

General terms and conditions

1. Scope of application

These general terms and conditions (hereinafter GT) apply to all goods and services offered for sale by Landqart AG.

The Purchaser's general terms and conditions will not be part of the contract, even if not expressly objected thereto. Any deviation from the GT must be agreed in writing between the parties.

2. Reservation of right to change offers

Until the offer has been accepted by the Purchaser in writing, Landqart AG reserves the right to change unilaterally prices and delivery terms stipulated in the offer.

3. Determination of security paper properties

Where possible, all security papers are delivered in compliance with the specifications requested by the Purchaser (stock composition, weight standards, etc.). An exception is special grades, where grammage and other properties are defined by specific technological standards. The specifications are considered fulfilled, if the customary tolerances accepted in this industry are met.

If specifications are missing, the Product must fulfill the purpose as communicated by the customer to Landqart AG assuming only standard and well known further processes are applied.

The agreed positioning of all elements and the corresponding tolerances of security features (e.g. watermarks, security threads, etc.) are stated in the sheet layouts signed off by the contractual parties (hereinafter Parties).

4. Quantity and grammage tolerances at delivery

A tolerance of $\pm 5\%$ applies to the quantity ordered, in weight or number of sheets, or in meters for reels. The grammage tolerance is $\pm 5\%$.

5. Price calculation

Unless otherwise agreed, the price is calculated as stated per 100 kg net or per 1000 sheets. For production in reels, the gross weight of the reel serves as the net weight.

6. Ownership of working tools

All working tools, such as cylinder moulds, coating modules, die cutters, tools for foil application including design patterns, used for manufacturing the Products, shall remain the sole property of Landqart AG.

7. Deliveries and services

Partial deliveries shall be permitted. Landqart AG may invoice partial deliveries.

The agreed terms and deadlines for deliveries and services apply only, if all duties and obligations of the Purchaser are met, in particular regarding the Purchaser's obligations to cooperate. Otherwise, terms / deadlines of Landqart AG shall be extended at least by as much as the delays caused by the Purchaser.

A deadline is considered to have been met, if the supply was ready for dispatch on the agreed date or if the contracted services were complied with and the ordering party had been informed accordingly.

8. Packaging

As a general rule, the provisions of the Landqart AG brochure "Standard Packaging" are valid for packaging of the Products. The additional cost for customized packaging shall be borne by the Purchaser. Packaging material of any kind, such as paper, wood, cardboard shall not be taken back by Landqart AG.

9. Delivery terms

Delivery terms are Ex-works or respectively FCA Landqart, in accordance with INCOTERMS 2010. If supply including delivery is agreed, unloading and stowing the Products are not included.

10. Transport

If Landqart AG arranges the transport, then standard security measures apply. Customized security requirements will only be adopted by Landqart AG if agreed upon in writing.

For deliveries under Incoterms "D" clauses, the Purchaser shall comply unsolicited with its obligations to cooperate and provide

information that may be necessary, especially for any importation process. The Purchaser bears the consequences of a violation of such obligations.

Landqart AG shall assume no responsibility for any delays due to missing information and/or lack of cooperation; possible penalties arising from such delays will not be payable by Landqart AG.

11. Costs caused by the Purchaser

The Purchaser shall bear himself all additional costs caused by Purchaser.

12. Payment terms

Invoices are due net 30 calendar days from invoice date. Any payment charges shall be at the Purchaser's expense. After this due date, default interest of 5% p.a. will be owed, without further notice. Landqart AG reserves the right to claim further damages.

13. Warranty for defects of Products

13.1 Apparent defects

The addressee commits to inspect the Products immediately upon receipt. Defects must be communicated to Landqart AG within 5 working days from receipt of the Products.

13.2 Hidden defects

If hidden defects appear, they must be claimed immediately upon their detection to Landqart AG, otherwise, the Products are deemed to be accepted.

13.3 Failure to submit a complaint

In the absence of proper notice of defect, the Product shall be deemed accepted.

13.4 Further processing

The Purchaser may only further process Products that are subject to a complaint after securing the prior consent of Landqart AG to do so.

13.5 Liability for infringement of third-party protective rights

If purchased items infringe third-party intellectual property rights (IP-rights) due to specification amendments caused by the Purchaser after order receipt, Landqart AG shall be entitled to withdraw from the contract. After such specification amendments Landqart AG has no re-examination duty, e.g. regarding third party IP-rights. The Purchaser holds Landqart AG harmless from all and any costs incurred and to be incurred from such amended specifications.

13.6 Purchaser's claims

If a warranty case arises due to defects of Products, Landqart AG is entitled, under exclusion of all other statutory warranty and/or damage claims (including claims for consequential loss and damages caused by delay), either to refund the proven reduced value of the defective Products, or to rectify the defects, or to provide a full replacement, within a reasonable period of time, and against the return of the defective goods. The Purchaser shall support Landqart AG to the fullest extent possible, particularly through the calibration of measuring devices and test methods and the supply of samples. If the Purchaser fails to meet these obligations, Landqart AG will be released from its warranty obligation in this respect.

A complaint about Products does not release the Purchaser from its obligation to pay the purchase price. Offsetting (warranty-) claims against outstanding invoices is not permitted.

13.7 Statute of Limitation

Warranty claims expire after six (6) months from date of receipt of the goods by the Purchaser. In the event of resupply of goods, the warranty period is not renewed.

14. Liability

14.1 Principle

Landqart AG is liable for damage incurred to the Purchaser only if Landqart AG or Landqart's agents acted with intent or gross negligence. The existence of gross negligence or intent must be proven by the Purchaser.

