

General Terms and Conditions of Business

Treofan Germany GmbH & Co KG

§ 1 Scope

(1) These general terms and conditions of business are an integral part of all our contract offers and acceptances and shall apply to all our deliveries and other services. We do not acknowledge the customer's terms and conditions even if we do not explicitly object against them and/or are aware of the fact that the customer's terms and conditions conflict with or deviate from our general terms and conditions of business and deliver to the customer without reservation.

(2) These general terms and conditions of business shall also apply to all future transactions with the customer even if we do not refer to the validity of the general terms and conditions of business again.

(3) Our general terms and conditions of business shall apply only to enterprises within the meaning of section 14 German Civil Code (*BGB*).

(4) Contractually binding individual agreements must be made in writing or confirmed in writing.

§ 2 Offers, Conclusion of the Contract, Documents

(1) In the case of doubt estimates, price and delivery information as well as other "offers" on our part do not constitute legally binding offers but are to be understood as invitations to the customer to submit an offer. Orders of the customer are binding offers to which the customer is bound in the case of doubt for a period of 14 days. The contract comes into existence only when we confirm the customer's order in writing, with the commencement of the production or with the delivery of the goods. In the case our representation is exceptionally to be understood as a legally binding offer this offer is subject to alteration without notice, ie until the time of acceptance by the customer we are entitled to a revocation of the offer unless there is an express provision to the contrary in the offer.

(2) Estimates, sketches, drawings, pictures, product briefs, work descriptions, Technical Data Sheets and other documents which are not within the scope of delivery remain our property. They must not be made available to third parties and must be returned on request without undue delay.

§ 3 Prices, Payment Terms

(1) For the purposes of the calculation of prices the weight and quantity determined at the time of the issue from our factory are relevant. Unless otherwise agreed the prices are calculated on the basis of Euro per kg. The weight and quantity at the time of issuance may differ from the order by +/- 10%. The quantity actually delivered shall be charged.

(2) Our prices include packaging (except for loan-supplied packaging) and exclude value added tax at the applicable rate. Unless otherwise agreed the prices are to be understood ex works (EXW Incoterms). The Incoterms in the current version at the respective time shall apply.

(3) The prices quoted for our deliveries are based on the circumstances at the time of the order confirmation. In the case of unpredictable significant cost increases that we cannot influence, eg price increases of our suppliers, increases of taxes, customs duties or other public charges, increases of prices for raw materials or currency fluctuations, we shall be entitled to pass on the price increase to the customer. If the price increases by more than 15% of the net price our customer shall be entitled to rescind the contract.

(4) Our invoices are due for payment immediately. Deductions such as discounts are not permitted unless expressly agreed with the customer. Unless expressly otherwise agreed the customer is in default if the invoice amount is not paid within 14 days from the receipt of the invoice. The date of receipt of the payment is authoritative. An earlier occurrence of default in accordance with the statutory provisions, in particular through a reminder, remains unaffected.

(5) Payments must be made exclusively by wire transfer. We are entitled to issue invoices in an electronic form.

(6) During the time when the customer is in default it shall be obliged to reimburse default interest and liquidated damages according to the statutory provisions as minimum damage. The right to claim further damages is not excluded. For example, the customer is obliged to reimburse legal fees – outside and within court proceedings – for the collection of the outstandings, including attorneys' fees and court costs.

(7) The customer is entitled to a set-off and a retention solely if its counterclaims have been finally and unappealably awarded, if they are undisputed or if we have acknowledged them. We are entitled to a set-off against claims of the customer with claims which a group company associated with us has against the customer. Furthermore, we are also entitled to a set-off with claims against claims which the customer has against a group company associated with us.

§ 4 Delivery and Transfer of Risk

(1) The risk is transferred when the goods are placed at the disposal of the customer ex works.

(2) In the case we arrange the dispatch for the customer the risk is transferred to the customer at the time when the goods are handed over to the carrier. Even without any special agreement the choice of dispatch route and transport shall be made at our discretion with the exclusion of any liability. To the extent that we take into account wishes of the customer the additional costs resulting therefrom are borne by the customer.

