

A. GENERAL

1. Definitions

- 1.1. **Buyer** means the person or company who purchases the Goods from the Supplier.
- 1.2. **Conditions** means these General Terms and Conditions for the Sale of Products and/or Services.
- 1.3. **Consumables** means inks, cleaning agents, hot-melt adhesive paper, printing substrates and other consumables.
- 1.4. **Goods** means movables that the Supplier manufactures for and/or delivers to the Buyer on the basis of a Purchase Order.
- 1.5. **Intellectual Property Rights** means all industrial and other intellectual property rights comprising or relating to: a) patents; b) trademarks; c) internet domains; d) designs; e) software; f) trade secrets, g) copyrights and h) know-how.
- 1.6. **Parties** means collectively Buyer and Supplier.
- 1.7. **Services** means any service, including installation, commissioning, maintenance, technical assistance, machine overhaul, mechanical and software installation, training, etc. provided by the Supplier to the Buyer.
- 1.8. **Spare parts** means new spare parts and refurbished parts.
- 1.9. **Specifications** means any specification for the Goods, including any related plans and drawings, that is agreed in writing by the Buyer and the Supplier. Information contained in Supplier's brochures and catalogues are not binding, unless otherwise agreed.
- 1.10. **Supplier** means Hapa AG and any of its direct or indirect subsidiary companies and affiliates.
- 1.11. A reference to **writing** or **written** includes emails.

2. Basis of Contract

- 2.1. These Conditions apply to the Agreement to the exclusion of any other terms that the Buyer seeks to impose or incorporate. Deviating or additional terms are excluded, unless the Supplier expressly accepts them in writing. Hapa reserve the right to amend or change these Conditions from time to time.
- 2.2. The order constitutes an offer by the Buyer to purchase the Goods and/or Services in accordance with these Conditions ("**Purchase Order**"). The order shall only be deemed to be accepted when the Supplier is-

sues a written acceptance of the order ("**Order Confirmation**"), at which point the Agreement shall come into effect.

- 2.3. The Order Confirmation and these Conditions (collectively the "**Agreement**") represent the entire Agreement.

3. Price / Payment

- 3.1. The Buyer shall pay to the Supplier the purchase price as agreed between the Parties and confirmed in the Order Confirmation. Costs for freight, insurance, packaging, customs duties and other additional costs shall be borne by the Buyer.
- 3.2. All amounts of money referred to in this Agreement shall be interpreted as being amounts exclusive of value added tax or any similar sales tax.
- 3.3. If the costs for material or wages increase between the Offer and contractual fulfilment, Supplier reserves the right to adjust the purchase price accordingly.
- 3.4. If the Buyer does not make payment on or before the date on which it is due, interest at the rate of 5% shall be payable on the overdue amount.

4. Delivery, default in delivery, title and risk

- 4.1. The Supplier shall deliver the Goods to the location set out in the Order Confirmation or such other location as the Parties may agree.
- 4.2. Unless otherwise agreed between the Parties transportation is subject to the Incoterms 2010 FCA Volketswil, Switzerland.
- 4.3. Any dates quoted for delivery are approximate only, and the time of delivery is not of the essence. The estimated delivery time and milestones are subject to the Supplier receiving the signed agreement and the agreed down payment, as well as the clarification of all technical details, including material tests where applicable.
- 4.4. Partial deliveries and delivery prior to the estimated delivery time are permitted.
- 4.5. The Supplier shall be entitled to an extension of the deadlines if delay occurs: (a) because of any force majeure event; (b) as a result of a change request by the Buyer; (c) as a result of Buyer's failure to fulfil, correctly and in time, his obligations necessary for completion of the works, including providing the URS where applicable; (d) because of Buyer's delayed

payment; or (e) by an act or omission on the part of the Buyer.

- 4.6. The Buyer shall inspect the delivery immediately after receipt, including delivery damage. The Buyer shall notify the Supplier of any defects, including delivery damage, in writing immediately but in no event later than 5 business days after receipt of the delivery, otherwise the Goods are considered accepted.
- 4.7. In case of delivery damages the delivering freight carrier is to be held liable and a corresponding notation shall be made on the acknowledgment of acceptance, signed by the freight carrier's representative and the Buyer.
- 4.8. In the event of default of delivery by the Supplier, Supplier shall pay to the Buyer a liquidated damage in the amount of 0.5% of the net order value per week of default, up to a maximum of 5% of the net order value. Supplier shall not be liable for any damages for the first two weeks of delay.
- 4.9. If the Supplier's delay is such that the Buyer has become entitled to the maximum liquidated damage under clause 4.8 and the work is still not completed, the Buyer may demand in writing completion within a final reasonable period which shall not be less than two (2) weeks. If the Supplier does not complete the works within such final period and this is not due to any circumstances for which the Buyer is responsible, then the Buyer may by notice in writing to the Supplier terminate the agreement. If the Buyer terminates the agreement he shall be entitled to compensation for the loss he has suffered as a result of Supplier's delay up to a maximum of 15% of the Purchase Price, including the liquidated damage payable under clause 4.8.
- 4.10. Title to the Goods shall not pass to the Buyer until the Supplier receives payment in full (in cash or cleared funds) for the delivered Goods. Risk of loss to Goods delivered to the Buyer passes to the Buyer in accordance with Incoterms FCA or the otherwise agreed Incoterms 2010.

