

I. Scope of application

- For all transactions including sales, deliveries, services, agreements, and offers in the course of trade, to which "Karl Knauer Poland" spółka z ograniczoną odpowiedzialnością (limited liability company) with its registered office in Pniewy at the following address: ul. Wspólna 7, 62-045 Pniewy, entered in the National Court Register under KRS No.: 0000117436, Tax ID No.: 7870001122, Business ID No.: 00478815 (hereinafter referred to as "Karl Knauer") is a party, these General Commercial Terms and Conditions (hereinafter referred to as "GCTC") shall apply exclusively, in the current version, even if they are not expressly referred to in future. The GCTC shall constitute an integral part of the contract.
- These GCTC shall apply if the other party to the contract with Karl Knauer is an entrepreneur within the meaning of the provisions of the Civil Code, with the exclusion of self-employed individuals, who are considered consumers under separate regulations.
- By placing an order, the Customer agrees to the applicability of the GCTC to the order in question as well as to all future orders from Karl Knauer.
- The use of general terms and conditions of contracts or other contract templates used by the Customer is excluded. Contractual provisions, individually agreed and confirmed in writing under pain of invalidity, shall take precedence over the provisions of these GCTC to the extent that they contain regulations different from these GCTC.
- Karl Knauer reserves the right to unilaterally change these GCTC at any time. If the GCTC are amended during the legal relationship with the Customer, the GCTC with the new content shall be binding upon the Customer if such amendment or supplement has been delivered to the Customer and the Customer has not terminated the contract at the earliest possible date.

II. Conclusion and content of the contract

- Request for Quotation.** The Request for Quotation (hereinafter referred to as the "RFQ") shall contain at least the following information: (i) the full name of the Customer, (ii) the exact address, (iii) the Tax ID No., (iv) the Business ID No., (v) the scope of the request for quotation (including the exact specification of the products ordered and their quantity) or the number of the quotation provided by Karl Knauer, (vi) the proposed time limit for RFQ processing, (vii) the e-mail address for receiving invoices electronically. A request for quotation submitted by the Customer shall constitute an invitation to conclude a contract.
- Quotation.** Upon submission of an RFQ, Karl Knauer will confirm the feasibility of its execution, including its completion date, and will provide a quotation (hereinafter referred to as the "Quotation"). The quotation shall be binding for Karl Knauer for 30 days.
- Acceptance of the Quotation.** A contract shall be concluded when the Customer accepts the quotation (hereinafter referred to as "Acceptance of the Quotation"). If the Customer refers to a binding quotation made previously by Karl Knauer, a contract shall come into effect upon confirmation of execution by Karl Knauer. The application of Article 682 of the Civil Code is excluded.
- The RFQ, the Quotation, and the Acceptance of the Quotation are customarily made electronically, i.e. in the form of an e-mail. Karl Knauer is entitled at any time to demand a different form of entering into contract, including written form under pain of invalidity, in particular but not exclusively in the event of doubts about the authorisation of a contact person of the Customer or if it is difficult to clearly identify the Customer.
- The person accepting the Quotation on behalf of the Customer declares that they are authorized to accept quotations on behalf of the Customer.
- Karl Knauer reserves the right to demand confirmation of the Acceptance of the Quotation from persons authorized to represent the Customer in accordance with a copy of the relevant register. Karl Knauer also reserves the right to request, prior to conclusion of the contract, current copies of documents confirming the details of the Customer and persons acting on the Customer's behalf, including, in particular, confirmation of the Tax ID and Business ID numbers, articles of association, powers of attorney, and management board appointment resolutions.
- Karl Knauer shall accept objects entrusted to it for safekeeping if services are performed on them.
- Karl Knauer makes prints in accordance with ProzessStandard Offsetdruck (hereinafter referred to as "PSO"). In case of colour discrepancies of the finished product with previous printouts or other colour samples provided by the Customer, Karl Knauer shall only be liable to the extent that the colour scheme of the finished product violates the PSO, unless expressly agreed otherwise.
- At the explicit request of the Customer, made no later than at the time of Acceptance of the Quotation, a sample printout may be made at Karl Knauer premises and verified by the Customer to ensure that the colours on the final printout are correct (hereinafter referred to collectively as "Sample Printout"). The production of sample printouts requires Karl Knauer to organize the relevant work, including the assignment of suitable employees and machines to make the printouts. For this reason, the provision of a Sample Printout is chargeable to the Customer, with the exception of the first 30 minutes of its duration, counted from the first step taken for the preparation or execution of the Sample Printout. The fee for each commenced hour of work devoted to the preparation or making of the Sample Printout following 30 minutes of machine or employee work amounts to minimum: (i) PLN 900 net. Karl Knauer quotes for custom motifs on an individual basis. The above fees shall apply to downtime caused by the preparation or execution of the Sample Printout. If the Customer accepts the graphic design in electronic or paper form, Karl Knauer shall not be responsible for text and graphic errors contained in the design.

