

General Conditions of Purchase

1. Scope of application

- 1.1 The General Terms and Conditions of Purchase apply to all purchasing transactions of SWISS KRONO TEX GmbH & Co. KG (hereinafter referred to as the "Buyer").
- 1.2 These General Terms and Conditions of Purchase shall apply exclusively. Terms and Conditions of Business of the Seller shall not become a component of the Agreement, even if the Buyer fails to object to them.
- 1.3 The provisions set out in the regulations governing the award of public services (VOL) and in the regulations governing the award of building contracts (VOB) shall not apply.
- 1.4 These General Terms and Conditions of Purchase shall also apply to all future purchasing transactions between the Parties.

2. Conclusion of the Agreement

- 2.1 Agreements between the Buyer and the Seller shall only be effective if they are made in writing.
- 2.2 Any correspondence relating to the Agreement must be conducted exclusively with the Buyer's Purchasing department, quoting the order number. The language of the Agreement shall be German.
- 2.3 The Buyer is bound by its offers for a period of ten days. The acceptance of an offer is to be declared by returning the duplicate, signed by the Seller.
- 2.4 The establishment of an Agreement shall require a consensus to be reached on the purchase price.
- 2.5 The Buyer is entitled to demand that alterations be made to the delivery item even after the Agreement has been concluded, provided that the Seller can be reasonably expected to make them. In respect of the additional or reduced costs and the delivery deadlines, the Agreement is to be adjusted in a manner that gives appropriate consideration to the interests of both Parties.

3. Prices and payment terms

- 3.1 The prices quoted in the purchase order are fixed prices.
- 3.2 In the absence of any written agreements to the contrary, the purchase price shall include delivery on a "freight prepaid" basis, including packaging and the assumption of transport insurance and statutory VAT.
- 3.3 No remuneration shall be provided for demonstrations, presentations, negotiations and/or for developing offers and projects in the absence of any written agreements to the contrary.
- 3.4 The Buyer can only process invoices that quote the order number stated in the Buyer's offer. The Seller is responsible for the consequences of any failure to meet these obligations.
- 3.5 Only invoices sent by post or EDI can be processed by the Buyer. The Seller is responsible for all the consequences that arise because these obligations have not been satisfied.
- 3.6 In the absence of any written agreements to the contrary, the purchase price shall fall due for payment within 30 days of the handover of the goods delivery and receipt of a verifiable invoice. If the Buyer pays within 14 days of receiving the verifiable invoice and the goods, the Seller shall grant a discount of 3%; for payment made within 21 days, a discount of 2% shall be granted.
- 3.7 In the event of partial deliveries, payment shall not fall due until the final delivery has been made. This shall not apply to successive delivery agreements.
- 3.8 Insofar as the Seller has to make material samples, testing records, quality documents or other contractually agreed documents available, the delivery or performance shall only be deemed to be complete if the Buyer has also received these documents.
- 3.9 Payment shall be made by way of bank transfer. The Seller shall specify corresponding bank account details for this purpose.
- 3.10 Payment shall be made in specified payment runs twice every week on Tuesdays and Thursdays.
- 3.11 The Buyer shall have rights of offset and retention to the extent that is permitted by law.
- 3.12 The Seller is not entitled to assign its claims vis-à-vis the Buyer to a third party.

4. Goods delivery

- 4.1 The delivery period stated in the purchase order is binding.
- 4.2 If delivery is made before the agreed date of delivery, the Buyer reserves the right to return the goods at the expense and risk of the supplier. If the delivery is not returned although it was received prior to schedule, the goods shall be stored at the Buyer at the expense and risk of the Seller.
- 4.3 The Seller shall be obliged to notify the Buyer immediately in writing if circumstances arise or become known to it that will result in non-compliance with the agreed delivery date.
- 4.4 In the event of delayed delivery, the Buyer is entitled to demand liquidated damages corresponding to 1% of the delivery value per full week, but no more than 10% of the delivery value in total, unless the Seller can prove that no damage, or much less damage, was incurred as a result of the delay.
- 4.5 The Buyer's right to further-reaching claims, in particular in connection with damage incurred by the Buyer due to a loss of production due to goods not being delivered on time or in a due and proper manner, is reserved. Furthermore, the Buyer is under no obligation to reserve the right to assert a financial penalty if a late delivery is accepted. The same shall apply to the acceptance of goods that are not delivered in a due and proper fashion.
- 4.6 The goods are to be packaged in a manner that prevents transportation damage. Packaging material is only to be used to the extent that is necessary to achieve the purpose. Only environmentally friendly packaging may be used. The Seller's obligation to accept returned goods due to the

