

**General Terms and Conditions of GRÜNPERGA Papier GmbH**  
**As of March 2021**

**1. Scope of application, Offer and Conclusion of contract**

- (1) These General Terms and Conditions ("GTC") shall apply to all - including future - sales and other contracts with business customers, unless otherwise agreed in writing. The GTC only apply if the customer is an entrepreneur within the meaning of §§ 310 Para. 1, 14 German Civil Code, a legal entity under public law or a special fund under public law.
- (2) The GTC shall apply exclusively. The terms and conditions of the customer are expressly rejected. Differing, contrary or additional terms and conditions of the customer shall only become part of the contract if and to the extent that we have expressly consented to their validity in writing. This requirement of consent shall apply in any case, for example even if we fulfil the contract without reservation in the knowledge of the customer's terms and conditions. Our GTC shall be deemed to be accepted by placing the order or by accepting the delivery.
- (3) In all other respects, the General conditions of sale of paper and board manufacturers in EEC (GCS) shall apply to all - including future - sales and other contracts, insofar as no provisions deviating therefrom are made in the following. These shall be made available for inspection upon request.
- (4) Our offers are always subject to change and non-binding. Only our written order confirmation commits us to the customer and establishes the contractual relationship.
- (5) All unilateral declarations such as reminders, declarations of withdrawal, notices of termination must be in writing. Transmission by letter, e-mail or fax shall be sufficient to comply with the written form requirement.

**2. Prices, Quality and Quantity**

- (1) Unless otherwise agreed in writing, all prices are net prices ex warehouse or ex works plus the applicable statutory value added tax.
- (2) If a performance period of more than 4 months from the conclusion of the contract is agreed or if a performance period of more than 4 months from the conclusion of the contract occurs due to circumstances for which the customer is responsible for or which lie within the customer's sphere of risk, we shall be entitled to adjust the price if our costs increase by more than 5 percentage points in total, in particular due to material price increases or wage increases. The price adjustment shall correspond to the amount of the increased costs. If the price increase amounts to more than 10 percentage points of the original price, the customer shall be entitled to withdraw from the contract.
- (3) We reserve the right to minor and unavoidable deviations with regard to material properties, colour, weight, dimensions and similar other characteristics of the goods owed within the scope of what is customary in the industry, insofar as usability for the contractually intended purpose does not require exact conformity. Furthermore, we reserve the right to change our products due to technical developments within the scope of what is customary in the trade, provided that the usability for the contractually intended purpose is not impaired.
- (4) In addition, the General conditions of sale of paper and board manufacturers in EEC (GCS) as amended shall apply, in particular for deviations in quantity, weight and dimensions. These shall be made available for inspection upon request.

### **3. Delivery and Delivery time**

- (1) The delivery of goods and work performances shall generally be ex works or ex warehouse, unless otherwise agreed in writing.
- (2) Delivery and completion dates shall always be approximate only, unless a fixed period or a fixed date has been expressly promised or agreed. The delivery date shall generally be the date on which we notify readiness for delivery. Agreed delivery and completion deadlines shall commence on the date of our order confirmation.
- (3) We are entitled to make partial deliveries if
  - the partial delivery is usable for the customer within the scope of the contractual purpose,
  - the delivery of the remaining ordered goods is ensured and
  - the customer does not incur any significant additional expenses or costs as a result (unless we agree to bear these costs).
- (4) We shall not be responsible for delays in delivery and performance due to force majeure or unforeseeable circumstances for which we are not responsible, such as war, strike, lockout, shortage of raw materials and energy, traffic and unavoidable operational disruptions, official orders, incorrect and untimely delivery by our suppliers, even in the case of bindingly agreed dates. Such events shall entitle us to postpone delivery and performance for the duration of the hindrance plus a reasonable start-up period. If the hindrance lasts longer than one month, we and the customer shall be entitled, after expiry of a reasonable additional period, to withdraw from the part of the contract not yet fulfilled.
- (5) Framework and on-call orders shall oblige the customer to purchase the total quantity on which the framework and on-call order is based (minimum purchase quantity). Insofar as no specific call-off dates result from the contract, the entire quantity of the framework and on-call order must be called off within three months. If the customer fails to meet the call-off dates, we shall be entitled, at our choice, after giving written notice and pointing out the consequences of the failure to call-off, to invoice the full total quantity and to store the goods at the customer's expense until payment is made or to withdraw from the contract and claim damages.
- (6) The occurrence of our delay in delivery shall be determined in accordance with the statutory provisions. In any case, however, a reminder by the customer shall be required. If we are in default of delivery without gross negligence or intent, our liability for the pure damage caused by default shall be limited to a maximum of 5% of the net delivery value of the goods delivered late. We reserve the right to prove that the customer has not suffered any damage or that the damage is significantly less than the above lump sum. However, the lump sum shall be set off against any further monetary claims of the customer due to the delay in delivery (claims for compensation for additional expenses, claims for compensation).

