

General Terms and Conditions

1. ACCEPTANCE AND GOVERNING PROVISIONS: These terms and conditions, together with the proposal, order acknowledgment and/or other documents to which they are attached or that refer to them, constitutes an offer by Voith Paper Fabric & Roll Systems, a division of Voith Canada Inc. ("VOITH"), to sell and provide the products (the "Products") and/or the services (the "Services") described therein and in any related purchase order, subject to and in accordance with these terms and conditions of sale. This offer is expressly limited to acceptance of these terms and conditions, together with the proposal, order acknowledgment and/or other documents, within 30 days of issuance of this offer. Purchase orders submitted by the purchasing entity ("Buyer") for Products and/or Services quoted or described herein shall be subject to, and will be deemed to constitute acceptance of, these terms and conditions. All purchase orders shall be subject to credit investigation and approval of Buyer by VOITH's home office. No modification, change or waiver of any of these terms and conditions, nor any additional or different terms and conditions, will be binding upon VOITH unless specifically agreed to in writing by VOITH's authorized officer; VOITH's failure to object to the provisions contained in any purchase order or other communication from Buyer shall not be construed as a waiver of these terms and conditions nor an acceptance of any such provisions. The contract created by Buyer's acceptance of these terms and conditions shall constitute the entire agreement between VOITH and Buyer regarding the Products and/or Services, superseding all prior or contemporaneous agreements, negotiations or discussions between VOITH and Buyer regarding them. No order may be cancelled or altered by Buyer except with VOITH's written consent.

2. TAXES AND OTHER CHARGES: The purchase price for the Products and/or Services (the "Purchase Price") does not include any taxes, duties or similar charges that may be imposed by any governmental entity or other competent authority in connection with this agreement, including, but not limited to, federal goods and services, harmonized sales, retail sales, social service, sales, gross-receipts, use, excise, value-added and similar taxes. Any such taxes, duties or charges incurred by VOITH shall be invoiced to Buyer, and Buyer shall be responsible for prompt payment of them. Customs duties are included in the Purchase Price only if specifically stated, and then only in an amount determined by the rate in effect on the date of the purchase order; otherwise, customs duties paid by VOITH are for Buyer's account. At VOITH's request, Buyer shall deliver to VOITH proof of payment of all such taxes, duties, fees and similar charges or evidence of exemption therefrom.

3. PAYMENT TERMS: Unless other terms are specified herein, all payments shall be in Canadian dollars, and payments shall become due upon Buyer's receipt of invoice. Fabrics and sleeves will be invoiced upon shipment unless VOITH expressly agrees to consignment, in which case fabrics and sleeves will be invoiced as set forth in Section 21 below. All other orders will be invoiced upon shipment of the Products or completion of the Service, as applicable.

If the Products become obsolete due to causes beyond VOITH's control, the Products in inventory and in process will be invoiced at full price. Upon announcement of an indefinite or permanent mill shutdown, mill closure or mill sale, all Products in inventory or in process will be invoiced at full price. Emergency orders that disrupt production schedules are subject to a 10% upcharge, with a minimum upcharge of \$1,500 per Product. If payments are not made in conformance with the terms stated herein, the Purchase Price shall, without prejudice to VOITH's right to immediate payment and other lawful remedies, be subject to interest at the rate of 1.5% per month on the unpaid balance (which is the equivalent of 19.56% per annum), but not to exceed the maximum amount permitted by law.

If in VOITH's judgment Buyer is or might become unable or unwilling to meet the payment terms specified, or if VOITH reasonably deems itself insecure, VOITH may require satisfactory assurances or full or partial payment as a condition of commencing or continuing manufacture in advance of shipment, or if shipment has been made, recover the Products from the carrier. If Buyer defaults on any payment when due, or if any voluntary or involuntary bankruptcy or insolvency proceedings involving Buyer are initiated by or against Buyer or a receiver is appointed in respect of Buyer or a substantial portion of Buyer's assets, then the whole Purchase Price shall immediately become due and payable upon demand, or VOITH, at its option and without prejudice to its other lawful remedies, may defer delivery or cancel Buyer's order.

4. DELIVERY: Unless otherwise specified, all sales of fabrics and sleeves shall be shipped DAP (Incoterms 2020) Buyer's designated location. Unless

otherwise specified, all sales of rolls are EXW (Incoterms 2020) VOITH's facility or other point of shipment designated by VOITH. Unless otherwise specified, all sales of specialty Products will be shipped at Buyer's expense to one destination, and VOITH shall invoice Buyer for the cost of such shipping. Transportation costs incurred by VOITH for delivering Products from a local storage facility to Buyer's designated location will be added to any invoice. Buyer shall bear the cost of any extraordinary shipping methods. Buyer shall bear all risk of loss and damage to specialty Products while in transit.

