

General Terms and Conditions of Sale and Delivery of KANZAN Spezialpapiere GmbH, Düren, Germany

§ 1 Scope of application

The following terms and conditions apply exclusively to all present and future business relations between KANZAN Spezialpapiere GmbH (hereinafter referred to as "KANZAN") and their business partners (hereinafter referred to only as "Customer") for the sale and delivery of products offered by KANZAN (in particular paper, hereinafter referred to only as "Goods"). It is irrelevant whether KANZAN has manufactured the Goods itself or purchased them from suppliers. Deviating, conflicting or supplementary General Terms and Conditions of the Customer shall not become an integral part of the contract as a whole, even if KANZAN knows them beforehand.

Customers within the meaning of these terms and conditions are exclusively entrepreneurs within the meaning of § 14 BGB (German Civil Code).

§ 2 Conclusion of Contract

(1) KANZAN's offers, including product-specific technical data sheets, any calculations, calculations or other product descriptions known to the Customer shall be subject to change and non-binding for KANZAN, unless KANZAN has expressly guaranteed otherwise. If KANZAN's offers are exceptionally indicated as binding without a corresponding binding period being declared at the same time, KANZAN shall be bound by the offer for a maximum of 7 days from the date of submission.

(2) A contract shall always be concluded by the Customer placing a concrete order, which constitutes a binding contractual offer, and KANZAN issuing a written order confirmation, which constitutes acceptance of the Customer's contractual offer. The Customer's order/contract offer shall contain all essential details, in particular product type, quantity, dimensions, sleeve diameter, any direction of run, additional equipment and packaging, etc. The order confirmation/contract acceptance by KANZAN shall contain the price and the expected delivery date.

(3) The Customer acknowledges that the information provided by KANZAN regarding the subject matter and scope of the delivery does not represent any warranted characteristics or guarantees, in particular with regard to the quality of the Goods, and that the subject matter and scope of the delivery are only approximate descriptions of performance or quality.

In the case of deliveries of paper on rolls and in formats, quantity tolerances/deviations in quantity are generally not excluded. Unless expressly agreed otherwise in writing, a deviation of up to 10 percent of the total order upwards or downwards is permissible and is the subject of the order.

§ 3 Terms of payment and delay in payment

(1) Unless otherwise agreed in writing, the purchase price is due and payable within 14 days without deduction from the date of acceptance of the Goods by the Customer or transfer by KANZAN to the transport company as well as receipt of the invoice (also in electronic form) by the Customer.

(2) In case that the Customer defaults in payment of the purchase price or any other amount agreed upon and invoiced by KANZAN; KANZAN shall be entitled to call claims not yet due as due by invoicing and transmission and to cancel already confirmed orders.

§ 4 Commercial credit insurance/rescission reservation for KANZAN

(1) KANZAN shall maintain commercial credit insurance to cover any bad debt losses. By submitting its order/offer, the Customer undertakes to provide the commercial credit insurer with all information required for KANZAN's insurance cover at its own expense at the request of the commercial credit insurer or KANZAN. The Customer is aware that insurance cover under the commercial credit insurance for KANZAN for the delivery of Goods covered by the contract is an essential condition of the contract of sale.

(2) KANZAN shall be entitled to withdraw from the purchase contract if the commercial credit insurer does not provide the Customer with sufficient insurance cover or coverage, also because the Customer has not fulfilled his obligations under paragraph 1 of this provision.

§ 5 Delivery period and delay in delivery

(1) All delivery dates are expected, non-binding delivery dates, unless a date has been expressly agreed as binding. The anticipated delivery date shall be notified by KANZAN with the order confirmation, unless another anticipated delivery date has been agreed in writing. In the absence of either, KANZAN shall deliver within the usual delivery cycle, generally within four to six weeks, depending on the type and scope of the order.

(2) All delivery dates shall be the dates on which KANZAN may make the Goods available ex works and/or hand them over to a forwarding agent or carrier for transport to the Customer. Therefore, the actual time of delivery is not included.

