

## General Conditions of Sale

of the company KARL PEDROSS SpA a limited company, with registered address in Italy, 39021 Laces (BZ), Zona Industriale 1/c (VAT nr. IT00223300211), with its legal representative, pro tempore,

### 1. Scope of application

- 1.1 All present and future offers of the KARL PEDROSS SpA, acceptance and execution of orders as well as provision of services are governed by the following General Conditions of Sales (GCS) of KARL PEDROSS SpA (hereinafter "Supplier"). They govern the entire life of the contractual sales relations with the Buyer without need to be transmitted to the customer again. The GCS shall bind the Buyer starting from the moment of acceptance of the sales offer by the Buyer.
- 1.2 General conditions from the Buyer, which are not explicitly accepted in writing by KARL PEDROSS SpA are declined; they are not legally binding for KARL PEDROSS SpA.

### 2. Formation of the sales and service contract

- 2.1 If not otherwise agreed upon in writing, offers of KARL PEDROSS SpA have a validity of not more than one month. The acceptance by the Buyer of an offer ("Acceptance") or a direct order constitutes an irrevocable commitment on behalf of the Buyer.

### 3. Delivery, deviation in the amount of order, terms of delivery, product examination


- 3.1 Unless otherwise agreed in written, conditions of delivery are "FREE CARRIER" (FCA) according to INCOTERMS 2010.
- 3.2 The Buyer has been informed about the business model of KARL PEDROSS SpA, that effectively delivered amounts can vary up to 15% from the ordered goods regarding every single order, without being considered a breach of contract. The invoice refers to the effectively delivered goods.
- 3.3 KARL PEDROSS SpA's terms of delivery and completion dates are non-binding. Exception to this rule is only made, if the Acceptance of Order contains exceptionally the terms „binding terms of delivery“. Also, in case of binding terms of delivery, KARL PEDROSS SpA does not assume liability for delays if such delays are due to force majeure (e.g. fallout of a production line) or are due to the wrongdoing of third parties involved in the transaction.
- 3.4 KARL PEDROSS SpA shall be permitted to carry out more than one partial deliveries, in which case the liability for delays of not yet delivered goods is excluded. If the delivery is carried out on euro pallets, they are invoiced to the Buyer at market prices, if at the time of delivery, Buyer does not make available one of its own euro pallets in substitution. The proof of the exchange is given by an annotation in the CMR, or, if not existing, in the consignment note.

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- 3.5 They Buyer is obliged to inspect the goods at the moment of unloading for any evident damages caused by transport or packing. Such easily identifiable damages of packaging and goods can only be invoked if they are annotated in the CMR or, if not existing, in the consignment note at the moment of the handover of the goods. The Buyer is obliged to examine the goods at the moment of storage. The Buyer shall send KARL PEDROSS SpA within not more than eight (8) days from delivery, in the form of an email, or registered mail, a written notice of non-conformity, even if not visible from the packaging, non-conformity in respect of the goods delivered. Such notice of non-conformity must contain the transportation documents, a photographic documentation and a detailed description of the non-conformity. Also, in case of hidden non-conformity, the Buyer shall notify KARL PEDROSS SpA of such non-conformity not later than eight (8) days after the Buyer discovered or ought to have discovered it using ordinary diligence. In any case, KARL PEDROSS SpA grants a warranty for a period not longer than twelve (12) month from the agreed date of delivery.

## 4. Prices and terms of payment

- 4.1 All prices are to be considered "FREE CARRIER" (FCA) ex INCOTERMS 2010, unless otherwise agreed in written.
- 4.2 If not expressly stated to the contrary, prices are exclusive of VAT.
- 4.3 Payments are to be effected at the registered address of the Supplier.
- 4.4 If the offer does not set anything to the contrary, total sales and service price shall be effected within thirty (30) days after delivery or completed service, from issuance of a valid invoice. The payment is due regardless of the Buyer not collecting the goods on the accorded day. Claims or objections, whatever in nature, do not entitle the Buyer to suspend or delay payments. The Buyer shall not be entitled to raise objections or file suit against KARL PEDROSS SpA if not all payments have been effected regularly, including those payments in respect of which such claims or objections are raised.
- 4.5 In case the Buyer should suspend or delay payment to KARL PEDROSS SpA the affected sales transaction shall be rescinded as stated in a previously written letter of notification due to the non-compliance of the Buyer.
- 4.6 In case of delayed payment an interest rate shall apply at the rate of the current EURIBOR 6 month + 7%, plus all costs connected to the recovery of the unpaid sums.

