

## TERMS & CONDITIONS OF SALE & DELIVERY (TCSDs)

### 1. General Conditions

- 1.1 Our quotes and cost estimates are always subject to change. Verbal or telephone agreements as well as any agreements made by our representatives or agents shall only be valid if they have been confirmed by us in writing.
- 1.2 All contracts of sale concluded with us are exclusively based on our terms and conditions of sale and delivery. The buyer's general terms and conditions shall not become part of the contract, even if we have not expressly objected to them, unless we have expressly agreed to their validity in writing.

### 2. Lead times, Transfer of risk

- 2.1 Any information regarding lead times is non-binding unless confirmed by us in writing. The delivery time shall be deemed to have been met if the goods have left the factory or notice of readiness for shipment has been given by the time the delivery time expires, unless expressly agreed otherwise in writing.
- 2.2 Any goods ordered by call-off shall be accepted by the buyer by the agreed acceptance date. Should the buyer fail to comply with binding call-off dates, we shall reserve the right to invoice the buyer for any storage and other costs incurred. We reserve the right to assert further claims.
- 2.3 The buyer shall be entitled to withdraw from the contract with regard to the respective delayed delivery in the event that we are in default and a reasonable grace period set by the buyer with a threat of refusal has expired without notice. Any further claims due to delayed delivery shall be determined exclusively according to No. 5.6 of these Terms and Conditions of Sale and Delivery.
- 2.4 The buyer is bound to declare within a reasonable period of time upon our request whether they withdraw from the request due to delay in delivery and/or demand compensation for damages instead of performance or insist on delivery.
- 2.5 The risk shall pass to the buyer once the goods leave the supplier. If it is impossible to dispatch the goods or if the buyer is in default of acceptance, we may store the goods at the buyer's expense and risk or store them with a forwarding agent. By placing the goods in storage, our delivery obligation is fulfilled.

### 3. Prices

- 3.1 Prices are determined using the current raw material and production costs. To the extent that extraordinary changes in costs occur between conclusion of the contract and delivery, we reserve the right to adjust the price accordingly if delivery is not to be made within four months of conclusion of the contract.

### 4. Dimensional, weight and quantity discrepancies

- 4.1 Where there is any doubt, the internal dimensions (length x width x height) expressed in millimetres shall be deemed to have been agreed for all corrugated board products. Minor differences in dimensions, which are caused by the nature of the corrugated board and its processing, do not constitute grounds for complaint. The usual weight deviations of 8% up and down, as well as excess or short deliveries when ordering the following quantities do not constitute grounds for complaint.
- up to 500 pieces, 25 %
  - up to 1,000 pieces, 20 %
  - up to 5,000 pieces, 15 %
  - over 5,000 pieces, 10 %
- 4.2 Our corrugated board products' technical properties can be guaranteed only for 6 months following delivery and proper storage.

### 5. Claims for defects, liability, statutory limitation

- 5.1 Any complaints must be made immediately and can only be considered if they are made in writing within 8 working days of receipt of the goods because of obvious defects, or within 6 working days of discovery in the case of hidden defects.
- 5.2 We shall not be liable for any slight deviations in the composition of the material, sizing, smoothness, purity and hardness of the paper layers used, or in the gluing, stitching and for the printing, unless we have issued a corresponding guarantee.
- 5.3 No liability shall be accepted by us on the basis of public statements made in our advertising or the advertising of another manufacturer of the goods supplied by us or its agents if, and insofar as, the buyer cannot demonstrate that advertising statements influenced the buyer's decision, if we were not aware of the statement or had no reason to be aware of it, or if the statement had already been corrected at the time of the buyer's decision to purchase.
- 5.4 In assessing defects, the individual items, roll parts, sheets, crates or boxes are not decisive; rather, the determining factor shall be the average failure of the entire delivery, even if the notice of defect relates to deviations in dimension, weight or quantity.
- 5.5 Should the buyer request supplementary performance because of a defect, we may choose whether to remedy the defect ourselves or to deliver defect-free goods as a replacement. Any replaced goods are to be returned to us. If rectification of the defect or replacement delivery is not possible or is refused or is not provided within a reasonable period determined by the buyer or fails for reasons for which we are responsible, the buyer may choose to withdraw from the contract or reduce the purchase price.
- 5.6 Further claims by the buyer, specifically for damages in lieu of performance and for compensation for any other direct or indirect damage, including incidental or consequential damage – regardless of the legal grounds – are excluded. The buyer's claims shall remain unaffected if
- a) we have fraudulently concealed a legal or material defect or if we have assumed a guarantee for the quality of the goods,
  - b) the damage is the result of intent or gross negligence on our part, on the part of our legal representatives or our agents,
  - c) a culpable breach of duty by us, our legal representative or our agent has led to bodily injury or damage to health,
  - d) we are compulsorily liable for other reasons, e.g. under product liability law, or
  - e) damage is due to a negligent breach of essential contractual obligations (so-called cardinal obligations) by us, our legal representatives or agents. In the case of a simple negligent breach of such obligations, however, our duty of use shall be limited as regards the extent to the foreseeable damage typical for the contract.
- 5.7 Guarantees for procurement of goods are only binding for us if they have been confirmed as such by us, in writing.
- 5.8 Any claims for defects on the part of the buyer, including claims for damages due to a defect governed in No. 5.6 of these terms and conditions of sale and delivery, shall become limited to one year following delivery of the goods.
- 5.9 The buyer's rights under §§ 478, 479 German Civil Code (BGB), remain unaffected.

