General Sales and Delivery Terms of Glatfelter Dresden GmbH

(with effect from 1st September 2013)

§ 1 General - Scope of application

(1) All proposals and supplies are governed by our terms of sale and delivery. These terms are deemed accepted by placing an order or accepting deliveries. Our sales and delivery terms shall apply exclusively. We will not accept any Buyer's terms and conditions contrary to, or deviating from, our sales and delivery terms unless expressly agreed by us. Our sales and delivery terms shall apply also when we make a delivery to the Buyer although being aware of the fact that some of the terms or conditions of the Buyer are contrary to, or deviate from, our sales and delivery terms.

(2) Unless otherwise provided for in these sales and delivery terms or by written agreement, the General Conditions of Sale (AVB) of Paper and Board Manufacturers in the EEC shall apply (Recommendation of the European Confederation of Pulp, Paper and Board Industries (CEPAC)). They are available for inspection on request.

(3) All arrangements and understandings between us and the Buyer for the performance of the contract shall be agreed in writing in such contract. Our sales and delivery terms shall apply only towards merchants ("Kaufleute") as defined in paragraph 1 of Section 310 of BGB (German civil code).

§ 2 Proposal and order confirmation

(1) All our proposals are made without commitment.

(2) Our obligation towards the Buyer comes into existence only on our order confirmation, which forms the basis and origin of the delivery contract. The order confirmation must be sent no later than within 10 working days after receipt of the written order.

(3) Samples are inspection samples without commitment. Purchases according to samples are subject to variations within normal industry tolerances or normal production limits. Where samples are delivered, sample qualities shall not be deemed warranted unless expressly stated in the order confirmation.

(4) Our products are produced and delivered according to our in-plant standards. Said in-plant standards mean no warranty or quality agreement, but their exclusive purpose is to describe or identify the product. Where no allowed tolerances are expressly stated and named as such in the order confirmation, the normal industry variations (production tolerances) shall be allowed in any case.

§ 3 Terms of payment

(1) The payment term always starts on the date of the invoice regardless of what period has been
agreed. The invoicing date is the day the goods are placed ready for dispatch or collection. Unless otherwise agreed in writing, the same shall apply to cases where the goods are, for a first period, left or stored in our premises on the Buyer's request. Unless otherwise agreed in writing, the purchase price is due and payable without deduction within 30 days of the date of invoice. A discount of 2 per cent is granted for payments made within 14 days of the date of invoice.

(2) Our prices are exclusive of the statutory value-added tax. VAT will be shown separately in the invoice in the amount applicable on the invoicing day.

(3) The Buyer shall bear the risk and the cost of the purchase price transfer.

(4) A payment shall be deemed to be within the time limit, if we can dispose of the money on its value date in any of our stated accounts.

(5) In case of default or failure to pay on or before the due date, we are entitled to claim the statutory default interest, but at least at a rate of 10 % p.a. If we are able to furnish proof that the default situation caused higher damages, we are entitled to claim such damages. But the Buyer has the right to prove that we suffered substantially lower or no damage at all from the default situation.

(6) In case of default or non-payment on the due date by fault of the Buyer, we shall have the right to demand immediate payment of all invoices not yet due and payable, as well as the advance payment of all orders accepted, unless the Buyer provides real or personal security for all payments.

(7) In case of default, we shall have the right to claim the reimbursement of the reminder and collection expenses caused thereby.

(8) The Buyer cannot set off any amounts until the Buyer's counterclaims are legally and finally ascertained, undisputed or accepted by us. Also, the Buyer is authorized to exercise a right of retention to the same extent as the Buyer's counterclaim is based on the same contractual relationship.

§ 4 Delivery - delivery time

(1) Unless otherwise agreed in writing, the delivery shall be free domicile. Agreed delivery dates or periods need to be confirmed by us in writing.

(2) If we default in delivery from any circumstances under our control, the Buyer can grant us a reasonable extension period and rescind the contract in case of continued non-delivery after such extension. The Buyer shall not be entitled to default damages and indemnification claims for non-performance unless the default situation is caused by a willful act or by gross negligence. Otherwise, liability for damages is limited to 50 % of the damage actually incurred.

(3) The disclaimers or liability limitations provided for in (2) shall not apply to agreed firm deals; the same shall be true in case the Buyer can prove with regard to the default situation caused by us that the Buyer's interest in contract performance has ceased to exist.

(4) Returnable packaging and other rental packaging remain our property. Unless otherwise agreed,
the packaging shall be returned in a perfect condition at no cost within a reasonable period.

(5) Framework and call orders place the Buyer under the obligation to purchase the total volume stated in the framework/call order. If no call dates are specified in the contract, the total volume of the underlying framework/call order shall be called within a period of 3 months. If the Buyer fails to respect the call dates, we shall have the right to fully deliver and invoice the total volume within two weeks after a written notice announcing the delivery and informing on the consequences of the Buyer’s failure to call the total volume. Our rights from any default of the Buyer shall not be affected thereby.

§ 5 Passing of risk

(1) The risk of damage or loss passes to the Buyer upon arrival of the goods in the premises of the Buyer, if we have to deliver the goods there, or, in case of goods to be collected by the Buyer, upon the placing ready of such goods in our warehouse after proper information of the Buyer. The same shall apply if the Buyer defers deliveries, if goods are left or stored in our premises on the Buyer's request, or if we see to their separation at a given time.

(2) Where the Buyer delays the acceptance of the ordered goods, the risk shall pass to the Buyer already upon the notice that the goods are ready for delivery.

§ 6 Warranty and liability

(1) The warranty rights of the ordering party are subject to the condition that such party has complied with its duties under §§ 377, 378 of HGB (German commercial code) to properly investigate and give notice of defects in writing. Also, transport damages shall be immediately reported to the transport operator.

