

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY OF THE WOLLSDORF LEATHER GROUP

1. General; Applicability

- 1.1.** These General Terms and Conditions of Sale and Delivery shall apply to all current and future deliveries and other services of the Wollsdorf International GmbH and all group entities of the Wollsdorf Leather Group (hereinafter referred to as "Wollsdorf"). They shall also apply to all future business relationships between Wollsdorf and the contracting party, even without another express agreement.
- 1.2.** Application of general terms and conditions or other terms and conditions of purchase of the contracting party shall be excluded in any case unless they are separately and expressly agreed to in writing. Furthermore, the contracting party agrees that in the case of doubt Wollsdorf's GTC shall be relied upon even if GTC of the contracting party are used. This shall also apply where no objection is raised to Wollsdorf's General Terms and Conditions of Sale and Delivery.
- 1.3.** Actions of performance or silence on the part of Wollsdorf shall constitute no consent and thus cannot lead to acceptance of general terms and conditions the contracting party. Different arrangements, side agreements, representations, or modifications of these General Terms and Conditions of Sale and Delivery may only be made in writing and only on a case-by-case basis. In that case they shall only apply to the relevant delivery and not to future business relationships between Wollsdorf and the contracting party.
- 1.4.** For the purposes of these General Terms and Conditions of Sale and Delivery business days shall be Mondays to Saturdays.
- 1.5.** The version of the General Terms and Conditions of Sale and Delivery applicable at the time the contract is concluded shall be relevant.

2. Sales offer; Acknowledgement of order; Changes

- 2.1.** All sales offers made by Wollsdorf shall be subject to change and revokable.
- 2.2.** By placing an order the contracting party makes a binding purchase offer.
- 2.3.** A purchase offer as defined in Clause 2.2 will be accepted by Wollsdorf signing the purchase offer and sending a relevant acknowledgement of order to the contracting party. Only then will a contract be concluded that is binding upon Wollsdorf. If the contracting party is from Austria and an ARA member, the contracting party must state the relevant licence number in the purchase offer.

- 2.4. Wollsdorf may award execution of contracts between Wollsdorf and the relevant contracting party to subcontractors in whole or in part without requiring the contracting party's consent.
- 2.5. Wollsdorf reserves the right to make changes to the design or the provision of the delivery insofar as they will lead to considerably improved results or order processing and are in the contracting party's interest.
- 2.6. Price adjustments made by Wollsdorf after conclusion of the contract of plus or minus five percent of the prices agreed in the relevant contract shall be deemed expressly accepted by the contracting party.

3. Delivery; Acceptance

- 3.1. Unless otherwise agreed in writing, deliveries to the contracting party shall be *ex works* (EXW) the agreed production site pursuant to INCOTERMS 2020. This shall apply independent of who organises the transport or bears the costs of transport. No transport insurance shall be taken out for transports organised by Wollsdorf and/or transports the costs of which are borne by Wollsdorf. Wollsdorf assumes no liability for any transport damage. The dimensions and weights determined by Wollsdorf at the shipping point shall be decisive for calculation of the costs of transport.
- 3.2. Unless otherwise agreed in writing, all costs of transport and costs for customs clearance of the goods or taxes and fees additionally collected by the relevant country shall be borne by the contracting party.
- 3.3. Unless otherwise promised in writing, any and all delivery dates and periods stated by Wollsdorf shall always be approximate only and non-binding.
- 3.4. Wollsdorf shall be authorised but not obliged to deliver the goods prior to the agreed delivery date, prior to the agreed delivery deadline or prior to commencement of the agreed delivery period and to make partial or advance deliveries. In the case of early delivery payment periods shall start to run on the delivery date.
- 3.5. In the case that delivery is not effected or effected only incompletely at the agreed delivery date, by the agreed delivery deadline or within the agreed delivery period the contracting party shall grant a grace period of at least two months in writing. If a new delivery date is advised by Wollsdorf within such grace period, the contracting party shall not be entitled to damages or rights of rescission. However, if no new delivery date is advised in writing, the contracting party shall be entitled to assert their statutory rights only after expiry of the grace period granted in writing.

