumption that the later fee based on the original calculation of the original fee is in accordance with the fee as per paragraph 1 above.

This shall not affect section 650c (3) of the German Civil Code (*Bürgerliches Gesetzbuch* – BGB) (fee adjustment in the absence of an agreement).

6.3 Fee according to time and effort spent

The charging of an hourly fee requires prior express agreement with the Customer to provide certain goods/services and bill them in accordance with the agreed hourly rates. Travel times will only be reimbursed if and to the extent that this has been expressly agreed.

The hourly/daily time sheets must contain the Customer's order number, the good(s)/service(s) provided, the date the good(s)/service(s) were provided, the place of performance, the names of the workers including their qualification and hours worked (listed in detail) and must be supplied to the Customer within two working days.

The Customer shall approve the time sheets by issuing a written audit certificate that shall not, however, constitute an acknowledgement of a payment obligation. The sign-off merely acknowledges the absences of the Contractor's staff on the construction site. The Customer in particular reserves the right to check whether the work carried out constitutes additional goods/services. All hourly/daily time sheets shall be attached to the invoice. A fictional acknowledgement of time sheets is excluded.

7 Participation by the Customer

The Contractor shall be solely responsible for scheduling all participation and approvals by the Customer in terms of timing and content. The Contractor shall independently obtain the required data, information and/or documents from the Customer and/or the third party involved. If necessary, the Contractor shall involve the Customer by giving sufficient advance notice.

8 Project implementation

8.1 Employees with key functions

At the request of the Customer, the Contractor shall submit to the Customer an organigram, including names of the Contractor's project manager and other employees with key functions and their work address including work telephone/fax numbers and e-mail addresses.

The Contractor shall designate a person who is authorised to take all decisions with binding effect on the Contractor concerning the implementation of the agreement, in particular in project meetings, and to make or receive declarations with binding effect on the Contractor. If a representative of the project manager participates in the project meetings, they shall be deemed authorised to take all of the aforementioned decisions on behalf of the Contractor.

The Contractor's project manager shall have the authority to issue instructions to the other employees of the Contractor.

The Contractor shall ensure that its workers will at all times take action against any de facto integration into the work organisation of the Customer (i.e. in particular, no collaboration with employees of the Customer to share work, no acceptance of instructions from the Customer's employees that are typically issued by an employer, no

direct coordination of holidays with the Customer, no provision of sick notes to the Customer, etc.). If, contrary to the express provisions of this agreement, integration does occur, the Contractor shall indemnify the Customer against all disadvantages arising from this, provided that they are caused by a breach of the obligation set out in the first sentence of this paragraph.

8.2 Other employees deployed by the Contractor

The Contractor shall ensure that any employees deployed by it or by its subcontractors are only subject to the managerial authority of their respective employer.

8.3 Language

The execution of the agreement and any communication, whether oral or written, must be carried out in German or, after consulting the Customer, also in English. Any documents to be produced must be prepared in German or, after consulting the Customer, also in English.

9 Dates and delay, contractual penalties

The Contractor shall provide the goods/services in accordance with the general schedule and the detailed schedule as updated from time to time.

At the request of the Customer, the Contractor shall provide a detailed schedule taking into account the specifications included in the general schedule. The Contractor shall state the critical path in each revision of the schedule. Any updates shall specifically outline any derogations from the original target dates stated (target/actual comparison)

If there are indications that target dates may be exceeded, the Contractor shall notify the Customer of this fact in writing without undue delay, stating the reasons for such delay and the expected duration.

The rights of the Customer pursuant to sections 5 (3) (request for remedial action) and 5 (4) VOB/B (damages and termination) shall apply without restriction.

In the case of default, the Contractor shall be liable in accordance with the statutory provisions. The limitation of liability pursuant to section 6 (6) sentence 1 VOB/B to cases of intent or gross negligence shall not apply. There is no requirement to reserve an agreed contractual penalty for delay at the time of acceptance. The Customer may rely on such contractual penalty until the final payment has become due. The Customer is entitled to deduct any contractual penalty payments that have been forfeited from any advance payments.

