

**PURCHASING ORDER TERMS**  
**(Version No: 2)**  
**December 29, 2020**

**1. PARTIES**

This Purchasing Order Terms (hereinafter referred to as the “TERMS”) is drafted to determine the general terms of the services and goods (“WORK”) be provided by the seller and shall be consist the general terms and conditions of the “AGREEMENT” by and between Elif Holding A.Ş. and its group companies Elif Plastik Ambalaj San. ve Tic. A.Ş., Elif Global Packaging S.A.E., Elif Global pazarlama A.Ş., Elif Global S.A. (collectively as “ELİF”) and the seller (the “SELLER”).

ELİF and the SELLER shall hereinafter collectively be referred to as the “PARTIES” and individually as the “PARTY”.

**2. THE SCOPE OF THE ORDER AND DELIVERY OF PURCHASING ORDERS**

The scope of the WORK shall be determined in AGREEMENT. In the event that there shall be no written AGREEMENT by and between Parties on date of order, the process shall begin with the receipt of e-mail of the SELLER regarding the confirmation of Purchasing Letter of ELİF sent via [satinalma@elif.com](mailto:satinalma@elif.com)

The provisions of the AGREEMENT shall prevail in the event of any contradiction between the AGREEMENT and this PURCHASING ORDER TERMS.

The purchase order of ELİF shall be confirmed in written by the SELLER in 24 (twenty four) hours. The SELLER shall send its comments to ELİF in written in 24 hours regarding the purchasing order as of the receipt. The purchase orders not confirmed in 24 (twenty four) hours by the SELLER shall be deemed accepted with all its terms.

ELİF has a right to cancel the orders in 2 (two) days as of the confirmation without any compensation. The cancellation of orders due to the force majeure events are preserved.

All taxes and levies may arise as a result of the AGREEMENT shall be paid in accordance with the legal responsibilities of each party. The stamp tax shall fully be paid by ELİF and 50% of the stamp tax shall be invoiced to the SELLER.

**3. AMENDMENTS**

ELİF, may any time has a right to make amendments in this TERMS. The amendments shall be made with stating the date and version number and shall be binding as of its announcement in ELİF web site [www.elif.com](http://www.elif.com) The new version of the TERMS shall not affect to the former orders.

The amendments to the AGREEMENT or the Purchase Orders can only be made by the mutual and written confirmation of the Parties.

**4. ORDER TERMS AND QUALITY**

Unless otherwise specified in purchase order, the SELLER shall perform and submit the WORK in accordance with the standards of DIN and Turkish Standards Institute and similar standards as required, and shall be in accordance with technical, legal and environmental requirements. The SELLER shall directly be responsible of violation of said requirements and standards.

The SELLER shall provide the product(s) in accordance with purchase order of ELIF and technical specifications.

The SELLER is obliged to keep all quality records for goods/services and shall submit such records to ELIF representatives where required. ELIF has a right to inspect the system and process steps and evaluate the SELLER to ask for improvement of process. The inspection of ELIF shall not relieve the SELLER for submitting certificate of analyze and appropriate goods.

The goods, produced in accordance with the technical specifications and orders, delivered by the SELLER should match with the sample products. Otherwise, ELIF shall have a right to return the non-matching goods without any compensation.

The purchase quantities stated in any correspondence with the SELLER shall not be binding unless confirmed in purchase order.

Delays of third parties shall not relief the SELLER from its delivery obligations stated in purchase order.

## **5. FINANCIAL PROVISIONS**

Unless otherwise state in the purchase order, the price shall be fixed amount and shall include the delivery of the WORK to ELIF facility or any other place stated by ELIF with its required packing. The price, shall include the VAT, all taxes, levies, fees, transportation costs and similar expenses unless otherwise specified in Purchase Order.

Additional tax, levies, and other expenses constituted by the official authorities shall not be reflected to the prices, by the SELLER.

The increase in prices shall only valid by confirmation of ELIF as of the written request of the SELLER. The SELLER shall not delay or suspend the delivery due to the delay of ELIF confirmation.

In the event of changes in general costs in favor of ELIF, then ELIF shall have a right to demand decrease in prices form the SELLER in accordance with cost advantages.

For the WORKS which the installation shall be made by the SELLER, the SELLER shall be responsible for the salaries and social security premiums of its employees and the SELLER shall not ask for additional payment.