III. Trade secret. Copyrights

- All documents and information provided by Karl Knauer to the Customer are the property of Karl Knauer and constitute trade secret of Karl Knauer, and the customer is obligated to keep them confidential. This applies in particular to quotations, draw-ings, illustrations, calculations, and technical solutions disclosed to the Customer. The obligation of confidentiality shall bind the Customer from the date of disclosure and shall be unlimited in time. Their disclosure to third parties requires the express written consent of Karl Knauer under pain of invalidity.
- The Customer declares that they are entitled to handle all materials provided by Karl Knauer for the execution of the order (in particular graphics, trademarks, etc.) and that their provision and the execution of the order do not violate the rights of third parties, in particular copyrights and inventor rights. The Customer indemnifies Karl Knauer against any liability for infringements of third party rights in connection with the execution of the order.

IV. Price and payments

- All prices indicated in the Quotation are net prices. The price calculation includes only the release of the goods at the Karl Knauer premises. Prices do not include shipping and transport costs or goods insurance. The price calculation and payment shall be made in Polish zloty, unless the arrangements with the Customer made in writing under pain of invalidity indicate otherwise. Additional costs resulting from possible payment in foreign currency shall be borne by the Customer.
- VAT will be added to the price in the amount resulting from current regulations.
- Karl Knauer may make the execution of an order contingent upon Customer's payment of an advance equal to 60% of the net price resulting from the Quotation. In the event of non-payment of the advance, Karl Knauer shall call upon the Customer to pay the advance and shall set a further period of 3 days under pain of withdrawal from the contract. Withdrawal from the contract by Karl Knauer in the aforementioned case shall not give rise to any claims against Karl Knauer.
- For technological reasons, deviations in the print run of +/- 5% in relation to the print run specified in the Quotation accepted by the Customer are permissible, and the Customer expressly accepts this. If the above deviation occurs, the Customer is obliged to pay for the quantity of goods actually produced. The price shall be recalculated by Karl Knauer.
- If Customer cancels an order after Acceptance of the Quotation and Karl Knauer has performed the works related to graphic preparation or incurred the costs associated with preparing the order for processing, Karl Knauer shall have the right to:
 - demand payment for the work performed at the rate of PLN 240.00 for each hour of work of the graphics studio or
 - demand reimbursement of incurred expenses / costs related to the preparation of the production indicated in the Quotation or
 - claim damages in line with general principles.
- Circumstances beyond Karl Knauer's control which occur after the order has been placed and which will have a considerable and unforeseeable impact on the basis for the price calculation, shall entitle Karl Knauer to increase the agreed prices, however only to the extent justified by these circumstances. This applies in particular to statutory changes, official orders, etc. The prices thus increased will be set on the same basis as the prices originally agreed and will not be intended to increase profits.
- The basis for payment for the goods shall be a VAT invoice issued in accordance with applicable regulations. The payment term of the VAT invoice shall be 14 days from the invoice date.
- The Customer accepts that Karl Knauer may send invoices, duplicate invoices, and corrections thereof electronically to the e-mail address specified in the Order.

- The Customer shall pay by bank transfer to the bank account specified in each VAT invoice. The date of payment shall be the date on which the funds are credited to Karl Knauer's bank account.
- The right of the Customer to set off its receivables against those of Karl Knauer without the consent of Karl Knauer expressed in writing under penalty of invalidity, is excluded.
- In the event of a delay in payment, Karl Knauer is entitled to charge default interest at the statutory rate.

V. Tools & projects

- The cost of packaging prepress facility (printing plates and punching dies) shall be covered by the Customer.
- If the tools in question are worn-out, Karl Knauer shall be entitled to dispose of them and to remanufacture the tools at its own expense, which will then become Karl Knauer's property.
- If the Customer does not order a given type of packaging within 18 months after its last production, Karl Knauer shall be entitled to dispose of the tools used for its manufacture.
- All technical drawings and graphic designs made by Karl Knauer are Karl Knauer's property.