packaging shall be based on the statutory provisions.

- 4.7 The Seller shall use selected specialist staff to perform the activities relating to the services to be performed by it. The use of a sub-supplier or sub-contractor shall require the prior written approval of the Buyer. In the event that the use of a sub-supplier/sub-contractor is approved, the Seller must subject the sub-supplier/sub-contractor, in respect of the duties assumed by it, to all of the obligations that the Seller has assumed vis-à-vis the Buyer and ensure that these obligations are met.
- 4.8 The Seller shall make its deliveries/perform its services in line with state of the art technical standards. It must comply with the laws, ordinances and official requirements that apply in the Federal Republic of Germany, adhere to judicial decisions and take the technical rules, norms and guidelines that apply at the time the Agreement is concluded as a basis. In particular, the Seller must adhere to the provisions and regulations as stipulated by the competent trade associations, as well as to the generally accepted occupational health and safety regulations. Machinery and technical resources must be delivered together with operating instructions and an EC Declaration of Conformity in accordance with the Regulation of the Equipment and Product Safety Act (Machinery Regulation). Wherever possible, work resources bearing a CE mark are to be used. If no mark of conformity has been issued, evidence that the above-mentioned provisions have been adhered to must be furnished at the request of the Buyer.
- 4.9 The Seller shall make its deliveries/perform its services in line with any other delivery provisions of the Buyer that apply at the relevant point in time.
- 4.10 As a general rule, the Seller is only entitled to make partial deliveries/perform partial services with the written consent of the Buyer.
- 4.11 The Seller is obliged to quote the Buyer's order number on all dispatch documents and delivery notes. The Buyer shall have no liability for any delays resulting from a breach of this obligation.

5. Transfer of risk

- 5.1 In the absence of any agreements to the contrary between the Parties, the Incoterms "delivery duty paid" clause shall apply (Incoterms 2000).
- 5.2 In the event of purchase agreements, the risk shall be transferred when the delivery is accepted by the BUYER; in the event of contracts for work and materials and contracts for work and services, the risk shall be transferred at the time of formal acceptance based on an acceptance record to be signed by both Parties.

6. Warranties

- 6.1 The Buyer is entitled to lodge complaints pursuant to section 377 of the German Commercial Code (HGB) within twelve working days. In the case of evident defects, this period shall begin at the time the delivery is accepted. In cases involving hidden defects, the period shall begin when the defect is discovered.
- 6.2 In a warranty event, the Buyer shall be entitled to demand either the rectification of the defect or a replacement delivery from the Seller, as it chooses. In such cases, the Seller is obliged to bear all of the expenses associated with the rectification of the defect or replacement delivery.
- 6.3 In addition, the Buyer shall be entitled to assert all statutory warranty claims without limitation.
- 6.4 All replacement deliveries and repairs are also subject to these General Terms and Conditions of Purchase.
- 6.5 The Buyer shall only be liable for physical loss or damage and purely financial loss in the event of wilful intent or gross negligence. Liability is limited to the damage that is typical given the nature of the Agreement and was foreseeable at the time the Agreement was concluded. This limitation of liability shall not apply to injuries to life, limb or health for which the Buyer is responsible or to breaches of cardinal obligations or claims under the German Product Liability Act (*Produkthaftungsgesetz*).
- 6.6 Insofar as the Seller is responsible for product damage, it is obliged to indemnify the Buyer against third-party claims to damages to the extent that the reason lies within its organization and sphere of control and as it is liable itself vis-à-vis third parties.
- 6.7 The Seller is obliged, at the request of the Buyer, to take out product liability insurance with a limit of indemnity corresponding to the foreseeable and typical bodily injury and physical loss or damage.
- 6.8 The Buyer shall be entitled to withdraw from the Agreement if performance is not possible due to unforeseeable obstacles to performance that cannot be overcome or remedied by efforts that one can reasonably expect to be made. There shall be no right of withdrawal if the obstacle to performance is the fault of the Buyer or is merely temporary.
- 6.9 The Buyer is entitled to withdraw from the Agreement if the Seller applies for insolvency proceedings to be initiated in respect of its assets, if insolvency proceedings relating to the Seller are opened based on an application made by the Buyer or a third party or if the opening of insolvency proceedings is rejected due to insufficient assets.
- 6.10 Furthermore, the Buyer is entitled to withdraw from the Agreement if the Seller promises, offers or grants advantages of any nature to an employee or agent of the Buyer who is entrusted with preparing, concluding or executing the Agreement or to a third party in the interests of the latter.
- 6.11 The statutory provisions governing withdrawal shall remain unaffected.

