

Suppliers Terms and Conditions Setter Papierverarbeitung GmbH & Co.

The following General Terms and Conditions of Sale and Delivery (hereinafter: **GTC**) shall apply to the sale as well as the handling of all deliveries of goods of Setter GmbH & Co. Papierverarbeitung (hereinafter: "**Setter**" or "**We**") and its affiliated companies with their registered office in Germany (insofar as they do not have their own GTC) and related services towards business or legal entities under public law according to § 310 Abs.1 of German Civil Code (BGB) (hereinafter: **Customer** or **Purchaser**).

1. Scope of application

- 1.1 Customer's general terms and conditions which contradict or deviate from our own GTC are only applicable to the extent that we have explicitly agreed to them in writing. This also applies if we perform delivery without reservation, even if we are aware of Customer's general terms and conditions.
- 1.2 These GTC shall apply, at the latest, upon acceptance of our delivery.
- 1.3 In case of continuous business relations with our Customer, these GTC shall also apply to all future transactions even if no express reference is made to them, provided that our GTC have become part of a preceding transaction with this Customer or have been effectively included as part of a framework supply agreement.

2. Offers, Conclusion of Contract

- 2.1 All of our offers are subject to change until we render our express acceptance of the Customer's orders in accordance with Section 2.3 of these GTC.
- 2.2 Technical specifications of delivered products, in particular the illustrations and specifications contained in our corporate communications, as well as characteristics of samples and specimens are only binding only insofar as they have been explicitly agreed to define the quality of the products. Setter reserves the right to make ongoing adjustments to the materials and processes used for the manufacture of the products, provided that these do not affect the expressly agreed quality of the products.
- 2.3 Orders placed by the Customer are binding. We may accept them within two weeks of receipt either by written order confirmation or by delivery of the Products to the Customer. In the case of electronic orders, our confirmation of receipt shall not constitute a binding acceptance of the order. The order confirmation can be combined with the confirmation of receipt. Our order confirmation alone shall be decisive for the scope of our delivery obligation.
- 2.4 More specific clauses contained in general or framework supply agreements with our Customers regarding periods for binding advance orders and call-offs shall remain unaffected.

3. Prices, terms of payment, set-off and assignment

- 3.1 All our prices are net prices and quoted in Euro ex works or factory warehouse ("FCA" according to Incoterms® 2020), excluding freight, customs and import duties. Our prices include Setter standard packaging consisting of Setter standard cartons and standard -/disposable pallets including transport packaging (foiled). Special packaging e.g. cardboard boxes deviating from the standard, special pallets and other additional packaging is subject to extra charges. Value added tax will be separately indicated in the invoice at the respective statutory rate on the day of invoicing.
- 3.2 Unless agreed to the contrary, we shall only deliver after receipt of full payment of our corresponding invoice from our Customer (Prepayment).
- 3.3 All payments are to be made so that they are credited to one of Setter's accounts on the due date so that Setter can dispose of the credit balance. For interest on arrears and other damages caused by delay § 288 of German Civil Code (BGB) shall apply. Setter reserves the right to claim further damage caused by delay.
- 3.4 The Customer has rights of retention and set-off only to the extent its claim has been finally determined by a court or is undisputed.
- 3.5 Cheques shall only be accepted on account of payment. Any expenses incurred shall be borne by the Customer.
- 3.6 We are entitled to assign our claims against the Customers to third Parties.

4. Price Adjustments (FOEX-Index; THE-Index) for Supply Contracts with a Term of more than 6 Months

In the event that the Parties conclude a supply contract with a term of more than 6 months, the following price adjustment clauses shall apply:

- 4.1 Annually in January and July, the Parties shall review the last Basis FOEX price for Products of Premium Quality as defined in the Contract and adjust it in line with the average of the public FOEX price index for paper pulp of the

last six (6) months. For this purpose and for simplicity reasons, a 50%/50% share between the Northern Bleached Softwood Kraft (NBSK) and Bleached Hartwood Kraft Pulp (BHKP) index shall be applied.

If the deviation of the new calculated FOEX average price for paper pulp is less than +/- 20 Euro to the FOEX average of the foregoing 6 months, then the current basic price will remain unchanged. If the deviation of the recalculated FOEX average price for paper pulp is more than +/- 20 euros to the FOEX average of the previous 6 months, the new base price will be calculated as follows:

*Last base price (€) +/- (deviation of new and old FOEX average price (€) * 0.6 / average production lot of sticks per ton of paper).*

The average production lots of sticks per kg of paper are detailed in the respective specification of Products.