5. Warranty

- 5.1. The Supplier warrants that:
 - a) the Goods shall: (a) conform in all material respects with the Specification; (b) be free from material defects in design, material and work-

manship; and (c) be fit for any purpose held out by the Supplier; and

- b) the Services shall be performed: (a) by an appropriate number of suitably qualified and experienced personnel; and (b) using all reasonable skill and care.
- 5.2. The Supplier's liability does not cover defects which are caused by (a) normal wear and tear, (b) faulty maintenance or faulty repair by the Buyer, (c) chemical, electrolytic or electrostatic influences, (d) materials provided, or a design stipulated or specified by the Buyer, (e) using other than the Supplier's original spare parts or consumables, unless such products are accepted in writing by Supplier (f) or by alterations carried out without the Supplier's prior consent in writing.
 - 5.3. During the Warranty Period as stated in clause 11 and 15 below Supplier shall, at its sole discretion, repair or replace the defective Goods at its own expenses. Any other remedies of the Buyer by statute or otherwise are excluded.
 - 5.4. Any applicable statute of limitations starts from Supplier's receipt of Buyer's notice of non-compliance of the Goods.

B. ADDITIONAL PROVISIONS FOR THE SALE OF MACHINES

6. Change Request

- 6.1. If the Buyer wishes to make any change to the machines after the Order Confirmation is issued the Buyer shall notify the Supplier by submitting a written request ("**Change Request**") describing and requesting the changes. If a URS is provided by the Buyer after the order is confirmed by the Supplier, any deviations from the confirmed scope of supply shall be considered as a Change Request.
- 6.2. As soon as possible after receipt of a Change Request, Supplier shall notify the Buyer in writing whether and how the variation can be carried out, stating the resulting alteration to the Purchase Price, the milestones and deadlines and any other term of this Agreement.

7. FAT (Factory Acceptance Test)

- 7.1. The Supplier shall notify the Buyer in writing of the performance of FAT in sufficient time to permit the

Buyer to be present at the test at Supplier's premises. If the Buyer is not represented, the test report shall be sent to the Buyer and shall be accepted as accurate.

- 7.2. If the test shows that the machine is not in accordance with this Agreement, the Supplier shall remedy any defects. New tests shall then be carried out, unless the defects do not affect performance of the machine.
- 7.3. The Supplier shall bear all costs for test carried out at Supplier's premises. The Buyer shall however bear all travelling and living expenses for his representatives in connection with such tests.

8. Installation and Commissioning

- 8.1. The installation and commissioning of the machine is not included in the base machine price and will be quoted as an option or separately.
- 8.2. If the performance of installation and commissioning is included in the Supplier's scope of supply, the work will be performed by qualified technicians.
- 8.3. The Buyer shall ensure that (a) the Supplier's employees are able to start work in accordance with the agreed time schedule and to work during normal working hours; (b) he has in good time before the installation is started, informed the Supplier of all relevant safety regulations in force on the site of installation and commissioning; (c) has made available to the Supplier free of charge all necessary lifting equipment, materials and supplies, including power, water, testing material, etc.

9. SAT (Site Acceptance Test)

- 9.1. The Buyer shall conduct an SAT within 30 days after delivery in accordance with the pre-defined acceptance conditions. If support is required by the Supplier, the Buyer shall notify the Supplier in writing of the performance of SAT in sufficient time to permit the Supplier to be present at the test. Supplier's costs, including travelling and living expenses of Supplier's representatives, will be quoted separately and borne by the Buyer.
- 9.2. The Buyer shall prepare a test-report of the SAT or a similar document, showing all detected defects during SAT (if any) attributable to Supplier and the Buyer shall notify the Supplier immediately but not later than 5 working days after carrying out SAT. If the Buyer does not perform an SAT and/or sent the test-report in

accordance with this clause 9, or if the Buyer confirms in writing that the machine is accepted as compliant with this Agreement, SAT is deemed as satisfactorily completed.

- 9.3. If the test shows that the machine is not in accordance with this Agreement and the defects are attributable to Supplier, the Supplier shall remedy any defects, within 30 days. New tests shall then be carried out, unless the defects do not affect performance of the machine.

