

Terms and Condition for the Purchase of Goods and Services (Terms) of Etiketten CARINI GmbH, Bildgasse 42, A-6890 Lustenau (hereinafter "CARINI")

§ 1 General – scope of application

- (1) The following Terms and Conditions for the Purchase of Goods and Services (hereinafter "Terms") are applicable to all our relationships with contractors and suppliers (hereinafter "Contractor"). Contractor is deemed to have unrestrictedly acknowledged these Terms once he has accepted or executes our order.
- (2) We do not acknowledge any terms and conditions which deviate from these Terms or any other terms and conditions of the Contractor inconsistent with these Terms, unless we have expressly approved their application in writing. If express agreements to the contrary are agreed in writing and signed by both parties by way of exception, these agreements will be valid only for that particular transaction.
- (3) Our Terms apply even if we unconditionally accept Contractor's application to conclude a contract or his service, aware of contrary terms or Contractor's terms which derogate from our Terms. Under no circumstances shall our behaviour, including but not limited to any action we take in connection with the performance of a contract, or lack of communication, the unconditional transmission of a confirmation of an order, an order or the like, be construed as our consent to such terms and conditions. Contractor agrees that if Contractor uses terms and conditions, we will rely on the Terms of CARINI in case of doubt, even if we do not object to Contractor's terms and conditions.
- (4) Our Terms apply also to any future contracts with the contracting party.

§ 2 Order - conclusion of contract

- (1) Contractor's offers and consulting services are always free and non-binding for CARINI. Contractor shall independently obtain information on all details which affect the execution of supplies and/or services or the object of a contract.
- (2) Only orders that are placed in writing (via fax, surface mail, e-mail) are binding.
- (3) Once Contractor accepts an order, he is deemed to be reliable and able to supply the requested items. CARINI therefore reserves the right to cancel an order if, after closing, CARINI becomes aware of circumstances which may seriously question Contractor's ability to supply or affect his reliability.
- (4) Documents, including but not limited to illustrations, descriptions, drawings and trademark information of the Contractor are relevant and binding for the Contractor. Any information, technical consulting and any other details of the Contractor are binding and will give rise to liability.

§ 3 Changes of the object of the contract

- (1) CARINI may demand changes regarding the object of the contract, the design, procedure, execution and/or dates at any time.
- (2) Contractor undertakes to implement these changes at the requested date at the request of CARINI.
- (3) The Contractor may not change the properties or the manufacturing of the object of the contract, except with the written consent or based on a written request of CARINI. This applies also to deliverables that were developed at the Contractor's own responsibility and/or in which the Contractor owns property rights.
- (4) If Contractor becomes aware of or identifies technical innovations, perfections, changes in recipes and improvements, Contractor will notify CARINI without delay and will hand over to CARINI free of charge any technical documentation to allow CARINI to take the best possible decisions as to whether to implement or not to implement these innovations, perfections and/or improvements. Changes are not permitted except with the written consent of CARINI. If changes are made without the consent of CARINI, Contractor will accept all claims CARINI has incurred due to these unilateral changes.

§ 4 Prices - payments

- (1) Contractor warrants for the correctness of pricing. Unless explicitly agreed otherwise in writing, the agreed prices are fixed prices.
- (2) Unless expressly agreed otherwise in writing, the agreed prices are always DDP works Lustenau, (delivered, duty paid; according to the INCOTERMS 2020) or DAP for supplies within the European Union.
- (3) Unless expressly agreed otherwise in writing, the agreed prices always include costs of shipment, transport, insurance and packaging, if any, customs duties, customs clearance, road toll and taxes. Any customs and freight charges are also borne by Contractor.
- (4) Unless otherwise agreed, payments shall be made within fourteen days, less 3% cash discount, or within thirty days net after complete, flawless delivery and receipt of the invoice, provided that verifiable invoices are received in due time. The original invoices shall be sent to CARINI and must be issued in accordance with the requirements of CARINI. Whenever CARINI accepts early deliveries, payments are due on the agreed delivery date.
- (5) Payments will be made by bank transfer to the account indicated by Contractor in writing. Any transaction charges are borne by the Contractor. A payment is deemed to have been made once the transfer was arranged.