(3) If delivery is delayed in the event of a fixed agreed delivery period for reasons for which KANZAN is not responsible, KANZAN shall inform the Customer thereof without undue delay and shall at the same time inform the Customer of a new delivery date if KANZAN is able to do so. KANZAN's delay in delivery may occur at the earliest after the expiry of any new delivery date and shall in any case be subject to a prior reminder to the Buyer setting a reasonable deadline of not less than 14 days.

(4) KANZAN and the Customer may agree on a so-called delivery call-off, i.e. the Goods shall only be delivered on the Customer's specific call. Such an agreement must be in text form. In any case, KANZAN shall be entitled to deliver the Goods no later than 30 days after the beginning of the call-off period, irrespective of whether a specific call-off by the Customer has taken place by then.

(5) The Buyer is aware that KANZAN must conclude congruent hedging transactions with suppliers in order to fulfil its own delivery obligation. If such a congruent hedging transaction has been concluded and KANZAN's supplier is in default of delivery, KANZAN's default in delivery shall be excluded unless KANZAN can procure the raw materials required for the production of the ordered Goods elsewhere.

§ 6 Delivery, transfer of risk

(1) Unless otherwise agreed, delivery shall be ex KANZAN's warehouse ("ex works") also being the place of performance for the delivery and any subsequent performance.

(2) If KANZAN and the Customer agree that the Goods shall be dispatched to another destination on the basis of an agreement, § 447 BGB (German Civil Code) shall apply without restriction. In particular, the risk of accidental loss shall pass to the Customer as soon as KANZAN has handed over the Goods to the freight forwarder, the carrier or any other person or institution designated to carry out the shipment. Any special instructions of the Customer within the meaning of § 447 para. 2 BGB (German Civil Code) shall be in text form.

(3) If KANZAN delivers to another place pursuant to § 5 (2), KANZAN shall, at the Customer's request, take out transport insurance covering the usual transport risks.

(4) KANZAN shall be entitled to make partial deliveries. The Customer shall be obliged to accept these as partial deliveries, in particular in the event of loss or deterioration. In all other respects, if the Customer is in default of acceptance, KANZAN shall be deemed to have handed over the Goods to the Customer.

(5) If the Customer's delay in acceptance results in a delay in delivery, the Customer shall pay KANZAN a lump-sum storage fee of 2% of the delivery value for the duration of the delay per month (if applicable pro rata temporis), but no more than a total of 10% of the delivery value. The Customer shall be entitled to prove that KANZAN has incurred no loss or a substantially lower loss; KANZAN shall be entitled to prove that a higher loss has actually been incurred. Instead of charging storage charges, KANZAN shall instead be entitled to store the Goods with a third party, which must be a freight forwarder or warehouse keeper, and to charge the Customer for the actual expenses incurred.

§ 7 Retention of title

(1) The Goods delivered by KANZAN shall remain the property of KANZAN until all claims to which KANZAN is entitled against the Customer arising from the business relationship have been satisfied.

(2) The Customer shall be permitted to process or remodel the Goods ("Processing"). Processing shall be carried out for KANZAN. If the value of the Goods delivered by KANZAN and subject to retention of title is less than the value of the Goods not belonging to KANZAN and/or the processing, KANZAN shall acquire co-ownership of the new Goods in the ratio of the value (gross invoice value) of the processed Goods to the value of the other processed Goods and/or the processing at the time of processing. If KANZAN does not acquire ownership of the new Goods in accordance with the foregoing, KANZAN and the Customer agree that the Customer shall grant KANZAN co-ownership of the new Goods in the ratio of the value (gross invoice value) of the Goods owned and delivered by KANZAN to that of the remaining processed Goods at the time of processing. The foregoing shall apply mutatis mutandis in the event of inseparable mixing or combination of the Goods with KANZAN's Goods, which may not belong to KANZAN. To the extent that KANZAN acquires ownership or co-ownership in accordance with this provision, the Customer shall keep such for KANZAN with the diligence of a prudent businessman.