## **6. DELIVERY TERM AND DATE**

The delivery term and place shall be stated in Purchase Order and or in the AGREEMENT. The delivery shall be in accordance with ICOTERMS 2020 rules and ELIF confirmation shall be obtained for the exact time of delivery.

Unless otherwise stated in Purchase Order or in the AGREEMENT, the delivery date shall be;

- i. if for the goods, the date when the goods delivered by the SELLER and accepted by ELIF in place where stated in purchase order,
- ii. if for the services, the date when the relevant acceptance department of ELIF accepts the service.

The delivery date agreed with the SELLER is definite and binding. The SELLER is obliged to inform ELIF immediately if it is understood that the goods shall not be delivered on delivery date with stating the ELIF purchase order number and specifying the reasons of delay. In this case, ELIF may, decide a new delivery date or cancel the order with preserving its compensation claims.

The delivery of any goods or services shall not be deemed as acceptance.

## **7. WAYBILL AND DELIVERY**

The SELLER's full corporate title, shipping date, order number and date of ELIF shall be stated on waybill and all waybills shall be drafted in accordance with the Regulation Regarding the Printing and Publishing of Documents Used by Tax Payers. The SELLER shall send the waybill and certificate of analyze via e-mail additionally. The goods not having the certificate of analyze shall not be accepted.

The SELLER shall be directly responsible from the conformity of the transportation in accordance with the Work, environment regulations, relevant legislation and Traffic Law. The security of the goods during the transportation shall also be maintained by the SELLER. The goods shall not be shipped in trucks, containers, water, humidity, containing; dirt, dust, bugs, dead bugs, human or animal excretions, detergents, microorganisms, toxics and chemicals etc. and all trucks must be clean and should meet the health and environment regulations and the cargo area of trucks should be closed. All trucks carrying dangerous, hazardous material and or goods, should meet the provisions of the Regulation Regarding the Transportation of Hazardous Materials on Highway, ADR and relevant regulation and shall have all required equipment. Trucks not having the required equipment shall not be accepted to ELIF facilities. The SELLER shall directly be responsible for the violation of the relevant legislation.

The delivery shall be on the date, place and confirmed delivery time notified by ELIF. The deliveries other than the notified dates and place shall not be deemed as the delivery of the goods. Vehicle discharging hours shall be between 09:00 to 17:30 in weekdays and if mutually accepted 09:00-11:00 on Saturdays. The discharging shall not be accepted other than the stated discharging hours. The vehicles of the SELLER shall not be placed or parked around ELIF facility other than the discharging days and hours.

The acceptance of the goods shall be as of the confirmation of relevant ELIF department and all risk shall be borne on SELLER until the acceptance. In this respect, all harms given during the storage and shipping/transportation of the goods shall be borne on the SELLER.

ELIF shall have a right to reject the goods if the packing is not appropriate. All packages should protect the goods until the expiration date and the packing should be confirmed by the relevant department of ELIF. All damages shall be borne on the SELLER during the transportation, loading and discharging due to the defected packages. ELIF's weighing in storages of warehouses shall be based on calculation of delivered quality and amount of goods.

The expiration dates of the goods should be stated on package of goods.

For all deliveries to ELIF, the plate number of the vehicle and driver's name should be notified via e-mail before the delivery. The driver should also follow the workplace health and safety regulations of ELIF.

## **8. ACCEPTANCE**

The delivery of the WORK shall not be deemed as the acceptance. The quality control, technical inspection and acceptance of WORK shall be done by ELİF. Until the completion of quality and quantity control and the control of conformity of the goods to the purchase order and the acceptance of the delivery documents by ELİF, the payment shall not be performed.

The quantity of the goods exceeding the number of goods stated in purchase order or the goods which the expiration dates are close or expired shall be accepted and rejected. All defects and mistakes stated in WORK shall be corrected by the SELLER without any additional payment until the date given by ELİF.

Unless otherwise stated in confirmed Purchase Order or in the AGREEMENT, the Partial deliveries shall be accepted by ELİF with obtaining its prior written confirmation.

It is agreed by the Parties that the WORK shall be delivered, without any defects, shall be solid, meeting the ELİF specifications, shall meet the hygiene and product safety requirements, ELİF shall not be bind with terms stated in Article 23 of Turkish Commercial Code and Article 231 of Turkish Code of Obligations, regulating the visible and hidden defects. ELİF shall have a right to return the goods even they are accepted, the defect is visible or the payment has realized.

