

## **GENERAL TERMS AND CONDITIONS OF SALES of LANTAL TEXTILES, S.A. (hereinafter LANTAL)**

### **1. General**

- 1.1. The agreement and its amendments must be made in writing and will become effective only upon the receipt of LANTAL's written confirmation that it accepts the customer's order (Order Confirmation). These general terms and conditions are an integral part of any agreement with LANTAL, unless expressly declared as not applicable.
- 1.2. Any other (general or specific) conditions by the customer are only valid and part of the agreement if LANTAL has accepted them expressly in writing. LANTAL is entitled to revoke any offer which has not been accepted within three (3) weeks after the date of dispatch.
- 1.3. Once LANTAL has issued its Order Confirmation and the agreement between the parties is therefore concluded, the Client may no longer cancel, partially or in full, its order.

### **2. Scope of deliveries and services**

- 2.1. The deliveries and services of LANTAL are exclusively determined by the Order Confirmation including any of its annexes. LANTAL's delivery and performance obligations are deemed fulfilled if the deliverables comply with the agreed written specifications, plans, drawings and/or other technical documents.
- 2.2. LANTAL's brochures and catalogues are not binding. Any specifications in technical documents are only binding, if they are expressly warranted in the Order Confirmation or the specifications. The customer undertakes to review the technical documents and inform LANTAL in writing without delay of any change requests or additional requirements.

### **3. Requirements and specifications of the customer**

The customer must notify LANTAL about the requirements and specifications which may affect the performance of the deliveries and services no later than at the time of the order. If the requirements and specifications differ from LANTAL's offer, they are only deemed agreed upon if LANTAL confirms this to the customer in writing.

### **4. Changes to orders**

The customer may request to change an order, subject to customer accepting any resulting changes to compensation and deadlines, provided that LANTAL receives the change request in good time, considering the progress of the order in question (in particular the stage of development in case of development projects). Any change to an order is only deemed agreed if LANTAL confirms this to the customer in writing.

### **5. Delivery terms and conditions**

- 5.1. All of LANTAL's deliveries and prices are net FCA pursuant to Incoterms 2020, meaning in particular that benefit and risk passes to the customer upon dispatch at the LANTAL site. If the dispatch is delayed at the request of the customer or for other reasons for which LANTAL is not responsible, the risk passes to the customer at the time originally intended for delivery FCA. From this time on, the deliveries are stored at the expense and risk of the customer.
- 5.2. The delivery tolerance is +/- 10% of the order quantity.
- 5.3. Any delivery and performance obligations are subject to the specific requirement that all necessary authorizations including export, transit and import permits, pursuant to the corresponding statutory and other requirements, are timely made available. The failure of the renewal or the withdrawal of any official authorizations required shall be considered as a force majeure event and releases LANTAL from all obligations towards the customer.

### **6. Price adjustments**

LANTAL reserves the right to adjust prices accordingly if hourly rates or material prices change between the time of the offer and the contractual of delivery or fulfilment pursuant to the order.

### **7. Payment terms**

- 7.1. Payments shall effectively be made in the currency stated in the offer or, if deviating, in LANTAL's Order Confirmation. Payments shall be made by the customer in accordance with the agreed upon payment terms, at the domicile of LANTAL, without deducting any

discount, taxes, dues, (bank and other) fees, duties or similar costs and expenses, unless such deduction has been agreed upon in writing. All taxes, dues, fees, custom duties and similar levies as well as all bank charges are borne by the customer.