### 6. Payment Terms

- 6.1 Prices quoted are net prices. Statutory value added tax is displayed separately.
- 6.2 The terms and conditions of purchase from our buyers shall only apply to the extent that they do not contradict our terms and conditions of delivery and payment. We shall be entitled to assign any claims arising from our business relationship. The place of jurisdiction is the registered office of the invoice issuer.
- 6.3 Unless otherwise agreed, the invoiced amount is payable within 14 days of the invoice date with a 2% discount or 30 days net.
- 6.4 Insofar as any bills of exchange are accepted in payment as agreed, they must be discountable. All related costs and expenses shall be borne by the client. Payments by bills of exchange do not authorise the deduction of a discount.
- 6.5 If payment is delayed, interest of 8% above the respective base interest rate (§ 247 BGB) shall be due, unless further damages are claimed. In the case of payment arrears or other indications of a payment risk, the supplier may demand immediate payment or the provision of securities for deliveries made. In the above case, the contractor shall not be obliged to make any further deliveries under the current contract and may claim damages for non-performance. Offsetting against the contractor's claims shall only be possible with undisputed or legally established claims.

### 7. Offsetting, Right of Retention

- 7.1 Any offsetting with the buyer's counter-claims is only permissible against undisputed and legally established claims.
- 7.2 Assertion of a right of retention pursuant to § 273 German Civil Code (BGB) shall be permissible on the basis of the buyer's counter-claims that are undisputed or have been legally established. Assertion of the defence of defects pursuant to § 320 of the German Civil Code (BGB) is excluded in the case of claims for defects whose justification is doubtful.

### 8. Default of Acceptance

- 8.1 Should the client refuse to accept the goods in whole or in part on the delivery date or if the client culpably neglects other duties to co-operate, the supplier shall be entitled to demand compensation for the damage incurred as a result. Goods may be stored at the risk and expense of the ordering party. The storage fee shall be EUR 7.50 per pallet for each month or part thereof. Upon expiry of a reasonable grace period for acceptance, the supplier shall be entitled to dispose of the goods at the expense of the client and to claim damages for non-performance. Should the provision of a contingency quantity have been agreed with the client, the client shall automatically be in default if they do not call off the contingency quantity at the latest two weeks after termination of the delivery agreement.