10 Obstructions

The Contractor shall notify the Customer in writing without undue delay if the Contractor considers the provision of its goods/services to have been obstructed; such notice shall be expressly labelled as an "obstruction notice" and shall include the reasons for the obstruction and the estimated consequences of such obstruction in terms of timing and costs. The Contractors shall also notify the Customer of any obvious obstructions.

The obstructions must be noted in the daily construction log; the record in the daily construction log does not replace the separate written notice required in accordance with this provision.

In addition, the Contractor shall notify the Customer without undue delay when the notified obstruction has ceased to apply.

In view of orderly project management, the consequences of individual obstructions for staff and other resources deployed by the Contractor and its subcontractors must be detailed in the obstruction notice. In particular, it must be explained in detail whether and to what extent staff or other resources may be or have been put to work or deployed elsewhere and what measures are possible/were taken to mitigate any loss or damage. The Contractor shall deploy staff, resources and material to mitigate any loss or damage.

Besides the above, section 6 VOB/B shall apply with the exception of the limitation of liability pursuant to section 6 (6) sentence 1 VOB/B.

11 Acceptance, transfer of risk

Provided they are for the most part free from defects, the Customer will formally accept all goods/services provided by the Contractor as part of a final acceptance procedure by signing an acceptance report.

The Contractor does not have any right to partial acceptances. The provisions of the VOB/B regarding a fictitious acceptance do not apply. A simulated acceptance pursuant to section 640 (2) BGB is also excluded. This shall not affect the obligation of the Customer to declare acceptance in a timely manner.

The risk shall pass to the Customer upon acceptance.

12 Claims for defects

Unless otherwise agreed, any claims for defects against the Contractor following acceptance shall be based on the VOB/B in terms of their nature and extent. In derogation from section 13(4) VOB/B the limitation period for claims for defects shall be 5 years from final acceptance unless other time limits have been agreed. If a defect was fraudulently concealed, the standard limitation period shall apply, however for the period stipulated herein.

The restrictions on the Customer's right to reduce the purchase price in section 13 (6) VOB/B shall not apply; the Customer shall have a right to reduce the purchase price in accordance with the BGB. Moreover, the limitation of liability for the benefit of the Contractor in section 13 (7) VOB/B shall be excluded.

The Customer's claims for defects against the Contractor prior to acceptance shall also be based on the VOB/B. In derogation from the provisions contained therein, a (partial) termination is not required as a condition for substitute performance. Moreover, substitute performance shall also be permissible if it relates to a separable part of the work owed; it does not have to constitute a self-contained part of the contractual goods/services.

13 Ownership of documents, rights of use, industrial property rights

13.1 Ownership of documents

All documents provided by the Customer, i.e. data, information, calculations, software, drawings, manuals, models or other documents of a technical nature, whether in paper format or in a different format as well as on data storage devices (in this clause hereinafter referred to as "Documents") remain the property of the Customer. The Contractor must return these Documents to the Customer at any time upon request. The assertion of a right of retention in this respect is excluded, unless the Contractor asserts rights of retention or rights to refuse performance for undisputed or legally established counterclaims.

Title in the Documents produced by the Contractor or its subcontractors for the performance of the agreement and provided to the Customer shall pass to the Customer.

13.2 Exploitation of the Customer's Documents by the Contractor

The Contractor may only use Documents of the Customer that have been provided to the Contractor for the provision of the contractually-owed goods/services and must not otherwise use them for itself or third parties and, in particular, must not exploit them for itself or third parties.

Documents of the Customer must not be copied, provided to third parties and/or otherwise used without the prior express written consent of the Customer. They may be passed on to the Contractor's subcontractors if the Customer has consented to the subcontracting and if the subcontractor has undertaken to comply with the provisions of this clause 13 both vis-à-vis the Customer and the Contractor.

