



General Terms and Conditions of Sale and Delivery of Allit AG Kunststofftechnik

1. Scope

- 1.1 These terms and conditions of sale and delivery (hereinafter "Conditions") shall – subject to diverging individual contractual arrangements – apply to all current and future contracts of sale and contracts for work and services ("Werkvertrag") as well as contracts for work and material ("Werklieferungsvertrag") (hereinafter "Deliveries") concluded by Allit Aktiengesellschaft Kunststofftechnik (hereinafter "Allit") as supplier with a business enterprise or other entity, as defined in § 310 subsection 1 of the German Civil Code, as Customer (hereinafter: "Customer").
- 1.2 By placing or confirming an order, the Customer accepts these Conditions. If the Customer places or confirms an order diverging from these Conditions, then these Conditions shall solely apply nonetheless, even if Allit does not object to the terms and conditions of the Customer. Any terms and conditions of the Customer which are contrary to or diverge from these Conditions shall not be accepted by Allit; any terms and conditions diverging from these Conditions shall apply only if Allit has explicitly agreed in writing that these shall be applicable.
- 1.3 Allit's prices are being calculated on the basis of these Conditions. Therefore, these Conditions shall also apply in such case that the Customer does object to these Conditions, however, accepts delivery, or that Allit, upon knowledge of conflicting or diverging terms and conditions of the Customer, unconditionally completes delivery.

2. Offers, conclusion of contracts and records

- 2.1 Any offers made by Allit shall be non-binding. Conclusion of the contract shall be effected only when Allit has confirmed the order in writing by means of which, exclusive of any oral agreements, articles, scope, price and terms of the Deliveries shall be stipulated. Any amendments or supplements not in compliance with the written form requirement shall become binding only through written confirmation. Any oral representations by Allit shall be binding only if they were made by authorized representatives acting within the scope of their authority and if both parties to the contract agree that the written form requirement for the representation concerned shall be cancelled.
- 2.2 If customer-specific articles have at the request of the Customer been equipped with, among others, special features and are according to framework agreements being continually delivered or are to be delivered respectively, the Customer shall be obligated to inform Allit in writing at least 4 months prior to cancelling these articles or requesting changes thereof and, at termination of production, to take delivery of the existing inventory of goods of the present design including any existing purchased parts. Insofar as the framework agreement or blanket purchase orders do not provide otherwise, this

obligation to take delivery shall be limited, however, either to an average monthly output (with regard to the volume of the contract) or to the released quantity agreed upon for this period including any allotted purchased parts; the greater quantity shall in each case be applicable.

- 2.3 Weights and measurements indicated in brochures may be imprecise and are, therefore, not binding. Pictures shall only serve the purpose of illustrating the text and may differ from the product.
- 2.4 Allit shall retain full title and copyright of all offers, draft and design drawings created by Allit, other comparable documents in digital and/or printed form as well as samples and/or prototypes made therefrom or separately and independently; these may neither be reproduced nor made available to third parties and shall be returned to Allit upon processing of the contract or the breakdown of contract negotiations respectively.

3. Prices and Payment

- 3.1 Unless otherwise agreed, prices shall be Ex Works specified by Allit, net, exclusive of freight, postage, insurance and inclusive of packaging in line with the industry standard. Disposable pallets or boxes shall be considered to be packaging. The quoted prices shall be exclusive of any statutory value-added tax; this shall be added in the respective amount stipulated by law.
- 3.2 Allit shall keep clearing accounts for pallets and wire mesh containers which are being used by way of exchange. The Customer or forwarding agent shall, if so required, be informed of any outstanding balance. If settlement of the balance is not effected within a reasonably set time limit, Allit is entitled to charge the respective equivalent amount. Allit shall be equally obligated vis-à-vis its partner to settle a balance.
- 3.3 Allit and the Customer may, in addition, agree on price clauses pursuant to the guidelines of the German Price Clause Act.
- 3.4 Invoice amounts shall be due within 14 days or according to the offer from date of invoice without deduction. Differing payment arrangements as well as deduction of a discount shall require a special agreement made in writing. Repairs and spare parts shall in principle be payable cash on delivery and without any deduction. Statutory regulations shall apply with regard to the consequences of default in payment.
- 3.5 If a substantial worsening of the financial situation or solvency of the Customer occurs subsequent to the conclusion of the contract or if Allit becomes aware of such worsening having set in earlier and the Customer does not meet its financial obligations vis-à-vis Allit, then Allit is entitled to request payments to be made prior to the agreed payment date, to deliver merchandise not yet paid for only on appropriate security or, alternatively, prepayment and in the case of accepted bills of exchange to request payment to be made prior to the



