

# Terms and conditions of delivery and payment

## § 1 General

The following general terms and conditions of delivery and payment apply for all business conducted by Sandler AG. Any deviations from our terms and conditions of delivery and payment, in particular conditions asserted by the purchaser, are only valid if confirmed by us in writing. Our offers are non-binding. Orders and verbal agreements are only binding for us if and to the extent we have confirmed them in written or electronic form or they conform to the consignment of the goods and the invoice.

## § 2 Place of performance and jurisdiction

The place of performance for delivery and payment is Schwarzenbach/Saale. The court of jurisdiction in Schwarzenbach/Saale is responsible for handling legal disputes arising from this agreement, including for litigation related to bills of exchange and cheques, or due to tortious acts in the performance of contractual obligations. We are also entitled to bring action before the court with jurisdiction over the registered office of the purchaser.

## § 3 Delivery and acceptance

The delivery of goods is made in accordance with Incoterms® in the current version. If delivery of goods is to be taken gradually over a certain period of time, then delivery shall be spread equally over the entire period of time. There is no entitlement to request the additional delivery of any quantities for which the purchaser delays its request or acceptance by more than 14 days. In the event of a culpable failure to respect the delivery date, the purchaser must grant the seller a delivery grace period of 12 days. The delivery grace period can only be agreed on after expiry of the regular delivery period and is calculated as from the day on which written notification from the purchaser, with proof of receipt, is received by the seller. After expiry of the delivery grace period, the purchaser may declare in writing that it is withdrawing from the contract; claims for compensation are thereafter excluded. The purchaser's claims owing to delayed delivery are unenforceable before the expiry of the delivery grace period. In the case of unforeseen operational disruptions, delayed or failed deliveries from our sub-suppliers, lack of workforce, energy or raw materials, strikes, lock-outs, difficulties in the procurement of transport, traffic disruptions, government orders or cases of force majeure, the seller is released from its delivery obligations for the duration of the disruption and within the limits of its effect. The agreed delivery period shall be extended by the duration of the disruption to the extent that this disruption is responsible for non-compliance with the delivery period. The contract shall otherwise continue to apply unchanged. The seller shall immediately inform the purchaser of the end of the disruption. If the disruption lasts longer than two months, either party shall be entitled to withdraw from the contract with regard to the quantity to which their disruption of supply relates, to the exclusion of all further claims.

## § 4 Claims for defects and complaints

The purchaser must examine delivered goods upon receipt to determine whether they have the contractually agreed characteristics and are suitable for the intended use according to the contract. If this check is omitted, not conducted to the extent necessary, or if recognisable defects are not communicated to the seller immediately, or at least within 12 days after receipt of the goods, the delivered goods shall be considered accepted by the purchaser as far as such defects are concerned. Transport damages must be indicated on the delivery slip. The agreed characteristics are only those that the seller has expressly set out in writing. The seller does not provide any guarantee for the quality of an item by issuing the purchaser a quality protocol for the item. Complaints about defects are unacceptable after any processing of the delivered goods has begun, and the processing of any contested goods without Sandler's consent shall exclude all liability for consequent damage. Complaints may not be based on commercially customary, slight or technically unavoidable deviations in terms of quality, colour, width, thickness, weight, equipment, odour or design. As a weight tolerance for voluminous and needled nonwovens, the following deviations are considered to fall within the agreed limits: deviations of +/- 12 % for an m<sup>2</sup> weight up to and including 50 g, of +/- 8 % for nonwovens of 51–100 g/m<sup>2</sup>, and of +/- 5 % for nonwovens over 100 g/m<sup>2</sup>, measured against an original roll of at least 20 m<sup>2</sup> in size, or an original plate. As a measurement difference for rolls, plates and perforated blanks from voluminous and needled nonwovens, +/- 3 %, or at least +/- 2 cm, are considered to fall within the agreed limits. For all other nonwovens (incl. spunlaced nonwovens) a grammage tolerance of +/- 10 % applies in accordance with ISO 9073-1. For the width of such nonwovens, a tolerance of +/- 5 mm applies, measured against the roll, and for the length of the roll, a tolerance of +/- 3 % is agreed. The checks and tests that the seller conducts for our products at the seller's premises do not release the purchaser from carrying out the checks mentioned in section 1. The delivered quantities are approximate quantities for which over- or under-deliveries of up to 10 % are permissible. For deliveries of nonwovens, a proportion of maximum 10 % short rolls with a length of at least 50 % of the nominal length is permissible. If not avoidable for technical or product-related reasons, the number of 3 splices per roll is considered permissible and may not be regarded as a defect. Hidden defects shall be considered accepted if they are not indicated to the seller immediately upon discovery, or at the latest within 3 months following delivery of the goods. Complaints must be made in writing, giving the information necessary to identify the goods (invoice, delivery slip, bundle label, roll label). The reason for the complaint must be described using samples or images that show the contested goods. Contested goods may only be sent back with the seller's express consent. Any duly raised and proven notices of defect shall be remedied by the seller by granting a price reduction, rework, exchange, or by taking back the goods and reimbursing the purchase price.

