



Terms and Conditions of Purchase of Julius Glatz GmbH and Papertec GmbH

April 2021

1. Scope of application

- 1.1 Our Terms and Conditions of Purchase apply exclusively; we do not accept any terms and conditions of the Supplier which conflict with or deviate from our own Terms and Conditions of Purchase, unless we expressly agreed to them in writing. Objection to other terms and conditions of the Supplier is not required. Our Terms and Conditions of Purchase also apply if we accept goods without reservation despite being aware of the Supplier's terms and conditions conflicting with or deviating from our Terms and Conditions of Purchase. Our Terms and Conditions of Purchase additionally apply to all future business relationships, even if they are not expressly agreed upon again.
- 1.2 These Terms and Conditions of Purchase are to be deemed accepted by the Supplier in no case later than once they begin to execute their deliveries. They apply in particular to contracts for the sale and/or delivery of movable goods, irrespective of whether the Supplier manufactures the goods themselves or purchases them from other suppliers.
- 1.3 Our Terms and Conditions of Purchase only apply to entrepreneurs in terms of sec. 14 of the *BGB (German Civil Code)*, bodies corporate organised under German public law and German public-law special funds.

2. Purchase order

- 2.1 Our purchase orders and agreements are binding for us only if we place them in writing or if they are confirmed in writing after we placed them verbally or by telephone and stated the purchase order number.
- 2.2 Please consider the ISO 14001 and ISO 50001 standards, which are also applicable to us, when submitting any offers.

3. Delivery period

- 3.1 The contractual delivery and performance dates are binding. The ordered goods shall have arrived at the specified receiving point on the agreed delivery dates, with the delivery period running from the date of dispatch of our order. If delays are to be expected after order acceptance, the Supplier shall inform us about this immediately in writing. Furthermore, our decision on purchase order continuation must be obtained immediately.
- 3.2 In the event of a delay in delivery, we are entitled to the statutory claims. In particular, we have a right to claim damages instead of performance and/or to withdraw from the contract after a reasonable period expired with no success.
- 3.3 If the Supplier is in default with contractual deliveries/services, we are entitled to claim, as minimum compensation for each completed week of default, 1 %, but not more than 5 %, of the value of that part of the delivery/service in relation to which the Supplier is in default. Assertion of further damages according to para. 3.2 remains unaffected by this provision. The Supplier still has the right to prove that no damage or significantly smaller damage occurred.
- 3.4 The Supplier's upstream suppliers are to be deemed to be their vicarious agents.



4. Delivery and shipment

- 4.1 Deliveries and shipments shall be made free from all charges at the Supplier's expense and risk to the receiving centre we specified.
- 4.2 For all shipments, a notification shall be provided for each delivery which states the exact contents and the complete characters and numbers of the purchase order. In addition, all deliveries shall include 2 despatch notes or delivery notes of the same wording.

5. Packaging

- 5.1 Contractual prices generally also include the costs of packaging. If the contractual price is "exclusive of packaging", packaging shall be charged at cost price.
- 5.2 Invoiced packaging will be separated before invoice payment and be immediately returned after this was emptied, with the return period depending on consumption of the packed goods. According to the German Packaging Regulations, suppliers are obliged to take back the packaging of the delivery item.
- 5.3 Costs resulting from any damage caused by improper packaging will be borne by the Supplier.

6. Prices

- 6.1 Prices stated in the purchase order are binding. The prices represent maximum prices, unless otherwise agreed in writing. All prices are to be understood as net prices, unless sales tax included in those prices is shown separately.
- 6.2 If, in exceptional cases, prices are not stated in the purchase order, binding prices shall be stated in the order confirmation, with us reserving the right to accept these prices; in this case, non-objection is deemed to be an acknowledgement.
- 6.3 Unless otherwise agreed in individual cases, prices include all principal and ancillary services of the Supplier (e.g. assembly, installation) and all ancillary costs (e.g. proper packaging, transport costs including any transport and liability insurance).

7. Invoices/terms of payment

- 7.1 Invoices may only be issued after complete delivery, except in the case of call-off orders. Invoices shall be delivered separately in text form for each delivery or service, stating the exact characters and numbers of the purchase order; they must not be attached to the shipments. If these provisions are not complied with, invoices are to be deemed not to be issued until clarification and/or completion by the Supplier. The same applies, *mutatis mutandis*, to despatch notes and delivery notes.
- 7.2 Unless other payment terms were agreed upon, we pay invoices after receiving the complete delivery and/or service and after being provided with the invoice, at our discretion based on the following: within 14 days at a 3 % discount or net 30 days, with the payment period commencing on the date of invoice receipt.
- 7.3 In the event of default in payment, we owe interest on arrears at a rate of five percentage points above the base rate in accordance with sec. 247 of the *BGB*.