The new base price shall apply from the first delivery of the immediately following month.

- 4.2 With regard to energy price increases for the production of the paper, we are also entitled to impose price surcharges based on the THE Index (Trade Hub Europe). The procedure for this is as follows:

The energy surcharge applicable at the time of contract conclusion is shown in our quotations. Every 3 months, during the months of January, April, July and October of each year, Setter will review this surcharge for premium quality products and adjust it according to the evolution of the average of the public THE price index for gas of the last three (3) months, with effect for the following month.

If the deviation of the recalculated THE average price for 3 MW/h (corresponding to the production of one ton of paper) is less than +/-20 euros to the THE average of the foregoing 3 months, then the current surcharge shall remain unchanged. If the deviation of the recalculated THE average price for gas is more than +/- 20 euros from the THE average of the foregoing 3 months, the new surcharge will be calculated as follows:

*Last energy surcharge (€) +/- (deviation of new and old THE average price for gas (€/MWh) * / average production lot of sticks per ton of paper).*

If the result shows a negative value, the energy surcharge will not apply.

- 4.3 Notwithstanding the foregoing, Setter shall be entitled to request an adaptation of the base price if the development of other operating costs affecting the Product, its production or any of its raw materials, consumables or supplies (such as energy, wages, inbound and outbound transportation costs, packaging, storage-related costs, etc.) changes significantly during the term of this Agreement and Setter can substantiate this by providing written confirmation thereof by an independent testing institute. The requested adaptation shall remain within reasonable proportion to the amount of the testified cost increase. Appropriate adjustments require a separate agreement between the Parties. If the Parties cannot reach an agreement on how to adapt the base price within 10 days after receipt of Setter's request for adaptation, Setter may withdraw from the contract by giving 5 days written notice to the Buyer.

5. Delivery terms, passing of risk, delivery, delay

- 5.1 Deliveries are carried out FCA delivery plant in accordance with Incoterms® in force at the date of conclusion of the contract. Even in case Parties agree by separate agreement on carriage paid delivery, the risk shall pass to the Customer when the goods leave the supplying plant.
- 5.2 Only expressly agreed delivery dates are binding. Our written order confirmation is decisive. In case Parties subsequently agree on changes to delivery dates, previously agreed delivery dates shall be reasonably postponed to a later date, taking into account the scope of the subsequent change requests.
- 5.3 If no binding delivery periods or dates have been agreed, the Customer may set us a reasonable deadline, but no less than two weeks, to have Setter specify a binding delivery date. We can only be in default after this deadline has expired.
- 5.4 Notwithstanding any statutory right to withhold deliveries Setter is only obliged to comply with agreed deadlines for deliveries if Customer duly and timely provides Setter with all documents, approvals and releases and meets agreed terms of payment and other obligations. If the Customer violates the aforementioned obligations, the delivery period shall be extended by a reasonable period of time.
- 5.5 Setter is entitled to partial deliveries or partial services, if this is not unreasonable for the Customer.

- 5.6 When delivering the products, we reserve the right to reasonable deviations in Weight, quantity or dimension of Products arising from production processes. With regard to the Weight, the tolerance for deviations is +/- 6%. With regard to the number of pieces, deviations of +/- 3% in relation to the specified average quantity per packaging unit are reasonable, unless otherwise specified.

6. Retention of ownership

- 6.1 We reserve ownership of the delivered products ("Reserved goods") until complete payment of all current and future claims resulting from the delivery relationship with the Customer.
- 6.2 In the event of imminent insolvency of the Customer, we are entitled to demand return of the Reserved goods even without withdrawing from the purchase contract and without setting a grace period.
- 6.3 The Customer is entitled to process the Reserved goods, to combine them with other items, to mix them or to resell them in the ordinary course of business.

