

Contract

between

XertifiX e.V.

Arndtstr. 20, 30167 Hannover
(in the following: „XertifiX e.V.“)

and

(in the following: „Customer“)

Preamble

XertifiX e.V. promotes the production and distribution of natural stones from India, China and Vietnam, produced without illegal child and slave labor, in compliance with all ILO core labor standards, while at the same time gradually improving working conditions and protecting the environment according to the XertifiX criteria.

The XertifiX approach has the following objectives: to eliminate illegal child labor and slave labor by voluntarily monitoring the production of affiliated stone manufacturers and exporters, adherence to all ILO core labor standards in natural stone production, and the gradual (annual) improvement of working conditions for adult workers, as well as basic environmental protection. This is the purpose of an elaborated certification system of the XertifiX organization in India, China and Vietnam. The criteria are listed in detail in Appendix 3 to this contract.

XertifiX e.V. has the exclusive right of the EU registered XertifiX trademark, which forms part of the contract below. Registration in other countries is intended.

The customer intends to market natural stones produced and traded according to the XertifiX concept. For that purpose, the contracting parties agree:

§ 1

Proof of certified products

(1) Proof of compliance with the criteria required for certification shall be the mark shown in Appendix 1 (hereinafter referred to as "Certification Documents"). The association XertifiX is registered in Germany with the register court Hannover.

(2) The brand is available in the standard and PLUS versions.

(3) "Certified Products" are natural stones which are manufactured, purchased and / or marketed according to the criteria specified in this contract and provided with the Certification Documents. The requirements for the Certification Documents as standard or PLUS differ and are listed in Annex 4.

§ 2 contract territory

Contract territory is the EU. However, the customer may also use the certification certificate in other countries; for this he has to obtain the consent of XertifiX e.V.

§ 3 Suppliers

(1) The customer undertakes to purchase products with the Certification Documents only if they originate from authorized manufacturers or exporters, who in turn have expressed their willingness to cooperate with XertifiX e.V. in writing. The customer is at liberty to purchase and market non-certified products in addition to products with the certification certificate.

(2) XertifiX e.V. will inform the customer about violations of its trading partners and exporters. In the event of repeated grave violations of the conditions agreed in the country of origin, these lead to the withdrawal of XertifiX certification.

(3) In this case, XertifiX e.V. will notify the customer of any changes that are material to the customer within a reasonable period of time, usually at least three months before the relevant change takes effect.

§ 4 Fees

(1) The customer pays an annual fee to XertifiX e.V. for the commission of inspections or the certification of natural stones (see Appendix 2).

(2) Based on the information and the fee schedule, XertifiX will issue an invoice to the customer. Payment of the fees is due to proper invoicing by XertifiX e.V. net plus VAT immediately upon receipt.

(3) Payments are to be remitted 14 days from receipt of the invoice at the customer to the XertifiX account IBAN: DE73 4306 0967 7902 1305 00, BIC: GENODEM1GLS at the GLS Bank under the keyword "XertifiX fee" and the indication of the respective invoice number.

§ 5 Guidelines for the Use of the Certification Documents

(1) The customer receives a simple, non-exclusive and non-transferable right to use the Certified Products Certification Certificate in the contract area specified in § 3 under the conditions specified in this contract and to the extent specified in this contract.

(2) XertifiX eV undertakes to grant third parties a right to use the Certification Documents for

the certified products specified in § 1 paragraph (3) only if they are in the same way as the customer to comply with § 1 paragraph (2). in accordance with § 4 (1), § 5 (1) and (3), § 6 (1) and § 9 (2).

(3) The customer undertakes to reproduce on his website as well as in his catalogues and brochures the certification certificate in connection with the respective natural stones. A link to the website is to call XertifiX on request.

XertifiX e.V. undertakes to name the customer on the website and publicly as a source of supply. A link to the website is to call the customer on request.

(4) The customer undertakes to use the certification certificate exclusively for certified products (§ 1 paragraph (2)). He will refrain from anything that can cause or promote confusion with other than certified products.