- 3.6.** In the case of excess or short deliveries of agreed quantities the contracting party shall not be entitled to refuse acceptance of the delivery. In the case of late delivery by Wollsdorf the contracting party shall be entitled to make covering purchases at Wollsdorf's cost only if Wollsdorf has failed to effect delivery or advise a new delivery date after expiry of the grace period defined in Clause 3.5.
- 3.7.** The date at which the goods and shipping papers are made available at the production site fixed in the offer or in the contractual agreement underlying the delivery shall be decisive for observance of the delivery date, the delivery deadline or the delivery period. However, loading and shipping times shall not be considered.
- 3.8.** Wollsdorf shall properly package the goods in such a way that they are protected against harmful impacts. The costs of disposal of the necessary packaging material shall be borne by the contracting party.
- 3.9.** If the contracting party refuses to take delivery at the contractually agreed place or time, Wollsdorf shall be entitled to claim a contractual penalty of 20% of the contract value that is independent of fault and of the actual extent of the damage. Any additional claims for damages of Wollsdorf shall remain unaffected. If the relevant contracting party is in default of acceptance, Wollsdorf shall be entitled to store the goods at the cost of the contracting party without further consent of the contracting party.
- 3.10.** Where transport is effected by Wollsdorf and delays in shipping occur which are attributable to events at or decisions of the contracting party and/or if they occurred with no fault of Wollsdorf, the risk shall pass to the contracting party at the time the goods are made available for shipping.
- 3.11.** In the case of impediments caused by involvements in wars or civil unrest, strikes, shortage of labour or raw materials, traffic obstructions, official seizures or similar reasons for which Wollsdorf is not responsible, independent of whether they occur in Austria, in the countries of origin or in transit countries, at Wollsdorf or at an upstream supplier, Wollsdorf shall be entitled to rescind the contract in whole or in part, and the contracting party shall not be entitled to damages or subsequent delivery.

4. Prices

- 4.1.** Unless expressly agreed otherwise, the prices stated by Wollsdorf shall be net prices *ex works* plus VAT as applicable from time to time. Wollsdorf shall be entitled, but not obliged, to issue partial invoices. Exchange rate and currency fluctuations as well as bank charges shall be borne by the contracting party.

4.2. The parties expressly agree that receivables and ancillary claims shall be subject to indexation. The index for calculation of adjustments shall be the Consumer Price Index as published monthly by Statistics Austria, or an index replacing the same. The reference figure for the contract shall be the index figure calculated for the month in which the contract is concluded.

4.3. In the case of cost increases for whatever reason, including, without limitation, increases in the costs of energy, chemicals or raw materials, Wollsdorf shall be entitled to enter into price negotiations with the contracting party. They shall be conducted in good faith.

5. Payment

5.1. The terms of payment stated on the invoice shall apply. Unless otherwise agreed, invoices shall be due for payment within 30 days of the invoice date without deductions. Wollsdorf shall be entitled, but not obliged, to set off payments against the contracting party's oldest debts despite different directions given by the latter. In this case Wollsdorf will inform the contracting party of how offsetting was done. If costs have arisen and interest has accrued, Wollsdorf shall first of all be entitled to use the payment to cover the costs, then the interest and finally the principal payment.

5.2. The contracting party expressly agrees to Wollsdorf offsetting any receivables and payables whatsoever. Unless expressly agreed in writing the contracting party shall not be entitled to set off any payables against receivables they may have vis-à-vis Wollsdorf. Furthermore, the contracting party shall not be entitled to withhold payments or make deductions from the invoices of Wollsdorf.

5.3. In the case of late payment by the contracting party of payables under current or earlier contracts, protesting a bill issued by it or if assets of the contracting party are attached, Wollsdorf shall be entitled at its option either to rescind the contract or to demand acceptance of the goods against cash on delivery or security regarding the part of the contract that has not been performed yet without having to grant a grace period. In such a case all of the contracting party's debts vis-à-vis Wollsdorf shall become due immediately.

5.4. Furthermore, Wollsdorf shall be entitled to assign receivables or other claims vis-à-vis the contracting party to third parties.