§ 5 Delivery Times/Default

(1) Mandatory delivery times or dates must be agreed in writing. An agreed delivery time begins at the earliest with the sending of our order confirmation, but in no event before the comprehensive clarification of the technical and commercial details of the realisation of the order. The beginning of all deadlines applicable on us further requires the timely fulfillment of all necessary acts of co-operation, in particular the timely receipt of all required information and the compliance with the agreed payment terms by the customer. In the case of a delayed act of co-operation the delivery times do not begin to run or are extended reasonably.

(2) The delivery is subject to a timely and proper delivery to ourselves by our suppliers.

(3) Our delivery obligation rests and shall be extended reasonably if and as long as we are hindered in the performance due to *force majeure* or other unforeseeable circumstances that are not the consequence of our negligence or intent, that could not have been avoided with the diligence of a prudent merchant and the removal of which is impossible for us or cannot be expected from us for economic reason, eg as a consequence of war, natural events, operating or traffic disruptions, strikes, lockouts, dispatch disruptions, official orders, fabrication disruptions including machine failure, missing raw material supplies and illness. This shall also apply if the circumstances affect our suppliers. In important cases we will inform the customer as soon as possible of the start and the end of such hindrances. In the case the resulting delays exceed the period of six weeks or if a further adherence to

the contract is unacceptable for a party both parties are entitled to rescind the contract with regard to the affected scope of delivery with the result that payments already made are refunded. Any other claims are excluded.

(4) Partial deliveries are admissible as far as they are reasonable. Invoices issued in respect of partial deliveries are due irrespective of the total delivery.

(5) If we are in default of delivery the customer has to give us an opportunity to deliver within a reasonable period of time. Generally, the grace period has to be at least two weeks.

(6) In the case of default of delivery or impossibility to deliver there shall be a liability for damages only in accordance with § 12.

§ 6 Technical Specifications, Quality of the Goods, Shelf Life

(1) The Technical Data Sheets regarding the individual products which are available on our website www.treofan.com are not part of the purchase contracts for the respective products and only serve non-binding information purposes instead.

(2) Only the explicit contractual product description and the information in the Technical Specifications for the respective product shall be deemed to be agreed as a quality.

(3) There are no quality agreements made outside the contractual product description and the respective Technical Specifications. In particular, other information in Technical Data Sheets as well as in media and documentary elements, such as on our website or in advertising brochures, pictures, drawings, quality, quantity, weight and dimensional descriptions contained therein, do not constitute a quality agreement. They only embody approximate values. There are no other quality agreements except as something different is explicitly agreed in writing.

(4) Information concerning the quality is no guarantee. A guarantee is given only if we have referred to the term expressly and in writing and by reference to that term.

(5) Our products have a limited shelf life for laminating, printing, slitting and any other treating/processing. The shelf life amounts to three months for metallised film and six months for all other films, each from the production date. Details are contained in the respective Technical Specifications. The production date is stated on the product packages.

(6) We assume a warranty for the quality only according to the quality agreement. Furthermore, the customer is solely responsible for the suitability of our products for its intended purpose of use. The customer is also responsible for ensuring that the products are suitable for the intended treating/processing procedures with the machines and materials (ink, etc.) used by the customer or its customers.

(7) Prior to the first commercial use it is incumbent on the customer to order a sample of the product and to test the product for its suitability for the intended purpose of use and processing procedures. The provision of samples does not constitute a quality agreement beyond the details in the contractual product description and in the Technical Specifications.

§ 7 Commodity Related Obligations of the Customer (Use, Storage, Resale)

(1) During storage and use of our products the customer is obliged to comply with all statutory provisions and contractual conditions, including the requirements in the Technical Specifications for the storage and processing of our products.

(2) The storage has to be carried out as follows:

(a) The goods must not be exposed to direct sunlight.

- (b) The goods must be stored in overwrapped rolls even if partially used.
- (c) The goods must be stored
 - (aa) between the delivery and up to 24 hours prior to use at a temperature between 15 and 35 degrees centigrade and 50% relative humidity and
 - (bb) between 18 and 24 hours prior to use at temperature and humidity conditions which correspond to the final conditions during the use.
- (3) In the event of resale of products (including treated or processed products) the customer has to pass on to its buyers all relevant provisions and conditions, in particular the information in the Technical Specifications, and to ensure the buyer's compliance with all instructions.