VI. Release of goods

- Delivery of the Goods shall take place at Karl Knauer's premises on the basis of the Ex Works Incoterms 2020 formula, unless the parties agree otherwise.
- Release of the goods shall be understood to mean the handing over of the goods to the person designated to receive them or alternatively their placement at the disposal of the Customer at the designated location (including Karl Knauer's plant) after notification.
- All risks shall be transferred to the Customer upon release of the goods.
- The Customer shall be obligated to collect the goods from Karl Knauer's premises on the date specified in the sales order confirmation (AB).
- If the release of the goods is delayed due to circumstances caused by the Customer, the Customer shall be obligated to reimburse Karl Knauer for any additional costs incurred.
- If the Customer delays or refuses to collect the goods on the agreed date, the Customer shall pay Karl Knauer a contractual penalty amounting to 10% of the net order amount. In this case, Karl Knauer reserves the right to assert further compensation claims.
- The Customer shall bear the risk of payment of the price also in case of loss of the purchased goods from the moment the goods are released to the Customer.
- Karl Knauer can undertake to arrange for the transport of the goods to the place specified by the Customer only under individual arrangements included in the quotation. All risks and costs associated with the transport of goods shall be borne by the Customer, unless otherwise agreed in the Quotation.
- Upon Customer's request, Karl Knauer can insure the goods against theft, destruction, and damage caused by transport, fire, and water as well as other insurable risks.
- Delivery of goods in parts is permissible if the Customer has agreed to it.

VII. Reservation of title to the goods sold

- Karl Knauer reserves the ownership of the ordered goods until the price for the goods has been paid.
- In the event of a delay in payment, Karl Knauer is entitled to demand the immediate surrender (return) of the goods by the Customer.
- In the event of seizure of the goods or other interference by third parties, the Customer shall be obliged to inform Karl Knauer immediately in writing so that Karl Knauer can take legal action pursuant to Art. 841 of the Code of Civil Procedure. If a third party cannot reimburse Karl Knauer for the judicial and extrajudicial costs of an action in accordance with Art. 841 of the Code of Civil Procedure, the Customer shall be liable to Karl Knauer for the uncollected amounts.
- The Customer hereby assigns to Karl Knauer the Customer's future claims for payment of the price and incidental claims to which it is entitled in the event that the Customer resells the goods owned by Karl Knauer to a third party. As long as the Customer continues to pay its liabilities to Karl Knauer in a timely manner, the Customer is entitled to collect the receivable against the aforementioned third party and Karl Knauer undertakes to refrain from collecting the receivable.
- Should the Customer fail to fulfil its obligations towards Karl Knauer, Karl Knauer may demand that the Customer immediately provide all information necessary for the collection of the receivable from these third parties (in particular the names of the purchasers of the resold goods and the resale price), provide the documents necessary for this purpose (in particular sales contracts, VAT invoices), and inform these third parties of the assignment.
- For a delay by the Customer in releasing (returning) the goods in accordance with sec. 2 hereinabove as well as for a delay by the Customer in fulfilling its obligations under sec. 5 hereinabove, Karl Knauer may impose a contractual penalty on the Customer in the amount of 2% of the price of the goods (gross amount resulting from the VAT invoice) to which the demand relates, for each day of delay, but no more than 200% of this price.
- If the Customer secures Karl Knauer's claims for an amount exceeding 110% of the price of the ordered and unpaid goods, the Customer may demand that ownership of the goods be transferred to it