## § 5 Liability

To the extent legally permissible, claims on the basis of breached contractual obligations (in particular, unenforceability, delays or other breaches of contractual obligations), or due to wrongful acts, are limited in their scope to the invoice value of the quantity of goods that were not delivered or not delivered on time, or to the invoice value of the relevant defective goods, unless the claims for damages are based on intent or gross negligence. In the case of slight negligence, claims for damages are excluded for defects not typical to the contract and those that could not be anticipated by the seller when concluding the contract.

## § 6 Invoicing, due dates and payment

The basis for invoices shall be the square metre or kilo price of the purchased goods, gross for net. Invoices are issued based on the date of dispatch, and in the case of non-negligent shipping delays, based on the date of readiness for dispatch. Invoices are to be paid within 10 days of the date of invoice, with a 2 % discount, or net within 30 days. Payments must be made in cash or by bank transfer. Bills of exchange and promissory notes are only accepted by special agreement. The seller is under no obligation to accept bills of exchange or cheques. If they are accepted, they are only accepted on account of performance. The purchaser is responsible for collection and discount costs and other expenses. Payments are always applied to the oldest due debts plus the accumulated interest upon them. No contrary conditions asserted by the purchaser are considered valid. The offsetting and withholding of due invoiced amounts is only permissible for undisputed claims or those that have been validated by due legal process. This also applies in case of suspension of payments by the seller. Other deductions (for example, mailing costs and bank charges) are unacceptable.

The seller shall not be obligated to render further deliveries before due invoiced amounts have been paid in full, along with all calculated and dunned default interest. The seller declares goods ready for dispatch

through delivery of its invoice. All of the seller's demands become payable when conditions of payment are not adhered to for one of them. In the case of threatened insolvency or any other major, subsequent deterioration of the purchaser's financial circumstances, the seller may, after setting a grace period of 10 days for deliveries that are still outstanding under any current contract, cancel the period allowed for payment and demand cash before delivery, or rescind the contract or claim damages. This also applies if the purchaser fails to immediately dispel any reasonable doubts that have been raised about its solvency or creditworthiness.

## § 7 Payment delays

For payments after the due date, interest is calculated in accordance with the provisions under § 288 of the German Civil Code (BGB), and a flat rate of EUR 40 is also charged. This does not exclude claims for further damages due to this delay. The payment date for compliance with the payment deadline is considered to be the date on which the purchaser or its payment office demonstrably sends the payment to the seller; for bank transfers, the day before credit to the seller's bank account counts as the day of payment clearing.

## § 8 Retention of title

The seller retains title of ownership to the delivered goods until full payment of all claims resulting from goods deliveries as part of the entire business relationship, including subsidiary claims, claims for compensation, and the payment of cheques and bills of exchange. The retention of ownership continues to apply even if individual receivables are included in a running account, and the balance has been drawn upon and acknowledged. Should the seller accept contingent liabilities in the interest of the purchaser (cheques / bills of exchange), all rights arising from the reservation of title, including rights to special forms specified in these provisions, shall remain valid until the seller is completely released from these liabilities.