8. Warranty

- 8.1 We check the goods within a reasonable period of time for obvious quality and quantity defects; defects are deemed to be notified in good time if we submit defect notifications to the Supplier within a period of 10 working days (Saturdays excluded), calculated from the date of goods receipt or, in the case of hidden defects, from the date of discovery.
- 8.2 Hidden defects may still be notified after the warranty period expired. Defects determined only during treatment or processing or only when putting the goods into use give us a right to demand reimbursement of wasted expenses. We are not obliged to open original packaging for goods inspections. Defects invisible on the outer packaging are deemed hidden defects in terms of sec. 377(2) of the *HGB* (German Commercial Code). We are entitled to return the goods to the Supplier's address at their expense and risk within a period of 14 days after sending a defect notification.
- 8.3 Our regulations regarding dimensions, quality, design etc., drawings and samples shall be strictly observed. The Supplier shall immediately, prior to order execution, communicate to us any reservations on their part in this regard. In this case, the manufacturing and delivery processes may start only after we gave further instructions.
- 8.4 The Supplier guarantees that their deliveries and services comply with the accepted technical state of the art, meet the properties specified in the purchase order and have no errors or defects. Weights, dimensions, shapes and qualities are deemed to be guarantees of quality within the meaning of sec. 443 of the *BGB*.
- 8.5 Unless otherwise specified in the purchase order, the warranty period amounts to 3 years from the time of risk transfer. The 3-year limitation period applies, *mutatis mutandis*, to claims arising from defects of title, with the statutory limitation period for third-party *in-rem* claims for surrender (sec. 438 para. 1 no. 1 of the *BGB*) remaining unaffected by this; in addition, claims arising from defects of title become in no case time-barred as long as third parties may still assert this right against us – in particular in the absence of a limitation period. Insofar as we are also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (sections 195 and 199 of the *BGB*) applies, unless application of sales-law limitation periods leads to longer limitation periods in individual cases.
- 8.6 Upon the Supplier receiving our written defect notification, the limitation period for warranty claims is suspended until the Supplier rejects our claims, declares the defect to be eliminated or otherwise refuses to continue negotiations on our claims. In the case of replacement deliveries and rectification of defects, the warranty period for replaced and rectified parts starts all over again, unless we had to assume, based on the Supplier's conduct, that the latter did not consider themselves to be obligated to replacement/rectification, but only provided for replacement deliveries or rectification of defects as a gesture of goodwill or for similar reasons.
- 8.7 Deliveries and services which do not comply with the regulations and agreements give us a right – even if inspection was limited to samples – to assert statutory warranty rights at our discretion without further ado. If repairs are necessary to an extent which is unacceptable for us, we are, once again, entitled to statutory warranty claims or a claim for replacement delivery free of charge.
- 8.8 If the Supplier fails, on a non-paid basis, to remedy the defect or deliver a new product within a reasonable period of time we determined, we may request substitute performance at the Supplier's expense if they fail to meet this deadline. In this case, the warranty period is extended by the duration of the downtime and starts anew for the rectification work and replacement parts.



If the setting of a deadline is dispensable, we are also entitled to this right without setting a deadline.

- 8.9 In the event of particular urgency, we are additionally entitled to remedy the defect ourselves at the Supplier's expense.
- 8.10 The costs incurred by the Supplier for inspection and rectification (including any removal and installation costs) are borne by the Supplier even if it turns out that there was no actual defect. Our liability for damages in the event of unjustified requests to remedy a defect remains unaffected by this; in this respect, however, we are liable only if we noticed or grossly negligently failed to notice that there was no defect.

9. Accident prevention regulations

All machines, apparatuses, plants, vehicles and the like to be delivered shall comply with accident prevention regulations of the industrial trade associations applicable at the time of delivery and be provided including the necessary protective devices, even if this is not expressly required in the purchase order. Electrical equipment must comply with all *VDE* [German Electrical Engineering, Electronics and Information Technology Association] regulations. The TA Lärm (Technical Instructions on Noise) Regulations applicable to the respective place of use shall also be complied with. When works are being carried out in our premises, accident prevention regulations of the papermakers' trade association and those of the Supplier's trade association apply.