- 7.2. Unless agreed otherwise in writing, all invoices of LANTAL are due and payable net and within thirty (30) calendar days after the date of issuance. If the customer does not pay by the due date, then the customer is in default from the due date onwards without any notice or reminder being required and pay default interest at the Portuguese legal commercial rate.
- 7.3. In any such case LANTAL reserves the right to hold back any outstanding deliveries or services until all outstanding invoices have been paid in full. LANTAL is authorized to make deliveries or services only against pre-payment or adequate collateral. If the customer does not make or deliver any pre-payments or adequate security until the deadline stated in the Order Confirmation, LANTAL is authorized to terminate some or all related contracts fully or partially. The right to claim further damage remains reserved.
- 7.4. All payments must be performed by the customer on or before the delay set forth in Clause 7.2 above. The customer is not in any way entitled to delay or withhold any payments due to LANTAL, even if based on a late performance by LANTAL, neither to set off the amounts due to LANTAL against any amounts the customer considers to be entitled to receive from LANTAL.

#### **8. Retention of title**

LANTAL keeps title to all its deliveries until it has received all contractual payments in full. The customer is obliged to cooperate with respect to any measures necessary to protect LANTAL's property. During the period of retention of title, the customer will maintain he delivered items at the customer's own expense and will insure them against theft, breakage, fire, water and other risks in favour of LANTAL. Furthermore, the customer will take all measures required to ensure that LANTAL's title claim is neither impaired, nor cancelled.

#### **9. Delivery date**

Any statements in the Order Confirmation as to dates or deadlines are nonbinding estimates. If LANTAL's delivery or performance is late, the customer must grant a reasonable grace period in writing. If LANTAL cannot fulfil the order during this grace period due to its own fault, then the customer is entitled to refuse receipt of the delayed portion of the delivery. If it would be unreasonable for the customer to accept a partial delivery, then the customer has the right to rescind the agreement and to demand the return of any payments against the return of any deliveries already made, provided the customer declares this immediately in writing. The responsibility of LANTAL will be excluded in case of delays caused by third parties, namely in force majeure cases. The customer is not entitled to any rights or claims due to delayed delivery other than those expressly stated in this provision. This limitation applies not if LANTAL acted intentionally or grossly negligent, provided, however, that it applies to intentional or grossly negligent acts of any auxiliary person.

#### **10. Inspection and acceptance of deliveries and services**

- 10.1. The customer must, within seven (7) calendar days, inspect the deliveries and services for damage, defects, completeness and correctness and notify LANTAL of any possible complaints in detail and in writing. LANTAL decides based on the circumstances whether an onsite inspection or a return of the deliveries is adequate. LANTAL informs the customer immediately after receipt of the notification if the customer should return the goods in the original or equivalent packaging.
- 10.2. If the customer, within seven (7) calendar days, fails to inspect the deliveries and services for damage, defects, completeness and correctness and to notify LANTAL of any complaints in details and in writing, the deliveries and services are deemed to be fully approved.
- 10.3. If the customer has already made any cutting or any other change (e.g. markings) to the delivery, the delivery is deemed accepted in full, including with regard to defects, if any, and therefore no complaints will be accepted.

- 10.4. The customer authorizes LANTAL to examine any notified complaints at the premises of the customer. Goods which are subject to a complaint are to be returned to LANTAL immediately in the original or equivalent packaging.
- 10.5. Any defects which could not be discovered by a careful acceptance inspection must be notified to LANTAL in writing, specifying the defects in detail and in writing, within fourteen (14) calendar days of their discovery, otherwise the delivery or service is deemed accepted also with respect to such defects.
- 10.6. In the event of a deviation from the agreement, the customer must grant LANTAL the opportunity to rectify these within a reasonable grace period. Subsequently, a joint acceptance inspection takes place. If this again shows significant deviations from the agreement, then the customer is entitled to request a reduction in price. However, if the defects or deviations noticed during this inspection are so severe that the deliveries and services are not usable or only usable to a significantly reduced degree for the known purpose, then the customer is entitled to refuse the acceptance of the defective portion or, if a partial delivery is economically unreasonable, the customer can rescind the agreement. LANTAL can only be obligated to reimburse the amounts which were paid for the parts affected by the refusal or rescission.
- 10.7. The customer does not have any right to refuse acceptance due to minor defects, in particular those which do not significantly impair the functionality of deliveries or services, or due to partial delivery. If the customer refuses acceptance it is in default. In this case LANTAL is authorized to store the deliverables at the expense and risk of the customer in a warehouse.
- 10.8. The acceptance inspection or test is deemed completed and approved without reservation by the customer, if the acceptance inspection cannot be carried out on the scheduled date for reasons not caused by LANTAL, if the customer refuses acceptance without being entitled to do so, if the customer refuses to sign the acceptance report, or as soon as the customer uses the deliveries or services of LANTAL.
- 10.9. Complaints do not authorize the customer to withhold payment for the relevant deliverables or services.
- 10.10. The customer does not have any other rights or claims due to non-performance or inadequate performance by LANTAL except those expressly specified in sections 11 and 12.

