

GENERAL TERMS AND CONDITION OF SALE

Engineered Fiber Solutions GMBH

I. General Provisions

1. These general terms and conditions of sale (hereinafter referred to as "Terms and Conditions") apply to all offers and agreements for deliveries and services (hereinafter referred to as "Deliveries") of goods and other services (hereinafter collectively referred to as "Goods") made by Engineered Fiber Solutions GmbH as seller or service provider (hereinafter referred to as the "EFS") to customers. These Terms and Conditions shall also apply for future Deliveries by the EFS to customers, even if they are not agreed again.
2. These Terms and Conditions shall apply exclusively. Deviating, contradicting or supplementary terms and conditions of the customer shall not apply unless and only to the extent EFS expressly agreed to their applicability. This requirement of consent as well as these Terms and Conditions shall apply in any case, even if EFS execute a Delivery without any reservation in the knowledge of deviating or conflicting terms and conditions of the customer.
3. Individual agreements between EFS and the customer (including, but not limited to, subsidiary agreements, additions, and amendments) shall prevail over these Terms and Conditions.
4. Any legally binding declarations and notices of the customer after entering into a contract (e.g. setting deadlines, warning notices, declaration of recession) shall be made in writing. Written form within the meaning of these Terms and Conditions includes the written and the text form. Statutory provisions on form and further evidence, in particular in case of doubts about the legitimacy of the declarant, shall remain unaffected.
5. These Terms and Conditions shall only apply for business relationships with entrepreneurs (§ 14 German Civil Code (*Bürgerliches Gesetzbuch, BGB*)), legal persons under public law and a special fund under public law.

II. Offer, Offer Documents

1. Unless expressly otherwise agreed, EFS's offers are non-binding.
2. Supplements and amendments to relevant agreements including these Terms and Conditions require written form to be effective. EFS's employees are not entitled to make oral agreements deviating from the written agreement, except for managing directors and persons with general commercial power of representation (*Prokuristen*). Telecommunication, in particular by fax or e-mail, shall be sufficient to comply with the written form requirement.
3. EFS reserves its property rights to offers, images, drawings, calculations, specifications, brochures, catalogs, models and instruments and other documents and tools; the same shall apply to its copyrights as far as copyright ability is given.
 4. Without prior written approval of EFS, the customer is not entitled to make documents, especially such ones mentioned in section II.3 above, accessible to third parties or disclose, use or reproduce such by the customer itself or by third parties. Any documents shall be used exclusively for the purposes according to EFS's offer. The customer shall return the documents in full and destroy any copies made thereof, (i) if EFS and the customer do not conclude a contract or (ii) if the customer no longer requires the documents in the ordinary course of business and furthermore (iii) at any time upon EFS's request. The customer shall keep the documents at any time secret and confidential from third parties.

III. Prices and Payment

1. Unless otherwise agreed in textform, EFS's prices quoted for Goods are net, ex-works, including packaging and plus applicable VAT; in case of export deliveries, the prices are also plus customs duties as well as fees and other public charges.
2. EFS shall be entitled to make reasonable price adjustments considering the changed price factors if deliveries are to be made more than four (4) months after conclusion of the contract and significant changes in raw materials, wage, energy or other product procurement and / or product manufacturing costs occur after the date of EFS's offer or after the

conclusion of the contract. In such cases, EFS shall notify the customer of the respective changes prior to delivery.

