

**Terms and Conditions of Sale and Delivery**

**1. General**

These Terms and Conditions of Sale and Delivery (hereinafter "T&C") shall apply to the sale and delivery of all goods and services from Kim Pai Tuba Embalaža d.o.o. to the Customer. Deviations from these T&C and/or acceptance of Customer's conditions have to be expressly acknowledged in writing by KPT.

The present T&C shall remain in force also if they are not sent with the goods or services, but have been brought to the Customer's attention in another manner.

All agreements and legally relevant declarations by the contracting parties are valid only if made in writing. In the event of conflict between contractual provisions agreed in writing and these T&C, the contractual provisions shall prevail. A contractual obligation shall be binding only if KPT has confirmed an order in writing or if KPT has executed the order.

**2. Pricing, Payment and Delivery Terms**

The offered price can be listed in a Price list or in individual quotes issued by KPT. If the prices are given in a valid price list, the prices are fixed for the period agreed in the price list, but with a possible adjustment by KPT with a 3 months' notice period if raw materials increased more than 5% during last 3 months. The costs (if applicable) of tooling, clichés and other services are defined in individual quotes and/or price lists for those products or services. Unless otherwise stated in the order confirmation or individual quotes, the prices are based on EXW basis (Ljubljana), according to Incoterms 2010.

If not otherwise specified in individual quotes issued by KPT, the payment term is 30 days net with suitable insurance or payment in advance.

**3. Quotes & Orders**

The Quotes are not binding if they are not confirmed with an order confirmation or otherwise expressly confirmed in writing by KPT.

**Quote Validity:**

The validity of any quote cannot exceed the period of 30 days from the issue date of the quote unless expressly confirmed in writing by KPT.

**Minimum Order Quantity (MOQ):**

The minimum order quantity 10.000 Pcs/design for laminate tubes.

**Reservation of Title:**

All goods and services sold to the Customer shall remain the property of KPT until the terms of the contract are fulfilled and all payment obligations are discharged. All payments shall be made as agreed or defined in relevant invoice in EUR in cleared funds to such bank as KPT may from time to time nominate, without any set-off, withholding or deduction.

**Product Specification & Artwork:**

Before starting any production of ordered products, artwork and samples (where applicable) shall be supplied to KPT in the form and content as requested by KPT. Final technical requests and graphics (design files) have to be confirmed in writing by the Customer, before starting any production.

**Quantity Deviations in Supply:**

Due to the production limitations to assure the exact number of products ordered, KPT reserves the right to deviate from the ordered and confirmed quantities by the following values:

Ordered quantity by design (in Pcs)	Maximum deviation from ordered quantity
up to 9.999	+/- 1.000 pcs. or 20% (whichever is greater)
10.000 to 20.000	+/- 20%

20.001 - 50.000	+/- 10%
50.001 - 75.000	+/- 7%
75.001 - 100.000	+/- 5%
100.001 and over	+/- 3%

**Delay in delivery:**

KPT will use its best endeavours to assure the completion of the confirmed delivery date but in case that KPT is delaying the confirmed delivery date, the Customer shall accept the delivery or compensate KPT for the amount of the value of the cancelled order. KPT is not accepting any penalties for the delayed deliveries.

**4. Framework agreements, Call-off agreements and long term orders**

**Contracts exceeding twelve months or contracts of unlimited duration:**

in case of substantial increase of production cost (labour, energy or materials), KPT shall be entitled to request a reasonable adjustment of the price, with a notice period of 3 months, unless otherwise agreed.

**Quotes for non-binding Call-off agreements:**

If no binding order quantities were agreed on, KPT cost estimate will be based on the target quantities agreed on. If the order falls short of the order quantity or target quantity by more than 10 %, KPT shall be entitled to a reasonable increase of the price per item.

**Call-forward notice:**

In the case of call-off supply contracts, KPT must be notified by call-forward notice of binding quantities at least three months prior to the date of delivery, unless otherwise agreed. In this case, we will be discharged from our supply obligation if the call-forward notice is not received in good time for reasons for which the customer is responsible.

**Termination of timely unlimited agreements:**

Contracts of unlimited duration may be terminated by either contracting party with a notice period of six months, unless otherwise agreed.

**5. Order Cancellation or Change of Order Quantity:**

**Firmed order change:**

The Customer is entitled to cancel a part or a complete confirmed order but agrees to compensate KPT for the amount of the cancelled order, payable within 5 working days of the date of cancellation, except if agreed and confirmed differently in writing.

**Default in accepting agreed and confirmed delivery:**

If the Customer should not accept a produced, agreed and confirmed delivery, the Customer agrees that KPT shall invoice and deliver the ordered goods, after 30 days from the requested and confirmed delivery date to Customers' address (in case if KPT is the logistic responsible) or just invoice and keep the goods in KPT warehouse until the customer will pick up the goods (in case if Customer is the logistic responsible). For every additional month in storage, after invoicing the goods, KPT will charge a monthly fee of 3,00€/ Pallet until the customer picks up the goods.