## **11. Warranty**

- 11.1. For deliverable items, the warranty period is twenty-four (24) months for characteristics expressly designated as "warranted characteristics" in the Order Confirmation or in the specifications. LANTAL is liable for damages which are proved to have occurred before the expiry of the warranty period due to the absence of such a warranted characteristic, defective materials or faulty construction. Any further warranty by LANTAL is excluded. In particular, LANTAL is not liable for damages caused by ordinary wear and tear, improper handling, excessive wear and tear, improper processing or unintended or incorrect use.
- 11.2. The following are related to the raw material used and, therefore, are never considered defects and LANTAL does not assume any warranty for them: in particular color deviations, width deviations, distortion, sitting marks and shading (pile distortion / pile reversal) in textiles. Mechanical tests by means of abrasion tests according to ISO 12947-2 are unreliable and are excluded for determining the service life and abrasion resistance of fabrics.
- 11.3. The warranty period begins with the dispatch of the delivery from the factory of LANTAL or, if acceptance has been agreed, with the date of the agreed acceptance or, if LANTAL has also undertaken the assembly/installation, with its completion. If dispatch, acceptance or installation is delayed for reasons not caused by LANTAL, the warranty period starts upon notification of readiness for shipment. The warranty will expire prematurely, if the customer or third parties undertake modifications or repairs, or in the event of a defect if the customer does not immediately take all appropriate measures to mitigate the damage and does not afford LANTAL the opportunity to provide replacement or repair in accordance with the following section.
- 11.4. The customer must notify LANTAL of any breaches of warranty in detail and in writing within seven (7) calendar days after discovery. If the customer fails to notify timely, it is liable for any damage caused or aggravated by the delay. LANTAL agrees to rectify or replace, at

its own discretion, as soon as possible any parts of LANTAL's delivery which do not comply with a warranted characteristic during the warranty period.

For replaced parts, the original warranty period continues (no new start). LANTAL pays the costs of the rectification or replacing.

- 11.5. If an acceptance inspection or test has been agreed, any warranty is deemed complied with and any warranty claim will be excluded, if the warranted characteristics have been verified during this inspection or test. In case that the warranted characteristics are not or only partially fulfilled pursuant to the inspection, the customer only has a right to require rectification by LANTAL. The customer must grant LANTAL the time and opportunity necessary for this purpose. If the rectification is not or only partially successful, the customer then has a right to request a reasonable reduction in price. If the defect is major and the deliveries and services therefore not, or only in a very limited manner usable for the known purpose, the customer has the right to refuse acceptance of the defective part or to rescind the agreement, if the partial acceptance is economically unreasonable. In this case, LANTAL may only be obligated to reimburse the amounts already paid for the parts with respect to which the refusal or rescission is declared.

## **12. Non-compliance, partial compliance, consequences**

- 12.1. In all cases of partial performance or non-performance not expressly addressed in these general terms and conditions, the customer is required to allow LANTAL to remedy the non- or partial performance within a reasonable grace period.
- 12.2. If LANTAL does not provide remedy during this reasonable grace period due to its own fault, then the customer is entitled to rescind the agreement with respect to the relevant deliveries or services and may demand repayment of any amounts already paid for the relevant part, if the customer declare so in writing immediately. In such an event, the customer's possible claim for damages is limited to 10% of the contract price of the deliveries and services rescinded.