expiration of the term. If neither prepayment nor security are being rendered within a reasonable grace period set by Allit, then Allit shall be entitled to rescission according to statutory provisions.

- 3.6 Payment by bills of exchange and checks shall require a special agreement. Bills of exchange and checks shall be accepted only on account of performance and free of charges and at no cost to Allit.
- 3.7 If the Customer calls in a central settlement organization, the release from debts through settlement of the invoice shall be effected only at such time when the payment is being credited to Allit's account.
- 3.8 The Customer shall not be entitled to assert any set-off claims arising from a contractual relationship other than the contractual relationship on which Allit's original claim is based unless the Customer's counterclaims have been recognised by declaratory judgment, are ready for decision, uncontested or recognised by Allit. The Customer shall, furthermore, be entitled to exercise its right of retention only subject to the proviso that its counterclaim is based on the same contractual relationship as Allit's original claim.

4. Terms of delivery, shipping and transfer of risk

- 4.1 Delivery times shall be stated in such a way that they can in all probability be met. Unless otherwise agreed, the delivery periods shall begin for Allit not earlier than with the date of the last signature in the case of written contracts, otherwise with the date of Allit's confirmation letter, in no case, however, prior to the clarification of all details as to executing delivery or prior to receipt of all illustrations, specifications or supporting documents of the Customer necessary to ensure Allit's performance and also not prior to receipt of a down payment if the Customer is obligated to make such down payment. Allit is entitled to refuse performance of its obligation if Allit is abandoned by any of its own suppliers not only temporarily although Allit has concluded with that supplier a supply contract sufficient to cover Allit's own delivery obligations and although Allit is not responsible for the non-delivery to Allit. In this case, Allit is obliged to notify the Customer without delay of the impediment to performance and to reimburse any consideration which Allit may already have received from the Customer. If delivery is delayed due to an incident of force majeure or any other circumstances beyond Allit's control, then delivery periods shall be extended by a reasonable amount of time.
- 4.2 Deliveries in instalments shall be permitted provided that they are evidently of no interest to the Customer and Allit shall be entitled to the contract price apportionable hereto.
- 4.3 Contingent on manufacture, excess or reduced quantities may be produced in the case of products made to order; therefore, underdeliveries/overdeliveries of the ordered quantity of plus or minus 10 per cent shall be permitted unless the contract or the order specifies in a manner evident to Allit that accurate delivery of the ordered quantity is of the essence. The amount charged shall then be for the quantity actually delivered.

