

General Terms of Payment and Supply

§ 1 General

The following definitions shall be used in the general terms of sale presented below:

"Terms", "General Terms" shall mean these general terms of delivery;
"we", "us", "our", "ourselves" shall mean X-label Romania S.R.L.;
"Customer" shall mean any professional or legal person to whom X-label Romania S.R.L. delivers products and/or provides services;

1. Unless otherwise expressly agreed by the Parties, all product sales and service deliveries (including any additional or related deliveries) are governed by the contract concluded with the Customer as described below under Section 2 and by these Terms. These Terms are integral part of all contracts executed between us and any Customer for the products and services offered by us.
2. The Customer's general terms and conditions do not apply in any circumstances, not even in the absence of our explicit objections, unless we expressly agreed in writing that they apply.

§ 2 Offer and contract execution

1. A quotation shall only be valid for a period of 20 business days from its date of notification towards the Customer. For the avoidance of any doubt, a quotation for the goods or services given by X-label Romania S.R.L. shall not constitute an offer, being an indicative framework which allows the Customer to place an order.
2. The Customer's written acceptance of our price quotation/the Customer's order represents the Customer's acceptance of these General Terms which have been delivered to the Customer. The sale-and-purchase contract is deemed validly executed on the date of ("Contract Execution Date") and by our written acceptance of the order placed by the Customer based on our quotation, with these Terms being integral part thereof (the "Contract"). For the avoidance of doubt, only an order placed by the Customer and duly accepted by us in writing represents the contract between the Parties.
3. The information about the delivered good or the service provided by X-label Romania S.R.L., as well as their appearance (including packaging details), are not to be deemed as features or warranties on the qualities of the delivered good or provided service, but general descriptions, and they are not samples or designs within the meaning of art. 1680 or 1715 of the Romanian Civil Code. We do not assume any responsibility if the sold goods and/or provided services do not comprise the features presented in any other way or through any other channels than those stipulated in the Contract.
4. Common variations in size, color, quantity or in other product features from those agreed by Contract are expressly accepted by the Customer, and they do not constitute grounds for complaints or reimbursement claims of any kind, to the extent that they do not essentially impair the designated purpose expressly intended by the Contract.

§ 3 Prices

1. The prices we charge are those indicated in the Contract. Applicable VAT adds to such prices. The additional deliveries and services (not stipulated in the Contract) shall be invoiced separately.
2. Unless the Contract stipulates otherwise, our supplies shall be deemed as "ex works" Ariceştii Rahtivani (as per INCOTERMS) prices, i.e., not including shipment and packaging services or any other services, except for making the goods available at the agreed delivery date to the X-label factory; such services shall be invoiced separately. Any kind of discount/rebate must be agreed by Contract.
3. The billing shall be carried out based on the delivery notes, which shall indicate the type and volume of the actual delivery or service.

§ 4 Terms, goods delivery, termination

1. As a rule, the delivery terms start running on the day following the Contract Execution Date. In the case of Contracts stipulating payment in advance, the delivery term starts running on the date when we receive in full the advance payment from the Customer. Without prejudice to the above, in all cases which require clarification of certain technical aspects or fulfillment of Customer's corresponding obligations, the delivery term starts running upon the settlement of all technical matters and the timely and appropriate fulfillment of all Customer's obligations. In all circumstances, when required, we reserve the right to invoke the non-performance defence and exception towards the Customer.
2. X-label Romania S.R.L. assumes no liability in case of delay/failure to deliver or defective delivery by reason of force majeure, fortuitous case within the meaning of art. 1351 of the Romanian Civil Code, by reason of delays or failure to deliver on the part of the suppliers of X-label Romania S.R.L., labor conflicts/strikes not caused by the exclusive default of X-label Romania S.R.L.. In such cases, X-label Romania S.R.L. may choose between contractual termination for the non-performed part (in which case it shall reimburse the payments made by the Customer, if any) or adequately delaying the delivery term by the duration of the event, plus a reasonable period for resuming the operations. For the avoidance of any doubt, in case of delayed delivery/Contract termination, the Customer shall not be entitled to claim any damages, indemnities, penalties, compensations, nor any kind of commissions or costs. In the cases mentioned above under Clause , X-Label Romania S.R.L. may terminate the Contract by a simple termination notice and, in any case, the termination shall apply de jure, effective immediately, without granting of grace period, court intervention and without the fulfillment of any kind of formalities (Romanian: "Declarație unilaterală de reziliere"). In all cases of termination declared by us, based on the contractual relationship with the Customer, it is agreed that a prior notification of default (Romanian: "punere în întârziere") is not required, nor is it required as a condition upon submitting the termination notice. Furthermore, X-label Romania S.R.L. assumes no liability in case of delay/impossibility to deliver for reason other than its exclusive gross

negligence or intent, and in such case the Customer may terminate the Contract (being entitled to be reimbursed any advance payments), but without being entitled to claim, to the maximum extend permitted by the law, any kind of damages, indemnities, penalties, compensations, commissions or costs.

