

General Terms and Conditions of Sale

of

Wattens Vietnam Co. Ltd.

No. 8, Dan Chu Street, V.S.I.P II, Hoa Phu Ward, Thu Dau Mot City, Binh Duong Province, Vietnam

1. Scope

These general terms and conditions of sale ("**General Terms**") shall govern the Contract between the parties to the exclusion of any other terms of the Buyer regardless of any specific or general terms and conditions which may appear on the purchase order or other documents of the Buyer. The "Contract" means the Contract for the sale by Wattens Vietnam Co., Ltd. (the "**Seller**") and purchase by the Buyer (the "**Buyer**") of goods and/or services whether present or future. Any reference in this General Terms or other documents of the Seller to Incoterms shall be a reference to the current version as issued by the ICC (International Chamber of Commerce) from time to time (currently INCOTERMS 2010).

daily basis interest at the average interest rate charged by the three largest Vietnamese banks for overdue debts on the due date. The Buyer shall indemnify the Seller in respect of all costs (including legal fees) reasonably incurred in attempting to recover the overdue amount.

2. Offer, Information, Conclusion of Contract

2.1. No offer shall be binding for the Seller unless expressly agreed in writing to be binding. Any quality data or information contained in data sheets, brochures and other oral or written information shall be deemed guidance on principles only and an invitation to treat as opposed to a firm offer. The same shall apply for the samples, sample rolls and the like provided.

3.6. The Seller may at its sole discretion require the Buyer to pay for deliveries in advance or provide other securities. In cases of repeated late payment or changes in the Seller's reasonable evaluation of the financial standing of the Buyer, the Seller may either terminate the Contract or request advance payment or other securities where the same has not been agreed beforehand and the Buyer shall bear any costs and expenses resulting therefrom.

2.2. Orders, as well as modifications by the Buyer to confirmed orders or any oral agreements shall be deemed accepted and binding only upon written confirmation by the Seller through its authorized representatives. Failure to reply by the Seller shall not be deemed tacit approval. The Seller's acceptance of order is conditional on the Buyer's assent to these General Terms. Acceptance of delivery without prior objections to these General Terms shall constitute such assent. If after the Seller's confirmation of the order the Buyer requests or causes any additional modifications to the order data, the Seller may correspondingly adjust any contract terms affected thereby.

3.7. The Buyer shall not be entitled to withhold payment of any amount due to the Seller nor shall the Buyer have any right of set-off unless counterclaims of the Buyer are acknowledged by the Seller in writing, undisputed or recognized by final and legally binding court decision.

3. Prices, Terms of Payment, Delay

3.1. Any and all prices shall be in USD as agreed and exclusive of VAT unless a different currency has been agreed with the Buyer or is required under applicable law.

4. Packaging, Delivery and Passing of Risk

4.1. The packing shall be determined upon confirmation of the order. Unless a specific packaging is agreed in writing, the goods shall be packaged so as to withstand the normal rigors of shipping, storage and distribution.

3.2. Unless agreed otherwise in writing (in particular by way of INCOTERMS), the prices are Ex Works without packing charges, transport costs and expenses and exclusive of the applicable VAT. The Buyer bears the applicable VAT as well as all packing charges, transport costs, fees, other taxes and duties in connection with the deliveries.

4.2. Unless otherwise agreed in writing the terms of delivery shall be Ex Works.

3.3. Should there, after the conclusion of the Contract, occur a substantial increase of the relevant price determinants, as e.g. of the price for raw material and auxiliary commodities, wages and other social costs, cost for energy, taxes and likewise expenses at the Seller or a supplier of the Seller, the Seller shall be entitled to adjust the prices accordingly for all deliveries to be made.

4.3. In case of EX Works deliveries the Seller's factory or warehouse from which the goods are delivered shall be the place of performance. All risks and hazards shall pass to the Buyer at the place of performance as soon as the goods are ready for collection on the confirmed delivery date.

3.4. To the extent legally possible under applicable laws, in case prices are agreed with the Buyer in a currency other than USD, and this currency devaluates by 5% or more versus the USD after the conclusion of the Contract, the Seller shall be entitled to set a new price increased accordingly and to invoice such higher price, provided that the Buyer is notified of such an increase at least 10 days in advance.