## **13. Termination of the agreement by LANTAL**

Where unforeseen events significantly modify the economics or the content of the deliveries or services, or significantly impair LANTAL's work, as well as in the event of performance becoming impossible, the agreement will be amended appropriately. If this is commercially not feasible, LANTAL is entitled to terminate the agreement or the affected parts of the agreement. If LANTAL wishes to terminate the agreement, it must notify the customer in writing promptly after the impact of the relevant event is fully known. In case of a termination, LANTAL is entitled to be compensated for any deliveries and services it has already provided. Any damage claims of the customer due to such termination of the agreement are excluded.

## **14. Force Majeure**

LANTAL is released from its delivery and performance obligations if such cannot be fulfilled due to unforeseeable, unavoidable or other events outside the control of LANTAL. In the event that the Force Majeure event lasts for more than three (3) months each party will be authorized to terminate that part of the contract which cannot be fulfilled.

## **15. LANTAL's limitation of liability**

- 15.1. All cases of breach of contract and their legal consequences as well as all claims by the customer, whatever legal basis or theory they are based on, are exclusively covered by these general terms. In particular, any claims for damages, reduction of price, termination of the agreement or contract rescission are excluded, unless these general terms provide an explicit basis for such claim.
- 15.2. For claims of the customer due to inadequate advice or the like or due to violation of any secondary obligations, LANTAL will only be liable if it acted intentionally or grossly negligent, and only if LANTAL has been compensated for the relevant service.
- 15.3. Customer has no claim for damages which are not actual damages to the delivered item itself, hence excluded are in particular any claims for production outages, loss of orders, loss of use, recall costs, claims of third parties due to violations of intellectual property rights, unrealized cost savings, loss of profit and other indirect or consequential damages (including fines, punitive or exemplary damages and multiple damages).

This liability exclusion does not apply to the extent LANTAL acts intentionally or grossly negligent, however it applies to intentional or grossly negligent acts of any auxiliary person. Furthermore, this liability exclusion applies not to the extent it violates mandatory law.

**16. Independence**

Both LANTAL and the customer are independent enterprises. No party is entitled to act in the name of, or on the account of the other party, or enter into obligations for the other party, without prior written agreement.

**17. LANTAL's right of recourse**

If damage is caused by the actions or omissions of the customer or the customer's auxiliary person and if a claim is filed against LANTAL for this reason, then LANTAL has a right of recourse against the customer.

**18. Assignment**

LANTAL is entitled to assign or to transfer any rights and obligations under this agreement with the customer in whole or in part to any third party without the customer's consent.

**19. Intellectual property rights**

All intellectual property rights to any material developed, designed or created by LANTAL (including plans and technical documents), including copyrights, personal rights, models, patents, designs, utility patterns, trademarks, names and company names as well as any know-how belongs to LANTAL and may not be copied or otherwise used other than contractually agreed between the parties.

**20. Confidentiality**

This agreement, offers, Order Confirmations and all other important documents and information which are disclosed by LANTAL to the customer, his agents, employees or subcontractors (including plans and technical documents) are treated confidential. The disclosure and use thereof must be limited to such persons who have a need to know the relevant information for the fulfilment of their duties and the customer may not disclose such information or data to third parties without prior written authorization by LANTAL.

**21. Data Protection**

LANTAL is entitled to process personal data of the customer in the course of the performance of the contract and for the purpose of maintaining business relations. Information on the processing of your personal data can be found in our privacy policy [<https://www.lantal.com/europe/en/data-protection/>].

**22. Applicable law and jurisdiction**

The Contract shall be governed by and construed in accordance with Portuguese law. The Vienna Convention on Contracts for the International Sale of Goods dated April 11, 1980, is excluded. In case of dispute the courts of Oporto, Portugal, shall have exclusive jurisdiction.