- 4.4 Delivery of stock products shall be made in units as stipulated in the sales literature. Quantities deviating therefrom may be rounded off.
- 4.5 Allit shall reserve the right to make changes to design and form, have deviations in color tone occur as well as changes in the volume of delivery during the delivery period, provided that, taking Allit's interests into consideration, the Customer can be reasonably expected to accept such changes and deviations.
- 4.6 If Allit does not meet a delivery time, the Customer shall be entitled to rescission only if a reasonable term for delivery set by the Customer has expired without success. Pursuant to § 323 subsection 1 of the German Civil Code, a grace period shall amount to at least 12 business days if Allit has to deliver an article which it produces for or holds in stock, and the time for the delivery of an aggregate of goods which Allit manufactures or assembles shall amount to at least one third of the time originally agreed upon or scheduled.
- 4.7 Allit shall, according to statutory provisions, be liable for compensation based on default in delivery if the default in delivery has been caused by an intentional or grossly negligent breach of contract for which it or one of its executives is responsible. Except in cases of intentional breach of contract, liability for compensation shall be limited to the foreseeable, typically occurring damage. Allit shall, furthermore, be liable according to statutory provisions insofar as the default in delivery has been caused by the violation of an obligation that is essential to the contract; the liability for compensation shall, however, be limited to the foreseeable, typically occurring damage.
- 4.8 If the Customer fails to accept delivery or violates any other obligations of cooperation, then Allit shall be entitled to claim compensation as far as the resulting damage, including any additional expenditures, is concerned. More far-reaching claims shall remain reserved.
- 4.9 Unless otherwise agreed, shipment shall be made Ex Works account of and at risk of the Customer. Allit shall reserve the right to choose the mode of shipping at its reasonably exercised discretion. The risk shall pass to the Customer upon delivery of the goods to the forwarding agent, carrier or any other person authorized to effect transportation; this shall also apply to delivery in instalments and also in the event that the goods are being delivered by Allit itself. If delivery is delayed for reasons for which the Customer is responsible, then the risk shall pass to the Customer upon its being notified of readiness for shipment.

5. Retention of title

- 5.1 Allit shall retain title to all products that have been delivered ("Reserved Products") until such time that all of Allit's receivables arising from the business relationship with the Customer have been fully settled. Retention of title is subject to the following provisions:
- 5.2 In case of a current account, the retained title shall serve as collateral for any balance claim which Allit is entitled to.



- 5.3 The Customer shall have the right to dispose of the Reserved Products only within the ordinary course of business; the sale or delivery to countries which are not members of the European Union (EU) shall be permissible only with the explicit approval by Allit. The Customer shall not be entitled to pledge the Reserved Products, to transfer the title as security or otherwise dispose of them in a manner that might jeopardize the property of Allit. The Customer shall assign to Allit any claims from the resale at this point already; Allit shall accept such assignment at this point already. If the Customer sells the Reserved Products subsequent to processing or alteration or subsequent to joining, blending or mixing with other products or together with other products, then the assignment of claims shall be deemed agreed only in the partial amount which corresponds to the price agreed upon by Allit and the Customer plus a security margin of 10 per cent of this price. The Customer shall be revocably authorized to collect any claim assigned to Allit in a fiduciary capacity in its own name. In the event that the Customer is in default of essential obligations as, for example, payment owed to Allit, Allit may revoke this authorization as well as the entitlement to resale.
- 5.4 Processing or alteration of the Reserved Products by the Customer shall always be carried out on behalf of Allit. If the Reserved Products are being processed together with other articles, then Allit shall acquire joint ownership of the new product in proportion of the value of the Reserved Products to the other processed articles at the time of their being processed. In other respects, the same shall apply to the new product created through processing as applies to the products delivered with a reservation.
- 5.5 If the Reserved Products are being joined, blended or mixed with other articles, then Allit shall acquire joint ownership of the new product in proportion of the value of the Reserved Products to the other articles at the time of their being joined, blended or mixed. If the joining, blending or mixing is carried out in such a way that the product of the Customer shall be considered to be the principal product, then it shall be deemed as agreed that the Customer shall assign joint ownership to Allit on a pro-rata basis. The Customer shall remain custodian for Allit of the thus resulting joint ownership.
- 5.6 The Customer shall at all times provide information, if so requested, about the Reserved Products or about claims that have been assigned to Allit accordingly. If any third party gains access or claims to the Reserved Products, the Customer shall immediately notify Allit, handing over any necessary documentation. The Customer shall at the same time inform such third party of Allit's retention of title. The costs of warding off such access and claims shall be borne by the Customer.
- 5.7 The Customer shall be obligated to treat the Reserved Products with care for the duration of the retention of title.
- 5.8 If the realizable value of the securities exceeds the total amount of Allit's receivables which are to be secured by more than 10 per cent, then the Customer shall be entitled to request the release of securities.
- 5.9 If the Customer is in default of essential obligations as, for example, payment owed to Allit, then Allit may, notwithstanding any other rights, take back the Reserved Products and make use of them otherwise for the purpose of settling due claims against the Customer. In this case, the Customer shall make the Reserved Products immediately accessible and return these to Allit or to Allit's authorized representative. If Allit requests such return on the basis of this provision, then this shall not be deemed a termination of the contract without prejudice to any further claims for damages.
- 5.10 In the case of deliveries being made to other jurisdictions where the aforementioned regulation of retention of title does not have the same effect with regard to security as it does in Germany, the Customer shall without delay make every effort to create equivalent security interests for Allit. The Customer shall cooperate in all measures to be taken, for example, registration, disclosure etc., which are necessary for and conducive to ensuring the effectiveness and enforceability of such security interests.
- 5.11 When so required by Allit, the Customer shall be obligated to adequately insure the Reserved Products at its own expense, to furnish to Allit the respective proof of insurance and to assign to Allit any claims based on the insurance contract.
- 5.12 Any marketing and presentation aids made available to the Customer at no cost and as a loan shall remain the property of Allit and may be reclaimed at any time. For the period of time during which the Customer is using the marketing and presentation aids, any risk involved shall pass to it. It shall be obligated to solely add merchandise to such marketing and presentation aids and to pay damages in the event that it is responsible for any loss thereof or damage thereto. The Customer shall be obligated to return the marketing aids to Allit freight paid in the event that the concept is being changed or business relations are being terminated and the like.
- 6. Liability for defects**
- 6.1 If Allit has submitted to the Customer samples for inspection, these shall be exclusively authoritative as to quality and design of the consignment.
- 6.2 The Customer shall be advised that even in the case of an identical composition and production method being used under identical ambient conditions the finished product may show deviations in color tone and product features. Deviations from patterns ordered in advance, pilot products and any other reference products, which can be reasonably expected to be acceptable to the Customer, shall, therefore, not result in the defectiveness of the consignment. A material defect shall exist only in such case that the deviation from the agreed product features goes beyond being a minor one and in particular will not qualify for approval.
- 6.3 Warranty claims by the Customer shall be excluded if it has not duly complied with the inspection obligation and the requirement to give notice of defects pursuant to § 377 of the German Commercial Code. The Customer shall be obligated to inspect the merchandise immediately upon delivery (not later than by the second business day following the day of de-