(2) If a defect is claimed in due time, the goods can be converted only with our approval.

(3) The Buyer's failure to immediately provide samples of the rejected goods by request shall void any warranty rights.

(4) A complaint regarding just part of the delivered goods shall not release the Buyer from his payment obligation. Complete rejection of the goods shall be excluded.

(5) If the goods present any defect caused by our fault, we shall have the right to make substitute deliveries.

(6) In case we are not prepared or able to make substitute deliveries, especially if such delivery is delayed beyond reasonable time limits for any reasons under our control, or if the substitute delivery fails to be made due to any other circumstances, the Buyer shall have the right to opt either for rescinding the contract or to claim an appropriate reduction of the purchase price.

(7) Unless otherwise agreed hereinafter, any further claims of the Buyer - for any legal causes whatsoever - are excluded. So we cannot be made liable for any damages to any items other than the delivered item itself. Especially, we assume no liability for lost profits or any other financial damages in
curred by the Buyer.

(8) The foregoing release from liability shall not apply to damages caused by willful acts or acts of gross negligence. Neither shall said release from liability apply to damage claims asserted by the Buyer for the absence of any property expressly warranted by us.

(9) Except for negligent breach of any cardinal duty or any essential contract commitment, our liability to pay compensation is limited to typical predictable damages under the contract.

(10) We give no warranty for properties or for the suitability of our goods for the purpose and use intended by the Buyer, unless expressly agreed in writing. Recommendations or proposals made by our staff are given to the best of our knowledge on the basis of previous experience. They have no binding effect and do not release the Buyer from making own trials and tests. In no case can they be used for deducing any liability for damages or prejudices, or for any proprietary rights held by third parties.

(11) All claims held against us for any legal reason whatsoever shall expire after a limitation period of one year after the passage of risk onto the Buyer in all cases of slight negligence or liability without our fault. The period of limitation shall be 3 years in case of gross negligence. Shorter statutory limitation periods, if any, shall prevail.

§ 7 Retention of title

(1) The delivered goods remain our property until full payment of all claims, inclusive of those arising in the future, from the commercial relationship with the Buyer. In case of default in payment, other important breaches of contract, or if the Buyer is known to face a critical financial situation, especially in case of swearing the oath of disclosure or filing the petition to open insolvency proceedings, the Buyer is obligated, on our request, to immediately return to our mill at its own cost the goods in the Buyer's possession. Our request to surrender the goods shall mean no rescission of the contract unless expressly declared by us in writing. We have the authority to realize the goods after their receipt. The Buyer shall be notified of the intended realization within a reasonable period in advance. The realization proceeds - less reasonable cost of realization - shall be set off against the Buyer's liabilities.

(2) The Buyer is obligated to handle the goods with care, especially to store them properly. The Buyer is obligated to insure the goods at the Buyer's own expense at their nominal value against fire, water damage and theft.

(3) In case of attachment or other third-party interference, the Buyer agrees to immediately inform us in writing to allow us to bring an action according to § 771 of ZPO German code of civil procedure).

(4) The Buyer shall have the right to resell the goods during the ordinary course of business. The Buyer shall assign us any claims arising from the resale of the converted or unconverted goods fully or partly subject under title retention, both as a compensation for void title retention as a result of resale and as security up to the value of the goods under title retention. The Buyer shall have the authority to collect such claim even after its assignment. Our authority to collect the claim ourselves shall not be affected thereby. But we agree to abstain from collecting the claim until and unless the Buyer fails to fulfill its payment obligations from the collected proceeds, makes default and especially files a petition
for bankruptcy or composition proceedings, or stops payments. But whenever that is the case, we can request the Buyer to disclose to us the assigned claims and their debtors as well as any information required for debt collection, to surrender the associated documents, and to inform the debtors (third parties) on such assignment.

(5) The conversion or transformation of the goods by the Buyer will always take place for us and on our behalves. If the goods are converted with other objects not owned by us, we acquire a proportional right of co-ownership in the new property item at the ratio between the value of the goods at the time of conversion and that of the other converted objects. The property item created by conversion shall be subject to the same provision as agreed for the goods delivered with reserved title.

(6) If the goods are mixed or associated with other objects not owned by us, we acquire a proportional right of co-ownership in the new property item at the ratio between the value of the goods at the time of mixing or association and that of the other objects mixed or associated. If mixing or association is such that the property item of the ordering party is to be considered the main item, it is understood that the Buyer grants us proportional co-ownership. The ordering party keeps for us the sole or co-owned property thereby created.

(7) We undertake to release the securities we are entitled to, on the Buyer's demand, to the same extent as the realizable value of our securities exceeds 20 per cent of the claims to be secured.

§ 8 Miscellaneous

(1) Heidenau shall be the place of performance for the Buyer's payment obligations from the deliveries made by any of our mills.

(2) If the Buyer is general merchant or if the other conditions laid down in § 38 Para 1 of ZPO (German code of civil procedure) are met, the place of venue for both parties is Dresden or Mainz to the choice of the parties. In case the claim is assigned by us, the assignee shall also have the right to choose among the given jurisdictional venues. The legal relationships between the parties are governed by the laws of the Federal Republic of Germany. The UN Convention on the International Sale of Goods (CISG) as well as any other transnational agreements, whether or not transposed into German law, shall not apply.

(3) We shall have the right to assign our claims from supplies and services for financing purposes.

(4) If any of the individual provisions should be ineffective, the effectiveness of such conditions shall not be affected thereby.

(5) The German version of these General Sales and Delivery Terms shall be the only governing version.

Address:

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