4.4. In case of FOB, CFR and CIF deliveries all risks and hazards shall pass to the Buyer as soon as the goods have been loaded on board of the nominated vessel.

3.5. In case of Ex Works the goods will be invoiced on the date the goods are ready for collection at the Seller's factory or warehouse on the confirmed delivery date. In case of FOB, CFR, CIF and DDP deliveries the goods will be invoiced on the date the goods have been dispatched from the Seller's factory or warehouse. Unless otherwise agreed in writing, payment shall be due thirty (30) days net of the invoice date, with no discount for early payment. Payments are not considered to be settled until the Seller receives payment confirmation from its bank. If the Buyer fails to make payment when due or if the Buyer's credit is for any reason no longer acceptable, the Seller may, at its discretion, consider the Contract breached, accelerate all unpaid amounts, claim interest for delayed payment(s) and/or cancel or suspend any pending deliveries to the Buyer. Without prejudice to the Seller's other rights, if the Buyer fails to pay on the due date, the Seller may charge on a

4.5. In case of DDP deliveries, all risks and hazards shall pass to the Buyer at the time of delivery to the Buyer's premises or other agreed point of delivery.

4.6. If the Seller, upon the Buyer's request, despatches the goods to any other place than the place of performance, all risks and hazards shall pass to the Buyer upon the Seller having handed over the goods to the shipping agent, the carrier or any other person or agency designated for such handling ("Designated Freight Forwarder").

4.7. Irrespective of the applicable delivery terms, all risks and hazards shall pass to the Buyer, if the Buyer or its Designated Freight Forwarder wrongfully fails to take delivery of the goods, at the time when the Seller has tendered delivery of the goods. If collection/ shipment is delayed due to circumstances within the Buyer's reasonable control, the risk of loss or damage shall pass to the Buyer at the date of notification of readiness for collection/delivery. Without prejudice to its other rights, the Seller shall be entitled to bill the warehousing costs commencing five business days following the notification of readiness for collection/delivery, and to dispose of the goods at its own discretion provided that an appropriate grace period notified in writing to the Buyer announcing the intention to dispose of the goods has expired without results.

4.8. In cases of Force Majeure (see below) the Seller may store the ordered goods at the Buyer's risk and expense.

5. Delivery Time, Partial Deliveries, Variances

5.1. The Seller's written confirmation (including per e-mail) of the order shall be authoritative for delivery time (lead time), mode and quantity. The Seller is entitled to deliver in installments provided that these are reasonable for the Buyer.

5.2. Delivery dates and lead times quoted are estimates only unless explicitly guaranteed in writing by the Seller to be binding. In case the Seller is culpably in delay with deliveries for which a delivery date has been guaranteed by the Seller by more than three business days, the Buyer may claim a penalty in the amount of 0.1% of the net invoice value of the respective

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portion per day, such penalty, however, being capped with a maximum amount of 1% of the net invoice value of the respective portion. The claim for payment of the penalty as set forth in the two preceding sentences shall be the sole remedy of the Buyer in case of delay attributable to the Seller to deliver goods at the guaranteed delivery date.

weight of the goods at the time of production and packaging. In the case of reels and uncounted sheets the weight shall apply gross for net; in the case of reels the wrappings, cores and bungs and in the case of sheets the wrappings shall be included in the weight. Irrespective of the above provisions, any quantity deviations which are common in the trade, negligible or technically unavoidable shall not be deemed defects.

5.3. If the beginning of the term of delivery (lead time) is not fixed by the Seller otherwise, the term of delivery commences with the date of the confirmation of the order. However, the Seller shall not be obliged to deliver until all obligations incumbent on the Buyer before delivery (e.g. technical, commercial requirements, official permits, authorizations and licenses, etc.) have been fulfilled. If the Buyer fails to provide the Seller with the necessary information, within due time, the Seller shall not be obliged to comply with any guaranteed delivery times. The Seller reserves the right to terminate the Contract after granting a reasonable grace period. In the event the Buyer requires any modifications after acceptance of the order, the term of delivery (lead time) shall commence only upon the Seller's written confirmation of such modifications. The delivery term shall particularly not commence until the Buyer proves that – if contractually agreed – a letter of credit has been obtained, or that an advance payment or security has been provided by the Buyer.