livery) and to give written notice of any existing defect without delay. Defects for which notice has been given with delay, i. e. contrary to the aforementioned obligation, shall be excluded from warranty. The Customer shall immediately upon detection give written notice of such hidden defects which can be detected only over time. Notices of defect shall be recognised as such only if they are given in writing. This also applies if there are asserted vis-à-vis sales representatives, carriers or third parties.

- 6.4 Allit shall, on principle, not grant any quality guarantees, unless these have been explicitly agreed upon in writing. In particular, information given in catalogs, price lists and any other materials Allit made available to the Customer shall not constitute any quality guarantee whatsoever.
- 6.5 If merchandise is or if any parts thereof are being rejected, the merchandise or such parts respectively shall, upon Allit's request, be returned to Allit for inspection at its expense. If the notice of defect proves to be unjustified, then Allit shall be entitled to an adequate claim for damages.
- 6.6 Any claims made by the Customer because of a defect shall be limited to the right of substitute delivery. Substitute delivery shall be made at Allit's option either through removal of the defect or through delivery of a product free of defect. Removal of the defect may be carried out at the Customer's location or through Allit. In such case that a repair or substitute delivery is made due to a justified notice of defect, the provisions as to time of delivery shall apply accordingly. In case of removal of defect, Allit shall be obligated to bear all expenses necessary for the purpose of removing the defect, in particular, costs of transportation, infrastructure, labor and materials, insofar as these costs are not increased due to the sales item having been transported to a location different from the place of delivery. The Customer shall be obligated to compensate Allit for those benefits of use which it derived from the defective item up to the delivery of the substitute product as compensation for benefit of use as regulated by law. In the case that Allit offers the Customer in exchange merchandise which is free of defect, but is used merchandise, the Customer shall have the option to either choose new merchandise and compensate for benefits of use or to accept used merchandise. In the latter case, it shall not pay any compensation for benefits of use. If the rectification of defects fails, the Customer may, according to its choice, either withdraw from the contract or reduce the purchase price.
- 6.7 Allit shall not grant any warranty for the delivery of used items; however, this is without prejudice to Allit's liability specified in Clause 7 hereinbelow. The exclusion of warranty does not apply if the Customer receives used items by way of subsequent performance within the meaning of Clause 6.6 hereinabove.
- 6.8 Any claims by the Customer shall be subject to a limitation period of one year, beginning with the delivery of the item. This shall not apply (1) in the case of intent or fraudulent non-disclosure of a defect, (2) in the case of diverging terms of a guarantee granted by Allit pursuant to § 443 of the German Civil Code, as well as (3) in the case of an item which, accord-