7. Warranty Setters in case of defects, rights of the Buyer in case of material defects

- 7.1 Published data regarding the supplied products, in particular the pictures and data given in our product descriptions, as well as properties of samples and specimens are binding only if they have been expressly agreed to define the quality of the products.
- 7.2 Upon delivery Customer shall immediately check and examine the supplied goods for transport damage, completeness and freedom from defects. Any inspection and acceptance costs shall be borne by the Customer. Transport damage, defects, wrong or short deliveries as Well as deviations from the delivery bill or invoice must be reported to us in writing immediately, at the latest within 7 days after delivery. Otherwise, the supplied goods shall be deemed to have been approved by Customer. Beyond this § 377 of German Commercial Code ("HGB") shall apply.
- 7.3 The notification according to clause 7.2 must contain illustrations of the contested products and their corresponding batch number. Setter must comment within 7 days after notification of the defects whether the complaint is accepted or whether Setter wishes to further inspect the contested goods.
- 7.4 Insofar as a defect in the delivery exists at the time of the transfer of risk, we are, at our discretion, entitled to make a replacement delivery or remedy the defect.
- 7.5 Goods subject to complaint may only be destroyed after our express approval.
- 7.6 The Customer's claims for defects expire twelve months after delivery. This shall not apply in cases of injury to life, body or health for which we are responsible, in the event of a breach of duty committed by us with intent or gross negligence, in the event of the assumption of a guarantee or in the event of fraudulent concealment of a defect as Well as in the event of the existence of the prerequisites of §§ 438 para. 1 no. 2, § 438 para. 3 sentence 1, § 479 para. 1 German Civil Code (BGB). In these cases, the statutory limitation periods shall apply.
- 7.7 In all other respects, the statutory rights in respect of defects shall apply. Claims for damages and reimbursement of expenses of the Customer shall be exclusively governed by Section 8 of these GTC.

8. Compensation for damages

- 8.1 Setter shall be liable in accordance with the statutory provisions insofar as the Customer asserts claims for damages and reimbursement of expenses (hereinafter: damages or claims for damages) which are based on intent or gross negligence on our part.
- 8.2 In the event of a negligent breach of a material contractual obligation, we shall be liable in accordance with the statutory provisions. Material contractual obligations are those obligations whose fulfilment is essential to the due and proper implementation of the contract and on whose fulfilment the Customer regularly should be able to rely. In this case, however, claims for damages shall be limited to the foreseeable, typically occurring damage for this type of contract.
Reimbursement of the foreseeable, typically occurring damage shall be limited to a maximum of € 1,000,000.
- 8.3 The above limitations of liability shall not apply if our liability is mandatory due to the provisions of the Product Liability Act, if life, body or health have been injured or if claims for damages are asserted against us due to the absence of a guaranteed quality or if a defect was fraudulently concealed by us. In the absence of an expressly agreed specification, we shall only be liable to the extent the damage is subject to the scope of the respective guarantee.
- 8.4 We shall not be liable for any damages or claims for damages other than provided for in the above paragraphs - regardless of the legal nature of the asserted claim - unless such liability is mandatory by law.
- 8.5 Insofar as our liability is excluded or limited in accordance with the above provisions, this shall also apply to the personal liability of our executive bodies, legal representatives, employees, staff and vicarious agents.

9. Confidentiality, data Storage

9.1 The Parties undertake to maintain secrecy vis-à-vis third Parties with regard to all Confidential Information of the respective contractual partner that becomes known to them as well as other business and trade secrets, including all information about the other party that is not publicly known. "Confidential Information" shall comprise the knowledge, results, data and documents, inventions, company secrets, concepts, designs, patents, patents pending, offers and responses to offers and all other information requiring secrecy, including know-how, industrial property rights and other intellectual property, communicated or coming to the knowledge of the other party in connection with the purpose of the contract, descriptions, instructions, processes, formulations, systems, programs, measurement and control technology, printouts, compilations, methods, techniques, work instructions, development and research data, photographs, videos, films, recordings, software, and products, components or parts of products that are not in series production and/or generally available on the market (e. g. e.g. prototypes, samples, drafts). This shall apply irrespective of how the respective information is embodied, the manner in which the communication or knowledge is obtained (e.g., verbally, in writing, electronically or in any other manner) or whether it is expressly marked as confidential.

The confidentiality obligation shall not apply to information for which the receiving party can demonstrate,

- (a) that it was already known to it at the time of communication by the other party,
- (b) that it was already in the public domain at the time it was communicated by the other party through no fault of its own
- (c) that they become known after the other party gives notice through no fault of its own,
- (d) that the information has been legitimately disclosed to it by a third party, unless, to the knowledge of the Parties, the disclosure by the third party is in breach of a confidentiality obligation,
- (e) that they were independently developed by it without knowledge of the disclosed confidential information.