(3) The Customer shall in principle be entitled to resell the Goods delivered by KANZAN to third parties. If the Goods or new Goods are sold after processing or mixing, the Customer hereby assigns to KANZAN by way of security its claim against its Customer arising from the resale, together with all ancillary rights, without any further special declarations being required. The assignment shall apply including any balance claims. However, the assignment shall only apply to the amount corresponding to the price of the delivered Goods invoiced by KANZAN. The portion of the claim assigned to KANZAN shall be satisfied with priority. KANZAN hereby accepts the assignment.

(4) Until revoked, the Customer shall be entitled to collect the claims assigned to KANZAN pursuant to paragraph 3. The Customer shall immediately forward to KANZAN any payments made on the assigned claims up to the amount of the secured claim. In the event of justified interests, in particular default of payment, cessation of payments, opening of insolvency proceedings over the Customer's assets, protest of a bill of exchange or well-founded indications of over-indebtedness or impending insolvency of the Customer, KANZAN shall be entitled to revoke the Customer's right to collect the amount by means of a unilateral declaration in text form. KANZAN shall also be entitled, after prior warning and subject to a reasonable period of notice, to disclose the assignment by way of security, to realize the assigned claims and to demand that the Customer disclose the assignment by way of security to its Customers.

(5) If a legitimate interest is substantiated, the Customer shall provide KANZAN with the information necessary to assert its rights vis-à-vis the Customer and hand over the required documents.

(6) During the existence of the retention of title, the Customer is prohibited from pledging the Goods or assigning them as security. The Customer shall notify KANZAN immediately in the event of seizure, confiscation or other dispositions or interventions by third parties. The resale of the delivered Goods or the new Goods shall only be permitted to resellers in the ordinary course of business and only under the conditions that payment of the equivalent value of the delivery item is made to KANZAN. The Customer shall also agree with its Customer that the Customer shall not acquire and acquire ownership until this payment has been made.

(7) If the realizable value of all security rights to which KANZAN is entitled exceeds the amount of all secured claims by more than 10%, KANZAN shall release a corresponding part of the security rights at the Customer's request. It shall be presumed that the prerequisites of the preceding sentence have been fulfilled if the estimated value of the securities to which KANZAN is entitled reaches or exceeds 150% of the value of the secured claims. KANZAN shall be entitled to choose between various security interests when releasing the Goods.

(8) In the event of breaches of duty by the Customer, in particular default in payment, KANZAN shall be entitled, even without setting a time limit, to demand the return of the delivered Goods or the new Goods and/or – if necessary after setting a time limit – to withdraw from the contract. In this case, the Customer shall be obliged to surrender the Goods. The demand for return of the delivered Goods/new Goods shall not constitute a declaration of rescission by KANZAN, unless this is expressly declared.

§ 8 Insurance of Goods subject to retention of title

(1) The Customer shall be obliged to insure the Goods subject to KANZAN's retention of title at its own expense against the usual risks, in particular theft, vandalism, other damage, natural hazards (in particular fire, water, storm, etc.) and to maintain the insurance for the duration of the retention of title until the retention of title expires in full.

(2) The sum insured must at least correspond to the value of the Goods at the respective time. It is assumed that the agreed purchase price of the Goods corresponds to this value.

(3) The Customer hereby assigns to KANZAN all claims for cover against the insurer arising from the insurance contract concluded by the Customer. KANZAN hereby accepts the assignment. At KANZAN's request, the Customer shall inform the Insurer that the insured Goods are KANZAN's property and that all rights under the insurance contract with respect to the insured Goods have been assigned to KANZAN.

(4) At KANZAN's request, the Customer shall provide evidence of the conclusion and maintenance of a corresponding insurance policy in accordance with the above provisions. The costs of such insurance shall be borne by the Customer.

§ 9 Defect claims of the Customer

(1) The Customer shall inspect the Goods immediately after delivery in accordance with § 377 HGB (German Commercial Code) and, if a defect becomes apparent, shall notify KANZAN thereof without undue delay.