### **4. Packaging's**

Disposable packaging will not be taken back. Reusable and other loaned packaging shall be exchanged upon delivery or returned within a reasonable period of time in perfect condition and, unless otherwise agreed in writing, at the expense of the customer.

### **5. Place of performance, Shipment, Transfer of Risk**

- (1) The place of performance for all deliveries, services and payments shall be Grünhainichen for both contracting parties, unless otherwise agreed in writing.
- (2) The risk and dangers shall pass to the customer upon dispatch of the goods by us or upon contractual notification of our readiness to deliver and provision in our warehouse. This shall also apply if the delivery is postponed by the customer or otherwise delayed for reasons for which the customer is responsible.
- (3) The customer shall not be permitted to refuse acceptance of our products due to immaterial defects.

## **6. Defects and Complaints**

- (1) We shall not be liable for defects of which the customer is aware at the time of conclusion of the contract or is not aware due to gross negligence (§ 442 German Civil Code).
- (2) The customer shall immediately subject the delivered goods to an incoming goods inspection (§§ 377, 381 German Commercial Code). Complaints due to transport damage and shortages must be asserted by the customer directly to the transport company without delay and noted on the consignment note/CMR.
- (3) The customer must notify us in writing in accordance with Section 1. (5) of these GTC of obvious defects or other defects which would have been detectable in the course of an immediate, careful inspection, without delay, at the latest within 3 working days of receipt of the goods and before they are processed, specifying their nature and extent. Hidden defects shall also be notified in writing without delay, at the latest on the 8th working day after their discovery. After expiry of the deadline, all notices of defects shall be excluded.
- (4) In the event of a justified notice of defect, we may, at our choice, rectify the defect, also repeatedly, or deliver a replacement concurrently with the return of the goods complained about. In the event of failure of subsequent performance, i.e. impossibility, unreasonableness, refusal or unreasonable delay, the customer may assert the warranty rights to which he is entitled by law.

## **7. Claims for damages and liability for other reasons**

- (1) We shall be liable for damages, irrespective of the legal grounds - also for our executive employees and other vicarious agents - only in the event of intent and gross negligence. We shall only be liable for other fault insofar as the damage falls under the German Product Liability Act, in the event of injury to life, limb or health, in the event of a guarantee of quality and in the event of a breach of a material contractual obligation.
- (2) In the event of negligence, our liability shall be limited to the foreseeable damage typical for the contract, unless the damage is covered by the German Product Liability Act or unless there is an injury to life, body, health or a guarantee of quality.
- (3) Liability for consequential damages of a defect, such as loss of production or loss of profit are excluded. This shall not apply in the case of intent and gross negligence. In the event of gross negligence, the consequential damages of a defect shall only be compensable insofar as such damages are typically to be expected when using the delivery item as intended.

## **8. Limitation period**

The limitation period for claims and rights due to defects of the delivered products - irrespective of the legal grounds - shall be one year. This shall not apply insofar as the law mandatorily prescribes longer periods, e.g. in § 445b of the German Civil Code, as well as in the case of intentional or grossly negligent causation of defects, in the case of fraudulent concealment of the defect, in the case of the existence of a guarantee of quality, in the case of breach of a material contractual obligation and in the cases of injury to life, limb, health or freedom. The limitation period shall likewise not apply to claims under the German Product Liability Act.

## **9. Terms of payment**

- (1) The invoice shall be issued as soon as the products are dispatched or otherwise made available. Payment periods always begin with the date of our invoice. Unless otherwise agreed in writing, the invoice amount shall be due for payment immediately. The deduction of discounts shall be governed by the terms of payment agreed between the parties. In the case of payment by cheque, payment shall not be deemed to have been made until the cheque has been finally cashed. Cheque costs shall be borne by the customer.
- (2) Upon expiry of the aforementioned payment periods, the customer shall be in default. A prior reminder is not required. During the period of default, interest shall be charged on the purchase price at the applicable statutory default interest rate in accordance with § 288 German Civil Code. With respect to merchants, the claim to the commercial due date interest rate (§ 353 German Commercial Code) shall remain unaffected. We reserve the right to claim further damages. Furthermore, in the event of default or culpable exceeding of the payment deadline, we shall be entitled to demand immediate payment of all invoices still due as well as advance payment of all orders accepted, unless the customer provides real or personal security for all payments.
- (3) The customer shall only be entitled to set-off or retention against us if the counterclaims have been legally established or acknowledged by us.
- (4) We shall be entitled to assign our trade receivables, in particular for financing purposes.
- (5) In the event of sustained default in payment, cheque protest or cessation of payments by the customer, the opening of insolvency proceedings or the non-opening of such proceedings for lack of assets or the existence of other circumstances that reduce the creditworthiness of the customer, we may, at our choice, demand either security within a reasonable period or payment concurrently against delivery. If the customer does not comply with the demand within the time limit, we shall be entitled to withdraw from the contract, subject to further statutory rights. Furthermore, we may prohibit the resale and further processing of the goods delivered by us and demand their return to us at the expense of the customer.