- (6) In case of defective and/or incomplete delivery CARINI may withhold the payment until the contract was properly performed. If agreed technical documentations and/or test or acceptance certificates are not available on the agreed date, the Contractor shall not be deemed to have properly effected the supply or provided the service, and payment will be made only after the complete documentation is available.
- (7) It is agreed that all payments are made subject to reservation only.
- (8) CARINI may set off any counterclaims of CARINI or those of affiliates of CARINI as defined in § 228 (3) UGB.

§ 5 Delivery – transport – transfer of risk

- (1) The delivery and performance dates indicated in orders are fixed dates. The deadline for delivery starts to run on the date on which the order is placed. The timeliness of delivery is defined by shipment of the goods to the destination agreed in writing or, failing an explicit written agreement to the contrary, shipment to the factory in Lustenau (acceptance times Mon -Thur 7 a.m. to 12:00 noon, and 1:00 p.m. to 4:00 p.m. and Fri from 7:00 a.m. until 11:30 a.m., except for public holidays).
- (2) Contractor undertakes to maintain an appropriate strategy in case of failures of its production sites and facilities to ensure that supplies can always be made to CARINI in due time. Contractor shall report expected delays in delivery (along with the order number) immediately by email to etiketten@carini.at.
- (3) In case of late delivery for any reason whatsoever, we are entitled to withdraw from the contract and charge a penalty equal to 1% of the total order value per week, not exceeding 10% of the total order value, without proof of damage and without extension of the time limit. CARINI expressly reserves the right to recover any damage in excess thereof or other costs incurred as a result of the delay.
- (4) The acceptance of late deliveries or services does not rule out claims for compensation. This includes also back-up purchases as well as damage due to production interruption or production loss.
- (5) Shipments which arrived prior to the agreed date or exceed the agreed quantities may be returned by CARINI to the Contractor at the latter's cost and expense or be stored at his expense.
- (6) Whenever the order does not define specific standards for transport, CARINI may select the shipping route and the means of transport, to the exclusion of any liability. Contractor shall incur any liability for delayed transport and damage in transit.
- (7) Any risk will generally transfer to CARINI not until handover to CARINI on the destination agreed in writing or, failing an express written agreement to the contrary, at the factory in Lustenau, however, not before the agreed delivery date.

§ 6 Packaging – shipment – certificate of origin

- (1) Unless otherwise agreed in writing, Contractor shall independently select the type of packaging in consideration of the specific requirements of the items to be shipped. The packaging will need to be such as to rule out any damage and corrosion of the goods in transit and during at least one-year storage with CARINI under usual storage conditions.
- (2) Prior to the supply of the goods, the Contractor will carry out a complete and independent review to guarantee labelling, packaging, marking, identification, the type of goods, the quantity and quality as well as the dispatch of the ordered goods. The delivery note and the invoice shall indicate at least the order number and item number of CARINI. In addition, the quantity supplied per packaging unit (for partial deliveries the backlog), the designation of the items supplied (checked type of goods, quantity and quality), the date of delivery, the batch, the country of origin as well as the delivery address/place of unloading) must be given on the delivery note. Prior to delivering the contractual item, Contractor will fully and independently check the type of goods, their quantity and quality, and will disclose that information on the delivery note. The invoice shall also contain any additional information (such as bank details) which CARINI may request.
- (3) Packaging must allow both manual reloading as well as reloading using cranes, electric carts, lifting tools, and other means of transport.
- (4) Contractor shall reimburse CARINI for all additional expenses (handling costs) resulting from non-compliance with the terms and conditions described above.
- (5) The customs origin of the deliverables or any change in origin must automatically and immediately be notified to CARINI. Contractor is liable for any disadvantage CARINI suffers due to an improper or delayed supplier's declaration. If necessary, Contractor shall issue an information certificate confirmed by a customs office to prove the information regarding the deliverables' true origin. Any extra costs arising from any change of origin shall be borne by the Contractor.
- (6) COD shipments will be accepted only with the prior written consent of CARINI.

§ 7 Tools

- (1) Tools means all production resources (devices, master patterns, patterns, forms, forming tools, dies, stencils, control devices, templates, etc.) which are necessary exclusively for the production and inspection of the product which the Contractor is to manufacture for CARINI.
- (2) The tools provided to the Contractor are owned by CARINI and are loaned to the Contractor free of charge.

- (3) Whenever CARINI instructs the Contractor to make tools, the latter will unconditionally transfer to CARINI's ownership with payment of the agreed production costs; the period for the payment of the agreed production costs does not start until CARINI has approved the tools in writing.
- (4) CARINI reserves the right to inspect and to examine the tools in Contractor's possession at any time during customary business hours.