10. Taking-Over

- 10.1. Taking-Over of the machine takes place when SAT has been satisfactorily completed or regarded under clause 9.2 as having been satisfactorily completed. Minor defects which do not affect the performance of the machine shall not prevent Taking-Over.
- 10.2. The Buyer is not entitled to use the machine or any part thereof before Taking-Over. If the Buyer does so without the Supplier's consent in writing, he shall be deemed to have taken over the machine.

11. Warranty Period

- 11.1. Supplier grants to the Buyer a warranty period of 12 months from Taking-Over of the machines, 2'000 operating hours or 5 million cycles for printing systems, whichever occurs first, but no longer than 18 months after delivery ("**Warranty Period Machine**").
- 11.2. In case 24 month warranty extension is quoted as part of the scope, the Supplier grants to the Buyer a warranty period of 24 months from Taking-Over of the machines, 4'000 operating hours or 10 million cycles for printing systems, whichever occurs first, but no longer than 30 months after delivery ("**Extended Warranty Period Machine**").

C. ADDITIONAL PROVISIONS FOR THE PROVISION OF SERVICES AND THE SALE OF SPARE PARTS AND CONSUMABLES

12. Purchase Order / Service Fees / Delivery

- 12.1. The Purchase Order for Services, Spare parts and/or Consumables is only deemed accepted upon Supplier's written Order Confirmation.
- 12.2. For the performance of any Services the Buyer shall pay to Supplier the standard service fees, which will be quoted to the Buyer before performing a service. Is

the duration of service provision extended for reasons which are the responsibility of the Buyer (e.g. waiting time) and/or shall the scope of service be amended, additional costs are borne by the Buyer.

- 12.3. The Supplier will use new spare parts, unless the Buyer has agreed in writing that used and/or refurbished parts can be installed.
- 12.4. All charges shall be due and payable in full to the Supplier, within 30 days of receipt of a valid invoice from the Supplier.
- 12.5. The following differences from the agreed quantity of inks are permitted and are not deemed as a breach of contract. However, only the actually delivered quantities will be charged to the Buyer.

Order quantity up to 50kg	+/- 3%
Order quantity above 50kg	+/- 5%; max. 10 cartridges

13. Buyer's Obligations

- 13.1. The Buyer shall keep updated the log-book, i.e. the registration of all maintenance work performed by the Buyer, and make it available to Supplier upon request.
- 13.2. When performing Services, the Buyer shall provide Supplier and its employees full and free access to the machine and provide them with adequate and safe working space as are reasonably required to enable the Supplier to perform the Services at the Buyer's or its customer's premises.
- 13.3. The Buyer shall provide the Supplier with any information that is reasonably requested in the performance of the Services.

14. Acceptance of Services

- 14.1. The Supplier shall notify the Buyer as soon as the Services are ready for acceptance. The Buyer shall immediately inspect the Services, in the presence of the Supplier's responsible service technician, and in case of acceptance sign the relevant documents (service reports, etc.) or inform Supplier in writing of any deficiencies without delay, but not later than within five (5) working days.
- 14.2. If the Buyer does not sign the relevant documents nor inform Supplier in writing of any deficiencies pursuant to clause 14.1, the Services are considered accepted.

15. Warranty period

- 15.1. Unless specified otherwise in clause 15.2 or in the Order Confirmation, Supplier grants to the Buyer a

warranty period of (a) 12 months from delivery of spare parts and (b) 3 months or 500 operating hours from performance of Services, whatever comes first, excluding inspection, software installation and training ("**Warranty Period Services**").

- 15.2. The Warranty Period Services for components, Spare parts and Consumables listed below, shall be as follows:

Used/refurbished parts	6 months
Consumables	pursuant to expiry date printed on Consumables

16. Cancellation / Postponement of Services

- 16.1. In case of a cancellation or postponement of Services the Buyer has to bear the following costs:

Up to 7 days before scheduled service date	No costs
6 to 2 days before scheduled service date	40% of Service Fees
1 day before or on the scheduled service date	100% of Service Fees

D. OTHER PROVISIONS

17. Health, safety and security policies

- 17.1. The Supplier shall procure that its personnel shall, while on Buyer's site, comply with Buyer's reasonable health, safety and security policies provided that these policies have been brought to the attention of its personnel by the Buyer.

18. Liability

- 18.1. Neither party excludes or limits liability to the other party for: (a) willful intent, fraud or fraudulent misrepresentation, gross negligence; or (b) death or personal injury caused by negligence.
- 18.2. Neither party shall be liable to the other for any indirect damages, including but not limited to loss of profits, business, revenue, or goodwill and any consequential damages.
- 18.3. Subject always to clause 18.1, each party's total aggregate liability in contract, tort (including negligence and breach of statutory duty), misrepresentation (whether innocent or negligent), restitution or otherwise, arising in connection with this Agreement shall be limited to 50% of the paid net purchase price.

