

GENERAL TERMS OF PURCHASE
(hereinafter abbreviated as "GTP")



Zellstoff- und Papierfabrik Rosenthal GmbH



Mercer Holz GmbH



Zellstoff Stendal GmbH



Zellstoff Stendal Transport GmbH



Stendal Pulp Holding GmbH



Mercer Pulp Sales GmbH



Mercer Timber Products GmbH

(Status: August 2018)

GENERAL TERMS OF PURCHASE (hereinafter abbreviated as "GTP")

I. Application

1.
We place orders and make purchases exclusively under the following conditions. By accepting or completing the order (or both), Supplier acknowledges our GTP as the basis for the contract. Conditions which deviate from these Terms of Purchase, or other conditions of Supplier which they attach to the offer, the order confirmation or other written documents, will not apply; even if we do not object to such conditions, or if we accept or pay for the merchandise, this will not constitute acknowledgement of external terms of business.

2.
Our GTP also apply to subsequent expansions of the delivery contents.

II. Contract conclusion; Contract documents

1.
We will incur no charge for offers or cost estimates from Supplier, or for associated consultation services.

2.
Offers which Supplier sends to us because of our inquiry are still deemed "offers" even if Supplier identifies them as "order confirmation"; if such offers are made, the contract will still be formed only after we accept the offer or order in writing and Supplier signs the confirmation letter.
Supplier shall confirm our orders in writing within the time limit specified in the order; if our order specifies no such time limit for confirmation, Supplier shall confirm the order within one calendar week from the date on which they receive it. Confirmations from Supplier that are not made on time do not constitute the formation of an effective contract.

3.
Any order confirmation Supplier makes which deviates from our order is deemed a rejection of our order and a new contract offer from Supplier. This deviating contract offer from Supplier will form the basis for the contract only if we accept in writing the offer which deviates from ours. If delivery is made even though we have not accepted the new contract offer in writing, such delivery will be subject exclusively to the original conditions of our order, including our GTP. The subsequent changes made by Supplier unilaterally, and the subsequent Supplier conditions, will not apply in this case (without our written confirmation); this is still the case even if we have not objected to the changes made by Supplier, or have accepted or paid for the merchandise, or any combination of these.

4.
We reserve proprietary rights and copyright for all documents surrendered to Supplier in connection with the issuance of the order (e.g., calculations, drawings, etc.). These documents may not be made accessible to third parties unless we have given Supplier our express written permission to do so.

Supplier shall also treat as confidential all commercial or other information that is not self-evident and of which they become aware through their business relationship with us. The obligation also applies toward upstream suppliers or subcontractors, and will continue in full force even after this business relationship has ended.

5.
We are entitled to request changes to the delivery object even after contract conclusion, if this is acceptable to Supplier. Supplier shall carry out these changes within a reasonable time period. Reasonable regulations regarding the effects of such changes, especially the effects on costs and delivery dates, must be made by mutual agreement. If no such agreement can be reached within a reasonable time period, we will decide at our reasonable discretion.

6.
Supplier may not have the order or significant parts thereof fulfilled by third parties without our prior written consent.

III. Delivery; Delivery dates; Delay in delivery

1.
The delivery will be made DDP (Incoterms 2010) according to the place of receipt mentioned. Supplier shall ensure that the shipment to be transported is insured by the commissioned freight carrier against transport damage (where applicable).

Unless otherwise agreed, the goods to be delivered are to be properly packaged in accordance with commercial practices and labelled appropriately. Supplier shall be liable for damage caused by improper packaging. Supplier shall make the contractual deliveries only to the receiving location we have indicated.

The packaging is contained in the prices agreed; packaging materials are to be used only to the extent necessary and, if the

customer wishes, to be taken back by Supplier free of charge in accordance with the Packaging Ordinance. The place of performance for this obligation to take the packaging back is the place where the goods were handed over.

Supplier shall be liable for the consequences of issuing incorrect shipping documents. Shipping documents must include our order number and the details of issue, if available.

2.
Supplier shall pack, label, and ship hazardous products in accordance with nationally or internationally valid regulations.

3.
A delivery note must be attached to the delivery, and must include the order number, our material number, order date and place of delivery.