§ 8 Quality – quality assurance – ISO 9001

- (1) The Contractor shall develop, manufacture and supply the object of the contract according to accepted rules and the state-of-the-art and the specific requirements and regulations of CARINI and is obliged to observe and to fulfil in particular hygienic requirements of CARINI and comply with all legal provisions applicable to the object of the contract.
- (2) The Contractor will immediately examine whether any description provided by CARINI contains apparent errors, is unclear, incomplete, apparently deviates from the sample or is unfit for the intended purpose. Contractor will immediately notify CARINI in writing if he realizes that this is the case.
- (3) Contractor warrants that the object of the contract is fit for customary use and/or a specific use envisaged by CARINI.
- (4) Contractor maintains a quality management system according to ISO 9001 and will manufacture and test the products according to the rules of this quality management system. This includes the Contractor's obligation to pursue a zero-error policy and to continuously improve his services.
- (5) Whenever the Contractor sources means of production or testing equipment, software, services, material or any other input materials from third parties, Contractor will include these into his quality management system by contractual agreement or will secure the quality of input material at its own initiative.
- (6) Contractor will record the implementation of the above quality assurance measures, including but not limited to measurement data and test results, and will properly keep these records as well as any product samples. Contractor will allow CARINI to inspect and to copy the records and make available samples, if any, when necessary.
- (7) Contractor will allow CARINI to verify the implementation of these quality assurance measures. For this purpose, Contractor will give CARINI reasonable access to its premises by prior appointment and will make available a qualified employee to assist CARINI during its visit.
- (8) Contractor will notify CARINI in due time prior to changes in manufacturing processes, materials or supply parts, relocations of production sites, changes of processes or facilities for testing the products or changes of any other quality assurance measures to allow CARINI to examine any potentially adverse effects emanating from these changes.
- (9) Should the Contractor establish any increase in deviations between the products' actual condition compared to their target condition (deteriorating quality), Contractor will immediately notify CARINI thereof and of any remedial measures planned. If CARINI has a complaint, the Contractor shall propose immediate action in writing within 24 hours. After 14 days, the Contractor shall submit an unsolicited final statement (8D report).
- (10) Contractor will mark the products or, if marking is impossible or unreasonable, take other appropriate measures that allow Contractor, in case of defective products, to establish immediately any other products that could be affected. Contractor will inform CARINI of its labelling system or any other measure taken by the Contractor in a manner which allows CARINI to make its own necessary determinations.

§ 9 Complaints

- (1) As soon as defects are discovered in the ordinary course of business, CARINI shall notify these to the Contractor in writing within a reasonable time limit, after three months at the earliest. Contractor explicitly waives the right to plead delayed inspection of the supply or service and delayed notice of defects.
- (2) Furthermore, CARINI will inspect incoming goods only as a form of supplementary, non-mandatory quality assurance measure. Contractor therefore has sole and full responsibility for the flawless and document-conforming quality of its products and expressly waives any plea of improper notification of defects pursuant to Section 377 of the Austrian Commercial Code (*UGB*).
- (3) Any longer use or the processing of a supply or service shall not be construed as an approval of such a supply or service or as a waiver of any claims.

§ 10 Guarantee

- (1) Contractor guarantees proper, state-of-the-art design, consistent with the application purpose, quality of execution, function and performance, use of flawless material, completeness of and compliance with specific requirements and regulations of CARINI and compliance with all other warranted properties over a period of 12 months of the handover date or the agreed commissioning date or the date of final acceptance of the facility, whichever occurs later.
- (2) Contractor shall supply the complete contractual item and shall timely provide the relevant services, respectively, whether or not CARINI has provided all necessary information in detail, and undertakes to obtain any information which is missing from CARINI, if necessary. Furthermore, Contractor guarantees that he will also supply all individual parts, accessories,

supplementary parts etc., which are not specifically mentioned and necessary to complete and to operate the contractual item to be supplied by Contractor and to achieve and to comply with the warranted properties and safety.