5.5. In the case of defective delivery on the part of Wollsdorf the contracting party shall not be entitled to withhold payment of the agreed price unless defects were properly notified as specified in Clause 6.1. In that case the amounts invoiced by Wollsdorf shall become due upon delivery of the goods to the agreed place of delivery.

- 5.6.** In the case of late payment on the part of the contracting party for whatever reasons late payment interest of 9.2 percentage points above the base interest rate as defined in Section 456 of the Austrian Business Code [*Unternehmensgesetzbuch/UGB*] from the initial due date of the invoice shall be deemed agreed. However, Wollsdorf expressly reserves the right to assert additional payment claims, such as for interest, on account of damages or costs of dunning and collection. Payment shall be deemed to have been effected in due time only if the amount is received on or has been credited to the advised account by the due date.

6. Warranty; Defects

- 6.1.** The contracting party shall check deliveries by Wollsdorf for defects, including for any absence of promised or usual properties or wrong delivery, immediately after receipt at the place of delivery and notify Wollsdorf of any defects in writing not later than within 5 business days of delivery and in any case prior to resale. The obligation to notify defects as defined in Section 377 *UGB* is hereby expressly agreed. If defects are not notified in time the goods shall be deemed accepted, and the contracting party shall no longer be able to assert warranty claims, claims for damages or the right to avoid the contract on account of mistake due to defects.
- 6.2.** Warranty shall be totally excluded for defects which are the result of customary, or minor technically unavoidable deviations. These include, without limitation, minor deviations in weight, colour, features, coating, quality or standard dimensional tolerances. The warranty period shall end in any case upon commencement of processing or further processing of the deliveries.
- 6.3.** The contracting party shall always have to prove that the defect existed at the time of delivery. If the contracting party has notified defects in time, Wollsdorf shall be entitled to choose the remedy under warranty that is necessary for improving the defect. The costs of any remediation of defects carried out by the relevant contracting party shall only be borne by Wollsdorf if the latter agreed to do so in writing beforehand. Expenses incurred by third-party companies, including, without limitation, expenses for sorting, shall expressly be borne only after prior written agreement without prejudice to future events. If improvement of the delivery is required, a period of at least 3 weeks shall be deemed reasonable unless Wollsdorf expressly states otherwise in writing.
- 6.4.** Wollsdorf shall be liable for consequential damages resulting from defects only in the case of gross negligence. If defects in the delivery are the result of defective services rendered by the contracting party or a third party, Wollsdorf shall be under no warranty obligation.

7. Production documents; Drawings; Stencils; Tools; Moulds

- 7.1.** Specimens, models, drawings, moulds, stencils, tools, plans and other aids shall remain Wollsdorf's intellectual and tangible property, and Wollsdorf shall be free to use them. The contracting party shall not make such aids accessible or available to any external or third parties. The contracting party shall take any and all conceivable measures in order to meet these secrecy requirements.
- 7.2.** Any and all specimens, models, drawings, moulds, stencils, tools, plans and other aids owned by Wollsdorf must be returned to Wollsdorf at the contracting party's cost and risk once the relevant delivery has been processed.

8. Liability

- 8.1.** Claims for damages in cases of slight negligence shall be excluded. Moreover, any claims for damages shall be limited to the amount of the invoice value. Such limitations of liability shall not apply to personal injury.
- 8.2.** If Wollsdorf is held liable under product liability, the contracting party shall indemnify and hold harmless Wollsdorf in this regard if and to the extent that the damage was caused by a mistake made by a third-party or the contracting party itself.
- 8.3.** The contracting party undertakes to make available to Wollsdorf any and all information required for delivery of a faultless product as defined in the Austrian Product Liability Act [*Produkthaftungsgesetz*] (e.g. operating instructions, warnings, licensing requirements, etc.). If at a later point in time, the contracting party learns of circumstances which could constitute a product defect as defined in the Product Liability Act, the contracting party undertakes to immediately notify Wollsdorf of any observations of such kind. In the case of a recall the contracting party shall reimburse Wollsdorf any expenses incurred by the latter as a result of the delivery.
- 8.4.** Claims for damages shall become time-barred six months after the date the damage and the party who caused the damage became known.

