

1 GENERAL

- 1.1 These General Terms and Conditions of Sale (hereinafter: GTCS) apply to all business transactions between company KraftPal SI Holding, d.o.o., with principal address at Partizanska cesta 3, 2000 Maribor, Slovenia, or any other (foreign) company or subsidiary from the KRAFTPAL Group listed on website (URL: www.kraftpal.com/list-of-companies) (hereinafter: KRAFTPAL) and buyer of products, individual components, or services provided by KRAFTPAL (hereinafter: Products). The GTCS are applied exclusively and are used even if not explicitly included in a contract.
- 1.2 Any terms and conditions by the buyer on conflict with the GTCS or amending the GTCS do not apply and are not part of the contract, unless KRAFTPAL approves their applicability in writing.
- 1.3 Additional or different agreements regarding the GTCS concluded between KRAFTPAL and a buyer shall be made in writing. This shall also apply to the waiver of requirement for a written form. The GTCS do not affect the rights of KRAFTPAL arising from the provisions of relevant legislation.
- 1.4 If KRAFTPAL during the period of a legal relationship with the client or buyer does not enforce any right arising from the GTCS towards the buyer or any third party, KRAFTPAL is entitled to enforce said right at a later time, as such conduct is not considered a valid termination of the GTCS.

2 ORDERS

- 2.1 KRAFTPAL's offers and prices are subject to change and are not binding, unless explicitly listed as binding. KRAFTPAL has an exclusive right to modify the products.
- 2.2 Orders are final and considered confirmed when KRAFTPAL issues a Purchase Order Confirmation.
- 2.3 Buyer's orders represent a binding offer for the conclusion of a contract. KRAFTPAL's written order confirmations or immediate delivery of ordered Products at prices defined in bills are decisive in determining the contents of a contract. The buyer must immediately object to the contents of a confirmed order or contents of deliveries, otherwise the buyer waives this right and the contract is considered concluded with the contents of the confirmed order and/or in accordance with the delivery performed.
- 2.4 Any order modifications or cancellations by the buyer are not possible, except if the buyer sends the modification or cancellation by registered mail to KRAFTPAL or KRAFTPAL's representative, and they receive the registered mail at least 2 weeks before the planned delivery, provided that KRAFTPAL agrees with the modification or cancellation.
- 2.5 If KRAFTPAL does not accept the order/contract modification or cancellation, the buyer is considered to have unilaterally withdrawn from the order/contract; the buyer is therefore not entitled to reimbursement of money already paid, and KRAFTPAL is not obligated to return said money and retains it, and the buyer is also liable to potential additional damages due to such cancellation.

3 MODELS

- 3.1 KRAFTPAL reserves the right to continually and without prior notification implement changes in material, systems, and additional parts, if it deems such changes necessary. Any substantial changes that could impact performance of the product will be notified in advance with at least 30 days' notice period.

4 DELIVERY AND PRICES

- 4.1 The prices agreed in writing or listed in confirmed orders are decisive regarding the total amounts and any potential additional payments.
- 4.2 Prices are EXW KRAFTPAL (Incoterms 2020), if not agreed differently in writing. The costs of transportation, special packaging, postage, insurance, customs, and similar are not included and are borne by the buyer, unless agreed otherwise in writing. VAT and other dues mandatory in the relevant country are listed on the invoice separately, specifically in the amounts valid on the day of the invoice.
- 4.3 In the event of unforeseen increase of costs since the date of conclusion of contract until its fulfilment and/or delivery of products, which are beyond KRAFTPAL's responsibility, including, but not limited to increase of costs due to legislation changes, production costs and salaries (e.g. tariff agreements), prices of raw material, technical standards and regulation or material prices (cost elements), KRAFTPAL is entitled to modify the price accordingly, in line with changes circumstances. If the price increase exceeds 6% of the agreed price, the buyer can withdraw from the contract.
- 4.4 KRAFTPAL is entitled, but not obligated, to insure the Product at buyer's expense. The buyer assumes the risk of loss or damage when the Products are loaded on a means of transport at KRAFTPAL's head office or production plant.
- 4.5 KRAFTPAL sets delivery deadlines in order of individual final orders, based on production capacity.
- 4.6 Delivery deadlines are set considering the production progress; however, they may change in the event of problems of late deliveries of raw materials, assemblies, or other materials required to complete the Product.
- 4.7 KRAFTPAL cannot guarantee a timely delivery in the event of force majeure, governmental measures, war and conflicts, unrest, and similar generally known circumstances that can impede or prevent production and delivery.
- 4.8 Past due delivery dates up to three months shall not be grounds for claiming damages and interest, nor for suspending or cancelling current orders by the buyer.
- 4.9 In the event of delay exceeding the projected order delivery date by at least three months, the buyer can cancel its order by registered letter sent to KRAFTPAL. The buyer shall provide KRAFTPAL an extended order fulfilment deadline of 15 workdays. If KRAFTPAL fails to fulfil the order or contract within this extended deadline, the order is considered cancelled. KRAFTPAL shall reimburse the buyer for all paid moneys within 30 calendar days.