In the event that the relevant control department of ELİF shall decide the return of the goods, then ELİF shall have a right to demand the delivery of new and non-defected products with preserving its compensation claims. ELİF has a right to cancel all the goods which the part of the WORK, even the partial delivery is accepted, or the goods already be stored with preserving all its compensation claims. ELİF has a right to keep the goods in custody which delivered before the date of cancellation.

ELİF shall notify the SELLER regarding the rejected material/goods including but not limited with hidden defects realized during the process stage by its own customers or during the production, quality security or in other stages operated by ELİF. In such case, ELİF, may demand the re-production of the goods and the SELLER shall be obliged to compensate the loss of ELİF due to the loss of ELİF or 3<sup>rd</sup> party compensation claims. The detection of the defect can be agreed by the parties or if not can be detected by an independent survey company. If the defect shall be detected by the survey company all expenses shall be borne on the SELLER if there shall be no defect then the expenses shall be borne on ELİF. In such case the goods provided by the SELLER shall be returned.

The SELLER is obliged to take back the rejected goods from ELİF maximum in 10 (ten) days as of the rejection date. During the production or as of the storage of the goods by ELİF, the rejection of goods shall be notified to the SELLER. If the SELLER shall not take back the rejected goods in 10 (ten) days, then ELİF shall have a right to send the goods to the SELLER with invoicing the transfer/delivery expenses to the SELLER. ELİF shall not be responsible from the harms to the goods during the transfer/delivery to the SELLER.

In the event that ELİF may decide to choose and elect some of the goods in non matching material/goods to prevent the delay in production the cost for this additional work shall be borne on the SELLER. The goods, rejected by ELİF's control department can not be used for other commercial purposes and shall be destroyed/terminated if deed necessary by ELİF under the monitoring of ELİF representative.

## **9. INVOICE AND PAYMENT**

The invoices shall separately be issued for each waybill in 7 (seven) days. The information stated in waybill shall be stated in invoice in same order. The default payment compensation, interest rates and default interest shall not be accepted unless stated in purchase order.

The purchase order number of ELIF should be stated in invoice and waybill. ELIF shall have right to reject any payment in violation of this clause. The invoices of previous month shall be submitted to authorized ELIF employee at the first date of the next month. Otherwise the relevant invoice shall be paid after an additional 30 (thirty) days of delay. If there will be a missing or wrong information on delivery documents (waybill etc.) or invoice, then such documents shall be deemed not delivered and shall be returned to the SELLER. The return of electronic invoices shall be via the "return invoice" issued with same content. The SELLER shall have no right to ask for any payment until the correction of delivery documents and invoice(s).

If the price of the goods shall be in foreign currency, the payment shall be done in accordance with the provisions stated in the Purchase order or in the AGREEMENT. If the SELLER shall deliver the goods later than the delivery date, then, ELIF shall choose the lesser exchange rate between the delivery date stated in purchase order or the actual delivery date of the SELLER.

The payment shall be done after the due date stated in Purchase Order in cash or via cheque on the dates stated in annual circulars published ELIF. The SELLER hereby accepts that it shall not demand any maturity date difference between the maturity date and ELIF's payment date. It is agreed by the Parties that, the SELLER is obliged to pay VAT amounts regularly and on monthly basis. If ELIF shall not be able to get a VAT return due to the late or non payment of VAT by the SELLER then, ELIF shall have a right to suspend the payments until the full VAT amount is paid to relevant tax department by SELLER and ELIF shall be in position to obtain tax returns.

If there will be a delay on deliveries or the SELLER shall be in default of performing its undertakings then, ELIF shall have a right to suspend the former payments of SELLER without any court order/verdict.

Unless otherwise stated in the AGREEMENT or in the confirmed Purchase Order, no advance payment shall be made. If the Parties agreed on advance payment, the payment shall be made as of the submitting of a bank letter of guarantee which the terms determined by ELIF. All expenses and levies due to the advance payment shall be borne on SELLER unless otherwise any other term stated in the purchase order or in the AGREEMENT.

The advance payment amount shall be returned with its interest as of the cancellation of purchase order by ELIF by any reason.