- (3) Contractor shall also supply special tools which are necessary to install and to maintain the contractual item, as well as foundation bolts and fixing screws which may be needed.
- (4) Whenever Contractor delivers defective contractual items, Contractor must first be allowed to improve these or to deliver replacements, unless this would be unreasonable for CARINI. If Contractor is unable to do so or does not take these measures within the time limit set by CARINI, CARINI may withdraw from the contract and return the contractual item to Contractor at the Contractor's cost and risk. In urgent cases, CARINI may make improvements either itself or through a third party without having set a grace period. The resulting costs shall be borne by Contractor.
- (5) If a defect is discovered only after handover or commissioning (because it is a hidden defect), the above guarantee period starts to run on the date on which the defect is discovered, and CARINI may continue to rely on the guarantee defined above; Contractor therefore expressly waives the right to plead late notice of defects. In this case, Contractor shall pay the costs pursuant to Section 10.4 and the costs of dismantling and assembly, which are necessary to rectify the defect, calculated on the basis of the rates of CARINI applicable from time to time. CARINI shall send the Contractor a notice of defects within three months of the date on which the defect was discovered. At the Contractor's request and unless agreed otherwise, the contractual items to be replaced by Contractor shall be made available to Contractor as soon as possible at the Contractor's cost and expense.
- (6) In all cases described in Sections 10.4. and 10.5, any documented costs incurred by CARINI, for example, due to special measures, shall also be borne by the Contractor.
- (7) In all other respects, the statutory warranty provisions shall apply.
- (8) In general, a flat-rate fee of EUR 200.00 for administrative complaints and EUR 200.00 for technical complaints will be charged for any form of complaint. All goods which are the object of complaints will be returned at the Contractor's cost in order to discharge CARINI. Should CARINI incur any additional subsequent expenses due to the supply of defective contractual items, including but not limited to transport costs, road charges, labour, material or non-customary costs for the inspection of incoming goods, such costs shall be borne by the Contractor.

§ 11 Safety, health, environment, food safety, code of conduct (minimum requirements)

- (1) Any Contractor making any supply and providing any service on the business premises of CARINI shall be subject to the standards of CARINI.
- (2) The Contractor undertakes to mark the object of the contract according to the respective regulations if the item's properties are relevant in terms of safety and environment.
- (3) Products to be marked according to EU Directives shall be supplied with the corresponding CE mark and the declaration of conformity.
- (4) All containers with sensitive or environmentally significant content must be clearly marked with international hazard labels and information in German.
- (5) In addition, Contractor shall provide the batch number, the date of production and the sell-by-date on products with limited shelf life. Contractor ensures that only goods that have not exceeded one third of their shelf life will be sold to the principal.
- (6) Contractor undertakes to mark its products and their packaging according to the supply requirements in place. Contractor shall ensure that the labelling of packaged products is legible also in transit and during storage. Contractor shall ensure the traceability of the products supplied by him.
- (7) Identified risks for food safety shall be eliminated in a sustainable manner, documented and reported to CARINI.
- (8) Contractor shall observe regulations/directives customary in the industry and relevant to the type of product.
- (9) Contractor's business practices shall be based on the 10 principles of the UN Global Compact and certain ILO standards regarding human rights, labour standards, environmental protection, and anti-corruption.

§ 12 Compensation for damage – liability

- (1) The recovery of compensation for damage is governed by legal provisions, unless otherwise agreed.
- (2) Unless otherwise agreed elsewhere herein, Contractor is obligated to compensate any damage and loss incurred by CARINI, directly or indirectly, as a result of defective or delayed supplies, infringements of regulatory safety requirements or any other reasons within Contractor's control.
- (3) If claims are asserted vis-à-vis CARINI based on no-fault liability according to mandatory national law (e.g. Product Liability Act) or foreign law, Contractor will accede vis-à-vis CARINI to the extent of his direct liability.
- (4) Contractor is liable for any costs CARINI has incurred in connection with averting damage (e.g. recall campaigns).
- (5) Contractor is obligated to purchase adequate insurance against the above risks and to provide documentary proof to CARINI on request.

§ 13 Confidentiality

- (1) Contractor undertakes to treat as business secrets any non-public information and documents, whether commercial, technical and legal, which he becomes aware of through the business relationship.
- (2) All documents - including but not limited to drawings as well as models, templates, samples and similar items - may not be provided or made otherwise available to unauthorized third parties. These documents and items may be reproduced only within the limits of operational needs, in consideration of copyright provisions.
- (3) Contractor shall impose corresponding obligations upon his sub-suppliers.
- (4) Contractor may promote and advertise the business relationship only with prior written consent.