(5) The customer will take care in his advertising measures that the certification certificate is used in a recognizable way in relation to the certified products. The customer is obliged to coordinate the factual statements on the XertifiX concept in planned advertising campaigns, sales promotions and other advertising material for certified natural stones before they are placed on the market for the first time with XertifiX e.V.

If the customer does not receive a written response from XertifiX e.V. within 7 working days of receipt, XertifiX e.V.'s consent to the submitted material will be deemed granted. XertifiX e.V. will not unreasonably refuse its consent.

(6) The customer must refrain from anything that might give the impression that the end user or other third parties have claims against XertifiX e.V. (contractual claims, product liability claims, etc.). If the customer violates this obligation and claims are subsequently asserted against XertifiX e.V., the customer is obliged to indemnify and indemnify XertifiX e.V.

The liability of the customer is excluded if XertifiX e.V. has given its consent in these cases. § 6 para. (3) applies accordingly.

(7) If the customer acts predominantly as import or wholesale, he undertakes to inform the resellers of the registered trademark protection of the certification certificate and the provisions of the preceding paragraphs (1) to (3).

§ 6 Intellectual property and competition infringements

(1) The customer undertakes to notify XertifiX e.V. of violations of the certification certificate that it becomes aware of immediately and to assist XertifiX e.V. in the prosecution of infringements. The customer is not obliged to participate in legal costs.

(2) Customer agrees to display the benefits of the XertifiX concept in a positive and truthful manner and to comply with the strict ethical advertising requirements.

(3) The customer shall immediately inform XertifiX e.V. of any infringement proceedings initiated by or against him concerning XertifiX e.V.

(4) XertifiX e.V. is obligated to maintain the trademarks at its own expense during the term of this agreement, to defend against all attacks by third parties and to prevent the filing of identical or confusable sign rights by third parties.

The customer will be informed immediately about possible attacks and other significant transactions.

XertifiX e.V. exempts the customer from all claims asserted by third parties against the customer due to the contractual use of the trademarks. If necessary, XertifiX e.V. will assume the reasonable costs of legal action / legal defense on the basis of the RVG. Should third parties assert claims against the customer, the latter undertakes to inform XertifiX e.V.

XertifiX e.V. warrants that the marks are in force and may be used in accordance with the terms and conditions of this contract.

§ 7

Contract duration

(1) **The contract enters into force on**

(2) The contract may be terminated with a notice period of three months to the end of the year. The period begins with the receipt of the termination notice. After expiry of the period, the customer can no longer obtain any natural stone products marked with the certification certificate.

(3) The right to termination without notice for cause remains unaffected.

An important reason that entitles XertifiX e.V. to termination without notice is in particular: Use or apply the certification certificate for stones not purchased from authorized producers. Intentional or repeated infringement of competition principles when promoting and distributing certified products under the XertifiX trademark.

Repeated default in the issue of billing, the payment of premiums or the submission of evidence in accordance with § 5 para. (1) and (2), if the act despite reminder and appropriate deadline (at least 14 days) was not made up.

Refusal to comply with the control and information rights of XertifiX e.V.

An important reason which entitles the customer to termination without notice is in particular a treatment of the customer by XertifiX e.V. according to § 2 para. (2), which significantly affects

the customer.

§ 8 Contract management

(1) The customer may order, advertise and sell certified products with Certification Documents until termination of the contract. This also applies to termination without notice by XertifiX e.V.

In the event of termination, XertifiX e.V. grants the other party the further sale of the certified products with Certification Documents that the customer has in stock at the time the contract is terminated or has already concluded binding, no longer unilaterally revocable acceptance obligations at the time the contract is terminated. A public advertising will be excluded after the end of the contract.

(2) Upon termination of the contract, the customer must submit a final invoice and, at the same time, the resulting premiums within 30 days of the date of receipt of the last authorized delivery pursuant to § 5 para. (3), plus the sell-out period defined in § 9 para. (1) and pay fees.