13.3 Rights of use, exploitation

The Customer shall be granted a spatially and temporally unlimited, transferable and irrevocable right of use and exploitation of all performance results which may be protected under copyright and/or other industrial property rights and/or rights of protection, in particular of the works/buildings produced, and including the documents produced by the Contractor for the purpose of fulfilling the contract, subject to the protection of the personal right of the author.. The Customer is entitled to finalise the project, without the participation of the Contractor, on the basis of the documents and goods/services provided by the Contractor, or to commission third parties to do so and to use the project results. The right of use and exploitation includes the right to work on the work results, and to further develop, copy, process and make them accessible to the public. If the rights lie with the subcontractor, the Contractor shall ensure that its subcontractor is subject to the obligation to grant the rights of use to the Customer to the same extent. Exceptions to this shall require the prior written consent of the Customer.

The Contractor shall make the performance results provided within the scope of this contract available free of all rights of third parties which may restrict or exclude the contractual use and exploitation by the Customer. The Contractor warrants that all authors and holders of related rights, who have participated in the work results produced in the context of this agreement on the basis of an agreement entered into with the Contractor or whose goods/services or works the Contractor has taken over, have enjoyed or will enjoy a fair share of the income in terms of sections 32/32a German Copyright Act (*Urheberrechtsgesetz* – UrhG). If authors or holders of related rights assert a claim pursuant to section 32a UrhG against the Customer, the Contractor undertakes to fully indemnify the

Customer against these claims.

If the project work results in any technical inventions, the Contractor shall secure the rights to these inventions vis-à-vis its employees and subcontractors. The Customer shall be granted a right of use including a right to grant sub-licenses to its affiliated companies within the meaning of sections 15 *et seq.* of the German Stock Corporation Act (*Aktengesetz* – AktG) and to any third party regarding all intellectual property which is the subject matter of the goods/services provided by the Contractor, including but not limited to know-how and inventions; such right of use and right to grant sub-licenses shall be granted free of charge and unlimited as to time and geographical scope. If the intellectual property concerns secret know-how of the Contractor, in the event that the know-how is sold to a third party the Contractor shall ensure that the Customer's right of use is not affected by the sale.

The Contractor shall grant the Customer a right of use in the intellectual property and in particular in the know-how verifiably developed or acquired independently of the goods/services or verifiably prior to the conclusion of this agreement, including all experience, knowledge and information, any inventions contained therein and the third-party rights arising and having arisen therefrom; such right of use shall be non-exclusive, fully paid and granted to the same extent as the aforementioned rights of use provided that the use by the Contractor of the work results arising from the goods/services provided are dependent on this older intellectual property and provided that the Contractor is entitled to grant such right of use.

13.4 Fees

All transfers, rights and uses granted shall be deemed to have been fully reimbursed upon payment of the fees due under this agreement. The parties agree that in assessing the fee, they have already taken into account the fact that as part of the agreement the Contractor may produce results capable of being protected that will be exploited by the Customer. Part of the fee therefore constitutes full consideration – subject to sections 31a (4), 32 (3), 32a (3) and 32c (3) UrhG – for the transfer, licensing and use of results capable of being protected, including for the time after the project has ended.

14 Liability and indemnity

In derogation from the limitations of liability as per sections 6 (6) sentence 1, 10, 13 (7) VOB/B, liability shall be in accordance with statutory provisions.

If claims are asserted against the Customer by third parties due to a violation of a statutory or contractual provision for which the Contractor is responsible, the Contractor shall be obliged to indemnify the Customer against claims.

15 Insurance

The Contractor is required to take out a business liability insurance policy with cover of at least EUR 5 million for personal injury and EUR 5 million for other damage (property damage or financial loss), with two maximum claims per calendar year, and to maintain this at least until expiry of the warranty period.

If the Contractor carries out any planning services, it shall be required to take out or maintain a planning liability insurance that is commensurate to the risk and has minimum cover of EUR 500,000, with two maximum claims per calendar year, evidence of which shall be provided to the Customer upon request.

The Contractor grants the Customer the right to directly contact the insurer in order to clarify any individual questions.

Upon request, the Contractor shall submit insurance certificates to the Customer without undue delay by way of evidence that the aforementioned insurance policies have been taken out.