19. Intellectual Property Rights

- 19.1. Each Party acknowledges and agrees that: a) any and all Intellectual Property Rights, including technical documents, owned by either Party are the sole and exclusive property of that Party; b) it shall not acquire any ownership interest in any of the other Party's Intellectual Property Rights under this Agreement, unless expressly agreed in writing.
- 19.2. In the event of any claim, proceeding or suit by a third party against the Buyer alleging an infringement of any Intellectual Property Right connected with the Goods, the Supplier shall defend, hold harmless and indemnify the Buyer, subject to (a) the Buyer promptly notifying the Supplier in writing of any such claim, proceeding or suit; and (b) the Supplier being given sole control of the defense of the claim, proceeding or suit.
- 19.3. The Buyer agrees that it shall not and shall not permit to any third party to copy, disassemble, decompile or reverse engineer any products manufactured and/or sold by the Supplier.

20. Insurance

- 20.1. Supplier confirms that it maintains and carries in full force and effect, a commercial general liability insurance (including product liability) in a sum no less than EUR 5 Mio. with financially sound and reputable insurers and upon Buyer's request, will provide Buyer with a certificate of insurance evidencing the insurance coverage.

21. Confidentiality

- 21.1. Each Party ("Disclosing Party") may disclose to the other Party ("Receiving Party") information about its business affairs, products and services, forecasts, technical documents, confidential information and materials comprising or relating to Intellectual Property Rights and other sensitive or proprietary information. Such information, as well as the terms of the Agreement, whether orally or in written, electronic or other form or media, and whether or not marked or identified as "confidential", is collectively referred to as "**Confidential Information**".
- 21.2. Notwithstanding the foregoing, Confidential Information does not include information that, at the time of disclosure and as established by documentary evidence by the Disclosing Party: a) is or comes in the

public domain other than as a result of a breach of this Section 21; b) was in the Receiving Party's lawful possession prior of the disclosing; c) was lawfully obtained by a third party without acting in breach of this Section 21 or any other confidentiality undertaking; d) was developed independently from the Confidential Information by the Receiving Party; or e) is required to disclose pursuant to applicable law.

- 21.3. The Receiving Party shall, for five (5) years from disclosure of such Confidential Information: a) hold in strict confidence all Confidential Information received from the Disclosing Party; b) not use the Disclosing Party's Confidential Information for any purpose other than to exercise its rights or perform its obligations under the Agreement nor use Confidential Information to its own or third parties' benefit; and c) not disclose any such Confidential Information to any third party.

22. Termination

- 22.1. In addition to any remedies that may be provided under these Conditions, either party may terminate the Agreement effective immediately, by providing written notice to the other party, either before or after acceptance of the Products, if: a) the other party is in breach of a material provision of the Agreement, and the breach cannot be cured within reasonable period of time (in no case exceeding 60 days) after receipt of written notice of such breach; or b) the other party becomes subject to any proceedings under any domestic or foreign bankruptcy or insolvency law.

23. Force Majeure

- 23.1. No Party shall be liable for failure to perform where such failure is caused by war, civil unrest or a major natural disaster or any other event, circumstance or cause beyond the affected party's reasonable control ("**Impacted Party**").
- 23.2. The Party affected by a force majeure event shall provide immediate notice to the other. If the force majeure event lasts longer than three (3) months, the unaffected Party may terminate this Agreement on thirty (30) days prior written notice.

24. Return of Packaging

- 24.1. Where Supplier is obliged to take back any transport packaging or other packaging according to applicable

regulation, the Buyer may deliver the returnable packaging to the Supplier at Buyer's expenses.

25. Anti-Corruption

25.1. The Parties declare to conduct business activities with loyalty, fairness, transparency, honesty and in compliance with the applicable Anti-Corruption laws.

26. Miscellaneous

26.1. The Supplier and the Buyer are independent contracting parties. Nothing in this Agreement creates any agency, joint venture, partnership or other form of joint enterprise relationship between Parties.

26.2. Neither Party has any right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement or undertaking with any third party.

26.3. If any term or provision of the Agreement is invalid, illegal or unenforceable, such invalidity, illegality or unenforceability does not affect any other term or provision of this Agreement.

26.4. Supplier reserves the right to assign, transfer or subcontract any of its rights and obligations under this agreement.

26.5. No person other than a party to this agreement shall have any rights to enforce any term of this agreement.

26.6. No amendment of this Agreement is effective unless it is in writing and signed by both parties.

27. Governing Law / Place of Jurisdiction

27.1. The Agreement and all matters arising out of or relating to the Agreement are governed by, and construed in accordance with the laws of Switzerland. The Parties agree that the United Nations Convention on Contracts for the International Sales of Goods does not apply to the Agreement.

27.2. The competent courts of the Supplier's principal place of business shall have exclusive jurisdiction over all disputes or claims arising out of or in connection with the Agreement.