10. Patent infringement

- 10.1 In accordance with para. 2, the Supplier warrants that the products they supplied do not infringe any third-party industrial property rights in countries of the European Union or in other countries in which they manufacture the products or have them manufactured.
- 10.2 The Supplier shall indemnify us against all claims made by third parties against us because of industrial property rights infringements referred to in para. 1 and compensate us for all necessary expenses in connection with this claim. This does not apply if the Supplier proves that they are neither responsible for the infringement of the property right nor that they were obliged to be aware of this at the time of delivery if they had exercised due commercial care.
- 10.3 Further legal claims for us due to defects of title existing with the products delivered to us remain unaffected by this.

11. Samples

- 11.1 Drawings, standard sheets, printing templates, models, tools and the like, which remain our property and are to be returned immediately after purchase order completion together with any and all copies made thereof, must neither be passed on to third parties nor be used for third-party, advertising or the Supplier's own purposes without having obtained our written consent, and goods must not be manufactured on this basis. They shall be secured against unauthorised inspection or use. The Supplier must return these documents to us in full if we request this once they no longer need to possess these documents in the ordinary course of business or in the case where negotiations do not lead to the conclusion of a contract. In this case, any copies made by the Supplier shall be destroyed; the only exceptions to this consist in the storage within the scope of statutory data retention obligations and the storage of data for back-up purposes within the scope of normal data back-ups. In the case of violations, complete damages shall be paid, and this gives us a right to withdraw from the contract in whole or in part without further ado and without compensation.



11.2 Tools, moulds and the like which were manufactured in whole or in part at our expense become our property upon manufacture. The Supplier identifies them as our property, carefully stores them, protects them to a reasonable extent against damage of any kind and uses them only for the purposes of the contract. The costs of their maintenance and repair will be borne by the Contractual Partners – in the absence of any agreement to the contrary – in equal parts. However, insofar as these costs are attributable to defects with the items manufactured by the Supplier or to improper use on the part of the Supplier, their employees or other vicarious agents, they shall be borne solely by the Supplier. The Supplier will immediately notify us of any damage to these tools and models which is not merely insignificant. Upon request, they shall return them to us in proper a condition if they no longer need to have them for the purpose of performing the contracts concluded with us.

11.3 Retentions of title in favour of the Supplier only apply insofar as they relate to our payment obligation for the respective products to which the Supplier retains a title. In particular, extended or prolonged reservation of title is not permitted.

12. Product liability

12.1 Insofar as the Supplier is responsible for product damage, they shall indemnify us against third-party claims for damages insofar as the cause is within their control and organisation and as they themselves are liable in relation to third parties.

12.2. Within this framework, the Supplier shall also compensate us for all costs in connection with product recalls we executed.

12.3. The Supplier undertakes to maintain product liability insurance with a lump-sum insurance cover of € 10 million per personal injury/property damage; if we are entitled to additional claims for damages, they remain unaffected.

13. Transfer of rights and obligations

Rights and obligations arising from a purchase order may be transferred to third parties only based on our written consent; This does not apply insofar as monetary claims are concerned.

14. Compliance with laws

14.1 In connection with the contractual relationship, the Supplier shall comply with all legal provisions applicable to them in each case. This applies in particular to anti-corruption and anti-money laundering regulations, but also to cartel, labour and environmental protection regulations.

14.2 The Supplier ensures that the products they delivered comply with all relevant requirements for placing them on the market in the European Union and the European Economic Area. Upon request, they shall produce evidence of conformity by submitting suitable documents to us.

14.3 The Supplier will use reasonable efforts to ensure compliance by their sub-contractors with the obligations under sec. 14 which also applies to the Supplier themselves.

15. Final provisions

15.1 The place of performance for deliveries is the place specified in our purchase order, and that of payment is Neustadt/Weinstraße.



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- 15.2 If the Supplier is an entrepreneur, the place of jurisdiction is Neustadt/Weinstraße or, if we bring an action, also the Supplier's general place of jurisdiction.
- 15.3 These terms and conditions and all legal relationships between us and the Supplier are governed by the law of the Federal Republic of Germany, excluding international uniform law, in particular the United Nations Convention on Contracts for the International Sale of Goods.
- 15.4 Insofar as the contract or these General Terms and Conditions of Purchase contain any gaps, those legally effective provisions are deemed to be agreed for filling these gaps which the Contractual Parties would have agreed upon according to the economic objectives of the contract and to the purpose of these General Terms and Conditions of Purchase had they been aware of the gap.