§ 8 Packaging

- (1) Our goods may only be stored and (on-) carried in the approved packaging and means of transport and with the prescribed marking.
- (2) If the delivery of our goods is carried out in or on packaging suitable for reuse, in particular on reusable pallets and/or end plates (hereinafter: "reusable packaging") these remain our property. The customer is obliged to keep reusable packaging for us and to provide it for pickup upon consultation. If the customer does not comply with its obligation to return reusable packaging we are entitled to charge the customer with the replacement value of the unreturned reusable packaging after the expiry of a reasonable period of time for the provision.
- (3) To the extent that the packaging is being reused by the customer with our approval any indications thereon of our products and our company are to be made irrecognisable.

§ 9 General Co-operation Duties of the Customer, Default of Acceptance, Customer's Liability for Damages

- (1) The customer is obliged to timely perform all co-operation duties that have been contractually agreed upon, that are required/necessary or that are owed in good faith. In respect of call orders the customer is obliged to carry out the call within the agreed deadlines. If no deadline has been agreed we are entitled to set the customer a time limit for the call if no call takes place by the customer within three months.
- (2) We are entitled to set the customer a reasonable time limit for the performance of the act of co-operation. After the expiry of the time limit without the required performance we are entitled to rescind the contract.
- (3) In the case the customer does not perform its co-operation duties at all or as contractually agreed, in the case it does not carry out a call order as contractually agreed, in the case the goods are shipped later than the scheduled delivery date at the request of the customer or due to circumstances for which it is responsible, or in the case the customer is in default of acceptance due to any other circumstances we are entitled to demand compensation for the damages caused thereby and for the additional expenses. During the default of acceptance we are entitled to charge liquidated damages amounting to 0.5% of the invoice sum for each month, but not more than 5% of the invoice value. The customer is entitled to prove that no or substantially lower damages accrued. We reserve the right to prove higher damages. Further rights, especially the right to rescind the contract or to demand compensation in lieu of performance remain unaffected.

(4) In the case the customer owes damages in lieu of performance we are entitled to demand liquidated damages amounting to 15% of the delivery, unless the customer proves a lower damage. The claim for higher damages according to statutory provisions remains reserved.

§ 10 Retention of Title

(1) Our deliveries are subject to a retention of title. We retain title to the delivered goods until the full settlement of the purchase price and of all further existing or future (at the time the contract is concluded) claims (including all balance demands from the current account) against the customer from the business relationship. As soon as the purchase price is paid and no further claims from the business relationship exist (current account) the title to and ownership in the goods shall be automatically transferred to the customer.

(2) Any possible treating or processing of the goods by the customer that are subject of the retention of title shall be always carried out in our favour as processor within the meaning of section 950 *BGB*. If the goods that are subject of the retention of title are processed by the customer it is agreed that the processing is carried out in our name and for our account as manufacturer and that we directly acquire the ownership of the newly created thing. If the goods are processed along with other things not belonging to us we shall acquire co-ownership of the new thing in the proportion of the value of the goods that are subject of the retention of title (invoice value including VAT) to the other things processed at the time of the processing. If the goods are inseparably connected or mingled with other things not belonging to us we shall acquire co-ownership of the new thing in the proportion of the value of the goods that are subject of the retention of title (invoice value including VAT) to the other things connected or mingled at the time of the connection or mingling. If the goods that are subject of the retention of title are connected or mingled in such a manner that the customer's thing is to be regarded as the main thing the customer and we are in agreement already now that the customer will transfer co-ownership of the new thing to us proportionately (according to the ratio of the values of the raw materials). We hereby accept this transfer. The stipulations regarding the goods that are subject of the retention of title shall apply to the goods created by processing, mingling or connection in so far as they are our property accordingly.

(3) The customer is obliged to treat the goods that are subject of the retention of title with care at his own expense, to carefully store them for us and to adequately insure them against the usual risks (eg theft, breakage, fire, water) at replacement value and to prove the conclusion and existence of the insurance contract at our request. We are entitled to insure goods that are subject of the retention of title at the customer's expense. We may require at any time that the customer draws up an inventory of the goods supplied by us at their respective storage location and that it identifies the goods as our property. Insurance claims and claims against third parties for damage, destruction, theft or loss of the goods are assigned to us by the customer as security already now. We hereby accept this assignment.

(4) The customer has to inform us of seizures and other impairments of our rights by third parties without undue delay.