(3) After the contract has been terminated, the customer must either return or destroy all documents (print templates, advertising material, stickers with the certificate of certification, etc.) at the option of XertifiX e.V., free of charge, and prove the destruction. He is not entitled to a right of retention in this respect.

§ 9 Confidentiality

XertifiX e.V. has to maintain secrecy about the customer's affairs, customers, employees, managing directors or other third parties becoming aware of and becoming known during the contractual relationship. This duty of confidentiality does not extend to such knowledge, which is accessible to everyone, or whose disclosure to the customer is apparent without disadvantage. In case of doubt, however, technical, commercial or personal transactions and relationships that become known to XertifiX e.V. in connection with the execution of the contract shall be treated as business secrets. In such cases, prior to disclosure, XertifiX e.V. is required to obtain an instruction from the customer as to whether a particular fact is to be treated confidentially. The confidentiality obligation lasts after termination of the contract.

§10 Jurisdiction and applicable law

(1) Jurisdiction for all disputes arising from this contract is in accordance with XertifiX e.V. Hannover. XertifiX e.V. may also sue at a legal place of jurisdiction.

(2) The law of the Federal Republic of Germany applies exclusively to this contract and all

disputes arising therefrom.

§ 11

Final clauses

(1) The provisions of this contract apply mutatis mutandis and retroactively, if the customer with or without knowledge and approval of XertifiX e.V. has used products with the XertifiX mark before the conclusion of the contract.

(2) Appendices 1 to 4 form part of this contract. XertifiX e.V. is entitled, with a notice period of 3 months, to change the XertifiX criteria (Annex 3) by notifying the customer. In the event of such a change, the customer may terminate with effect as of the coming into effect of the announced change. The versions valid at the time of conclusion of the contract are attached.

(3) Amendments to this contract must be made in writing. Insofar as the contract can be unilaterally modified or adapted by XertifiX e.V., the written notification from XertifiX e.V. However, XertifiX e.V. may require the customer to confirm in writing the unilateral amendment of the contract and to issue an amended contract deed.

(4) An English translation was made of this contract. The German version is legally binding.

(5) Should individual provisions of this contract be or become ineffective in whole or in part, or should there be a gap in this contract, the remaining provisions of this contract remain valid. In place of the ineffective provision or instead of the gap, the effective provision which the parties would have agreed upon, if they considered the ineffectiveness or recognized the gap, shall apply.

Hannover, _____,

Dr. Walter Schmidt
CEO of XertifiX e.V.

Appendix 1 to the XertifiX-Contract

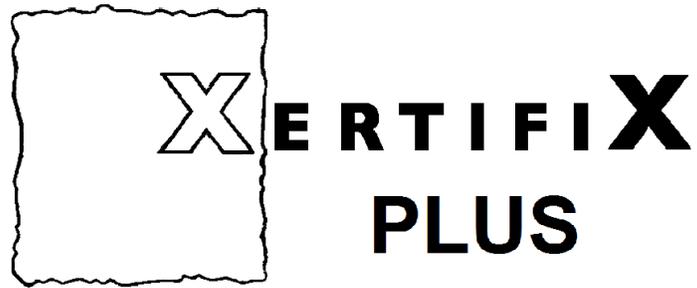
Mark:



In the version as a standard label



In the version as PLUS-Label



Appendix 2 to the XertifiX-Contract

Fees for the commissioning of controls / certification in India

*Trader's annual fee** between 3.000 and 12.000 €

Previous year's net import value from India to € 499,999 results in trader's annual fee of:	3.000 €
Previous year's net import value from India between € 500,000 and € 1,999,999 results in trader's annual fee of:	6.000 €
Previous year's net import value from India between € 2,000,000 and € 9,999,999 results in trader's annual fee of:	9.000 €
Previous year's net import value from India from € 10,000,000 results in trader's annual fee of:	12.000 €