**6. Quality Assurance**

The Acceptable Quality Levels (AQL) for the ordered Products are in accordance with ECV- Defect Evaluation list Vol.40 for Laminate tubes. Any additional requests deviating from the above AQL, need to be confirmed in writing by KPT.

**6.1. Base for Product Quality Assurance:**

- Reference sample from the Customer.
- Proof sample is exception and must be approved by corporate executive (charge 1.200 € for one box of printed tubes)
- Approval on the production line before the start of regular production, definition of colour standard.

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- Permitted Colour deviations inside 8dE from colour standard, for repeated regular production.

### 6.2. Shelf life of Laminate tubes

The shelf life concerns a guarantee that laminate tubes keep their original quality after the enclosed minimum specified storage time.

This is related to tubes that have been not filled with the corresponding content. Even after this period the tubes could be still within the required quality but to confirm this, KPT shall conduct a quality check to verify this.

If the storage conditions for laminate tubes (see 6.2.1. ) are not observed by the customer, KPT cannot accept any liability for loss of tube's original quality, resulting in processing problems during filling as well as a possibility of reduced shelf life of the packed product. Laminate tubes must be stored as follows:

#### 6.2.1. Storage of laminate tubes

- in normal temperature conditions (> 10° C and < 35° C)
- in a place which has a humidity of 40-60% and which is protected against direct sunlight
- in clean place free of contamination
- in a way that the stacking of the cardboard boxes which contain the tubes does not lead to any deformation of tubes
- in their original transport packaging

### 6.3. Quality documentation and retained samples

KPT will keep quality documentation and samples, for each produced batch, for period of 6 years after production date. Archive samples and documentation will be used in case of analyse or on customer request.

### 7. Warranty Claims

#### Informing KPT about the claim:

The Customer shall be obliged to give written notice of any visible defect within 10 working days from passing

the risk to the Customer or for hidden defect within 10 working days after their discovery. The Customer is obliged to provide the following information to KPT:

- Invoice & packaging list number.
- Quantity of products for claim.
- Batch (control) number.
- Description and analysis of non-conformity.
- Photos & samples (in case of quality claim).

In contrary the warranty claim of the customer will become forfeited. The limitation for warranty claims shall be 12 months from the transfer of risk.

#### Limitation of Liability for Product Defects:

If non-conformity of the delivered products is confirmed by KPT, KPT can at its discretion replace the defective product, or if possible, remedy the defect. In any case KPT shall bear the cost only to the amount of purchase value of defective products.

#### Chemical and physical reaction among the filling and the product:

KPT is not liable for the potential negative chemical and physical reaction among the filling and the product. It is expressly agreed among the parties that prior to the commencement of the production of ordered products, the Customer must assure needed testing that will ensure the compatibility of the product with the filling (migration, diffusion, and compatibility of the coatings used on the product with the filling, etc.). These tests cannot be carried out by KPT as the know-how of the filling and the filling conditions are known only to the Customer or are mastered by it.

If the Customer fails to provide suitable testing as described above, and any negative chemical and physical reaction among the filling and the product is caused, KPT is not liable for any claims and damages from either the Customer and/or third parties.

#### 7.1. Liability

KPT's liability to the Customer whether arising under contract, tort (including negligence), statutory duty or otherwise for any loss or damage shall at the KPT's option be limited to recovery of direct damages not exceeding the cost of repair or replacement or re-supply of the Products or equivalent products or the re-supply of the Services (as the case may be). KPT shall in no event be liable to the Customer for any indirect, economic, incidental, special or consequential loss including, without limitation, loss of profits or goodwill or anticipated savings or revenue or contracts, whether or not KPT has been advised of the possibility of such loss.

### 8. Confidentiality

All the agreed Terms should be considered confidential and should be treated according to the common rules of keeping business secrets. KPT and Customer are both equally responsible to follow this obligation. Except with KPT's prior written consent Customer shall not disclose any information or data relating to the marketing and sale of Products, or to the trade secrets, techniques, technology, business affairs, methods or activities of KPT or its related companies or subsidiaries and shall in particular take all appropriate measures to ensure compliance with this provision by its staff, employees and workers.

### 9. Intellectual Property

All writings, specifications, drawings, designs, copyrightable material, inventions (whether or not patentable), improvements, discoveries, developments and all works of authorship created by the KPT in the supply of Products, including all worldwide rights therein under patent, copyright, trade, secret, confidential information or other intellectual property rights (collectively, the "Intellectual Property") are the sole property of the KPT.

### 10. Force Majeure

For the purposes of this T&C "Force Majeure" means, in relation to either party, any circumstances beyond the reasonable control of that party (including, without limitation, any strike, lock-out or other form of industrial action). Neither party shall be deemed to be in breach of this Agreement, or shall otherwise be liable to other, by reason of any delay in performance, or the non-performance, of any of its obligations under, to the extent that the delay or non-performance is due to any Force Majeure of which it has notified the other party, and the time for performance of that obligation shall be extended accordingly.