(5) The customer is entitled to resell the goods that are subject of the retention of title in the proper course of business. Pledges and transfers of ownership as security are permitted only with our prior written consent. This right automatically expires if the customer is in default of payment, if the opening of insolvency proceedings over its estate has been applied for or if it is obliged to apply for the opening of insolvency proceedings over its estate. In the case of a resale of the goods that are subject of the retention of title against a credit the customer is obliged to sell the goods only against adequate security (eg the agreement of a retention of title in its own favour, etc).

(6) The customer's claims against third parties resulting from the resale of the goods that are subject of the retention of title are assigned to us now already as security in the proportion that corresponds to the share of our property. The assignment is further limited to the amount of the invoice value of our claims (including VAT) which we are entitled to charge against the customer from the business relationship at the time of resale adding a security surcharge of 20%.

(7) The customer is authorised to collect the claims from the resale that are assigned to us. Each of the proceeds we are entitled to is to be forwarded to us immediately upon receipt. At our request the customer has to inform us of the names of the debtors of outstanding claims and to notify them of the assignment. We are authorised to inform the buyers of the assignment in the customer's name. The authorisation to collect debts expires automatically if the customer is in default of payment, if the opening of insolvency proceedings over its estate has been applied for or if it is obliged to apply for the opening of insolvency proceedings over its estate.

(8) Regardless of any automatic expiry we are entitled to revoke the authorisation to resell and/or to process and/or to collect debts if the customer breaches its obligations towards us, in particular if it does not properly fulfill its payment obligations arising from the business relationship, in particular if it is in default of payment, or if it violates its obligations as a buyer of goods that are subject of the retention of title, or if it becomes evident after the conclusion of the contract that our payment claims arising from the business relationship are at risk as a result of the customer's lack of capability to deliver. In the event of expiry of the authorisation to collect debts the customer has to submit to us the information required to collect the claim and, if necessary, to support us in the collection.

(9) In addition, in the case of a breach of contract by the customer we are entitled to rescind the contract in accordance with the statutory provisions. Provided that the prerequisites are fulfilled we also have the option to claim only the return of the goods and expressly reserve the right to rescind the contract. If no such explicit reservation of rescission is made the demand for the return is deemed to be understood as declaration of rescission. The same shall apply if we seize the goods that are subject of the retention of title. The costs incurred for the return transportation shall be borne by the customer. We are entitled to realise the goods that are subject of the retention of title. The proceeds from the realisation will be deducted from those amounts that the customer owes us after having deducted a reasonable amount for the costs of the realisation.

(10) The customer must inform us of third parties attaching the goods that are subject of the retention of title immediately after it becomes known and it must provide us with all information and documents necessary for an intervention. The customer is liable for the costs incurred for the setting aside of the attachment, in particular for the commencement of an action in opposition to execution of judgment, to the extent they cannot be obtained from the collecting creditor.

(11) At the customer's request we undertake to release collaterals if the value of our securities exceeds the secured claims by more than 20%. We have the choice of which securities to release.

§ 11 Warranty

(1) In respect of all deliveries rendered by us the customer is obligated to inspect the goods for defects including quality and quantity deviations without undue delay.

(2) In order to preserve claims for defects we must be notified in writing of any complaints about the goods within ten days from the delivery at the place of destination, in the case of hidden defects within three days from the discovery. Otherwise the delivery shall be deemed approved according to the contract. Notes on delivery notes are not considered as notifications of defects. Transport persons are not authorised to receive notifications of defects. The time bar for claims resulting from defects is one year from the date of delivery.

(3) There is no warranty in the case of non-observance of the requirements for storage or use, in the case of use of the products after the expiry date, in the case of other improper use of the goods or in the case of failure to comply with obligations or duties unless the customer proves that the loss of quality or the damage is not due to the non-compliance with the relevant requirements. The burden of proof for the existence of a defect is in any event on the customer.

(4) In the case of proved defects we have the choice to give warranty through either a remedy of the defects or a supply of goods free of defects, each free of costs (cure). We are entitled to demand from the customer the return of the defective goods to us in advance for the purpose of examining the complaint and, if necessary, for the remedy of the defects or the supply of a thing free of defects. The necessary transportation costs for the return of the goods will be borne by us in the case of justified notices of defect. The customer is obliged at its own expense for any dismantling of the defective goods, if necessary, as well as for the re-installation of the goods that have been remedied or supplied free of defects. A claim for compensation for the dismantling and/or re-installation costs associated with defects of the delivered goods is excluded.