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## 5. Warranty

- 5.1 Buyer is hereby informed that all products of KARL PEDROSS SpA are to be consider buyer-specific accessories to floors, which can be sold on the free market only in exceptional cases. Furthermore, the customer is hereby informed that the specific, updated product characteristics and the specific, updated technical data sheets for each product can be found on the customer portal (login via the website [www.pedross.com](http://www.pedross.com)). The customer will be informed by e-mail in the event of changes to these documents. However, it is the customer's responsibility to download the documents from the customer portal, as only the updated documents on the customer portal form integral part of any sales transaction.
- 5.2 Without prejudice to the provisions of article 5.3 below, the KARL PEDROSS SpA is generally liable according to the law. If KARL PEDROSS SpA receives a valid non-conformity claim from the Buyer according to art. 3.5, KARL PEDROSS SpA shall be entitled to decide in its sole discretion, when there is no doubt about the defect of the goods, whether to substitute or to reduce the price of the defective products. Such decision shall not be interpreted as admission of any wrongdoing of KARL PEDROSS SpA. In addition, KARL PEDROSS SpA shall have the unchallengeable right to demand an on-site examination, or to demand return of the products back to its premises. At the same time, the products can be returned back to the premises of KARL PEDROSS SpA only in case KARL PEDROSS SpA gives express authorization in that respect. In case KARL PEDROSS SpA opts for the replacement of the product it shall be liable to pay only the costs for transportation to the Buyer premise.
- 5.3 Except for intent or gross negligence, the liability of KARL PEDROSS SpA is limited to the material warranty, consisting in the substitution of defective products, reduction of the price or a partial restitution. Any other claims, such as damages, direct and indirect losses, whatsoever in nature, are excluded.
- 5.4 In case of a defective product the Buyer is informed, that the production and delivery of the substitute goods may last up to sixty (60) days.

## 6. Reservation of property


- 6.1 The goods delivered by KARL PEDROSS SpA are under reservation of property until the payment of all debts resulting from the business
- 6.2 In case the Buyer acts in breach of the agreement, specifically regarding the payment delay, the KARL PEDROSS SpA has the right to take the goods back. This does not equal to a withdrawal from the contract unless explicitly declared in written. The attachment of the goods initiated by KARL PEDROSS SpA always implies a withdrawal from the contract. Costs arising from taking back the goods, such as transport and custom clearance, shall be borne by the Buyer. The KARL PEDROSS SpA is authorized to exploit the products taken back, the proceeds are compensated with the dept of the Buyer, after deducting the appropriate costs for the exploitation.

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- 6.3 The Buyer is obliged to treat the goods with due diligence. In particular, the Buyer is obliged to insure the goods adequately at his own cost at the original value against damage by fire, water and theft. If inspection and maintenance work is required, the Buyer carries them out at his own cost and in a timely manner.
- 6.4 The Buyer informs the KARL PEDROSS SpA immediately in written about all accesses of third parties, especially forced execution measures, as well as other prejudices to the property. The Buyer is obliged to cover all costs and compensate for the damage resulting from the violation of the present obligation and any necessary measures of intervention against access of third parties.
- 6.5 The Buyer is entitled to sell the goods object to the contract with KARL PEDROSS SpA in an orderly manner, but he proceeds with the assignment of receivables for the amount of the final invoice (VAT included) of the claims arising from selling the goods to third parties or buyers, not taking into account if the goods have been processed or not before being sold. The Buyer is entitled to collect the claims after the assignment. The authorization of KARL PEDROSS SpA to collect the claims remains unaffected thereby. The KARL PEDROSS SpA is obliged not to collect the claims as long as the Buyer effects the payment, does not fall behind with the payments and, especially, does not apply for insolvency or bankruptcy proceedings. Otherwise the KARL PEDROSS SpA can pretend the communication of all receivables and the identity of the debtor, as well as any other necessary information for the collection of the claims, the handing out of corresponding documents and the notification of the assignment of receivables to the debtor or third parties.
- 6.6 The KARL PEDROSS SpA is obliged upon request of the Buyer to release the securities that he has retained if the total value thereof exceeds the claims that are being protected by more than 20%. The choice of the specific security to release is made by KARL PEDROSS SpA.

## 7. Licensing conditions for digital content

- 7.1 Unless otherwise agreed, all rights to digital content (e.g. photos, renderings, etc.) of KARL PEDROSS SpA are licensed on a non-exclusive basis, free of charge, until revocation, and are strictly limited to the purpose of use and all other restrictions specified herein. The framework set out in this Article 7 constitutes the entire license. Any rights not expressly granted to the client are not granted.
- 7.2 Without the prior written consent of KARL PEDROSS SpA, the here-granted license to digital content to the client is non-transferable and non-assignable to third parties. This means that any use made by the client using the licensed content must be for the client's own use for the purpose of marketing PEDROSS products.

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## 8. Applicable law – jurisdiction and forum

- 8.1 Applicable law: If Buyer is established in Italy, this General Conditions of Sales and all aspects relating to the contractual relationship between KARL PEDROSS SpA and the Buyer shall be governed by Italian law. If Buyer is established outside of Italy, this General Conditions of Sales and all aspects relating to the contractual relationship between KARL PEDROSS SpA and the Buyer shall be governed by German law.
- 8.2 Forum: If Buyer is established in Italy, the competent Courts of Bolzano (Italy) shall have exclusive jurisdiction to resolve eventual controversies relating to the contractual relationship between KARL PEDROSS SpA and the Buyer. If Buyer is established outside of Italy, the competent Courts of Munic (Germany) shall have exclusive jurisdiction.