6.4. The Buyer is obliged to inspect the delivered goods immediately upon receipt, however, in any case prior to processing the goods, as to any defects. If the goods do not comply with the agreed quality standards, processing must not commence before the Seller has approved thereof in writing. For claims in connection with defects, the following provisions shall apply:

5.4. Timely delivery shall have occurred:

a) In case of Ex Works if the goods are ready for collection at the Seller's factory or warehouse on or before the agreed delivery date or within the respective lead time;

b) In case of FOB, CFR and CIF if the goods on or before the agreed delivery date or within the respective lead time loaded on board the nominated vessel;

c) In case of DDP if the goods are handed over to the Buyer at the Buyer's premises or other agreed point of delivery on or before the agreed delivery date or within the respective lead time.

a) in case of deviations in quantity (i.e. delivered quantity is larger or smaller than contracted quantity) the defects are to be notified by the Buyer to the Seller forthwith, however, in any event within seven days after receipt of documents showing weight or quantity of the delivered goods and/or after delivery;

b) in case of defects in quality which can be ascertained by visual inspection of the goods or the packaging or by sampling, the defects must be notified by the Buyer to the Seller forthwith, however, in any case within seven days after delivery;

c) in case of defects in quality which cannot be determined by visual inspection or by sampling, the defects are to be notified by the Buyer to the Seller forthwith on detection, however, in any event within six months of delivery.

Later notifications of defects/complaints cannot be accepted.

5.5. If the Buyer or its Designated Freight Forwarder wrongfully fail to take over the goods or in case of delay attributable to the Buyer or its Designated Freight Forwarder timely delivery shall have deemed to occur once the Seller has notified the Buyer that the goods are ready for collection/delivery within the term of delivery.

6.5. In case of papers used as component for tobacco products, papers applied for packing of food, in particular packaging applications for organoleptically sensitive products, and papers applied for packaging of pharmaceutical products, the Buyer is obliged to check the suitability of the goods before processing and forthwith notify the Seller in case of defects or unsuitability.

6.6. When notifying a defect, the Buyer shall identify the goods clearly and include a list giving details of each defect claimed and provide the Seller with product samples and any other suitable documents to support such claim. Defective goods must be kept available for the Seller's inspections for 14 days from the date of the notification and must not be returned to the Seller early. Any notification of a defect shall be in writing. If such notification or availability of defective goods for inspection by the Seller are not effected in compliance with the above provisions, any and all warranty, damage and other claims of the Buyer shall be excluded.

6. Warranties

6.1. Subject to the following provisions, the Seller warrants that goods delivered pursuant to a Contract shall comply with all properties and characteristics expressly agreed in writing or to be customarily expected pursuant to the legal provisions under the substantive national laws applicable to the Seller at the time when risk passes to the Buyer. The Seller does not undertake any warranty in respect of defects caused by improper handling, wear and tear, storage, any alteration of the goods by the Buyer or any use by the Buyer in a manner which adversely affects the performance of the goods or other acts or omissions of the Buyer or of third parties. The Seller shall not be obliged to notify the Buyer of the unsuitability of its instructions or specifications unless the Seller is aware of such unsuitability.

6.7. Until the facts of the case have been ascertained, the Buyer shall duly store the goods and, in the interest of both contracting parties, keep them insured to cover the purchase price. If it is suspected that the damage occurred during transport, the Buyer is further obliged to notify the forwarding agent (carrier) forthwith, however, in any case within the deadline provided in the forwarding contract.

6.2. THE WARRANTY ABOVE IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES; WHETHER WRITTEN OR ORAL, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY WARRANTY WITH RESPECT TO MERCHANTABILITY, FITNESS FOR AN INTENDED PURPOSE OR PARTICULAR USE AND NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS.

6.8. If the quantity of the goods delivered by the Seller falls below customary or agreed tolerances (as applicable), the Seller's sole obligation shall be to deliver additional goods to make up for any such deficiency.

