

# Terms and conditions of delivery and payment

## § 1 General terms

The following Terms and Conditions for the Supply and Payment of Goods apply to all transactions concluded by Sandler AG. In the event of any conflict between our Terms and Conditions for the Supply and Payment of Goods and other terms, in particular the purchaser's terms and conditions, the latter shall only apply with our written approval. Our offers are non-binding. Purchase orders and verbal agreements shall only become binding for us once confirmed by us in written or electronic form or we comply therewith through the supply of goods and the invoice.

## § 2 Place of performance and jurisdiction

The place of performance for supply and payment is Schwarzenbach/Saale. The parties agree that all disputes arising from or in connection with the contract shall fall exclusively within the jurisdiction of the courts in Schwarzenbach/Saale, including disputes related to bills of exchange or tortious acts in the performance of contractual duties. We also reserve the right to file legal action against the purchaser at the court with jurisdiction over the purchaser's registered office.

## § 3 Delivery and acceptance

Subject to any deviating terms agreed between the parties, the goods shall be delivered FCA in accordance with Incoterms® 2020 (named place of delivery: Schwarzenbach/Saale).

If staggered delivery of the goods over a specified time period has been agreed, delivery must take place at equal intervals over the entire period. The purchaser shall not be entitled to demand subsequent delivery of the quantities it fails to call off or accept a delivery within 14 days. In the event of culpable failure to adhere to the delivery deadline on the part of the seller, the purchaser shall grant the seller a 12-day grace period for subsequent delivery. The grace period for subsequent delivery shall first be agreed upon expiration of the delivery deadline and calculated from the date on which the seller receives the purchaser's written notification, with proof of receipt. In the case of non-delivery during the grace period granted for subsequent delivery, the seller shall be entitled to terminate the contract with written notice; any subsequent claims for damages are hereby waived. Prior to expiration of the grace period for subsequent delivery, the purchaser shall not be permitted to assert any claims on account of delayed delivery. The seller shall be released from its duty to supply goods in the event of unforeseeable operational disruptions, supply delays or disruptions from its sellers, shortages in the workforce, power or raw materials, strikes, lockouts, difficulties in arranging transportation, transport disruptions, official decrees and force majeure events. The agreed delivery date shall be delayed for the duration of the disruption, provided this disruption is responsible for the failure to adhere to the delivery date. In all other cases, the contract shall remain in force unaffected. The seller must inform the purchaser once the disruption is no longer applicable. In the event that the disruption persists for over two months, both parties shall be entitled to terminate the agreement in relation to the quantity of goods affected by the supply disruption, thereby waiving all further claims.

## § 4 Claims for defects and complaints

The purchaser must examine delivered goods upon receipt to determine whether they are in the contractually agreed condition and suitable for their intended use pursuant to the contract. If this check is omitted, not conducted to the necessary extent, or if visible defects are not communicated to the seller in a prompt matter, within 12 days after receipt of the goods, the delivered goods shall be considered accepted by the purchaser with regard to these defects. Any damage incurred during transportation must be indicated on the delivery note. Furthermore, the agreed condition of the goods solely pertains to properties expressly specified by the seller in writing. The seller does not provide any guarantee for the condition of an item by issuing the purchaser a quality protocol for the item. Complaints shall no longer be accepted once the delivered goods have been processed. Any processing performed on rejected goods without prior approval from Sandler waives any liability on the part of Sandler for consequential damages. Complaints may not be submitted in relation to negligible, technically unavoidable deviations in terms of quality, colour, width, thickness, weight, fittings, odours or design. Deviations of +/- 10 % for an original role of 20 m<sup>2</sup> and above or an original plate are permitted as the weight tolerance for voluminous and needled nonwovens. Deviations of +/- 3 %, or at least +/- 2 cm, are permitted as the measurement tolerance for rolls, plates or perforates blanks from voluminous and needled nonwovens. A grammage tolerance of +/- 10 % as per ISO 9073-1 applies to all other nonwovens (incl. spunlaced nonwovens). These other nonwovens are subject to a permitted width tolerance of +/- 5 mm, measured against the roll, and a length tolerance of +/- 3 % for the roll. The checks and tests performed on the products by the seller at its premises do not release the purchaser from its obligation to check the goods as stipulated in the above clauses. The agreed supply quantities are approximate and subject to deviation of up to +/- 10 %. For each delivery of nonwovens, up to 10 % of the short rolls supplied are permitted to be up to 50 % shorter than the nominal length. In the event that splicing is unavoidable on technical and production-related grounds, a maximum of 3 splices per roll shall be permissible and not constitute a defect. Hidden defects shall be regarded as approved if the purchaser fails to report them to the seller upon their discovery, at the latest within 3 months after delivery of the respective goods. Complaints must be submitted in writing and include the information required to identify the refused goods (invoice, delivery note, batch label, roll label). The reason for the complaint must be described using samples or images that demonstrate the issue. Refused goods may only be returned with the seller's express approval. Any duly raised or proven notices of defect must be remedied by the seller with a reduction in price, rectification, exchange or return of the goods with reimbursement of the purchase price.