4.
As soon as Supplier confirms our order, the deadlines and delivery dates specified in our order will become fixed deadlines. If delivery is late, and a subsequent grace period has expired to no avail, we are entitled to withdraw from the contract, demand compensation for damages, or both. No grace period need be set if doing so is dispensable in legal cases. Otherwise, Supplier shall be liable in accordance with statutory provisions.

5.
Premature deliveries are basically impermissible unless we have expressly consented to them in writing. However, even if we grant such permission we will not owe any premature payment. If we do not consent to the premature delivery, it will be sent back at Supplier's risk and expense. If, on the other hand, we agree to the premature delivery, we will store the goods until the agreed delivery date, at Supplier's risk and expense.

6.
Partial deliveries are basically impermissible unless we have expressly agreed to them in writing in advance. No partial payment will be owed for this. If partial deliveries are made, the remaining amount must be indicated on the delivery note.

7.
If deadlines are exceeded, Supplier may claim force majeure only if he has notified us of the reason immediately after he became aware of such force majeure. In the event of force majeure, the reciprocal obligations are to be adjusted to the changed circumstances immediately.

8.
If certificates from material tests have been agreed, these will form an essential component of the deliveries and must be handed over to us along with the delivery notes.

IV. Prices; Payments

1.
The agreed prices will apply in accordance with DDP (Incoterms 2010) according to the place of receipt mentioned.

2.
Invoices must correspond to the sequence of the text and prices found on our order, are to be submitted after the delivery has been made, and must state the order number and order date. Invoices must be issued in the order currency.-

A collective invoice is possible only if this has been expressly agreed with us.

Any excesses or shortfalls in performance, or other deviations from the order, must be listed on the invoice separately. The legal VAT must be shown separately on the invoice.

3.
Submitted invoices which do not comply with the specifications of Item 2 above are deemed received by us only from the time of their correction. Any payment periods begin to run starting with receipt of the proper invoice at the earliest, but not before receipt of the proper merchandise.
If certificates from material tests have been agreed, these will form an essential component of the deliveries and must be handed over to us along with the delivery notes. The payment period for invoices begins with receipt of the agreed deliveries and any agreed certificates. If delivery is deficient, we are entitled to withhold payment proportionally until proper fulfilment.

4.
Payment will be made in the commercially typical manner: either within 14 calendar days, minus a 3% discount, or after 30 days net, unless anything else has been expressly agreed.

5.
We are entitled to the rights of offsetting and retention, to the full legal extent.

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V. Warranty

1. Supplier shall render their delivery or service without defect, so that the delivery or service possesses the characteristics ensured by or provided for in the contract, and do not contain defects that would nullify or reduce their value or suitability for typical use, or for the use recognisable to us when the order was issued. Moreover, Supplier shall guarantee that the delivery object complies with the generally acknowledged rules of technology, the latest regulations from government authorities, the law on technical working materials and consumer products (German Device and Product Safety Act, GPSG), as well as any valid safety requirements, and provisions of work safety and accident prevention.

2. If the delivery object does not fulfil the aforementioned requirements, we are entitled at our discretion to demand rectification of the defect or delivery of a defect-free item. If guarantees or promises are not fulfilled and we consider the necessary legal steps, we are entitled to withdraw from the contract or reduce the purchase price, and/or demand compensation for damages or the reimbursement of expenses paid in vain, as well as to assert other claims arising from the warranty or guarantee.

3. We will show Supplier the defects in the delivery object as soon as we have identified them within our normal course of business. This notwithstanding, we shall in any case submit to Supplier a proper notice of defects as defined by § 377 HGB (German Commercial Code) within a minimum time limit of 10 business days after we receive the goods. The statutory provisions will apply if hidden defects are discovered. And the preceding conditions will apply mutatis mutandis to services such as assembly, maintenance, etc., as well as to inadequate operating instructions or process descriptions.

4. The legal statutes of limitations will apply unless anything else has been expressly agreed.

5. If (1) there is imminent danger, (2) Supplier is unsuccessful in remedying the defects, or (3) defect rectification is delayed and Supplier is at fault, we are entitled to remedy the defects ourselves at Supplier's expense (after notifying them appropriately) or to rely on the other aforementioned warranty rights.

6. Supplier shall indemnify us from claims arising from manufacturer liability or the Product Liability Act if Supplier or their upstream supplier caused the product defect which gave rise to the liability. This also applies to delivery objects which we treat or process further.