6.3. A delivery shall be deemed to have been effected in compliance with contractual agreements if any deviations in respect of quantity, grammage, thickness, size or width of reels of the goods delivered by the Seller to the Buyer do not exceed the agreed or customary tolerances. The quantity in respect of any delivery shall thereby be calculated based on the actual

6.9. Quality defects in the delivered goods shall be remedied by improvement or replacement of the defective item(s) free of charge. In the event that improvement or replacement is either impossible or would involve unreasonably high expenses for the Seller, the Buyer shall be entitled to a reduction of the price. Any claims in addition thereto, such as in particular claims for cancellation of the Contract, claims for damages or claims for substitute performance shall be excluded to the extent permitted by law.

6.10. Any legal presumption under applicable law to the effect that

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the goods were defective upon delivery shall be excluded.

shall furthermore be deemed excluded, except for cases of intent and gross negligence.

6.11. Any warranty claims of the Buyer shall come under the statute of limitation seven months after the passing of risk. The duration of a delay in acceptance, if any, shall be included in such seven-months period.

6.12. The fulfilment of any warranty obligations of the Seller shall be subject to the Buyer fulfilling any and all of its Contractual obligations, in particular its payment obligations as agreed.

7. Liability

7.1. Any claims against the Seller which are not explicitly permitted pursuant to the Contract or to these General Terms shall be expressly excluded to the extent this is legally admissible.

7.2. Any damage claims of the Buyer that are not asserted within six months of becoming aware of the damage, shall come under the statute of limitation.

7.3. To the extent this is legally admissible, the amount of any damage claims justified on the merits pursuant to mandatory legal provisions and/or pursuant to the Contract and these General Terms shall be limited to the purchase price of the respective delivery being subject of the claim. In no event, whether as a result of contract, warranty, tort (including negligence), strict liability or otherwise, the Seller shall be liable towards the Buyer for consequential losses, incidental, special or punitive damages, costs or expenses, financial loss, loss of profits or interest, or other economic advantage, including but not limited to loss of production, loss of business reputation or opportunity, loss or excessive utilization of raw material or energy, plant shut down, cost of capital, labor charges and the like.

7.4. The liability limitations as set out in this clause shall also apply to the Seller's legal representatives, employees and agents.

8. Product Liability

8.1. The Buyer shall be obliged to use the goods manufactured, imported or brought into commercial use by the Seller in accordance with their specifications and customary application. The Buyer shall not alter the goods in a manner which adversely affects the proper performance of the goods. The Buyer shall ensure that the Seller's goods (also as components) shall only be made available to persons who are acquainted with the hazards and risks attaching to these products for use pursuant to the specifications/customary application and/or shall only be brought into commercial use by such persons.

8.2. Any specific properties of the Seller's products shall be deemed agreed only if explicitly confirmed in writing. The Seller is basically not liable for damages due to the faulty construction of a product of which goods delivered by the Seller constitute a component or caused by the instructions for use of the manufacturer of such products.

8.3. Furthermore, if the Buyer uses the goods delivered by the Seller as components for its own products, the Buyer shall be obliged when putting such products into commercial use to extend the obligatory information to consumers under product liability law also to the goods delivered by the Seller.

8.4. The Buyer is obliged to observe the products brought into commercial use by it also after having brought them into commercial use as to any detrimental properties or hazards in connection with their use as well as to pay attention to the scientific and technical developments relating to such products and to inform the Seller forthwith of any defects of the goods delivered by the Seller detected thereby.

8.5. The Buyer shall indemnify the Seller for any liabilities, losses, damages, costs and expenses incurred to the Seller owing to a failure by the Buyer to comply with the above provisions.

8.6. Where the Buyer has indemnified a third party due to a defective product under mandatory provisions of product liability law the Buyer shall have to prove, if recourse is sought, that the defect in the end product was caused or partly caused by a defect in the goods delivered by the Seller. Such claims

9. Indemnity for health claims relating to the use of the Buyer's products

9.1. The Buyer shall defend, indemnify and hold harmless the Seller, its directors, officers, employees, affiliates and agents, from and against any and all third party demands, actions, suits, proceedings, losses, liabilities, claims, damages, assessments, judgments, compromises, settlements, fees, expenses (including attorneys' fees, interest, penalties, investigative expenses and court costs) that are caused by, relate to, arise out of, or result in connection with, any claim for adverse health effects or health risks relating to the use of the Buyer's products.