## **10. DEFAULT PENALTY**

In the event that the delivery shall be delayed more than 3 days, then ELIF shall issue penalty invoice equivalent to the 0,5% of the purchase order for each delayed date starting from the 4<sup>th</sup> date and such amount shall be deducted from the payments to the SELLER and/or from the securities obtained from the SELLER. The total penalty amount shall not be more than 5% and if the delay shall be more than 10 days ELIF shall have a right to cancel the order and shall preserve the right to not to pay the price of the purchase order.

ELIF has a right to deduct said penalties from the receivables or securities of the SELLER. The penalty amounts stated in this provision shall not be applied for delays occurred from ELIF.

## **11. WARRANTY PERIOD AND ITS EXTEND**

The SELLER is obliged to replace the defected and/or damaged goods in after sales warranty period. The SELLER is also obliged to cover the additional costs arising from the replacing of goods.

The WORK delivered to ELIF by the SELLER shall be subjected to a warranty period of 24 months against all production and installment/assembly defects starting from the acceptance of ELIF unless a longer term is not stated in technical specification of the goods.

If the defects shall not be remedied in term notified by ELIF, then; ELIF by preserving all its compensation claims, shall have a right to reduce the purchase price or remedy the defects by itself or by a third party by invoicing all costs and expenses to the SELLER.

ELIF's rights in accordance with the relevant legislation are preserved.

## **12. FORCE MAJEURE**

Each Party shall notify the other Party in 5 days as of the occurrence of a force majeure event that prevent the party to fulfil its obligations arising from the purchase order such as; war, fire, strike, float, earthquake, storm etc. The notifying party shall also state the reason of the default and effecting of the force majeure event. If the force majeure event shall not be notified to other Party in said term, the Party suffering from force majeure event shall lose its rights to claim for force majeure event.

In the event that the force majeure event shall continue more than 30 (thirty) days, ELIF shall have a right to terminate the AGREEMENT/TERMS without any compensation. In such case any one of the parties shall send a written notice to other party trade relation has ended by and between the parties.

The Parties may decide to suspend the WORK during the term of the force majeure.

## **13. TERMINATION**

Unless otherwise stated in the AGREEMENT or in the confirmed Purchase Order, the below mentioned reasons shall cause termination;

### **A. THE RIGHTFUL TERMINATION OF THE AGREEMENT OR THE PURCHASE ORDER BY ELIF**

For below stated issues ELIF shall have a right of termination with preserving all its compensation claims;

- a. The SELLER's violation of current laws,
- b. The violation of the rules of the AGREEMENT or the TERMS by the SELLER and the SELLER's continuous violating acts against the warnings of ELIF.
- c. The existence of reasons which ELIF shall believe that the SELLER shall not fulfil its obligations. (such as; bankruptcy, dissolution, enforcement procedures against the SELLER)
- d. The SELLER's default on work programs,
- e. The complaints of ELIF's customers regarding the WORK.
- f. The assignment of some or whole of the WORK to third parties without the obtainment of ELIF's written approval.
- g. The decrease in product quality and the continuing decrease as of the notifications of ELIF.

If the Purchase Order or the AGREEMENT shall be terminated due to the above reasons, the SELLER shall compensate ELIF's loss and the amounts paid such as; taxes, levies and fees upon first written request.

ELIF has a right to deduct such fees from the receivables and securities of the SELLER. It shall not be deemed as the release of waiver of this right if ELIF shall not use this right or shall not be deemed as such right shall not be use in the future.

## **B. THE TERMINATION OF THE PURCHASE ORDER OR THE AGREEMENT BY ELIF WITHOUT ANY REASON**

Unless otherwise stated in the confirmed Purchase Order or in the AGREEMENT, ELIF shall have a right to terminate the AGREEMENT with a 30 days prior written notice without any compensation.

### **14. SECURITY MEASUREMENTS**

The SELLER shall follow all relevant legislation and ELIF directives and measurements regarding the fulfilment of the WORK. The SELLER shall directly be responsible from the violation of legislation.

If the installation shall be performed by the SELLER then, the SELLER shall directly be responsible from the claims of ELIF employees or any third parties due to accidents, injuries, professional disease and similar situations and shall have no right to ask any compensation from ELIF.

The SELLER shall directly be responsible from all compensation claims of ELIF or 3<sup>rd</sup> parties during the fulfilment of WORK. ELIF shall have no responsibility from claims arising from the accidents at work due to the lack of workplace health and safety measurements as a default of the SELLER.