9. Retention of title

- 9.1.** Delivery of the goods shall be subject to retention of title and the following provisions.
- 9.2.** Wollsdorf shall retain title to the goods until full payment of the purchase price and all related costs and expenses. In the case that the goods delivered by Wollsdorf are paid by bills of exchange Wollsdorf shall retain title until the bills have been fully honoured in cash.

- 9.3.** Where goods title to which has been retained are processed into new goods acquisition by the contracting party of title to goods title to which has been retained shall be excluded. Processing, if any, shall be done by the contracting party for Wollsdorf. The processed goods shall serve as security for Wollsdorf's claims only in the amount of the value of the goods title to which has been retained by Wollsdorf. In the case of processing by the contracting party with other goods that do not belong to Wollsdorf Wollsdorf shall be entitled to co-ownership of the new goods *pro rata* the value of the goods title to which has been retained to the other processed goods at the time of processing. Otherwise that which applies to goods title to which has been retained shall apply to the new goods that result from processing. The new goods shall be considered goods title to which has been retained as defined in these Terms and Conditions.
- 9.4.** Any receivables of the contracting party under resale of the goods title to which has been retained shall be deemed assigned to Wollsdorf already at this point, irrespective of whether such goods are resold without processing or after they have been processed and of whether they are resold to one or more purchasers. The assigned receivable shall serve as security for Wollsdorf's claims only in the amount of the value of the sold goods title to which has been retained. If the goods title to which has been retained are sold by the contracting party together with goods that do not belong to Wollsdorf, be it without or after processing, the assignment of the receivables shall only apply in the amount of the value of the goods title to which has been retained and which, together with the other goods, are the subject matter of this purchase contract or a part of the object of the purchase.
- 9.5.** The contracting party shall inform the debtors of the assignment of the receivables as laid down in Clause 9.4 in writing and note down the assignment of the receivables in the books. Upon Wollsdorf's request the contracting party shall notify Wollsdorf of the debtors of the receivables assigned in accordance with Clause 9.4.
- 9.6.** The contracting party shall be entitled and authorised to resell the goods title to which has been retained only on the proviso that the purchase price claim originating from the resale passes to Wollsdorf as laid down in Clause 9.4. The contracting party shall not be entitled to make other dispositions regarding the goods title to which has been retained.
- 9.7.** Despite an assignment the contracting party shall be authorised to collect the receivables under the resale. Wollsdorf's right to collect receivables shall not be affected by the contracting party's authorisation to collect receivables. However, Wollsdorf itself shall not collect the receivable as long as the contracting party properly fulfils its payment obligations in due time and in full.
- 9.8.** Retention of title as defined in the foregoing provisions shall continue to exist also in the case that Wollsdorf's receivables are included in a current account and the balance has been struck and accepted.

- 9.9.** Retention of title by Wollsdorf shall be subject to the condition that upon full payment of the purchase price and all related costs and expenses title to the goods title to which has been retained will automatically pass to the contracting party, and the contracting party will be entitled to the assigned receivables.
- 9.10.** Wollsdorf shall immediately be informed about seizures by third parties of goods or receivables title to which has been retained. Likewise any petition for bankruptcy or composition and the fact that such proceedings have been opened shall be notified to Wollsdorf, irrespective of whether the petition was filed by the contracting party or any other creditor.
- 9.11.** The contracting party shall sufficiently insure the goods title to which has been retained against fire and theft. Claims vis-à-vis insurance companies in connection with a loss are assigned to Wollsdorf in the amount of the value of the goods title to which has been retained already at this point.