(2) The Customer shall not be entitled to assert claims based on defects if the deviation from the agreed quality is insignificant or if the usability of the Goods delivered by KANZAN is only insignificantly impaired.

(3) If the Customer is entitled to subsequent performance due to a defect which is not only insignificant, KANZAN shall in any case be entitled to choose between rectification of the defect and new delivery. The Customer's request for subsequent performance shall be made in writing. KANZAN shall be granted a period of at least four weeks for subsequent performance by the Customer. If the delivery is to be rectified, the rectification shall not fail until the second unsuccessful attempt has been made. If the subsequent performance fails in this sense, the Customer shall have the right to reduce the purchase price or to withdraw from the contract at his discretion. The application of §§ 444a, 445b, 478 BGB (right of withdrawal of the seller) remains unaffected.

(4) Insofar as there is a statutory obligation to bear expenses necessary for the purpose of subsequent performance, KANZAN shall not be obliged to bear such expenses insofar as they increase as a result of the delivery item being taken to a place other than the originally agreed place of delivery. This shall only not apply if the shipment corresponds to its intended use. The application of § 478 BGB remains unaffected. Notwithstanding any further claims by KANZAN, the Customer shall, in the event of an unjustified notice of defect, reimburse KANZAN for the expenses incurred in examining the defect and – if required – in remedying the defect.

§ 10 Liability of KANZAN

(1) KANZAN shall only be liable in cases of intent or gross negligence on the part of KANZAN or a representative or vicarious agent as well as culpably caused injury to life, limb or health in accordance with the statutory provisions. In cases of gross negligence, however, KANZAN's liability shall be limited to the foreseeable damage typical for this type of contract, unless another of the exceptional cases listed in sentence 1 or sentence 3 of this paragraph 1 exists at the same time. Otherwise, KANZAN shall only be liable under the Product Liability Act for culpable breach of material contractual obligations or to the extent that KANZAN fraudulently concealed the defect or assumed a guarantee for the quality of the delivered Goods. The claim for damages for the breach of material contractual obligations shall, however, be limited to the foreseeable damage typical for the type of contract, unless another of the exceptional cases listed in sentence 1 or sentence 3 of this paragraph 1 exists at the same time.

(2) The provisions of paragraph 1 above shall apply to all claims for damages (in particular for damages in addition to performance and damages in lieu of performance), irrespective of their legal basis, in particular due to defects, breach of duties arising from the contractual obligation or tort. They shall also apply to claims for reimbursement of futile expenses. Paragraph 3 of this provision shall apply to liability for default and paragraph 4 of this provision shall apply to liability for impossibility.

(3) KANZAN shall only be liable for *delays in performance* in cases of intent or gross negligence on the part of KANZAN or a representative or vicarious agent and for culpable injury to life, limb or health in accordance with the statutory provisions. KANZAN's liability in cases of gross negligence shall be limited to the foreseeable damage typical for the contract. Outside the cases of sentence 1 and sentence 2 of this paragraph, KANZAN's liability for delay shall be limited to a total of 10% of the value of the delivery for damages in addition to performance and to a total of 15% of the value of the delivery for damages for performance (including reimbursement of futile expenses). Any further claims of the Customer shall be excluded, even after expiry of any period set for KANZAN to perform. This limitation and exclusion shall not apply in the event of culpable breach of material contractual obligations. The claim for damages for the culpable breach of essential contractual obligations shall, however, be limited to the foreseeable damage typical for the contract, unless there is a further case according to sentence 1 or sentence 3 at the same time. The right of the Customer to withdraw from the contract according to these conditions remains unaffected.

(4) KANZAN shall only be liable in the event of *impossibility of delivery* in cases of intent or gross negligence on the part of KANZAN or a representative or vicarious agent and in the event of culpable injury to life, limb or health in accordance with the statutory provisions. In cases of gross negligence, however, KANZAN's liability shall be limited to the foreseeable damage typical for the contract, unless another of the exceptional cases listed in sentence 1 also exists. Outside the cases of sentence 1 and sentence 2 of this paragraph, KANZAN's liability for impossibility of performance shall be limited to damages and reimbursement of futile expenses to a total of 10% of the value of the delivery. Any further claims of the Customer due to impossibility of delivery shall be excluded, even after expiry of any period set for KANZAN to perform. The limitation and exclusion shall not apply in the event of culpable breach of material contractual obligations. The claim for damages for the culpable breach of essential contractual obligations is, however, limited to the foreseeable damage typical for the contract, unless there is a further case according to sentence 1 at the same time. The right of the Customer to withdraw from the contract according to these conditions remains unaffected.