The SELLER shall also compensate ELIF for its payments to 3<sup>rd</sup> parties due to compensation claims in accordance with this clause.

### **15. ASSIGNMENT**

The SELLER has no right to assign its rights and responsibilities arising from the purchase order to any third party without the prior written consent of ELIF. The SELLER shall directly be responsible from the works of third parties even ELIF has given a prior consent to assignment.

### **16. INTELLECTUAL PROPERTY RIGHTS AND CONFIDENTIALITY**

“Confidential Information” shall mean any confidential and proprietary information, materials and data, including but not limited to know-how, trade secret, customer lists, pricing, production key personnel, payment information, work and service details, trademarks, patents, account details, bank details, financial data, marketing, sales and sales strategies, patents, trade-marks, production methods and similar confidential information disclosed by or on behalf of ELIF its, shareholders, affiliates, subsidiaries, employees or agents to the SELLER for the production of the goods or trade relation by and between the Parties.

Protection of Confidential Information. The SELLER even the relation between ELIF is ended by any reason;

- a) shall protect all confidential information

- b) shall not disclose or divulge directly or indirectly, use or disclose in any other method,
- c) shall not disclose confidential information to any third party,
- d) shall not use other than the purpose of trade relation with ELIF

The SELLER shall treat the Confidential Information with the same degree of care to avoid disclosure to any third party as is used with respect to the SELLER's own information of like importance which is to be kept confidential. The SELLER is entitled disclose the Confidential Information to its employees on need to know basis by warning them for the protection of such Confidential Information. The SELLER hereby agrees and accepts that it shall be directly responsible from the violation of this provisions by its employees, directors, managers, subsidiaries and affiliates.

The SELLER hereby agrees that Confidential Information includes the trade secrets and ELIF shall have no obligation to disclose its Confidential Information and gives no warranty for the accuracy of the disclosed Confidential Information.

#### Measurements to be Taken:

If The SELLER shall be informed about a divulge of Confidential Information it is obliged to inform ELIF as soon as possible in writing and shall inform ELIF about the details of divulge and give its best efforts to minimize the loss of ELIF due to such divulge. ELIF, with being notified by the SELLER or be informed by its employees or third parties, shall start all legal proceedings. All costs for this legal proceedings shall be borne on the SELLER and shall have a right to claim all its loss arising from this divulge. The SELLER hereby agrees that it shall compensate all ELIF's loss.

#### Return of Confidential Information:

The SELLER as of the termination or end of the trade relation by and between ELIF, shall return all Confidential Information, documents, notes, corresponding, records and reports and their copies to ELIF.

#### Permission to Divulge:

The SELLER except the reasons stated by relevant legislation clearly, shall not disclose or divulge the Confidential Information in any method including but not limited with press or media or can not use Confidential Information for advertisement purposes.

The only exception for above mention restrictions is the prior written consent of ELIF.

#### Goods under Possession:

All technical data, trade mark, pictures, cromolyn, plates, special tools, document owned by ELIF considered as Confidential Information disclosed to the SELLER by ELIF shall not be given, disclose or shared with any third parties and can not be used other than the meeting of purchase orders of ELIF. All said documents and information should be returned upon first demand of ELIF. The SELLER shall compensate ELIF if such documents shall be lost.

The SELLER shall not use, sell or transfer the trademark of ELIF and or its customers its printed logo, symbols and printed information without the prior written consent of ELIF. ELIF

has a right to claim for all its loss and start legal proceedings in the event of violation of above-mentioned provisions.

#### **17. RESOLUTION OF DISPUTES**

This TERMS and the Purchase Order are drafted in accordance with the laws of Turkey and İstanbul Courts and Enforcement offices are authorized for the resolution of disputes.

#### **18. MISCELLANEOUS**

The annexes are an integral part of this TERMS and if any provision in this TERMS shall be held to be illegal, invalid or unenforceable, in whole or in part, under any applicable law, that provision shall be deemed not to form part of this TERMS, and the legality, validity or enforceability of the remainder of this TERMS shall not be affected.

The SELLER hereby agrees to act in accordance with Code of Social Responsibility, Code of Conduct and Ethics, Code of Environment Workplace and Safety, Code of Product Safety and Code of Energy of ELİF agreed by its board and announced in its web site [www.elif.com](http://www.elif.com). ELİF shall have a right to terminate the WORK with preserving all its compensation claims in the event of violation of said rules.