§ 14 Property rights

- (1) The Contractor guarantees vis-à-vis CARINI that he holds all property rights or licenses necessary for the production, supply and maintenance of the contractual items and grants CARINI a free, unlimited and unrestricted right to share all rights related to the proper use of the contractual items. Furthermore, the Contractor guarantees vis-à-vis CARINI that the contractual item can and will be used in accordance with its intended purpose without infringement of rights of third parties.
- (2) The Contractor is liable for claims arising from infringements of property rights and property rights applications in connection with the use of the contractual items in accordance with the terms of the contract even if the Contractor is not at fault. If there is a dispute due to the (alleged) infringement of property rights, the Contractor shall reasonably advance any legal fees and litigation costs and fully hold harmless and indemnify CARINI.
- (3) The parties undertake to inform each other without undue delay of any risks of infringement and alleged infringements which may come to their notice, and to allow one another to defend the corresponding claims.
- (4) If the contract includes or necessitates the provision of development services (for example of components, systems, tools, products or processes) by the Contractor, title to the relevant results, designs, models, inventions as well as the relevant know-how (hereinafter "Results") will transfer to CARINI when these are created. If Results are capable of protection, only CARINI is entitled to apply for and register property rights for these Results. Contractor shall not do anything which could jeopardize the registration of property rights by CARINI and shall inform CARINI without delay of the creation of these Results. CARINI is granted a worldwide, unlimited, transferable and free right to use the Contractor's existing results and existing property rights to the extent this is necessary for the use of Results.
- (5) It shall be Contractor's responsibility to compensate the inventors attributable to the Contractor.

§ 15 Force majeure

- (1) Force majeure, such as any kind of war, natural disasters and other unpredictable and inevitable serious events release the parties from their performance obligation during the time the impediment prevails and within the scope of its effect. The parties are obliged to use reasonable efforts to share the necessary information with each other without delay and to adjust their obligations to the changes in circumstances in good faith.
- (2) Force majeure does not include events such as strikes, manufacturing defects, rejects, supply bottlenecks and sub-suppliers' default.
- (3) If an event of force majeure lasts longer than four weeks, the Contractor and CARINI will enter into negotiations to resolve the operational effects. The party that relies on an event of force majeure is obligated to prove this to the other party.

§ 16 Supply of spare parts

Whenever the deliverable is a plant, the Contractor undertakes to maintain, to repair and to hold suitable spare parts for the object of the contract at the request of CARINI for a period of at least ten years after the date of commissioning or final acceptance of a facility, whichever occurs later.

§ 17 Withdrawal - cancellation

- (1) CARINI may withdraw from the contract, fully or partially, at any time also for reasons outside Contractor's control. In this case, CARINI shall reimburse the Contractor for all costs actually incurred and proven until the contract termination date. The Contractor is not entitled to recover any other claims.
- (2) CARINI may withdraw from the contract with immediate effect if the Contractor suspends payments or files a motion to initiate insolvency proceedings or any other judicial or non-judicial settlement proceedings. CARINI may also withdraw from the contract with immediate effect if the majority of the Contractor's shares are sold to a third party who is a competitor of CARINI.

§ 18 Liability – no assignment

- (1) Contractor undertakes to purchase adequate business liability insurance, and shall provide documentary evidence on request.
- (2) In the absence of an express written consent, claims vis-à-vis CARINI may not be assigned.



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§ 19 Place of performance - jurisdiction - governing law

- (1) All legal relationships between us and our Contractors shall exclusively be governed by and construed in accordance with Austrian law, to the exclusion of the conflict of law rules. The parties consensually exclude the application of the UNCITRAL United Nations Convention on Contracts for the International Sale of Goods.
- (2) Place of performance for our services is the Company's registered office in Lustenau, which is also the place of performance for the customer's services. The same applies if goods are delivered to another place pursuant to an agreement.
- (3) Jurisdiction for all disputes lies with the court which is competent for the subject-matter at A-6890 Lustenau.

§ 20 Severability

Should any term hereof be or become invalid, this shall not affect the validity of the remaining terms hereof. In this case and in case the contract should contain a loophole, the invalid, unenforceable or missing term shall be replaced by a reasonable term that closest reflects to the extent permitted by law the parties' intent or what the parties had intended in view of the economic purpose of the contract, had they considered that issue when concluding the contract.

October 2020



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READ AND ACKNOWLEDGED

, [date]

Contractor's signature