4.10 In any event, delivery is only possible when buyer's obligations to KRAFTPAL are settled, depending on the agreed payment mechanism, regardless of any non-performance of contractual obligations, where the grounds for non-performance of obligations have no effect.

5 PAYMENT TERMS AND CONDITIONS AND PROPERTY RIGHTS RESERVATIONS

5.1 All payments shall be made in accordance with the contractual provisions or payment terms and conditions defined in the written order confirmation, issued invoice, or pro forma invoice. The invoice shall not be issued before the date of shipping. All payments shall be made in euros, unless agreed otherwise in writing. In the event of part deliveries of Products, the buyer shall settle its obligations before the part delivery, or in a manner specified by the contract.

5.2 In absence of any different agreements (special terms and conditions of payment, as defined by the contract, order confirmation, or invoice), the buyer shall make a payment in the amount of 10% of contract value. The prepayment must be paid immediately after receipt of the order confirmation. The remaining 90% of the purchase price shall be paid before the delivery date, unless agreed otherwise in writing. The prepayment is included in fulfilled obligations. The date of received payment to KRAFTPAL's transaction account is considered the date of payment. In the event of order cancellation or non-payment of the full amount, the prepayment is not returned.

5.3 If the buyer fails to pay on time, it is obligated to pay late-payment interest to KRAFTPAL in accordance with applicable legislation, if any, or in accordance with rules on bank loans with repayment deadlines over one year from banks at the supplier's location.

5.4 In the event that the buyer receives Products that have not been fully paid, KRAFTPAL reserves property rights on the subject of contract or Products even after the Products were delivered to the buyer, until full payment of all obligations, including payment of late-payment interests and all other expenses incurred for reasons on the side of the buyer, arising from the concluded contract, services rendered, and the business conducted by KRAFTPAL with the buyer.

5.5 As long as the property rights reservation is in effect, the buyer shall handle the Products with due diligence, without any right to change or in any way modify the Products, and, above all, is not allowed to change Product identification means.

5.6 The buyer is not entitled to pledge, arrange fiduciary transfers, or implement any other measures that could jeopardize KRAFTPAL's property rights on the Products that are subject to the property rights reservation.

5.7 If the buyer is in delinquency, in bankruptcy or otherwise insolvent, or in the event of liquidation proceeding initiated against the buyer, KRAFTPAL is entitled to withdraw from the contract and request damages, without infringing on other KRAFTPAL's rights. The buyer shall allow immediate access to KRAFTPAL, or a third party appointed by KRAFTPAL and return all Products that are the subject of the property rights reservation.

5.8 If the buyer acts in violation of the concluded contract, especially regarding late payments, KRAFTPAL is entitled to take back the subject of contract. The takeover of Products does not represent KRAFTPAL's withdrawal from the contract, unless explicitly stated in writing.

6 OBLIGATION TO ACCEPT PRODUCTS

6.1 If the buyer refuses the ordered Products for any other reason except KRAFTPAL's delay that exceeds three months, as listed above, KRAFTPAL has power of disposal over said Products after thirty days of the registered letter sent regarding unfulfilled acceptance of Products and can in this case retain the amounts paid by the buyer as prepayment, but without potential compensation for damages and interest.

6.2 KRAFTPAL can at its discretion, and in any event by order of the buyer or for the buyer's obvious benefit, store the Products at the expense of the buyer. KRAFTPAL is entitled to issue an invoice for storage costs after one month of storage.

6.3 If the buyer fails to fully accept the paid Products in storage by the agreed storage deadline, KRAFTPAL calls upon the buyer by registered letter to accept the Products or claims damages in the amount of 25% of the Product sales value. In this case, KRAFTPAL can sell the Products, deduct damages, costs, and interest, returning the remainder to the buyer. The buyer is considered to have approved such a sale.

7 ACCEPTANCE

7.1 The Products are considered to be accepted unconditionally when they are loaded on a means of transportation at the location of KRAFTPAL's head office or Local Production Unit (LPU) or place of representative's head office.

7.2 Handing over the Products to the buyer or buyer's representative, to a transport operator, or with personal collection of Products, the buyer assumes the risk, regardless of who took possession of the Products and who bears the costs of transportation.

7.3 Regardless of any claims already made with the transport operator, the buyer can submit a written complaint in the event of manifest defects or mismatch of delivered Products with the ordered Products. Such a complaint must be sent by registered mail within five days of the acceptance of Products. If the buyer or buyer's assistant should have determined a manifest defect upon acceptance, the buyer is not entitled to claim such manifest defects at a later time.

7.4 In the event of latent defects that already existed at the time of acceptance but the buyer could not have determined at that time, the buyer is obligated to send a complaint by registered mail immediately.

7.5 KRAFTPAL is not liable for any defects under KRAFTPAL's responsibility that are found or determined 5 business days after delivery.