10. Force Majeure

The Seller shall not be liable or be deemed to be in breach of contract by reason of any delay in performing or any failure to perform any of its obligations if the delay or failure was due to any cause beyond its reasonable control ("**Force Majeure**") including machinery breakdown, strike, lock-out, insufficient supply of materials or energy, lack of transport means, fire, flood, earthquake, other Acts of God, war, riots, hostilities, terrorism, changes in legislation making performance illegal, and similar events or circumstances. This clause shall also apply if the Seller's suppliers suffer any of these Forces Majeure events. In case where a Force Majeure event occurs during an already existing delay, the period of grace which has to be granted to the Seller by the Buyer shall not expire before the Force Majeure event ceased. The Seller shall inform the Buyer of the start and end of any Force Majeure as soon as possible.

11. Retention of Title

11.1. Title to all delivered goods remains with the Seller until the Buyer has paid all sums owing to the Seller in connection with the respective Contract and all other obligations of the Buyer towards the Seller arising under or in connection with the respective Contract have been fulfilled. Any processing of the delivered goods by the Buyer takes place on behalf of the Seller without imposing obligations on the Seller. If the delivered goods are processed with other goods not owned by the Seller, the Seller acquires a co-ownership on the newly produced goods pro rata the value of the delivered goods at the time of the processing.

11.2. The Buyer shall be entitled to sell the delivered goods in the usual course of business. Any possible claims resulting from such sale shall herewith be assigned to the Seller in advance and the Buyer shall undertake all necessary publicity requirements for enforceability of such assignment. The Buyer shall provide The Seller with written customer lists upon the Seller's request. If the Buyer sells any goods co-owned by the Seller, the assignment shall apply in the same volume as this co-ownership. The Seller shall be entitled to collect the assigned sum.

11.3. The Buyer is obliged to appropriately insure the goods still owned by the Seller against all common risks, particularly against fire, burglary or damage caused by water at its own expense, to treat them cautiously and store them properly.

11.4. In case the Buyer is in delay of overdue payment considering a grace period of 10 working days, the Seller shall be entitled to demand restitution of the delivered goods or to collect the delivered goods and to sell them as they are (i.e. including their packing) to any third persons. One or several of these acts shall not be considered as termination of the respective orders and does not relieve the Buyer to effect payment of the invoiced amounts. In case the delivered goods are sold to third parties by the Seller, the Buyer states and guarantees that this will not result in the infringement of any intellectual property rights (e.g. trademark rights with regard to signs, logos and words, etc.) that are imprinted on the respective goods or packaging and waives any rights the Buyer may have against the Seller resulting therefrom.

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11.5. The Seller may, at its free discretion, however, also terminate the unpaid order, without limiting any of the Seller's claims arising out of or in connection with the Buyer's breach of contract, in particular claims for damages.

take legal actions, the Seller shall inform the Buyer within 20 business days about his choice of forum. If the Seller fails to inform the Buyer about his choice of forum, it shall be deemed that the Seller agreed to arbitration

12. Intellectual Property Rights of Third Parties

12.1. The Buyer shall bear the sole responsibility for the obtaining of intellectual property rights in the ordered design of the goods as well as in all printed matter, drafts and completed specimens and shall indemnify the Seller and hold the Seller harmless against all claims, costs, damages, and expenses (including legal expenses) resulting from any actual or alleged infringement of any third party intellectual property rights.

12.2. Notwithstanding the above, the intellectual property rights in any specifications written or determined by the Seller as well as designs, samples, sample rolls, patterns, and other information attributable to the Seller shall remain the exclusive property of the Seller.