*Fee * per audit day* 250 €

plus billing of any applicable flight costs (economy class) of the auditor within India
e.g. at production sites in Maharashtra or Kerala

Fees for the commissioning of controls / certification in China

*Trader's annual fee** between 3.000 and 12.000 €

Previous year's net import value from China to € 499,999 results in trader's annual fee of:	3.000 €
Previous year's net import value from China between € 500,000 and € 1,999,999 results in trader's annual fee of:	6.000 €
Previous year's net import value from China between € 2,000,000 and € 9,999,999 results in trader's annual fee of:	9.000 €
Previous year's net import value from China from € 10,000,000 results in trader's annual fee of:	12.000 €

*Fee * per audit day* 550 €

plus billing of any applicable flight costs (Economy Class) of the auditor within China
e.g. at production sites in North / Northeast China, such as Hebei, Shandong etc.

Fees for the commissioning of controls / certification in Vietnam

*Trader's annual fee** between 3.000 and 12.000 €

Previous year's net import value from China to € 499,999 results in trader's annual fee of:	3.000 €
Previous year's net import value from China between € 500,000 and € 1,999,999 results in trader's annual fee of:	6.000 €
Previous year's net import value from China between € 2,000,000 and € 9,999,999 results in trader's annual fee of:	9.000 €
Previous year's net import value from China from € 10,000,000 results in trader's annual fee of:	12.000 €

*Annual fee * per production facility* 140 €

The audit costs are settled directly with ICO

Further fees

for seal labels, per processing plant / per year including shipping	40 €
Check of stock items at the importer, per day	500 €
Misuse of the seal (use without licensing):	Double annual customer fee *

(* all fees are net amounts excluding VAT / for Non-German customers the reverse charge procedure will apply)

Appendix 3 to the XertifiX-Contract

XertifiX Criteria

All actors in India, China and Vietnam in the field of natural stone production and trade who are involved in the XertifiX system are obligated to sign legally binding contracts in which they commit themselves to compliance with the XertifiX criteria. They disclose all orders to XertifiX e.V. in the country of production. Besides the regularly announced audits, they accept unannounced audits without prior notice at any time. Announced and unannounced audits control the compliance of the following criteria:

ILO Core Labour Conventions

No Child Labour (ILO Conventions [Nr. 138](#) and [Nr. 182](#))

1. Children below 15 years are not allowed to work (ILO Conventions 138)
2. If children below 15 years are found, they have to be released from their work immediately and it has to be ensured, that their families have sufficient financial means to send their children to school
3. Young workers below 18 years are not allowed to do hazardous work (ILO Convention 182)

No Bonded Labour (ILO Conventions [Nr. 29](#) and [Nr. 105](#))

1. Employees are allowed to leave the workplace when they finish their working day
2. The employment of workers is not connected to human trafficking
3. No use, attempted or threatened use of physical force against the employees

Labour Union Access and Collective Bargaining (ILO Conventions [Nr. 87](#) and [Nr. 98](#))

1. Workers have the right to organise or join unions and to bargain collectively
2. The Employees have the right to name or elect one or more representatives

No Discrimination (ILO Conventions [Nr. 100](#) and [Nr. 111](#))

1. No discrimination due to factors such as race, ethnicity, nationality, class, religion or belief, sex, sexual orientation, gender identity, age or health status or due to any other factor that could be used to discriminate. i. In reference to employment, payment, or job

- promotion.
- ii. In reference to any kind of practices that could result from one the mentioned factors.
2. Prohibition of any kind of exploitation, mistreatment, insult or sexual harassment.