7.6 The buyer shall present a detailed description of the defects found on the Products, provide evidence and establish defects by photographs or similarly objective

manner. The buyer shall allow KRAFTPAL or KRAFTPAL's representative everything necessary to inspect such defects. Only KRAFTPAL is liable for repairs; the buyer or any third party is not entitled to interfere with the repairs.

8 RETURNS

- 8.1 For every return of Products, an official written document shall be prepared and signed by both KRAFTPAL and the buyer. Without such a document, every returned Product remains under the ownership of the buyer, and the buyer is not entitled to a refund. KRAFTPAL assumes no liability for such Products or their shipping costs.
- 8.2 Return shipping costs are always borne by the buyer.
- 8.3 Any Product returns approved by KRAFTPAL, after a check of the returned Products' quantity and quality, shall entitle the buyer to a refund.
- 8.4 If KRAFTPAL determines manifest defects or mismatch of delivered Products with the ordered Products, the buyer is entitled to a free replacement.
- 8.5 In the event of a justified complaint, the warranty period is temporarily suspended until the defect is rectified.

9 WARRANTY

- 9.1 All products delivered to buyer will, at the time of such delivery, be free and clear of all liens, security interests and other encumbrances and will conform, in all material respects, to the Specifications. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHETHER CREATED BY CONTRACT OR BY OPERATION OF LAW, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- 9.2 The buyer is entitled to a warranty of 3 months. Any defect shall be notified within 5 business days as of delivery.
- 9.3 The warranty is valid from the time of buyer's acceptance of Products from KRAFTPAL's representative or at KRAFTPAL's Local Production Unit, without reservations.
- 9.4 If KRAFTPAL's Products are defective, KRAFTPAL can either rectify the defect or provide replacement Products.
- 9.5 If KRAFTPAL is not willing to provide replacements, not capable of providing replacements, or if the third repairs of the same defect prove to be ineffective, the buyer is entitled to withdraw from the contract or request a reduction of the agreed purchase price.

10 LIMITATIONS OF KRAFTPAL'S WARRANTY OBLIGATIONS

- 10.1 The warranty does not include shipping costs for the Products or goods, and any costs for the time when the Products are non-operational.
- 10.2 KRAFTPAL is not liable for any damage incurred due to the use of the Products, especially not for lost profits or other pecuniary or non-pecuniary damage incurred by the buyer or third parties or on objects, to the maximum extent permitted by law.

10.3 Product handling. Warranty is void in the following cases:

- If the Products were not used in accordance with KRAFTPAL's Standard Operating Procedures for Cardboard Pallet Handling or as customary in accordance with the Product specifications.
- If KRAFTPAL's product storage standards were as listed in Standard Operating Procedures for Cardboard Pallet Storage were not complied with.

11 LIABILITY LIMITATIONS

11.1 TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND TO THE EXTENT NOT PROVIDED DIFFERENTLY IN THESE GTCS, BUYER'S SOLE AND EXCLUSIVE REMEDY FOR NONCONFORMING PRODUCTS IS THE REPLACEMENT OF THE PRODUCTS OR THE REFUND OF THE PURCHASE PRICE PAID, WHICHEVER OPTION KRAFTPAL SELECTS. KRAFTPAL'S LIABILITY FOR ANY LOSS OR DAMAGE ARISING OUT OF OR RESULTING FROM OR IN ANY WAY CONNECTED TO THE ORDER SHALL NOT EXCEED BUYER'S PURCHASE PRICE FOR THE PARTICULAR PRODUCTS OR SERVICES UPON WHICH SUCH LIABILITY IS BASED, REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN CONTRACT, BREACH OF WARRANTY, TORT, STRICT LIABILITY OR UNDER ANY OTHER LEGAL THEORY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, MULTIPLE OR OTHER INDIRECT DAMAGES OR FOR LOSS OF PROFITS, LOSS OF DATA OR LOSE OF USE DAMAGES, ARISING OUT OF THIS ORDER, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY. THIS LIMITATION APPLIES EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

12 INTELLECTUAL PROPERTY

12.1 The sale of products or the performance of any services pursuant to the order shall not be deemed to grant the buyer any rights, license or ownership interest in or to any intellectual property rights that pertain to the products purchased which may now or hereinafter be owned or controlled by KRAFTPAL, including but not limited to any patent, design, copyright or trademark rights in any sketches, drawings, prototypes, samples and/or final products shared with the buyer in product development and/or preparation.

13 JURISDICTION

13.1 All disputes regarding the contents and interpretation of this contract, and the fulfilment of its general terms and conditions, shall be resolved by the competent court in Ljubljana, Republic of Slovenia.

13.2 By accepting the GTCS, the parties agree that any legal assessment of their mutual relationships arising from the order or sales contract shall be governed by the provisions of the legal order and substantive law of the Republic of Slovenia, unless the GTCS state otherwise.

13.3 To protect its interests, KRAFTPAL is entitled to file a claim with the court with the jurisdiction over the buyer's domicile.