10. Right of retention

- 10.1.** Wollsdorf shall be entitled to retain objects and securities of the contracting party that are in Wollsdorf's custody as security for outstanding and due receivables for as long as the service owed by the contracting party has not been fully rendered. However, for exercise of this right of retention it shall not be necessary for the retained object and the receivable to be secured to originate from the same contractual relationship.
- 10.2.** If bankruptcy proceedings are opened over the assets of the contracting party, if the contracting party discontinues its payments or if attachment of the contracting party's assets remains unsuccessful, Wollsdorf shall be entitled to exercise the right of retention defined in Clause 10.1. vis-à-vis the contracting party also for securing receivables not yet due. No instruction by the contracting party or an assumption of the obligation by Wollsdorf to handle the object in a certain way shall exclude the exercise of such right of retention if and to the extent that Wollsdorf learns of the facts on the part of the contracting party that are described at the beginning only after the object was handed over or the obligation was assumed.
- 10.3.** After the secured receivable has become due Wollsdorf shall be entitled to settle any claims out of the retained objects, in compliance with the regulations applicable to the lien. Wollsdorf shall settle its claims only after a prior warning and expiry of a period of one week following the warning.

11. Secrecy

The contracting party shall keep secret, both while the business relationship continues and after termination thereof, all data and information of which it obtains knowledge on account of the business relationship with Wollsdorf. Furthermore, the contracting party un-

dertakes to impose an equivalent obligation to maintain secrecy on their agents [*Erfüllungs- und Besorgungsgehilfen*] and other third parties called in by them and to ensure compliance by the same.

12. Industrial Property Rights

The contracting party warrants vis-à-vis Wollsdorf that no industrial property rights or other third-party rights will be infringed by the delivery. The contracting party shall fully indemnify and hold harmless Wollsdorf with regard to any legal disputes that may arise in connection with the infringement of industrial property rights or other rights of third parties. The contracting party shall fully indemnify and hold harmless Wollsdorf with regard to all legal disputes in connection with its delivery with respect to the infringement of industrial property rights or other rights, irrespective of whether there is fault or not.

13. Place of performance; Applicable law; Place of jurisdiction

- 13.1.** The place of delivery determined by Wollsdorf shall be the place of performance for the delivery and the passing of the risk. The place of delivery shall be defined by stating the production site in the acknowledgement of the order. In the case of doubt the registered office of Wollsdorf shall be the place of performance.
- 13.2.** All disputes or claims arising out of or in connection with the contract, including disputes relating to its validity, breach, termination or nullity, shall be finally settled under the Rules of Arbitration (Vienna Rules) of the Arbitral Centre of the Austrian Federal Economic Chamber (VIAC) by one or three arbitrators appointed in accordance with the said Rules. Austrian law shall apply; UN Sales Law shall be excluded.

14. Advertising

Using offers, acknowledgements of orders by Wollsdorf and any correspondence in connection therewith for advertising purposes is not permitted (in particular on social media and/or in other web or online formats). The contracting party may only use its business relationship to Wollsdorf for advertising purposes upon Wollsdorf's prior written consent.

15. Final provisions

- 15.1.** If any provisions of these General Terms and Conditions of Sale and Delivery should be ineffective or unenforceable, the remaining provisions shall remain in full force and effect. In such a case the ineffective or unenforceable provision shall be replaced by a provision which comes as close as possible to the business purpose of the ineffective or unenforceable provision.

- 15.2.** In the case that insolvency proceedings are opened (bankruptcy, composition or the like) and in the case that a bankruptcy petition is dismissed for lack of assets to cover the costs the contracting party shall promptly notify Wollsdorf thereof and take all measures that are necessary and helpful for asserting Wollsdorf's claims under insolvency law.
- 15.3.** Wollsdorf shall be entitled to correct obvious errors such as typographical errors or calculation errors in offers, acknowledgements of orders or similar documents at any time.

16. Data protection

The contracting party agrees that Wollsdorf may electronically store and process the contracting party's data that are necessary in connection with the business relationship. This consent may be withdrawn at any time. The lawfulness of processing done up to the time of withdrawal shall not be affected by the withdrawal. The provisions of the European GDPR shall apply.

17. Corporate social responsibility (CSR)

For us CSR means to constantly live social, economic and ecological aspects when dealing with employees, customers and suppliers, thus showing and further improving our responsibility vis-à-vis society. This basic idea is also reflected in our vision and mission and in our values. At Wollsdorf CSR is based on five areas: organisation, workplace, market, environment and society.

<https://www.wollsdorf.com/en/sustainability/>