3. EFS shall invoice on the day of delivery or other handover of the goods.
4. The customer shall pay each invoice without deduction within thirty (30) days after its date of issue and regardless whether Delivery have already taken place respectively property has passed to the customer, unless otherwise agreed. In case of recurring deliveries, EFS shall be entitled to demand advanced payment for future deliveries at any time.
5. Payments by the Customer shall always be used to settle the oldest debt items due plus the default interests accrued thereon.
6. The final credit entry on the EFS's bank account shall be decisive for the timeliness of the payment.
7. Customer shall have the right to set-off and / or retention only on the basis of counterclaims that have been assessed in a legally binding judgement or are undisputed or arise from the same contract.
8. Without limitation to EFS's other rights and remedies pursuant to a contract or the applicable law, any payment which is not made by the customer on its due date shall be subject to default interest at an annual rate of nine per centage points above the respective basic rate of interest in accordance with Section 247 German Civil Code (*Bürgerliches Gesetzbuch, BGB*). Section 288 German Civil Code (*BGB*) shall apply.
9. In the event of default in payment, EFS shall have a claim for payment of a lump-sum in the amount of 40 EUR.
10. Before full payment of due invoice amount including interests, EFS shall not be obliged to make any further deliveries under current contracts. EFS's right to claim damages caused by delay remain unaffected.
11. In the event of non-compliance with the terms of payment or if EFS becomes aware after conclusion of a contract that payment could be at risk due to the customer's lack of ability to pay, EFS shall be entitled to carry out outstanding Deliveries only against corresponding advance payment or other securities; section 321 German Civil Code shall apply.

IV. Delivery Period and Transfer of Risk

1. Delivery shall be executed on the dates specified by EFS (day or a specific calendar week). Unless a delivery date has been expressly agreed as binding, all delivery dates shall only be deemed as estimated delivery dates. EFS shall be deemed to have complied with a delivery time/period if the delivery has left EFS's factory or the EFS has notified the customer that the goods are ready for dispatch by the expiry of such period. If dispatch or delivery to another place has been agreed, delivery periods and delivery dates refer to the time of handover to the forwarder, carrier or other third party commissioned with the transport, unless expressly stated otherwise by EFS.
2. EFS's compliance with the delivery period is under the condition that EFS and the customer have clarified all commercial and technical matters and that the customer has properly and timely fulfilled all obligations incumbent on it. In case that one or more outstanding points, the delivery period shall be extended accordingly, unless EFS is solely responsible for the delay.
3. In the customer is in default in acceptance or breaches its obligations to cooperate (e.g. handover necessary products and materials for production of the Goods), EFS shall be entitled (i) to demand an extension of the delivery and performance period or to postpone the delivery and performance dates by the period during which the customer does not fulfil its obligations towards EFS and (ii) to demand compensation for the damage incurred in this respect, including any additional expenses (such as storage and transport costs). Further claims or rights of EFS remains unaffected.
4. EFS shall not be liable or responsible for failure or delay of its Deliveries and / or performances to the extent that such failure or delay results from an event of force majeure or any other event that was not foreseeable at the moment of conclusion of an individual contract (including without limitation any occurrences leading to a break or disruption in operation,

GENERAL TERMS AND CONDITION OF SALE Engineered Fiber Solutions GMBH

difficulties in materials or power supply, transport delays, war, strike, lawful lock-outs, shortages of manpower, energy or raw materials, difficulties in obtaining necessary official approvals, administrative acts, or missing, non-conforming or belated supply from suppliers, pandemic and epidemic events) for which EFS is not responsible. EFS shall inform the customer as soon as possible, if EFS is affected by a force majeure event. If such an event makes it significantly more difficult or impossible for EFS to deliver the Goods and the obstacle is not only of temporary nature, EFS shall be entitled to withdraw from the individual contract. If the obstacle is of temporary nature, the delivery times or dates for delivery or performance by EFS shall be postponed by the duration of the obstructive event plus a reasonable warm-up period. If the customer cannot reasonably be expected to accept the delivery of the Goods as a result of the delay, the customer may withdraw from the individual contract by immediately notifying EFS in writing.

5. EFS shall be entitled to early and partial deliveries of the customer ordered Goods, provided that the early / partial delivered Goods are usable for the customer within the scope of the contractual purpose, delivery of the remaining Goods is ensured and the customer does not incur significant additional expenses or additional costs, unless the EFS agrees to bear these costs.
6. The prerequisite for compliance with all delivery time is the proper and timely self-supply of EFS by its suppliers with whom EFS has concluded a corresponding transaction with regard to EFS's obligations towards the customer. EFS shall inform the customer if circumstances arise that could jeopardize compliance with the delivery time agreed with the customer due to improper or untimely self-supply.
7. Unless otherwise agreed, EFS's Deliveries shall be "ex works" EFS's nominated facility. This shall also be decisive for the transfer of risk, even if EFS assumes additional services, e.g. transport or shipping costs. In the case of an agreed dispatch purchase, the risk shall pass to the customer upon handover to the forwarder, the carrier or the person designated to carry out the dispatch.