14.2 Consequential damages

Landqart AG is not liable for consequential damages, economic losses, lost profits, loss of interest or expenses and damage incurred through claims from third parties against the Purchaser or other indirect damages.

14.3 Damages caused by materials purchased from third parties

For damages caused by materials purchased from third parties, Landqart AG's liability will be no greater than Landqart's enforceable claims against such third party, but in no case greater than due under clause 14.1 and 14.2.

15. Business interruptions / force majeure

Business interruptions of any kind and however caused, for example, effects of force majeure affecting the production, as well as transportation, obstacles and delays in delivery from subcontractors, extend all terms and deadlines of Landqart AG. The extension is for at least the duration of the business interruption or disability. Any liability of Landqart AG for damage caused by business interruptions is excluded, as far as permitted by law.

16. Withdrawal in case of default of payment

The right of Landqart AG to withdraw from the contract due to late payment of the Purchaser and to recover the transferred Products is expressly reserved.

17. Title retention and assignment of claim

The Products remain the property of Landqart AG up to the full payment of all outstanding accounts, including, where permitted, subsidiary claims, indemnity claims, current and future claims. Landqart AG is entitled to take any formal acts necessary to obtain an enforceable security (e.g. retention of title).

The Purchaser is entitled, temporarily and on the proviso of revocation at any time by Landqart AG, to process and sell the Products under title retention, subject to the following provisions:

- a) The authority of the Purchaser, to dispose of the Products under title retention in the ordinary course of business ends with the default in payment of the Purchaser or on bankruptcy application of the Purchaser or if the Purchaser or a third party requests a procedure for depth reorganization with creditors of the Purchaser. For foreign Purchasers, this provision shall apply correspondingly for proceedings having the objective to liquidate all assets or place the assets under the management of an administrator for reorganization.
- b) By processing the Products under title retention, the Purchaser shall not acquire the ownership of the new product. If the Products under title retention are processed together with component/materials owned by Landqart AG, Landqart AG shall acquire the sole ownership of the new products. If the Products under title retention are processed with third party components or materials, Landqart AG acquires a co-ownership share in the new product, in the relationship of the invoice value of the Products under title retention to the invoice value of the other processed component or materials.
- c) Herewith, the Purchaser assigns its sales price with all incidental rights, resulting from the resale of the new product, to Landqart AG, even in so far as these Products under title retention are processed further. Landqart AG accepts this assignment. If the new product contains, in addition to the Products under title retention, only component parts belonging to Landqart AG, then the Purchaser assigns the entire sales price to Landqart AG. Otherwise, i.e. for concurrence of assignment of receivables to multiple suppliers, Landqart AG is entitled to the fraction of the claim that corresponds to the proportion according to above item 17b).
- d) Landqart AG will not collect these assigned claims as long as the Purchaser meets his payment obligations. However, the Purchaser agrees to provide Landqart AG, upon request, a detailed statement of the claims due, with the names and addresses of customers, the amount of each claim, invoice date, etc.; to inform the customers about the assignment and to provide Landqart AG with all the information necessary for the enforcement of the transferred receivables. The Purchaser is entitled to collect the receivables, as long as Landqart AG gives no other instructions.
- e) If the Purchaser is in default of payment or if his financial situation deteriorates significantly, he authorizes Landqart AG to inform the customers of such assignment and to collect the

claim directly. In this case, Landqart AG can demand to audit the Purchaser's corresponding accounts receivable to verify the claims.

- f) The retention of title resp. the assignment of claim also remains in place, if individual claims of Landqart AG are incorporated into a running account and the balance is drawn and recognized.
- g) If the security existing through the retention of title and assignment exceeds the claim to be secured by more than 10%, Landqart AG can release fully paid consignments at its discretion.
- h) Purchaser is not allowed to lien and/or transfer Products under title retention or assigned claims to third party as securities.
- i) In the event of being late with any payment due, the Purchaser hereby undertakes to forward to Landqart AG a list of the Products under title retention that are still available and including those that have already been processed into new products, as well as a list of the accounts receivable from the third party debtors, accompanied by invoice copies.
- j) Money received by the Purchaser for the sale of Products under title retention/new products shall be kept separately until being transferred to Landqart AG.
- k) If Landqart AG takes back the Products under title retention on the basis of retention of title, this shall not be considered as a cancellation of the contract, unless Landqart AG expressly declares this in writing.
- l) The Purchaser shall insure the Products under title retention against fire, theft, and water damage. The Purchaser hereby assigns to Landqart AG the compensation rights, he has as a result of damages of the aforementioned type, against obligated parties.

18. Place of Jurisdiction and Applicable Law

Place of jurisdiction for all claims out of or in connection with the agreement between the Parties is the registered domicile of Landqart AG; however, Landqart shall have the right to choose to pursue any claims against the Purchaser at Purchaser's domicile or at the place of delivery.

The German-version of the documents shall prevail. The contractual relationship of the Parties is governed by Swiss law under exclusion of the Vienna UN Convention on Contracts for the International Sale of Goods (CISG).

These GT have been translated from the original German document into English. In the event of any inconsistency or contradiction between the two versions, the German language version shall prevail.

19. Severability clause

Should any provision of these GT and/or the purchase agreement be or become ineffective, this does not affect the overall effectiveness of the remaining provisions. In this case, the ineffective provision shall be replaced by a provision, which covers the sense and purpose of these GT.