## **10. Retention of title, Extended Lien**

- (1) All goods delivered to the customer shall remain our property until full payment of all our present and future claims arising from the business relationship, irrespective of the legal grounds. This shall also apply insofar as the claims are included in a current account. The customer shall be entitled to sell and process the goods subject to retention of title in the ordinary course of business and as long as he is not in default or the conditions of Section 9. (5) of these GTC do not apply.

- (2) In the event of conduct by the customer in breach of the contract, in particular in the event of default in payment after a reasonable deadline has been set, other serious breaches of contract or if the customer's unfavourable financial circumstances become known, the customer shall be obliged, at our request, to return the goods in its possession and subject to retention of title to us immediately at its own expense. After taking back the goods, we shall be entitled to dispose of them.
- (3) In the event of processing or combination or mixing (hereinafter together: "processing") of the reserved goods with items of the customer, our reservation of title shall extend to the products resulting from the processing of our goods at their full value. We shall become the owner of the new goods without being obliged to do so. In the event of processing with items not belonging to us, the customer shall grant us at least co-ownership of the new goods in proportion to the invoice value of our reserved goods to the total value.
- (4) In the event that the delivery item is sold by the customer, the customer hereby assigns to us by way of security all claims against the purchaser or third parties arising from the resale, including all ancillary rights, in the amount of our claims. We accept the assignment. The assignment shall apply including any balance claims. If the goods have been processed and we have acquired co-ownership in the amount of the invoice value, we shall be entitled to the purchase price claim in proportion to the value of the goods.
- (5) The customer shall be entitled to collect these claims until revoked by us. We shall make use of our right of revocation if the customer defaults on his payments or if the conditions set out in clause 9 paragraph (5) are met. In this case, the customer shall be obliged, at our request, to disclose the assignment to the purchasers and to provide us with the information and documents required for collection.
- (6) The customer shall insure the goods subject to retention of title against loss and damage. He hereby assigns to us his claims for compensation to which he is entitled from damage of the type mentioned above in the amount of the invoice value of the goods. We accept the assignment.
- (7) Pledging or transfer by way of security of the reserved goods or the assigned claims shall not be permitted. In the event of pledges, seizures or other dispositions or interventions by third parties, we must be notified immediately, providing the documents necessary for intervention.
- (8) If the estimated or nominal value of the existing securities exceeds the secured claims by more than 20%, the securities held by us shall be released to this extent at our choice at the request of the customer. The rights arising from the retention of title to all aforementioned special forms shall remain in force until full release from contingent liabilities which we have entered into in the interest of the customer
- (9) In order to secure our claims against the customer arising from work performance, a lien is agreed on the goods brought in by the customer and owned by him. This lien shall apply to all claims arising from the business relationship with the customer existing at the time of its exercise and until the release of the security. The provision on the release of collateral pursuant to Section 10. (8) shall apply accordingly.
- (10) The provisions of Section 10. (1) to (9) of these GTC shall not apply to deliveries for which payment in advance has been agreed between the parties.

## **11. Miscellaneous**

- (1) German law shall apply exclusively to all contracts - also with foreign clients - to the exclusion of the UN Convention on Contracts for the International Sale of Goods.
- (2) The place of jurisdiction for all disputes arising from the contractual relationship shall be the court with local jurisdiction for Grünhainichen. However, we reserve the right to sue the customer at his general place of jurisdiction. Mandatory statutory provisions on exclusive places of jurisdiction shall remain unaffected by this provision.
- (3) For deliveries and services to customers abroad, it is expressly agreed that all necessary costs of legal action in the event of default of payment by the customer, both in and out of court, shall be borne by the customer, insofar as he loses the legal action. In all other respects, the statutory provisions shall apply.
- (4) Should a provision in these GTC or a condition within the scope of other agreements be or become invalid, this shall not affect the validity of all other provisions or agreements. Insofar as the GTC contain regulatory gaps, those legal provisions shall be deemed agreed to fill these gaps which the contracting parties would have agreed upon according to the economic objectives of this contract and the purpose of the GTC if they had recognized the regulatory gap.