V. Notice of Defects, Warranty Claims

1. Only characteristics specified in the EFS's offer, the data sheet and the EFS's order confirmation shall be deemed as agreed characteristics of the Goods. Other or more extensive characteristics of the Goods shall only be deemed to have been agreed if EFS has expressly promised this in writing. All information provided by EFS regarding the subject matter of the Goods and / or the Delivery (e.g. weights, dimensions, utility values, load-bearing capacity, tolerances and technical data) as well as representations of the same (e.g. photographs, drawings and illustrations), for example in brochures, catalogs or in correspondence preceding EFS's offer as well as in other documents, are not binding and are only approximately unless they are expressly declared to be binding in the EFS's offer or in EFS's order confirmation; such information are no characteristics of quality and do not constitute a guarantee or warranty of suitability for a particular purpose. Such information are only non-binding descriptions or identifications of the delivery or service. Customary deviations and deviations that occur due to legal regulations or technical improvements are permissible insofar as they do not affect the usability for the contractually intended purpose; the same applies in case of replacements of equivalent parts.
2. Any complaint about obvious defects is excluded after intermixture or other processing of the delivered Goods.
3. Goods sold under the description "*in principle, etc.*" may contain admixtures of other fibrous material. EFS does not give any guarantee or warranty in this regard.
4. Defective Goods shall, at the EFS's option, either be repaired or replaced. The customer shall give EFS a reasonable time and opportunity for subsequent performances. EFS shall be entitled to make the subsequent performance dependent on the Customer pay the purchase price; the

Customer is entitled to retain a part of the purchase price which is reasonable in relation to the defect.

5. The customer shall have the right to withdraw from the contract according to the statutory provisions if EFS fails to meet a reasonable deadline set for subsequent performance due to a defect. In case of only insignificant defects, the customer shall only have the right to reduce the price.
6. The customer shall only be entitled to claim damages or reimbursement of expenses in accordance with Section VI. Other claims for damages, indemnification and / or reimbursement shall be excluded.

VI. EFS's Liability

1. EFS shall be liable for a culpable breach of material contractual obligations (*wesentliche Vertragspflichten*) in accordance with the statutory provisions. Material contractual obligations are obligations which characterize the purpose of the contract, the fulfillment of which is a prerequisite for the proper performance of the contract and compliance with which the customer may regularly rely on. Insofar as EFS is neither culpable of gross negligence nor intentional conduct, EFS shall, however, only be liable for the typically occurring, foreseeable damage.
2. In all other cases, EFS shall only be liable if damages has been caused by EFS or by his vicarious agent due to intent or gross negligence acting. In the event of the assumption of a guarantee as well as for damages resulting from injury to life, body or health, EFS shall be liable in accordance with the statutory provisions. Otherwise, claims against the EFS for damages from breaches of obligations shall be excluded.
3. EFS's liability according to the German Product Liability Law (*Produkthaftungsgesetz, ProdHaftG*) remains unaffected.
4. Claims for damages according to this clause shall lapse within the statutory periods.

VII. Limitation Period

Deviation from Section 438 para. 1 No. 3 German Civil Code (BGB), the limitation period for claims arising from defects (material and legal defects) shall be one (1) year as from delivery. Insofar as acceptance has been agreed, the limitation period shall begin with acceptance. The above limitation periods of the purchase law of the German Civil Code (BGB) shall also apply to contractual and non-contractual claims for damages of the customer based on a defect of the delivered Goods, unless the application of the general limitation period according to the statutory provisions of §§ 195, 199 of the German Civil Code (BGB) justifies a shorter limitation period in individual cases. For claims of damages according to Section VI. 2, the limitation periods according to the statutory provisions shall apply. The statutory limitation period shall apply in the case of supplier recourse.