Health and Protection of Workers

Responsibility

1. Designation of responsible staff for health and safety
2. Realisation of an annual safety training
3. Risk-Assessment: written documentation of accidents and the application of adequate measures to avoid such accidents in the future
4. Information to all staff about the work and the purpose of XertifiX (regarding especially the rights and duties of the workers by way of the fulfilment of this standard)

Healthy Workplace

1. Provision of shadow shelter
2. Provision of drinking water
3. Provision of sanitation facilities

Safe Workplace

1. Provision and usage of masks, eye protection, helmets, ear protection and boots
2. Safety measures on machines (installation and usage)
3. Dust must be reduced as much as possible
4. 12h Stop of work after blasting (afternoon blasting suggested)
5. In case of danger, the right of the employee to leave his workplace

Medical Care

1. First Aid Box (with all necessary, non-expired medicine)
2. Annual First Aid Training
3. Doctor / Hospital nearby or transportation by employer to the doctor / hospital in case of accident or illness during working hours

Contractual Issues

Employment

1. Written Company contracts also in the language of workers

2. The right to change the employer according to the contract (avoidance of „semi-bonded labour“)

Fair Labour Conditions: Payment

1. Payment of minimum wage according to the local law
2. Payment of living wage, if the minimum wage is below the living wage (the wage to satisfy basic needs and earn a small income) (ILO Convention 131)
3. Punctual payment according to the contract
4. No wage reduction as disciplinary measure
5. No advanced payment that creates dependency (avoidance of „semi-bonded labour“)
6. Payment of mandatory social insurances (e.g. the „Employees State Insurance“ and „Provident Fund“)

Fair Labour Conditions: Working Hours

1. Working hours maximum 8h per day and maximum working hours per week according to the local law, but not more than 48h (ILO Convention 1)
2. At least one day off after 6 working days
3. Overtime work is voluntary and must be paid at higher rates than regular work (ILO Recommendation R116); it shall not exceed 12h per week.

Women's Rights: Compliance with all gender guidelines

1. Less work for pregnant women and special leave at pre and post-delivery according to local law
2. Provision of facilities for babies at workplace (in case women workers bring them to the working place)
3. Equal wage for equal work

Environmental Protection

Ecosystem

1. Reforestation
2. Re-Establishing the original ecosystem

Pollution and Waste Management

1. Recycling of material and/or re-use of materials
2. Avoidance and regular disposal of waste materials (clean working place) as Measures of pollution control

Water Management: Reduction to minimum of Water consumption

1. Water saving installations (e.g. installations for the re-usage of water or the usage of rain water)

Energy Management: Reduction to minimum of Energy consumption

1. Replacement of old power consuming machines by newer power saving ones
2. Installation of other electrical equipment for power saving
3. Usage of renewable energy sources (RES)

Community

Free prior informed consent

Living conditions of the workers

1. Availability of Drinking water
2. Availability of Sanitation facilities

Transparency and traceability to the quarry

Legality of the production sites

Appendix 4 to the XertifiX-Contract

Requirements for certification

The Standard-Label (Appendix 1) is issued if the following requirements are fulfilled:

- No Child Labour (ILO conventions 138 and 182)
- No Bonded Labour (ILO conventions 29 and 105)
- Labour Union Access and Collective Bargaining (ILO conventions 87 and 98)
- No Discrimination (ILO conventions 100 and 111) Legal minimum wages are paid.
- The chain of production must be traceable from importer to quarry.
- The working conditions must be improved step-wise (yearly). Each step of improvement will be agreed on at the end of the audit and is mandatory.

The PLUS-Label is issued if 2/3 of all [criteria](#) and all must-criteria are fulfilled.

The mandatory criteria are:

- No Child Labour (ILO conventions 138 and 182)
- No Bonded Labour (ILO conventions 29 and 105)
- Labour Union Access and Collective Bargaining (ILO conventions 87 and 98)
- No Discrimination (ILO conventions 100 and 111)
- Fair Working Hours (ILO conventions 1 and 14)
- Payment of minimum wage according to the local law
- Provision and usage of Personal Protective Equipment (e.g. masks, eye protection, helmets, ear protection and boots)
- Measures of pollution control / Waste-Management
- Production and processing units/business are legal
- Traceability of the chain of production from the importer to the quarry

18 months after the PLUS label has been awarded for the first time, all XertifiX criteria must be adhered to.