If disclosure of Confidential Information is ordered by an authority or a court, the Parties shall be authorized to disclose to the extent required by the order, provided that the other party is promptly notified of such order for the purpose of exercising its rights, to the extent legally permissible, disclosure is limited to the minimum necessary and the ordering authority is informed of the confidentiality of the Confidential Information upon disclosure.

9.2 We point out that we store personal data, insofar as this is necessary for the establishment, implementation or termination of our contractual agreements with the Customer, in compliance with the provisions of the Federal Data Protection Act ("BDSG"), the Telemedia Act ("TMG") and the European Regulation on data protection ("EU-DSGVO"), and also transmit it to companies affiliated with us. For further details we refer to our privacy policy, which is available on our Website via the link "Privacy Policy" in printable form.

10. Extraordinary right of termination

The right of both Parties to terminate the contract without notice for good cause shall remain unaffected.

Good cause shall be deemed to exist in case Customer

- stops his payments,
- is repeatedly in default of payment of more than 10 days,
- does not pay within 30 days after due date despite request by Setter or
- the Customer applies for the opening of insolvency or reorganization proceedings or these are rejected due to lack of assets.

11. Force Majeure

11.1 Neither Parties shall be liable for any damage nor any partial or complete non-performance of obligations in case the respective damage or non-conformance is caused by a "Force Majeure" event within the meaning of this section 11.

11.2 A "Force Majeure" event within the meaning of this Section shall imply the occurrence of an event or circumstance that prevents or makes it difficult for a Party to perform one or more of its obligations if and to the extent that such Party proves: [a] that such hindrance is beyond its reasonable control; and [b] that it could not reasonably have been foreseen at the time of the conclusion of the Contract; and [c] that the effects of the hindrance could not reasonably have been avoided or mitigated by the so affected Party.

11.3 Notwithstanding proof of the contrary, the following events affecting a party shall be presumed to meet conditions (a) and (b) under the preceding paragraph of this Section: (i) war (irrespective if declared or undeclared), hostilities, invasion, acts of foreign enemy, extensive military mobilization; (ii) civil war, riot, rebellion and revolution, military or usurped power, insurrection, act of terrorism, sabotage, or piracy; (iii) monetary and trade restrictions, embargo, sanctions; (iv) lawful or unlawful official acts, decrees, or other government regulations (e.g. imposition of quarantine, restrictions on the supply of electricity, gas, water, or the like.), compliance with laws or governmental orders, expropriation, seizure of works or working equipment, requisition,

- nationalization; (v) plague, epidemics, natural disasters or extreme acts of nature; (vi) explosion, fire, destruction of equipment, prolonged failure of transportation, telecommunications, information systems or power; (vii) general labor unrest such as boycotts, strikes and lockouts, slowdowns, occupation of factories and buildings.
- 11.4 In particular, also COVID-19 or other epidemic- or pandemic-related delays or other non-performance affecting, but not limited to, Setter's ability to deliver or to deliver within the agreed terms or deadlines shall be deemed to be a Force Majeure Event within the meaning of conditions (a) and (b) above, until proven otherwise. COVID-19 and other epidemic or pandemic Force Majeure Events shall include, without limitation, subsequent governmental restrictions, quarantine of personnel and/or premises, trade embargoes or other circumstances where such events affect Setter, its personnel, logistics or procurement capabilities, including, without limitation, Setter's upstream suppliers.
- 11.5 Any Party successfully invoking Force Majeure shall be released from its obligation to perform its contractual obligations and from any liability for damages or any other contractual remedy for breach of the Contract from the time the impediment causes the inability to perform, provided that this is notified without undue delay. If the notification is not made without delay, the release shall take effect from the time when the notification is received by the other party. If the effect of the asserted impediment or event is temporary, the foregoing consequences shall apply only for as long as the asserted impediment impedes the performance of the affected party. If the duration of the asserted impediment has the effect of substantially depriving the Parties of what they could reasonably expect under the Agreement, either party shall have the right to terminate the Agreement by giving notice to the other party within a reasonable period of time. Unless otherwise agreed, the Parties expressly agree that the Agreement may be terminated by either party if the duration of the impediment exceeds 120 days.