3. Partial deliveries are allowed within the limits of the delivery terms specified by us. For such purpose, each partially provided service shall constitute one separate transaction and can therefore be invoiced separately. If it is agreed by Contract for the products to be collected by the Customer, they can be shipped by the Customer within the limits of the agreed period, not later than 12 months after the delivery term expires. The products shall be stored until they are collected by the Customer and they shall be invoiced to the Customer when the storing period begins; storing fees may be invoiced separately. Upon exceeding the delivery term and expiry of the grace period set forth by us, an uncollected delivery shall only be performed at the full cost of, and payment by the Customer. We reserve the right to also make other claims arising from the failure to collect the goods in due time. Deliveries with 10% plus or minus variations are allowed, and variations of up to 20% are allowed in the case of quantities of up to 10,000 pieces.
4. The delivery terms and dates shall be extended by the periods in which the Customer failed to timely comply with its contractual obligations towards us.
5. The ownership title and any and all risks relating to goods shall be transferred to the Customer on the date when the goods should have been delivered, either to the Customer in person, or to the carrier; cargo shipper or person or company designated to perform the shipping (each of them the "Delivery Date"). If the Customer delays the collection of the goods or if it breaches any other contractual duties, we are entitled to recover the loss and any other additional cost without prejudice to our right to make other claims.
6. The shipment of goods shall only be insured against shipping damages upon the Customer's written request and on the Customer's cost.
7. The Customer is entitled to terminate the Contract only for reason of failure to comply with a delivery term after the expiry of a reasonable, minimum 15-day grace period for the performance of the delivery, and upon prior notification. The Customer must communicate us the grace period in writing, and such grace period shall start running on the day following the date when we receive the notice.

§ 5 Warranty / Liability

1. The delivered products must be carefully examined for apparent defects, integrality of and compliance with the contractual specifications, immediately after release or delivery by the Customer or by his designated third party. If defects are found, the Customer must immediately issue a written complaint. The delivery or the service shall be deemed accepted unless we receive a written complaint without delay, but not later than 5 business days as of the product Delivery Date or provided service completion date. In the case of hidden defects, if they were not found during the initial inspection, the Customer must notify us within 2 business days after finding the defect, provided that the Customer finds the defects not later than one (1) year after the Delivery Date. If X-label Romania S.R.L. receives no complaint within one (1) year after the Delivery Date, X-label Romania S.R.L. shall not be held liable for any hidden defect notified by the Customer. The right to initiate legal proceedings for the hidden or apparent defects shall be subject to a limitation period of 1 year as of the date when the defect was or should have been discovered as per the above.
2. The delivered defective products must be prepared for our inspection and/or delivered to us, upon our request, as of the date when the defect is found. In case of complaints confirmed by us, the Customer may submit to us a request to reimburse the costs for the least expensive shipment route. The Customer must produce appropriate evidence in this respect.
3. The warranty for the defects in the delivered products mainly consists of repairing or replacing the products, at our sole discretion. X-label Romania S.R.L. bears no additional liability whatsoever in case of replacement or repair.
4. If the subsequent performance (whether repair, or replacement) bears excessive costs for us, we can refuse such subsequent performance. If we refuse the subsequent performance or we delay the choosing of the warranty performance method, or in case of failure of the subsequent delivery, the Customer may at its sole discretion request in writing to terminate the Contract or to proportionally reduce its consideration.
5. We make no warranties and we take no liability for the fact that the ordered goods are appropriate for the Customer's intended purpose and we make no warranty that such goods may be used or processed in the conditions envisaged by the Customer or its customers. It is the Customer's duty to test this matter at its own expense and risk before any use and processing. The product features are only those contractually agreed. Public statements, recommendations or advertising does not constitute contractual information on the delivered product and does not trigger our liability.
6. Any warranty for normal wear and tear is also excluded, and so is the warranty for defects caused by inadequate handling, inappropriate use or inadequate storage by the Customer.
7. We can only be held liable for the damages caused by breach of our material obligations willfully or by gross negligence. Our liability shall be limited to the direct and foreseeable damage incurred by the Customer as at the Contract Execution Date. Our liability limitations are also applicable to our officers, employees, associates, agents or intermediaries.
8. The exemption of liability shall not apply in the event of death, bodily injury or harming the health of persons.
9. Except for the cases where our liability was expressly provided in the above clauses, we do not take any other liability in contract or in tort.
10. The warranty period is 1 year and starts on the Delivery Date to the Customer or to an authorized third party.