- 6.12 For purchase agreements, the warranty period shall be three years from the transfer of risk. In cases involving contracts for work and materials and contracts for work and services, the period shall be five years. If the notification of defects is received by the Seller within the warranty period, the warranty claim relating to the specific defect shall become statute-barred no earlier than two years after the receipt of the notification of defects.

7. Proprietary rights

- 7.1 The Seller warrants that it has full ownership of all items that form the object of the purchase agreements and that there are no other third-party rights to the contrary.
- 7.2 The Seller shall indemnify the Buyer against third-party claims insofar as it is responsible for them.
- 7.3 The duty of the Seller to indemnify pursuant to section 8.2 relates to all expenses necessarily incurred by the Buyer resulting from or in connection with the assertion of claims by a third party.
- 7.4 All documents, software, papers and information provided to the Buyer shall become the property of the Buyer, for the latter's unrestricted use, within the framework of the purpose of the Agreement.

8. Confidentiality

- 8.1 The Seller is obliged to treat all illustrations, drawings, calculations, personal data and other documents and information as strictly confidential and only to disclose them to third parties with the explicit consent of the Buyer. This confidentiality obligation shall survive the recession or failure of this Agreement. The Seller must subject any sub-suppliers to the same obligations.
- 8.2 The conclusion of the Agreement must be treated as confidential. The Seller may only refer to its business with the Buyer in its advertising material with the latter's written consent. The Parties undertake to treat all commercial or technical details of which they become aware in the course of their business relationship and that are not public knowledge as business secrets. Sub-suppliers must be subjected to the same obligations.

9. Choice of law, place of jurisdiction, place of performance, partial nullity and written form

- 9.1 Decisions regarding all disputes shall be made based on German substantive law. The application of the UN Convention on the International Sale of Goods (CISG) is excluded.
- 9.2 The courts in 16816 Neuruppin shall have exclusive jurisdiction in case of any disputes relating to the contractual relationship if the Seller does not have any general place of jurisdiction in Germany (section 38 (2) of the German Code of Civil Procedure (ZPO)), or if the Seller is a businessman, a legal entity under public law or a public-law fund (section 38 (1) ZPO). The Buyer can also opt to seek recourse to the court that is responsible for the place where the Seller has its registered office.
- 9.3 The place of performance for all obligations relating to the contractual relationship is Heiligengrabe near 16909 Wittstock.
- 9.4 If individual provisions of the contractual relationship be or become invalid, this shall not affect the validity of the other provisions. The Parties are obliged to agree on a new provision that most closely approximates the purpose pursued with the invalid provision.
- 9.5 No verbal collateral agreements have been reached regarding the contractual relationship. Any amendment shall be given in writing to be effective. This shall also apply to any amendment to the provision governing written form itself.

Heiligengrabe, May 2019