(5) A change in the burden of proof to the disadvantage of the Customer is not associated with the above provisions.

§ 11 Self-delivery reservation

KANZAN shall be entitled to withdraw from the contract if KANZAN does not receive the raw materials necessary for the manufacture of the Goods in good time despite the prior conclusion of a corresponding purchase contract; KANZAN's liability for intent or negligence shall remain unaffected thereby.

KANZAN shall immediately inform the Customer of the delayed availability of a delivery item necessary for the performance of the contract and, if KANZAN intends to rescind the contract, shall immediately exercise its right to rescind the contract; in the event of rescission, KANZAN shall immediately reimburse the Customer for any consideration already paid.

§ 12 Statute of Limitations

(1) The limitation period for claims and rights due to defects in the deliveries, irrespective of the legal basis, shall be one year, commencing with the delivery of the Goods, subject to the following provisions. However, this does not apply in the cases of § 438 para. 1 no. 1 BGB. In this case a limitation period of two years shall apply.

(2) The limitation period pursuant to paragraph 1 shall also apply to all claims for damages against KANZAN in connection with the defect, irrespective of the legal basis of the claim.

(3) The limitation periods pursuant to Paragraph 1 and Paragraph 2 shall apply subject to the following provisions:

- a) The limitation periods shall generally not apply in the event of intent or fraudulent concealment of a defect or insofar as KANZAN has assumed a guarantee for the quality of the delivered Goods.
- b) Furthermore, the limitation period shall not apply to claims for damages in the event of grossly negligent breach of duty, in the event of culpable breach of material contractual obligations which does not exist in the delivery of a defective item, in the event of culpable injury to life, limb or health or in the event of claims under the Product Liability Act.

c) The limitation period for claims for damages shall also apply to the reimbursement of futile expenses.

(4) Unless expressly agreed otherwise, the statutory provisions on the commencement of the limitation period, the suspension of the expiration of the limitation period, the suspension of the limitation period and the recommencement of the limitation period shall remain unaffected.

(5) The foregoing provisions shall apply mutatis mutandis to claims for damages which are not related to a defect.

(6) A change in the burden of proof to the disadvantage of the Customer is not associated with the above provision.

§ 13 Prohibition of set-off/exclusion of a right of retention

The Customer may only set off or exercise a right of retention against claims of KANZAN with claims that are undisputed or have been finally and conclusively determined.

§ 14 Miscellaneous, Place of Performance, Place of Jurisdiction, etc.

(1) The contractual relationship between KANZAN and the Customer shall be governed by the law of the Federal Republic of Germany to the exclusion of international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods (CISG).

(2) The place of performance for all obligations arising from the contractual relationship between KANZAN and the Customer shall be the registered office of KANZAN.

(3) The exclusive place of jurisdiction for all disputes between KANZAN and the Customer arising from their business relationship shall be Düren, Germany, insofar as the parties are merchants. The same shall apply if a Customer does not have a general place of jurisdiction in Germany or if his domicile or habitual residence is unknown at the time the action is brought.

(4) All declarations of intent of the parties requiring receipt must at least be in text form in order to be effective, unless otherwise stated in the above provisions. This also applies to changes to the text form requirement. Additional agreements, in particular verbal agreements, are not concluded with respect to the contract.

(5) If one or more provisions of these GTC are or become invalid in whole or in part, the validity of the remaining provisions of the GTC shall not be affected thereby. The Customer and KANZAN shall replace a correspondingly ineffective clause with a clause that comes as close as possible to the purpose of the ineffective provision.