§ 6 Retention of the ownership right / Securities

1. We retain the ownership right to all delivered products until the Customer pays in full the purchase price thereof and until it fulfills all other payment duties arising from any business relations between ourselves and the Customer.
2. The Customer is entitled to dispose of, or process the products under its custody, in our name and on our behalf, in the normal course of business. Until payment is made in full and the Customer performs all its obligations towards us, the processing and any other alteration of the delivered products shall be made at all times for and on our behalf, without generating additional obligations for us.
3. In case of sale of the Customer's goods which incorporate our unpaid products, the Customer transfers to us the portion of the sale price corresponding to the value of the unpaid products over which we have a retention of title, as well as any other rights and remedies available to the Customer, including any related rights and VAT due to the Customer as result of the respective sale.
4. In case of products' merger, it is hereby agreed that the Customer shall transfer to us the ownership share it holds in the product resulted from the merger, to guarantee our receivables resulting from business relationship with the Customer.
5. In any case, to the maximum extent permitted by law, the Customer assigns to us, as security, the receivables over the price resulting from the sale of the goods incorporating our unpaid products.
6. This assignment of receivables for security purposes will be created in our favor within a maximum of 5 days from the expiry of the payment due date, under a form and having the contents in accordance with the requirements of X-label Romania S.R.L..
7. If the Customer breaches the Contract, particularly in case of non-payment or payment delays, we have the right to request the Customer to immediately inform us about the respective receivables which are to be cashed in by the Customer and about their debtors, to provide all data required for collecting such receivables, to deliver the relevant documents and to notify the debtors in writing that the payment in connection with our products which are not paid by the Customer shall be made in our account.
8. We reserve the right to notify the relevant debtors of the assignment for security purposes. Upon our request and within the term specified by us, the Customer shall immediately perform any other formalities and registration required for the opposability, enforceability and validity of our right title retention and of the assignment of receivables for security purposes.
9. In case of breach of Contract by the Customer, particularly in case of payment delays, we are entitled to terminate the Contract by a simple termination notice and, at any rate, the termination shall apply de jure, without granting of a grace period, without court intervention and without the fulfillment of any kind of formalities.
10. In all cases of termination declared by us, it is agreed that a prior notification of default (Romanian: "punere in intarziere") is not required in advance, nor as a condition for submitting the termination notice. In addition, we are entitled to take action to enforce our rights with respect to the sold good or receivables assigned for security purposes.
11. Under any circumstance, the Customer is forbidden without our written consent to grant security rights over the unpaid products, aside from those provided in the these Terms.
12. If third parties seize, encumber, take possession of, or wish to transfer to their property (under any title) the goods of the Customer incorporating our products sold to the Customer but unpaid, the Customer must inform the third parties in writing of our rights to such goods and inform us in writing of the proceedings initiated by third parties and of the status thereof, as well as of any envisaged transfer of the relevant goods.
13. If the value of securities is greater than 100%, we are entitled to release the security rights, as we deem fit.
14. The elements produced by us in the manufacturing of the ordered products, such as models, printing data, films, blocks, lithographs, printing plates, dies and punching devices, etc., including software elements and electronic files, are our property and cannot be transferred, even if the Customer was fully or partially charged for them (for the avoidance of any doubt, they shall remain our property and the Customer pays for the right of use). There is no delivery duty - not even delivery of duplicates - unless agreed otherwise.

§ 7 Terms of payment

1. The invoiced amounts and the costs associated with the additional services shall be paid by the Customer not later than 10 days after the Delivery Date. After the expiry of this term, the Customer is legally at default, without any other formality or notice of default. Payment pursuant to cheques or promissory notes are only deemed to be made only after they are cashed in.
2. If the Customer delays payment, the amounts due to us shall bear penalty interest according to the applicable legal norms. These provisions do not prejudice any of our legal or contractual rights to recover the losses we incur.
3. At any time throughout the validity period of the Contract between X-label Romania S.R.L. and the Customer, X-label Romania S.R.L. may request advance payment for the goods ordered by the Customer or that a security be given amounting to the value of the ordered goods, based on a written notice sent to the Customer ten (10) days before the estimated delivery date. X-label Romania S.R.L. shall comply with the estimated delivery date to the extent that X-label Romania S.R.L. receives the security or the advance payment at least 5 days before the estimated delivery date.
4. The set-off of the Customer's debts against other debts owed by X-label Romania S.R.L. to the Customer is not allowed.
5. Upon termination of the Contract for any reason the Customer shall immediately pay to X-label Romania S.R.L. all of X-label Romania S.R.L.'s outstanding unpaid invoices and interest. These amounts are agreed by the Parties to be certain, liquid and outstanding receivables of the Customer.

§ 8 Miscellaneous

1. If the material is procured or provided by the Customer, it shall be delivered at our headquarters at the cost of the Customer. We shall confirm receiving the material, but we do not guarantee the accuracy of the quantity designated as delivered.
2. The designs, drawings, test prints and samples shall at any rate be

invoiced to the Customer, even if no express order is issued for them, but they are considered part of the delivery or of the service, as applicable.