16 Fee and payment terms, security

Each agreed fee shall constitute a fixed price. The fee shall only be changed subject to the conditions set out in the agreement. The fee shall apply for the entire duration of the contractual term. A price escalation clause for the price of wages and material shall not be part of the agreement. All prices are net of statutory VAT.

The Customer shall have the right to retain fees pursuant to section 48 *et seq.* of the German Income Tax Act (*Einkommensteuergesetz* – EStG) of 15 percent of the gross wages payable, which it will pay out to the relevant tax authorities. If the Contractor submits a certificate of exemption issued by the relevant tax office, the Customer has the choice of implementing the tax withholding procedure; the Customer shall take the Contractor's interests into account when making this decision.

The Contractor is required to prepare the final invoice without undue delay and to submit it to the Customer in a verifiable format and together with all receipts within a maximum of six weeks from acceptance.

If the Contractor intends a work stoppage, it shall expressly notify the Customer of such fact and set a grace period.

Unless otherwise agreed, all invoices are due within 30 calendar days of receipt of a verifiable invoice. If a payment plan has been agreed, a partial invoice shall only become due if the performance level provided for in the payment plan has been reached. Any defects entitle the Customer to withhold reasonable payments.

All requisite invoice-related documents shall be attached to the invoice. If any documentation or test certificates are included in the scope of goods/services to be provided, the payment term shall only commence upon provision of such goods/services. All payments shall be cashless. Any payment made does not imply that the provision of any goods or services has been accepted.

Invoices must correspond to the order in terms of wording, order of text and prices. Any additional or reduced services must be listed separately in the invoice.

The Contractor shall be charged the Currenta service fee for each worker deployed in the provision of the goods/services who is in possession or who is issued with a staff identity card from other companies for each worker and month for services provided by Currenta GmbH & Co. OHG. Different rules may apply at sites of the Customer that are not operated by Currenta GmbH & Co. OHG; the Contractor shall be required to comply with such rules.

The Customer is entitled to retain 5% of the net final invoice for any claims for defects. Following acceptance, the Contractor is entitled to redeem any security retained by supplying a surety bond for claims for defects, as issued by a bank, savings bank or a credit insurer registered in the European Community. The place of jurisdiction must be Cologne, Germany. The provisions of the VOB/B must be complied with. Any retentions or warranties for defects shall only be paid out or returned after expiry of the warranty period. This shall not affect any statutory retention rights.

17 Confidentiality, advertising

The Contractor undertakes to keep all details to which it has become privy concerning the project specification and internal business-related issues of the Customer confidential and to refrain from disclosing them to third parties.

The Contractor's obligation to retain any documents relating to the agreement shall end after 10 years in relation to claims of the Customer against the Contractor. If the Contractor intends to destroy original documents, it shall first offer to send them to the Customer.

The Contractor shall only refer to the current business relationship with the Customer in advertisements or other media subject to the prior written consent of the Customer. The Contractor must not use the Customer's trademarks unless the Customer has provided its express written consent.

18 Termination

Any termination shall be governed by the provisions of the VOB/B; in the absence of any provisions thereof, the statutory provisions shall apply. Notices of termination must be in writing. Divergent to section 8 (3) sentence 2 VOB/B a partial termination shall also be permissible if it relates to a separable part of the work owed; the good/services to which the termination relates do not have to constitute a self-contained part of the contractual goods/services.

The Contractor shall be obliged to vacate the construction site after notice of termination has been given and to hand over to the Customer all project documents that are required for the continuation of the project.

19 Compliance with provisions of employment law, tax law and social security law

The Contractor warrants that it complies with all its obligations towards all employees deployed in the context of this agreement. The Contractor undertakes to employ all staff deployed in the fulfilment of this agreement in accordance with applicable laws, and in particular the applicable provisions of employment law and social security law. In addition, the Contractor undertakes to comply with all applicable statutes, regulations and official decrees, in particular in relation to tax law, employment law (including the AÜG and AEntG) and social security law, occupational health and safety, accident prevention as well as any provisions concerning accident prevention issued by the employers' liability insurance associations.