### 9. Reservation of proprietary rights

- 9.1 We shall retain the title to the delivered goods until the invoice for the receivable due from the delivery of the goods has been settled.
- 9.2 In addition, the delivered goods remain our property until settlement of all our existing and future claims at the time of delivery, regardless of legal grounds and, in the case of cheques and bills of exchange, until they are finally honoured, even when the purchase price for specially designated claims has been paid.
- 9.3 For open accounts, the reserved property shall be deemed security of the outstanding balance due.
- 9.4 Notwithstanding § 950 of the German Civil Code (BGB), machining and processing shall be carried out by us in such a way that we shall acquire co-ownership of the newly produced item in the same proportion as its value to the invoice value of our delivery, without any obligation on our part. The new product created from the processing shall be deemed to be goods subject to retention of title as defined in these terms and conditions. The buyer's claims from resale of the goods subject to retention of title shall henceforth be assigned to us with all subsidiary rights to the amount of the purchase price due to us. We hereby irrevocably authorise the buyer to collect claims assigned to us for our account in their own name. The authorisation to collect may only be revoked if the buyer is in default on its payment terms, if there has been a significant deterioration in the buyer's assets and if insolvency or similar proceedings have been applied for or are about to be initiated in respect of the buyer's assets. If the assigned claim against the third-party purchaser has been included in an open account, the agreed assignment shall also relate to the claims from the open account.
- 9.5 Should the goods subject to retention of title be used as packaging material for goods manufactured by the buyer or to be delivered on their behalf, the ownership of the goods subject to retention of title shall pass to the buyer in the ratio of the invoice value of the goods subject to retention of title to the invoice value or, in the absence of an invoice value, to the current market value of the packaged goods. To this extent, the packaged goods shall be stored for us by the buyer free of charge with due diligence. Should the packaged goods be sold by the buyer to a third party, then the buyer's claim against the third party buyer for the delivered goods shall be deemed to have been assigned to us to the value of the invoice for the goods subject to retention of title plus 20 %, even if the packaging materials are not invoiced separately. Upon receipt of the assigned amount, we shall settle the accrued interest and costs and reimburse the unused excess amount.
- 9.6 The buyer shall be entitled and authorised to further process and resell the goods subject to retention of title or the goods packaged with the goods subject to retention of title only on the condition that the ownership of the new item or the purchase price claim against the third-party purchaser shall pass to us pursuant to the above provisions, that they shall reserve ownership and pass on to us any bills of exchange received from the third-party purchaser.
- 9.7 The buyer shall not be entitled to dispose of the reserved goods in any other way, and in particular not to pledge them or assign them as security.
- 9.8 Should the buyer nevertheless dispose of the goods in this way or should the authorisation to collect be revoked for the reasons stated above, the buyer shall be obliged, at our request, to notify the third party purchaser of the assignment, to provide us with the information required to assert our rights and to hand over the documentation. This shall also apply in the case of seizures and other access by third parties to the goods subject to retention of title, which must be reported to us immediately.
- 9.9 Should the realisable value of the securities which exist for us exceed our delivery claims by a total of more than 10%, upon request of the buyer, we shall be obliged to release securities to this extent at our discretion.
- 9.10 If payment is delayed, the buyer shall be obliged to surrender the goods delivered under retention of title, notwithstanding that we may not withdraw from the contract. In this case, the buyer hereby irrevocably authorises us to collect the goods subject to retention of title immediately and to freely enter their business and storage premises for this purpose. Assertion of the reservation of title and seizure of the reserved goods by us shall not be deemed a withdrawal from the contract. Should we take back goods delivered under retention of title, we are, in any event, obliged to credit the value of the waste paper.

### 10. Pallets, Printing Plates, Tools

- 10.1 Pallets supplied by us shall remain our property and shall be returned to us either in natura or as pallets of the same type, quality and quantity. Should no such return take place despite us setting a deadline, we shall be entitled to claim the replacement price of the corresponding number of pallets as compensation. The Cologne and Bonn pallet exchange shall be deemed to have been agreed.
- 10.2 Lithographs, reproduction materials, negatives, embossing plates, printing plates, flexible printing blocks, punching tools, printing cylinders as well as drafts, final artwork and colour slides, insofar as the above-mentioned items were produced by us or were produced on our behalf, shall remain our property, even if they are invoiced to the client in full or in part. There is no obligation to surrender them.

### 11. Force majeure

- 11.1 Shutdowns or operational restrictions as a result of defects in operating or raw materials for which we are not responsible, industrial disputes in our plants or industrial disputes in third-party plants and similar circumstances which lead to a stoppage or reduction in production shall be deemed to be force majeure and shall release us from compliance with the confirmed delivery deadline or from delivery for the duration of the defect or disruption.

### 12. Place of performance, place of jurisdiction, applicable law

- 12.1 The place of performance and payment is the site of our delivery plant, the place of jurisdiction is Zerst. Clause 1 shall only apply if the buyer is a merchant, a legal entity under public law or an asset under public law. Should individual provisions of these terms and conditions of sale and delivery be ineffective, this shall not affect the remaining provisions of these terms and conditions of sale and delivery.
- 12.2 We shall be entitled to the copyright and the right of reproduction and other use of drafts, sketches, artwork and execution documentation produced by us, even when the order is not placed.
- 12.3 Any and all legal relationships between the buyer and us shall be governed exclusively by the laws of the Federal Republic of Germany, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods (UN Sales Convention).

### 13. Consumer Notice Pursuant to Section 36 of the Consumer Dispute Resolution Act (VSBG)

- Our company is not prepared nor obliged to participate in any dispute resolution procedure conducted by a consumer arbitration board.