12.3. The Buyer shall not assert any claims to intellectual property rights, copyrights or any other rights to specifications written or determined by the Seller or design, samples, sample rolls, patterns, and other information attributable to the Seller, nor manufacture or have manufactured for itself or for third parties any objects in which, or in the manufacture of which, any information or knowledge of the Seller was used directly or indirectly; nor shall the Buyer use any of the designs, documents, information or knowledge directly or indirectly made available by or made known to it by the Seller for the purposes of securing own intellectual property rights or copyrights or preventing the granting of intellectual property rights or copyrights to the Seller.

12.4. If the Buyer secures any intellectual property rights in violation of Articles 12.2 and 12.3, the Buyer shall voluntarily transfer such rights to the Seller without any charges. Expenses incurring from registration of such transfer with the competent authority shall be at the Buyer's own account.

13. Confidentiality

The Buyer shall keep confidential all information received from the Seller in which form and format whatsoever, in particular but not limited to know-how, specifications, formulas, samples and business data. The obligation to maintain secrecy shall remain in force irrespective of any termination of the business relationship between the parties until the information has become part of the public domain other than through fault of the Buyer.

14. Place of performance, Governing law, Jurisdiction

14.1. Unless agreed otherwise in writing, the place of performance for monetary obligations is agreed to be the Seller's place of business.

14.2. The Contract as well as the General Terms shall be governed by substantive national law applicable to the Seller as amended at the time of the conclusion of the contract.

14.3. The applicability of the UN Convention on Contracts for the International Sale of Goods is hereby explicitly excluded pursuant to Article 6 thereof.

14.4. Any dispute, controversy, confrontation or complaint arising from or relating to the Contract or the violation, termination or validity of the Contract will initially be solved via negotiation. Should the negotiation fail to resolve the issue within thirty (30) days of dispute, the dispute shall be finally resolved by the Vietnam International Arbitration Centre at the Vietnam Chamber of Commerce and Industry ("VIAC") in accordance with its Rules of Arbitration which Rules of Arbitration are deemed incorporated by reference into this clause. The arbitration will be carried out by an arbitral tribunal of three (3) arbitrators, the seat of the arbitration shall be Ho Chi Minh City, Vietnam, and the language of the arbitration shall be English. Any dispute, controversy, confrontation of complaint arising from or relating to the Contract may also be brought before the competent court of the Seller's corporate location, at the sole discretion of the Seller. Upon written notification of the Buyer to the Seller of his intention to

15. Miscellaneous

15.1. Any notices made on behalf of the Seller shall be legally binding only if issued by the required number of authorised representatives (managing directors, authorised signatories, proxies).

15.2. The Buyer must not assign any of its rights or obligations in arising under the Contract without the Seller's prior written consent.

15.3. To the extent legally possible under applicable laws, the Seller may cancel any Contract with immediate effect if the Buyer enters a voluntary arrangement with its creditors, is subject to a bankruptcy proceeding, suffers an administration order, goes into liquidation or has a receiver appointed.

15.4. If any part or provision of this General Terms or the application of any such part or provision to any person or circumstance shall be held to be invalid, illegal or unenforceable in any respect by any competent arbitral tribunal, court, governmental or administrative authority, (a) such invalidity, illegality or unenforceability shall not affect any other part or provision of this General Terms or the application of such part or provision to any other persons or circumstances, and (b) the Buyer and Seller shall endeavor to negotiate a substitute provision that best reflects the economic intentions of the invalid, illegal or unenforceable part or provisions of this General Terms without being invalid, illegal or unenforceable, and shall execute all agreements and documents required in this connection.

15.5. No waiver of any provision by the Seller shall be deemed a waiver of any subsequent breach by the Buyer.

15.6. Any agreements between the Seller and the Buyer must be made in writing. Verbal agreements shall be void. Changes and amendments to these General Terms shall only be effective if made in writing. This requirement shall also be deemed to be met in the case of facsimile or e-mail transmissions.

16. Electronic Mailing of Documents

16.1. The Buyer agrees that documents relevant to his order (e.g. confirmation of order, delivery note, invoice) may be sent to him via e-mail or in another suitable electronic form. All transmissions to the e-mail address or any other electronic address advised by the Buyer shall be deemed delivered to the Buyer upon mailing.

February 2015