If the reserved goods are combined, mixed or processed by the purchaser in order to become a new movable, this shall be done on behalf of the seller, without the seller being obligated hereby. The purchaser does not gain ownership of the combined, mixed or processed new item in accordance with §§ 947 et seq BGB. If the goods are combined, mixed or processed with movables that do not belong to the seller, the seller acquires co-ownership of the new movable item according to the ratio of the invoice value of its reserved goods, to the total value. In the business relationship between the seller and the purchaser, if a central regulator is invoked and takes over del credere liability, the seller transfers its ownership to the central regulator with the shipment of the goods under the suspended condition of payment of the purchase price by the central regulator. The purchaser shall only be deemed discharged after payment by the central regulator.

The purchaser is only entitled and authorised to further sell or process the reserved goods subject to the following conditions.

The purchaser may sell or process the reserved goods only in the course of ordinary business operations and provided that its financial situation does not persistently deteriorate.

The purchaser hereby assigns the claim along with all ancillary rights arising from the resale of the reserved goods - including any current accounts receivable - to the seller, regardless of whether the reserved goods are resold without or subsequent to processing, combining or mixing. If the goods have been combined, mixed or processed and the seller has acquired co-title to the amount of the invoiced value, it is entitled to claim the proportion of the purchase price related to the value of its rights in the goods. To the same degree, the purchaser assigns to the seller, in advance, any claims resulting from a works or works supply contract for which it uses the reserved goods.

If the purchaser sells the claim within the framework of genuine factoring, the purchaser shall assign the claim against the factor taking its place to the seller, and shall pass on to the seller its sales proceeds pro rata to the value of the seller's rights to the goods. The purchaser must disclose the assignment to the factor if it is more than 10 days overdue with settlement of an invoice or if its financial situation deteriorates significantly. The seller shall accept such assignment.

The purchaser is itself entitled to collect the claims from the sale of reserved ownership goods for as long as it fulfils its payment obligations to the seller. Authorisation to collect claims lapses if the purchaser defaults on payments or if the purchaser's financial situation deteriorates considerably. In this case, the seller is hereby authorised by the purchaser to inform the recipients of the assignment and to undertake collection of the claims itself.

The purchaser must provide the necessary information for the enforcement of the assigned claims and must allow this information to be checked. The purchaser must particularly provide the seller, upon request, with an exact list of the claims to which it is entitled, with the names and addresses of the recipients, the amounts of individual receivables, invoice dates, etc.

If the value of all security that exists for the seller exceeds all of its claims by more than 10 %, the seller is obligated, at the purchaser's request, to release the security to such extent per its choice.

Pledging or cession by security of reserved goods or ceded claims are not permissible. The seller is to be informed immediately of any pledging and the identity of the pledgee concerned. If the seller accepts return delivery of reserved ownership goods in exercising its right to the retention of ownership, withdrawal from the contract shall only apply if this is expressly declared by the seller. The seller is also entitled to satisfaction by free sale of the reserved goods that have been repossessed.

The purchaser shall hold the reserved goods for the seller free of charge. It must insure them to the customary extent against the usual risks, such as fire, theft and water. The purchaser hereby assigns to the seller its claims for compensation to which it is entitled as a result of losses of the kind mentioned above against insurance companies or other obligated parties, to the amount of the invoiced value of the goods. The seller shall accept such assignment.

All claims and rights arising from the retention of title to all special forms specified in these provisions shall remain valid until complete release from all contingent liabilities (cheques / bills of exchange) that the seller has assumed in the interests of the purchaser. In the case of the preceding clause, the purchaser is generally allowed to do factoring for its accounts receivable. However, the purchaser must inform the seller before incurring any contingent liabilities.

## § 9 Prices

All prices are subject to the value-added tax applicable at the time of delivery.

## § 10 Final provisions

Should individual clauses of these terms and conditions be or become wholly or partly ineffective, this shall not affect the validity of the remaining clauses or the remaining parts of such clauses.

## § 11 Applicable law

The laws of the Federal Republic of Germany apply. The United Nations Convention on Contracts for the International Sale of Goods of 11.04.1980 does not apply.