## § 5 Liability

To the extent permitted by law, claims for damages due to a breach of contractual duties (in particular impossibility, delays and other breaches of contractual duties) and tortious acts are limited to the invoice amount for the quantity of goods that were not delivered or delivered late, or the invoice value for the defective goods, unless the claims for damages are based on intent or gross negligence. Claims of damages are not permitted in the case of slight negligence, provided the damage in question is not typical for the respective contract and was unforeseeable by the seller upon conclusion of the contract.

## § 6 Invoicing, due dates and payment

The goods sold are invoiced on the basis of the price per square meter or kilo, gross for net. Invoices are issued on the date the goods are delivered or supplied.

Subject to deviating terms agreed between the parties, invoices must be paid within 10 days after receipt with a 2 % discount or within 30 days net. However, the seller reserves the right to provide complete or partial delivery against payment in advance; a corresponding proviso must be agreed by the time the order is confirmed. Payment must be made in cash or via bank transfer. Bills of exchange and promissory notes shall only be accepted following a separate agreement. The seller is not obliged to accept bills of exchange or cheques. If they are accepted, they are only accepted as conditional payment. The purchaser shall be liable for collection and discount costs in addition to other applicable fees. Payment shall always be used to settle the oldest due debits in addition to the accrued default interest. Any deviating performance stipulations by the purchaser shall not apply. Due invoice amounts may only be offset or withheld in the event of undisputed or legally established claims. The above also applies to the cessation of payment by the purchaser. Other deductions (such as mailing costs and bank fees) are not permitted.

The seller shall not be obliged to perform subsequent deliveries prior to payment in full of the due invoiced amounts in addition to all calculated and overdue default interest. The seller declares that goods are ready for dispatch

with the delivery of its invoice. All claims from the seller shall become payable in the event that the purchaser defaults in payment for one claim. In the case of impending insolvency or any other subsequent significant deterioration in the purchaser's financial circumstances, the seller shall be entitled to cancel the payment terms and demand cash payment prior to delivery, terminate the contract or seek compensation after granting of a 10-day grace period for deliveries owed under any existing contracts. The above shall also apply if the purchaser fails to promptly dispel any objectively justified doubts with regard to its solvency or creditworthiness.

## § 7 Late payment

Payments made after the due date shall be subject to default interest as per Art. 288 of the German Civil Code (BGB) in addition to a flat-rate fee of 40 EUR. The assertion of further damage is not excluded. A payment shall be regarded as timely if it is received in the form of credit to the seller's account on or before the date on which it is due.