The contracting parties agree that this agreement shall not give rise to any temporary employment relationship.

They will mutually take all steps within their area of influence to prevent any integration of the Contractor's workers into the operational organisation of the Customer. Besides the Customer, the Contractor shall also be responsible for preventing such integration from occurring and for preventing its workers from accepting any instructions from the Customer's employees. At the request of the Customer, the Contractor shall regularly and in writing confirm the checks it has carried out. If the Contractor fails to fulfil its obligation hereunder and the agreement does give rise to a temporary employment relationship, the Contractor shall indemnify the Customer against all tangible and intangible disadvantages arising from such fact. If there are any indications that the execution of this agreement may result in a temporary employment relationship, the Contractor shall notify the Customer without undue delay.

20 Compliance with the German Minimum Wage Act

The Contractor warrants that when carrying out contracts on behalf of the Customer it will comply with the provisions of the German Minimum Wage Act (*Mindestlohngesetz – MiLoG*). The Contractor further warrants that it will ensure that any subcontractors and employment agencies engaged by it are subject to the same obligations.

The Contractor undertakes to indemnify the Customer against all third-party claims – in particular claims of their own employees and subcontractors as well as claims of employees of the subcontractor or an employment agency engaged by the Contractor or a subcontractor – which are asserted in connection with the provisions of the MiLoG and which arise from the performance by the Contractor of contracts awarded by the Customer.

The obligation to indemnify shall also apply in relation to claims asserted by social security providers, financial authorities, in particular including claims by the German Federal Labour Office (*Bundesagentur für Arbeit*), regarding the payment of wages in the case of an insolvency if and to the extent that these are asserted against the Customer.

21 Payment of legally prescribed social security contributions and taxes

The Contractor warrants that it pays the legally prescribed social security contributions and taxes in relation to the employees deployed in the context of this agreement and that there will be no additional demands.

22 Final provisions

22.1 Transfer of the contract, assignment

The Contractor may not transfer the contract in whole or in part to third parties without the Customer's consent. This shall also apply to individual rights and obligations arising from this contract.

The Customer is entitled to transfer its rights and obligations arising from this contract without the consent of the Contractor within the COVESTRO group (i.e. to a company affiliated with Covestro AG in the meaning of sections 15 *et seq.* AktG). The customer reserves the right to assign rights in whole or in part.

22.2 Applicable law

The substantive laws of the Federal Republic of Germany shall apply exclusively to all legal relationships arising for the contracting parties and their legal successors from this contract, to the exclusion of the UN Convention on the International Sale of Goods (CISG).

22.3 Jurisdiction

The exclusive place of jurisdiction for all disputes arising out of or in connection with this contract shall be Cologne, Germany.

22.4 Written form, amendments to the contract

Amendments, supplements or the amicable cancellation of this contract including its appendices must be made in writing and signed by both contracting parties on the same document in order to be effective, unless they are based on an express, individual contractual agreement.

Notices of termination and other declarations of the contracting parties which are necessary to establish, safeguard or exercise their rights must also be made in writing in order to be effective, but only with the signature of the declaring contracting party.

The written form requirement may only be waived by a declaration signed by both contracting parties, unless the waiver is based on an express individual contractual agreement.

The acceptance or acceptance of orders, freight documents, order confirmations or any other type of document (including General Terms and Conditions) which deviate from the provisions agreed in this contract shall not lead to an amendment and/or supplement of this contract without compliance with the written form requirement in accordance with the above paragraphs of this provision.

22.5 Offsetting

The Contractor may only offset if the respective claim with which the offset is to be made is undisputed or has been legally established by a court of law.

The Customer shall be entitled to set-off and/or retention in accordance with the statutory provisions.

22.6 General issues

Applicable safety and regulatory provisions, the applicable QM guidelines for companies involved in implementing contracts on the Covestro premises and corresponding provisions of affiliated companies of Covestro and the Covestro Supplier Code of Conduct are an integral part of the terms and conditions of the individual contracts/orders. These will be handed over work begins.