To safeguard against the typical risks under the contract, especially statutory liability claims due to personal injury, material damage, or financial loss, Supplier shall maintain, and on request provide evidence of, a business or professional liability insurance, as well as product liability insurance, with a coverage sum that is reasonable in proportion to the order value and liability risk.

VI. Quality assurance

1. Supplier shall carry out quality assurance which is suitable to the scope and extent of the delivery, and in accordance with the latest technology, and provide us with evidence thereof on request. If needed, Supplier shall make an appropriate, separate quality assurance agreement with us.

2. Supplier shall refer to the CE labelling requirement for certain products (complete machines as defined by machine guideline 2006/42/EC, and additional products, such as those defined by EC guidelines 2004/108/EC - electromagnetic compatibility, 2006/95/EC - electrical equipment, 97/23/EC - pressure equipment, or 2009/105/EC - simple pressure containers). By affixing the CE label to the product, Supplier affirms, at their own responsibility, that their product fulfils all applicable legal requirements of the EU. In this case, the EC Declaration of Conformity, drawn up in the German language, is considered a component of the delivery contents.

The CE labelling requirement will not apply to incomplete machines as defined by the machine guideline 2006/42/EC. In this case, the installation declaration and assembly instructions, both in German, will be components of the delivery contents. If Supplier is also a manufacturer and as such is obligated to prepare risk assessments for complete and incomplete machines, as well as other exemplary products mentioned under paragraph 1 of this section, we are entitled to demand these risk assessments from Supplier if needed. In this case, the risk assessment will be a component of the delivery contents.

We are not obliged to check the documents submitted to us in connection with the CE labelling requirement or risk assessment for completeness or correctness. Supplier shall be solely responsible for doing so.

3. Pursuant to DIN EN ISO 50001, we point out that the assessment of a characteristic of energy services or products that strongly affect, or might strongly affect, the energy use in our company, is partially based on the energy-relevant performance / based on product-specific energy performance indicators. This means that energy efficiency is a criteria for making decisions during procurement and ordering.

Commission Regulation (EC) No. 640/2009 from 22 July 2009 for implementing guideline 2005/32/EC resulted in the establishment of minimum efficiency classes for certain types of electric motors, as well as their gradual introduction. Beginning 1 January 2015, we commit to purchasing electrical motors with an efficiency class of at least IE3 for the power range 7.5 kW to 375 kW. Starting 1 January 2017, the power range will be expanded downward to 0.75 kW.

In justified exceptional cases, the efficiency class IE2 may be used if a frequency converter is used at the same time.

VII. Ownership structure; Assignment of receivables

1. A retention of title is binding only if it has been agreed separately in writing.

2. Any material we hand over to Supplier for processing under a contract remains our property. Any combining, mixing or processing with other substances must be performed exclusively on our behalf, so that we retain proportionate title to the new product. Any combination with other movable items which are deemed the main product must be performed only with our express written permission or as part of our order. Supplier is liable for the loss of or damage to our property.

3. Claims against us can be assigned only if we grant our prior written consent. Nevertheless, if Supplier assigns their claims against us to a third party without our permission, the assignment may still be valid, at our discretion. When we exercise our right to choose, we are entitled to pay the third party or Supplier, in discharge of our obligations.

4. Supplier is entitled to offset our claim or assert rights of retention only with claims that are undisputed or have been recognised by declaratory judgment.

VIII. Industrial property rights

Supplier ensures that no industrial property rights or copyrights of third parties will be breached through the delivery. They shall enable us to use the delivery, including any repairs, changes, or supplements made to the delivered objects, domestically or abroad, and indemnify us against all third-party claims in this regard. If necessary, we are entitled at Supplier's expense to obtain permission from the rightful holder to use the delivery objects or services in question.

IX. Accepting and granting (undue) advantages

1. Supplier ensures us that (1) they have accepted no undue advantages from our employees or from third parties, neither for themselves, their employees, or third parties, in connection with the initiation and conclusion of a contract, that (2) they did not grant them to or demand them from our employees or third parties, and that (3) they will not accept, grant or demand them until the contractual relationship has been completely wound up.

2. Undue advantages as defined by this provision particularly include (with no claim to completeness) gifts of money or other items, as well as other non-cash benefits such as unusual price reductions for goods or services. To this extent, we expressly refer Supplier to the relevant provisions of the Criminal Code.