ing to its customary use, has been used for a building and which has caused the deficiency of the building. The one-year limitation period shall not apply in the case of claims for damages because of defects if the damage results from gross negligence or intent on the part of the legal representatives or executives of Allit or if it concerns personal injuries. The statutory provisions regarding the limitation of action for possible recourse claims pursuant to § 479 of the German Civil Code as well as regarding the periods of limitation and preclusive periods according to the German Product Liability Act shall remain unaffected.

- 6.9 In other respects, Allit shall be liable for damage claims because of a defect only according to item no. 7.

7. Damages

- 7.1 Allit shall be liable according to statutory provisions insofar as the Customer asserts claims for damages resulting from intent or gross negligence on the part of the legal representatives or executives of Allit. The liability for damages shall be limited, however, to the foreseeable, typically occurring damage except in the case of intentional breach of contract. In the case of culpable violation of an obligation which is essential to the contract, Allit shall be liable according to statutory provisions, provided that the liability for damages is being limited to the foreseeable, typically occurring damage. Allit shall, furthermore, be liable according to statutory provisions for fraudulent non-disclosure of defects.
- 7.2 The statutory liability for culpable injury to life, body or health shall remain unaffected; this shall also apply to the mandatory liability according to the German Product Liability Act. If the Customer sells the delivery items unaltered or subsequent to processing, blending or mixing with other merchandise, it shall internally hold Allit harmless from and against any third party product liability claims, insofar as it has caused the defect from which such liability arises.
- 7.3 Unless otherwise regulated in the aforementioned, liability shall be excluded.
- 7.4 The limitations on liability according to this item no. 7 shall also apply to a possible liability on the part of the legal representatives, executives and any other vicarious agent of Allit vis-à-vis the Customer.

8. Tools for production (e. g. molds, screens, printing plates, inserts)

- 8.1 Except as otherwise agreed, Allit shall remain the owner of molds manufactured by Allit itself or by third parties. Molds manufactured to specifications of a Customer shall be used for this Customer's orders only as long as this Customer meets its obligation to pay and keeps its purchase commitment. Allit shall be obligated to replace such molds at no cost only if compliance with a total supply quantity assured to the Customer demands this. Allit shall be obligated to keep the molds made to the specifications of a Customer for at least 2 years from the last delivery of parts based on this mold; Allit shall notify the Customer accordingly prior to the expiration of this safekeeping period.