VIII. Retention of Title

1. EFS shall retain title to the delivered Goods until EFS has received payment in full of all sums due and/or owing in connection with the supply of the Goods and the business relationship (secured claims). In the event of breach of contract by the customer, in particular in the event of default in payment, EFS shall be entitled to take back the delivered Goods and the repossession of the delivered Goods by EFS shall constitute a withdrawal from the contract. EFS shall be entitled to liquidate the Goods in case of taking back and the proceeds of realisation shall be set off against the customer's liabilities (minus reasonable realisation costs).
2. The customer shall be obliged to handle the Goods delivered under retention of title by EFS with the utmost care. Furthermore, the customer shall insure the delivered Goods under retention of title by EFS at its own expense against fire, water and theft damages sufficiently at replacement value.
3. The delivered Goods under reservation of title by EFS may neither be pledged to third parties nor assigned as security before full payment of the secured claims. The customer shall notify EFS immediately in writing in the event of an application for the opening of insolvency proceedings and



GENERAL TERMS AND CONDITION OF SALE Engineered Fiber Solutions GMBH

seizures or other interventions by third parties against the customer.

Insofar as a third party is not able to reimburse EFS for the judicial and extrajudicial costs in connection with a legal remedy of EFS, the Customer shall be liable for the loss incurred by the Seller.

4. The customer shall revocably be entitled to sell the Goods subject to the reservation of title in the ordinary course of business provided the customer is not in default. The customer hereby assigns to EFS by way of security all claims against third parties arising from the resale or any other legal grounds (insurance, tort) in respect of the goods subject to retention of title in the full amount of the final invoice amount (including VAT) of EFS, irrespective of whether the purchased goods have been resold without or after processing. EFS revocably authorize the customer to collect all accounts receivable assigned to EFS in its own name but for EFS's account, but, however, EFS's own authority to collect the claims remains unaffected. However, EFS undertakes not to collect the claim as long as the customer fulfill his payment obligations, is not in default of payment and, in particular, no application for the opening of insolvency proceedings has been filed or payments have not been suspended. In this case, the customer shall disclose the assignment to third parties and shall inform EFS of the claim and the debtor and to provide EFS all information and documents required for the collection of the claims.
5. If the Goods subject to the retention of title are combined with other objects or if they are part of a processing, intermixture or other combining with other objects, the retention of title of EFS shall continue to the full extent and amount of the newly created product. EFS shall be deemed the legal manufacturer. If in the event of processing, intermixture or combining with objects of third parties, the latter's right of ownership remains, EFS shall acquire co-ownership in the ratio of the value of the goods supplied by us (invoice value) to the value of the other processed, intermixed or combined objects. For the resulting newly products the same applies as to the Goods delivered under retention of title.
6. The customer also assigns to EFS the claims to secure the EFS's claims against him which arise against a third party through the connection of the object of sale with a property.
7. EFS undertakes upon the customer's request to release the securities to which EFS is entitled to the extent that the realisable value of its securities exceeds EFS's claims to be secured by more than ten (10) %. The selection of the securities to be released shall be incumbent on EFS.
8. In the event that the law applicable in the country, in which the subject matter of the delivery is located, does not permit the agreement of a reservation of title, or does so only in a limited form, EFS may reserve other rights over the delivered Goods. The customer shall be obliged to assist with all measures (e.g. registration) necessary for effecting the reservation of title or rights in substitution of a reservation of title, and to assist in the safeguarding of such rights.

IX Applicable Law, Place of Jurisdiction

1. These Terms and Conditions and all business relations between EFS and the Supplier shall be governed by the laws of Germany. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.
2. Exclusive and international place of jurisdiction for all disputes arising out of or in connection with the relationship between EFS and the customer shall be the court of the registered office of EFS, if the customer is a merchant within the meaning of the German Commercial Code (*Handelsgesetzbuch, HGB*), a legal person under public law and or a special fund under public law. In addition, EFS shall be entitled to sue the customer at the it's registered office or the the place of performance of the delivery or service.