12. Reservations, raw material crisis, Ukraine conflict

- 12.1 Without prejudice to the provisions on Force majeure and the right to adjust prices, Setter is entitled, in view of the currently existing or foreseeable problems in the procurement of input materials, raw materials or energy supply, to demand adjustments to existing agreements under the conditions set out below.
- 12.2 Any demand for adjustments according to the preceding section requires that the risk factors already existing at the time of the entering into the agreement, in particular the raw materials crisis and the Ukraine war, have changed further to the disadvantage of the Parties, so that Setter, despite taking necessary precautions, is unable or cannot reasonably be expected to fulfill one or more of its obligations under the existing supply relationship at the agreed conditions for a period of more than 10 consecutive days.
- 12.3 In particular, Setter is deemed not to be expected to adhere to existing agreements in accordance with the preceding sections if 1) the production costs increase by more than 10% due to the aforementioned circumstances 2) Setter is not supplied with material, raw materials or energy to the extent necessary to maintain the current production volume despite timely ordering, transport delays, a shortage of labor or difficulties in obtaining necessary official permits occur or 3) deliveries by suppliers are not made or are not made on time.
- 12.4 The request for adjustment of the contract must be made in text form (§ 126 b German Civil Code, "BGB"). If the Parties cannot reach an agreement on how to amend the contract within 10 days of the Seller's offer to amend the contract, the Seller may withdraw from the contract by giving 5 days' written notice to the Buyer.
- 12.5 Setter's right to adjust agreements shall not apply if the Buyer proves that the above circumstances do not exist.
- 12.6 Any statutory right to demand adjustments to the contract remain unaffected.

13. Industrial property rights

- 13.1 We warrant that Our products are free from industrial property rights and copyrights of third Parties (property rights) in the country of manufacture.
- 13.2 If a third party raises justified claims against the Customer due to the infringement of industrial property rights by the products used in accordance with the contract, We are liable as follows within the periods specified in Clause 7.6: We will, at our discretion, procure for the Customer the right to continue using the products or modify the products in a manner reasonable for the Customer in such a way that the infringement of property rights no longer exists. If this is not possible under economically reasonable conditions or within a reasonable period of time, the Customer shall be entitled to the statutory rights of rescission and reduction of the purchase price.
- 13.3 The Customer shall notify Setter in writing without undue delay of any claim raised by a third party due to the actual or alleged infringement of property rights, and undertakes not to acknowledge an infringement and to support us to a reasonable extent in defending the claims asserted.
- 13.4 Claims of the Customer according to this section shall be excluded insofar as the Customer is responsible for the infringement of the industrial property right or the infringement was caused by specifications requested by Customer.
- 13.5 Claims for damages and reimbursement of expenses shall be determined in accordance with Section 8.

14. Applicable law, place of jurisdiction

- 14.1 In addition to contractual provisions, the law of the Federal Republic of Germany applicable to the legal relationships of domestic Parties shall apply exclusively. The applicability of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.
- 14.2 The place of jurisdiction for all disputes arising from the contractual relationship shall be Kleve, Germany. We are, however, also entitled to file claims against the Customer with the courts having jurisdiction at the Customer's place of business.

15. Miscellaneous, reservation of right of modification

- 15.1 We reserve all property rights, patent rights, design rights, utility model rights, trademark rights, know-how rights and copyrights to our illustrations, drawings, drafts, constructions, calculations and other documents. The Customer must obtain our express written consent before passing them on to third Parties. The right of the Parties to reverse engineering in accordance with the German Trade Secrets Act is hereby excluded.
- 15.2 The rights of the Customer arising from our business relation are, with the exception of monetary claims, not transferable.
- 15.3 Ancillary agreements, supplements or amendments to agreements shall likewise only be legally effective if we have confirmed them in writing.
- 15.4 Should one or more provisions of these GTC be or become invalid, this shall not affect the remaining contents of these GTC or the contractual relationship with the Customer. Ineffective provisions in individual agreements with the Customer shall be replaced by provisions which are effective and which come closest to the purpose of the agreement.
- 15.5 The Customer shall be responsible for compliance with all applicable statutory and official provisions of the export control law of the Federal Republic of Germany or other countries, in particular for obtaining all permits required for export or import. Furthermore, the Customer ensures that the products will not be supplied either directly or in directly to countries that prohibit or limit the import of these products.
- 15.6 These GTC can be changed by Setter at any time.