(5) The customer can only rescind the contract or reduce the purchase price if we make no attempt for a cure within a reasonable time limit set to us or if the cure is impossible, is refused, has failed or is unreasonable. The time limit for a cure must be at least four weeks unless this conflicts with legitimate interests of the customer. In the case of doubt a failure of the cure is assumed only after the third failed attempt to cure. The customer has no right of rescission due to minor defects. In respect of claims for damages due to defects the special conditions of § 12 apply in addition to the statutory prerequisites.

(6) As a result of defects the customer may only withhold payments to an extent that is reasonable in relation to the prevailing defects.

§ 12 Rescission Rights and Claims for Damages of the Customer

(1) The right of rescission of the contract is subject to the statutory provisions provided that the customer is only entitled to a rescission based on a breach of duty other than a defect as long as we caused the breach negligently or intentionally.

(2) Provided that the other prerequisites are fulfilled we are in principle liable for damages only if we acted with intent or gross negligence. We are liable in the case of slight negligence only if we breached a duty the fulfillment of which enables the proper execution of the contract in the first place and on the compliance of which the customer may regularly rely (so-called cardinal obligation). Otherwise a liability for damages of any kind, regardless of the cause of action, including the liability for *culpa in contrahendo*, is excluded.

(3) If we are liable for slight negligence our liability is limited to the typical damages that were foreseeable at the time of the conclusion of the contract.

(4) We are liable for damages as a result of delay in the amount of a maximum of 5% of the value of the delivery that is subject of the delay.

(5) The above mentioned exclusions and limitations of liability do not apply to the extent that we are liable as a result of intent or gross negligence, to the extent that we have assumed a guarantee, for damages which are recoverable under the Product Liability Act (*Produkthaftungsgesetz*) as well as for injury to life, body or health.

(6) The above mentioned exclusions and limitations of liability also apply in favour of our staff, vicarious agents and other third parties that we use and employ to fulfill the contract.

§ 13 Limitation Periods

- (1) The limitation period for claims for defects is one year from the date of delivery (§ 11 para. 2).
- (2) Other contractual claims of the customer for breach of duty become time-barred in one year. This does not apply to the right of the customer to terminate the contract as a result of a breach of duty other than a defect based on our negligence or intent.
- (3) Notwithstanding the above the statutory limitation periods shall apply on the following customer's claims:
 - Claims for damages arising from a product liability, arising from a damage resulting from injury to life, body, health or a significant contractual obligation as well as arising from other damages that are based on an intentional or grossly negligent breach of duty by us or our vicarious agents,
 - Claims for reimbursement of expenses in accordance with section 478 para. 2 *BGB*,
 - Claims due to fraudulent concealment of a defect.
- (4) Our claims against the customer become time-barred in accordance with the statutory provisions.

§ 14 Intellectual Property Rights, Trademarks, Advertising

- (1) When using our products the customer must take into account all existing intellectual property rights (in particular patents). The trademarks protected for us or licensed for our use may be used in connection with the products manufactured by the customer only with our specific written consent. We reserve all intellectual property rights in respect of every information that we provide to the customer as part of our technical and other advice. Our written consent must be obtained before the disclosure of such information to third parties (including affiliated companies of the customer).
- (2) Notes of the customer for advertising purposes mentioning the existing business relationship between us and the customer require our express consent in writing.

§ 15 Applicable Law, Place of Performance and Jurisdiction,

- (1) The laws of the Federal Republic of Germany, excluding the CISG/Vienna 1980 Convention, apply.
- (2) The place of performance for the delivery is our respective delivery point, for the payment it is Neunkirchen, Saarland, Germany.
- (3) The exclusive place of jurisdiction for lawsuits against us is Neunkirchen. We are entitled to commence court proceedings at the domicile of the customer.
- (4) If individual conditions of the contract, including these general terms and conditions of business, are or become wholly or partly invalid the validity of the remaining conditions are unaffected thereby. In that event the wholly or partly ineffective condition shall be replaced by a condition the commercial outcome of which comes closest to the ineffective condition.
- (5) These general terms and conditions of business are a translation of the German language original which is available on our website <https://www.treofan.com/terms-a-conditions>. In the case of doubt or deviation the German language original takes precedence.