3. Any breach of the aforementioned prohibitions and requirements entitles us to terminate the contractual relationship for cause without notice.

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X. Minimum wage

1. Supplier shall comply with the provisions of the law regulating a general minimum wage (MiLoG) and pay their employees at least the minimum wage regulated by law.

2. If the contents of our order fall within the objective scope of application of a sector which was incorporated into the German Employee Dispatch Act, and a minimum wage pursuant to this act has been established for this sector, Supplier shall pay their employees who are actively executing our order a remuneration in accordance with the specifications of a collective agreement generally applicable to Supplier, or a legal ordinance based on the German Employee Dispatch Act.

3. At our request, Supplier shall immediately present evidence proving their compliance with the obligations under paragraphs 1 and 2 of this section regarding the payment of wages to the employees who are actively executing our order. Supplier shall submit current and verifiable evidence (e.g., wage and salary slips) to this end.

4. If Supplier engages subcontractors to execute our order, Supplier shall first ensure such subcontractors have agreed to the obligations under paragraphs 1, 2 and 3 of this section, with binding effect. Supplier shall supervise to make sure the subcontractor's employees who are executing our order are paid proper wages, and shall provide us with evidence thereof on request. Supplier shall commission their subcontractors only under the condition that these subcontractors will in turn commission additional subcontractors only if these additional subcontractors have also consented to the obligations under paragraphs 1, 2 and 3 of this section with binding effect.

5. If we, as Supplier's customer, must be liable for breaches against the German Employee Dispatch Act or Minimum Wage Act committed by Supplier or any of Supplier's subcontractors, Supplier shall indemnify us from any liability and claims from the public or private sectors. We are entitled at any time to demand from Supplier a security deposit or bank guarantee to hedge these risks.

XI. Work safety; Environmental and data protection; Quality Management

1. Supplier shall comply with the provisions regulating minimum conditions for safety in the workplace, and shall pay the statutory social security contributions for their employees. Using illegal workers (who perform undeclared work, "Schwarzarbeit") is expressly forbidden. Supplier shall ensure that their deliveries and services satisfy the provisions regulating accident prevention, health and work safety, as well as other safety-relevant rules, which apply at the ordering customer's premises (or other place of fulfilment known to him), so that negative consequences on persons and the environment can be avoided or reduced.

2. Supplier shall comply with existing environmental and data protection provisions.

3. We have an integrated management system for the quality-, environment- and energy management system. The standards DIN EN ISO 9001, DIN EN ISO 14001 and DIN EN ISO 50001 will apply. Energy use, consumption and efficiency are relevant procurement criteria for us. If purchasing options are equal, we prefer Suppliers whose supply chain or products (or both) exhibit a better energy or environmental balance (or both), or who are certified pursuant to the standards DIN EN ISO 50001, DIN ISO 14001 and DIN EN ISO 9001.

XII. Export- and customs regulations

1. Supplier shall inform us in writing if (re)exporting goods or services, including the provision or transfer of data, is forbidden, restricted, or requires a permit in accordance with the respective applicable export control regulations of the Federal Republic of Germany, the European Union, the USA or the country of manufacture. If this is the case, Supplier shall inform us of the scope of such restrictions and prohibitions, especially the export control classification number and the required export permits. Supplier shall also include corresponding references in their offers, invoices and delivery notes.

2. Each year Supplier shall provide us with the appropriate declarations or certificates of origin for the goods they deliver.

3. For all merchandise for which a free trade agreement, a regional trade agreement, or another preferential agreement comes into question, Supplier shall be obliged to provide these goods (provided they actually fulfil the applicable origin regulation) with verification that the goods fulfil the requirements of the applicable agreement (e.g., supplier's declaration, certificate or invoice of preferential origin).

4. Supplier shall specify the country of origin on all invoices and delivery notes.

XIII. Applicable law; Interpretation of clauses

1. The law of the Federal Republic of Germany shall apply. Application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) from 11 April 1980, as amended, is excluded. The language of the contract is German.

2. The place of fulfilment for all deliveries and services is the receiving location intended by us, unless anything else is indicated in the order.

3. The place of jurisdiction is the court having jurisdiction *ratione loci* and *ratione materiae* for us. However, we are also entitled to sue Supplier at their own place of general jurisdiction.