VIII. Customer's rights in case of defects

- The Customer shall be obliged to check the received goods for defects. Defects shall be reported no later than 7 (seven) days after receipt of the goods. Hidden defects shall be reported to Karl Knauer immediately, but at the latest within 7 (seven) days after their discovery. A registered letter sent to Karl Knauer's registered office address, as well as e-mail correspondence sent to info@karlknauer.pl or to the Karl Knauer's representative designated as contact person shall be deemed to be effective notification of a defect. Notifications made after the expiry of the aforementioned time limit or in another form shall be ineffective.
- The following information shall be included in the goods defect report: order number, sales invoice number and the reason for the complaint (description of the defect), production batch number and master carton number or shipping pallet number if the goods in which the defect has been detected are packed in bulk.
- If a defect in the delivered goods is reported in due time, Karl Knauer shall have the right to choose between replacement delivery and rectification of the defect. If repair proves impossible or fails, the Customer shall have the right to demand a reduction in the purchase price or withdraw from the contract.
- The Customer shall enable Karl Knauer to carry out any necessary repair work. If the Customer is in default in doing so, Karl Knauer will not be held liable for any further damage.
- Karl Knauer may provide the Customer with a warranty in a separate warranty document. Warranty terms and conditions shall be agreed individually in writing under pain of invalidity
- Defects in a part of the ordered goods shall not entitle the Customer to refuse acceptance of the entire consignment ordered, unless the partial performance would not be meaningful for the Customer due to the nature of the obligation, which the customer informed Karl Knauer about when submitting the Request for Quotation.
- Minor variations from templates, patterns, originals in all production processes shall not be considered a defect of the delivered goods. The same applies to comparisons between templates (e.g. digital, printed) and the final product. Liability for defects that do not affect the value or do not limit the usability properties or affect them to an insignificant degree is excluded.
- Karl Knauer shall only be liable for non-conformities or deviations from the technical parameters of the material used insofar as the goods are not suitable for the agreed use due to such non-conformities or deviations from the technical parameters.
- Materials provided by the Customer or by third parties (including data sent or on data carriers) are not subject to inspection by Karl Knauer. This does not apply to data that is obviously not useful or unreadable. Before sending the data, the Customer is obliged to check them using an appropriate up-to-date anti-virus software. Data security is the sole responsibility of the Customer. Karl Knauer is entitled to use this data and copy them for the purpose of processing the order.

IX. Liability of Karl Knauer

- Claims for damages, in particular due to fault on conclusion of the contract or violation of contractual or statutory obligations, can only be asserted by the Customer if the damage was caused by gross negligence or wilful intent on the part of Karl Knauer, its legal representative, or its vicarious agents.
- Karl Knauer's liability for damages shall be limited to the amount of the price of the Accepted Quotation, however not higher than PLN 200,000.00 gross. Karl Knauer shall not be liable for indirect damages or lost profits of the Customer.
- Claims under product liability and tort law remain unchanged.

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4. The limitation of liability for damages shall not apply if, as a result of a culpable violation of obligations on the part of Karl Knauer, its legal representatives, or vicarious agents, liability for damages resulting in danger to life, bodily injury or health damage is justified.

X. Withdrawal from the contract

1. If the Customer is in default on payment of the price for the goods or if the timely payment of the price for the goods is in doubt due to the financial situation of the Customer, Karl Knauer may withhold delivery of the goods or parts thereof by setting the Customer a period for the payment of the price, however, no longer than 7 days, and upon the ineffective expiration of the indicated period, may withdraw from the contract.
2. In all other respects, the right of Karl Knauer and the Customer to withdraw from the contract shall be governed by the legal regulations..

XI. Force majeure

If Karl Knauer cannot fulfil its obligations due to circumstances caused by force majeure which could not be foreseen at the time of conclusion of the contract (force majeure), such as, in particular, employer-employee conflicts, strikes, lockouts, un-foreseeable plant disruptions or the unavoidable reduction of raw materials, or due to similar circumstances beyond its control, it shall be released from its obligation to perform contractual obligations for the duration of such disruption. The agreed delivery times will then be extended by the duration of the disruption. In the event of the above circumstances, Customers' claims for damages are excluded. For the duration of the force majeure, the Customer's obligations listed in the contract will also be suspended. Karl Knauer shall be obliged to inform the Customer immediately, and at the latest within 7 (seven) days, of the occurrence and cessation of force majeure within the meaning of this clause.

XII. Severability

If any provision of these GCTC is or becomes invalid or ineffective for any reason, the validity of the remaining provisions of the GCTC shall not be affected. Provisions that are invalid or ineffective will be replaced with new valid and effective provisions that most closely match the purpose of the contract intended by the parties.

XIII. Final provisions

1. With regard to contractual relations between the parties, the provisions of the United Nations Convention on Contracts for the International Sale of Goods are excluded and only the provisions of the Polish law shall apply.
2. The place of performance of the contract shall be the premises of Karl Knauer.
3. The competent court for all disputes arising from the contractual relationship shall be the court having jurisdiction over the premises of Karl Knauer.
4. Karl Knauer declares that it is a large trader within the meaning of the Act on the Prevention of Excessive Delays in Commercial Transactions (Journal of Laws 2013, item 403 et seq.).
5. By placing an order, the Customer consents to the processing of the Customer's personal data by Karl Knauer. All information related to the processing of personal data is available on the company's website: <https://www.karlknauer.pl/pl/polityka-prywatnosci>.

Effective date: 01/05/2022