## § 8 Retention of title

The seller retains title of ownership to the delivered goods until full payment of all receivables resulting from goods deliveries as part of the entire business relationship, including ancillary claims, claims for compensation, and the payment of cheques and bills of exchange. The retention of title shall continue to apply even if individual receivables have been allocated to a current account, and the balance has been settled and acknowledged. If the seller accepts contingent liabilities on behalf of the purchaser (cheques/bills of exchange), all rights arising from the reservation of title, including special variants stipulated in these provisions, shall remain valid until the seller is fully released from these liabilities.

If the goods subject to retention of title are combined, mixed or processed into a new, moveable item by the purchaser, this shall take place on behalf of the seller, without causing any obligations to arise for the seller. The purchaser shall not acquire sole ownership of the item created through the combination, mixing or processing as per Art. 947 ff 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 share of the invoice value of its goods subject to retention of title in the total value. In the event that a central regulatory authority acts as a del credere agent for business transactions concluded between the seller and purchaser, the purchaser shall acquire ownership upon shipment of the goods to the central regulatory authority with the condition precedent of payment of the purchaser price by the central regulatory authority. The purchaser shall only be deemed discharged after payment by the central regulatory authority.

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

The purchaser only reserves the right to sell or process the goods subject to retention of title in the ordinary course of business and provided that its financial situation has not permanently deteriorated.

The purchaser hereby assigns the claim along with all ancillary rights arising from the resale of the goods subject to retention of title - including any current accounts receivable - to the seller, regardless of whether the goods subject to retention of title 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-ownership to the amount of the invoiced value, it shall be entitled to claim the share of the purchase price related to the value of its rights in the goods. To the same extent, the purchaser shall assign any receivables arising from a contract for labour and materials to the seller in advance if it uses the goods subject to retention of title for the fulfilment thereof. The seller hereby accepts this assignment.

If the purchaser sells the receivables by way of non-recourse factoring, the purchaser shall assign the claims against the factor that takes its place to the seller, and shall forward 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 hereby accepts this assignment.

The purchaser is entitled to collect receivables from the sale of goods subject to retention of title provided it meets its payment obligations towards the seller. The purchaser shall no longer be authorised to collect receivables in the event that it defaults in payment or its financial situation deteriorates significantly. In this case, the purchaser hereby grants the seller authority to inform the recipients of the assignment and collect the receivables.

In order to claim the assigned receivables, the purchaser shall be required to disclose the necessary information and permit checks of this information. In particular, upon request, the purchaser must provide a detailed list of the receivables to which it is entitled with the names and addresses of the recipients, the amount of the individual receivables, the invoice date etc.

If the value of the purchaser's granted security exceeds the total amount of its claims by over 10 %, the purchaser shall be required to release securities at its discretion upon at the seller's request. The goods subject to retention of title or assigned receivables must not be pledged or used as securities. The purchaser must be informed of any pledges and the identity of the garnisher without delay. If the seller exercises its proprietary rights to repossess the good subject to retention of titles, this shall constitute a rescission of the contract if the seller makes an express declaration to this effect. The seller shall be entitled to satisfy its claims by selling the repossessed goods on the open market.

The purchaser shall hold the goods subject to retention of titles 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 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 to the seller. The seller hereby accepts this assignment.

All claims and rights arising from the retention of title to all special variants stipulated in these provisions shall remain valid until complete release from all contingent liabilities (cheques / bills of exchange) that the seller has assumed on behalf of the purchaser. In the event of the above clause, the seller shall be entitled to engage in factoring for its accounts receivable. However, the purchaser must inform the seller before incurring any contingent liabilities.

## § 9 Prices

Provided nothing has been agreed to the contrary, the seller's prices applicable at the time the contract was concluded shall apply subject to statutory VAT at the rate applicable at the time of delivery.

## § 10 Final provisions

If a provision in these Terms and Conditions for the Supply and Payment of Goods is found to be void or unenforceable at present or in the future, this shall not affect the validity of remaining provisions.

## § 11 Governing law

This contractual relationship is governed by the laws of the Federal Republic of Germany. The application of the United Nations Convention on Contracts International Sale of Goods (CISG) dated 11<sup>th</sup> April 1980 is hereby excluded.