- 8.2 Except as otherwise agreed, the price for molds shall also include the costs for a single provision of samples, but not the costs for changes requested by the Customer. Costs for further provisions of samples shall be borne by Allit only in such case that Allit is responsible for incurring such costs.
- 8.3 The Customer shall pay the costs for tools on a pro-rata basis, payable, unless otherwise agreed, after 8 days net upon the release of the first mold specification test; item no. 8.1 shall remain unaffected.
- 8.4 A transfer of ownership of the molds agreed to by the parties shall be subject to full payment of the purchase price for molds and deliveries. The transfer of the molds to the Customer shall be replaced by the safekeeping to the benefit of the Customer. During the term of a contract in respect of these molds or of products to be manufactured with this mold respectively, Allit shall be entitled to possession of the mold. In this case, Allit shall be obligated, however, to designate the molds as third-party property and to insure them at the request and at the expense of the Customer.
- 8.5 In case of Allit's safekeeping of Customer-owned molds, the Customer shall bear the costs for maintenance and insurance. So long as the Customer has not completely fulfilled its contractual obligations, Allit shall have the right of retention of the molds.
- 9. Provision of materials**
- 9.1 If the Customer supplies any materials, then these shall be delivered to Allit on time and in flawless condition at the expense and risk of the Customer with an adequate quantity surcharge of at least 5 per cent.
- 9.2 In the case of failure to fulfill this obligation, the time of delivery shall be extended by a reasonable amount of time. Except in cases of force majeure incidents, the Customer shall bear the additional costs, including those for disruptions of production, incurred through the infringement of the obligation under the aforementioned paragraph 1.
- 10. Regulations on customized printing and packaging**
- 10.1 In the case of the screen printing and pad printing processes, the Customer shall be advised that the printing is being carried out according to its color gamut specifications (RAL, HKS, Pantone or the like), that the color effect may, depending on the printed material, deviate, however.
- 10.2 Print proofs shall be provided only in the case of an express agreement and against billing of therefor incurred expenses (set-up charge).
- 10.3 Print approvals shall be given in writing. The Customer shall be advised that minor deviations in contour sharpness are typical for the process and do not constitute a right to give notice of defect.
- 11. Industrial property rights**
- 11.1 If the Customer stipulates through certain instructions, information, documentation, designs or drawings how Allit is to manufacture the products to be delivered, the Customer shall grant the guaranty that Allit will not infringe upon third-party rights such as patents, brands, utility models and designs or any other industrial property rights and copyrights.
- 11.2 The Customer shall indemnify Allit against all claims by third parties which these might like to assert against Allit because of such an infringement. If a third party should bar Allit from making delivery with reference to an industrial property right it owns, then Allit shall be entitled – without examination of the legal situation – to suspend all work until the Customer and third party have clarified the legal situation.
- 11.3 Allit shall guarantee that, to the best of its knowledge, own brands used by Allit are not the subject matter of any cancellation, revocation, opposition proceedings or proceedings for infringement of a right. In addition, Allit shall not grant any guaranty with regard to industrial property rights.
- 11.4 Allit and the Customer shall upon knowledge of any action by third parties against the use of the industrial property rights inform each other without delay.
- 12. Data Privacy**
- Allit complies with the provisions set out in the General Data Protection Regulation (GDPR), as amended, as well as with the laws supplementing or replacing the GDPR, as the case may be. The GDPR is available at www.allit.de in its current version.
- 13. Export regulations**
- When reselling the delivery items in foreign countries, the Customer shall comply with the respective German and EU export control regulations and shall, upon request, furnish proof thereof to Allit without delay.
- 14. Place of performance, venue and applicable law**
- 14.1 German law shall be applicable, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and to the exclusion of any conflict-of-law rules which may refer to the laws of another jurisdiction. Place of performance for delivery and payment shall be the same as that for passing of risk. Venue shall be Bad Kreuznach; this shall also apply to the special procedure deciding claims arising out of a bill of exchange and action for assertion of a claim concerning payment of a check. In addition, Allit shall be entitled to bring an action against the Customer at its general venue.
- 14.2 Should any of the regulations of these Conditions be invalid or, e. g. because of delivery to foreign countries, be unenforceable, then this shall not affect the validity of the Conditions in other respects and the parties shall be obligated to replace this regulation upon recommendation by Allit with such provision which reflects as closely as possible the economic purpose of the invalid provision.
- 14.3 Should any of the regulations of these conditions be invalid for whatever reason and should that invalid regulation not be replaced with another regulation that fulfils the economic purpose of the invalid regulation, the prices may be adjusted using reasonable discretion (§ 315 of the German Civil Code).

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