3. It is within the Customer's duties to incur the insurance costs, if the manuscripts, originals, negatives, documents, stored printing material or other items must be insured against theft, fire, flooding or other hazards.
4. The printing errors shall be corrected at no charge for the Customer; the changes to be made in the original that are not due to the illegibility of the manuscript or that deviate from the model shall be charged to the Customer according to the working time they require. As regards spelling, the latest release of the Romanian explanatory dictionary (for products in Romanian language) or the latest release of the official dictionary of another language shall prevail.
5. For the avoidance of any doubt, the proof sheets and the prints shall be verified by the Customer, who shall return them to us with the "good for print" acknowledgement. We assume no liability for the errors in such materials overlooked by the Customer in the proofing process. The changes or corrections communicated by phone require written confirmation to become valid. If the Customer does not request in writing the submission of a proof sheet, then our accountability is limited to printing errors caused by gross negligence. In the case of changes occurring after the "good for print" acknowledgement, all costs shall be borne in all cases by the Customer, including the cost of stopping printing.
6. If, throughout the performance of the Contract, there are intellectual property rights involved, including patents, trademarks, copyright, the Customer must make sure that no third party's rights are breached in the performance of our Contract. It is not within our duty to verify our customers' permission to use intellectual property rights. At any rate, if a third party holds us liable for infringing an intellectual property right throughout the performance of the order, the Customer shall compensate us for any possible third party claims. If third parties hold us liable for breaching their rights, we are entitled to request that the Customer either obtain the required permission to provide the service or manufacture and deliver the goods, or to alter the goods at its cost so that third party rights are no longer breached or to alter the order. If this is not reasonably possible, we are entitled to issue a simple termination notice and, at any rate, the termination shall apply rightfully, effective immediately, without court intervention and without the fulfillment of any kind of formalities. In all cases of termination declared by us, based on the contractual relationship with the Customer, it is agreed that a prior notification of default is not required (Romanian: "punere in intarziere"), nor is it required as a condition upon submitting the termination notice, subject to any other rights.
7. X-label Romania S.R.L. may at any time assign, transfer, mortgage, or subcontract all or any of its rights or obligations under the Contract. The Customer may not assign, transfer, or mortgage any or all of its rights or obligations under the Contract without the prior written consent of X-label Romania S.R.L..
8. Each party undertakes that it shall not at any time during the Contract disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party or of any member of the group to which the other party belongs, except as permitted below. For the purposes of this clause, "group" means, in relation to a party, that party, any subsidiary or holding company of that party, and any subsidiary of a holding company of that party.
Each party may disclose the other party's confidential information:
(i) To its employees, officers, representatives or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under or in connection with the Contract. Each party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other party's confidential information comply with this clause and
(ii) If required by law, a court of competent jurisdiction or any governmental or regulatory authority.
No party shall use any other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with the Contract.

§ 9 Final Provisions

1. Unless otherwise agreed in the Contract, our headquarters is also the place of performance.
2. The competent court is the court having jurisdiction over our headquarters. We are also entitled to file actions with the court having jurisdiction over the Customer's headquarters.
3. The Contract with the Customer is governed by the Romanian law, with the exclusion of the UN Convention for the International Sale of Goods.
4. If any clauses of these Terms are or become partially or fully void, invalid or unenforceable, the validity of the remaining clauses shall not be harmed. Instead of such clause or relevant part of such clause, a legally effective provision shall apply that is closest to the intention of the invalid clause or part of the clause.
5. The Customer undertakes to cooperate and sign all required documents upon our request in order to implement the clauses in these Terms.
6. The Customer expressly acknowledges that it has read and understood all clauses in these Terms and that it accepts them by placing the order, stipulating that it is able to understand their meaning (by itself or with the assistance of its consultants). Therefore, the Customer accepts its rights and duties arising from these terms and conditions. By Contract, the Customer expressly and unequivocally accepts the provisions on X-label Romania S.R.L.'s limitation of liability, X-label Romania S.R.L.'s rights to unilaterally terminate the Contract and to suspend the execution of obligations, as well as those clauses which provide limitations on the Customer's exercise of certain rights within specific deadlines, or limitations on the Customer's right of raising exceptions, the restraint of the contractual freedom, and also clauses on the Contract's applicable law or by which it is waived from the regulations on the competent courts. Failure to pay or delayed payment, breach of any provision under Clause 6 are considered a breach of an essential obligation.
7. The Terms and Conditions hereunder are drafted in Romanian and English language. In case of discrepancy, the Romanian version shall prevail.

Revision date 11/2016

All previous general terms and conditions will lose their effectiveness with this new version.