Buyer shall arrange and pay for transport of all Buyer rolls that Buyer sends to VOITH for performance of Services ("Buyer Rolls"), both to and from VOITH's facility. If, for any reason beyond the control of VOITH, Buyer's freight carrier does not pick up any Buyer Roll within 15 days of completion of Services on the Buyer Roll, VOITH may prepare the Buyer Roll for shipment and, after written notification to Buyer, ship the Buyer Roll to Buyer at Buyer's sole expense and risk of loss. If VOITH arranges for shipment of Buyer Rolls, whether to a VOITH facility or back to a Buyer facility, VOITH does so on Buyer's behalf solely as an accommodation to Buyer and VOITH shall have no liability arising from doing so. Buyer shall be responsible for all amounts owed to and making any claims against carriers and other providers of freight or delivery services for Buyer Rolls. The foregoing applies even if VOITH contracts with the carrier or other provider, prepays the charges and adds them to its invoice to Buyer.

5. CLAIMS: Buyer shall inspect Products immediately upon arrival and immediately file with the delivering carrier claims for loss or damage during transportation, and Buyer must immediately notify VOITH in writing of any such claims. All other claims must be made in writing to VOITH within 10 days from receipt of the Products or completion of the Services. Buyer's failure to give such notice shall constitute unqualified acceptance of all Products and Services, and shall constitute a waiver of all claims by Buyer. Buyer shall provide VOITH with an opportunity to inspect all Products and Services with respect to which a claim is made, either at Buyer's or VOITH's premises. VOITH shall not credit Buyer for any Products or Services returned to VOITH or any costs incurred by Buyer for the repair of them, as the case may be, without VOITH's prior written consent, nor shall VOITH be responsible for any such returns.

6. WARRANTIES:

(a) Fabrics, Sleeves, Doctor Blades, and Roll Covers: VOITH warrants each of these Products to be free from defects in materials and workmanship for the normal expected life of the Product, as determined by VOITH. Warranty claims will not be considered unless a suitable sample of the Product is returned to VOITH for analysis. If, within such warranty period, it is proven to VOITH's satisfaction that a Product is defective or nonconforming, VOITH shall issue a pro rata credit to Buyer for the unfulfilled expected life of the defective Product, which shall be Buyer's exclusive remedy.

(b) Other Products: Except as specifically set forth above, VOITH warrants the Products to be free from defects in materials and workmanship and to conform to VOITH's description. If, within the applicable warranty period, a Product is proven to VOITH's satisfaction to be defective or nonconforming, such Product shall be repaired or replaced, or the Purchase Price adjusted, at VOITH's sole discretion. The warranty period shall be 12 months from the date of shipment from VOITH's facility for replacement rolls and roll covers. For all other Products, the warranty period shall be 12 months from initial operation or 18 months from the date of shipment from VOITH's facility, whichever is shorter.

(c) Services: VOITH warrants that the Services (e.g., mechanical roll services or field services) will be provided in a professional, workmanlike manner. If, within 90 days after the provision of such Services, it is proven to VOITH's satisfaction that such Services were nonconforming with this warranty, Buyer's exclusive remedy shall be the re-performance of such Service by VOITH.

(d) Exclusions and Limitations: The warranty remedies are conditioned on VOITH receiving from Buyer written notice of any defect or nonconformance within 10 days after it was discovered or by reasonable care should have been discovered. VOITH's warranties do not apply to and shall be void with respect to: (i) damage or imperfections incurred during grooving operations on existing roll covers; (ii) repairs or patches to roll covers; (iii) the removal of defective or nonconforming Products, the reinstallation of repaired or replacement Products, the supervision of such removal or reinstallation, or any costs related thereto, or any shipping expenses associated with defective, repaired or replacement Products; (iv) damage, defects or nonconformance attributable

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to the installation, erection or start-up of Products or the supervision of such installation, erection or start-up, unless performed by VOITH or its subcontractors; (v) Products that were installed, erected or started-up by persons other than VOITH or its subcontractors without VOITH's prior written consent; (vi) Products not operated in accordance with operating instructions or requirements, or operated after the removal of, or the making of additions to, guards or safety devices as furnished or recommended by VOITH; (vii) Products repaired or altered by persons other than VOITH or its subcontractors; (viii) Products subjected to negligence, misuse, misapplication, abnormal use, accident or damage due to circumstances beyond VOITH's control; (ix) Products improperly maintained or stored; and (x) damage, defects or nonconformance attributable to incorrect or careless handling, unsuitable operating material, substituted working material, unsuitable foundations, or chemical, electro-chemical or electrical influences, or abnormal temperature, moisture, dirt or corrosion, all determined according to accepted industry standards and practices.

THE WARRANTIES AND WARRANTY REMEDIES SET FORTH IN THIS SECTION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES AND WARRANTY REMEDIES, WHETHER EXPRESS OR IMPLIED. VOITH EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AS WELL AS ANY WARRANTIES ARISING FROM USAGE OF TRADE OR COURSE OF DEALING.

7. PACKAGING: Unless otherwise specified, standard packaging for rolls is included in the Purchase Price. Unless otherwise specified, standard packaging for fabrics (*i.e.*, fiber tubes and corrugated boxes) is included in the Purchase Price. VOITH will determine the charges for other packaging, such as special or nonstandard packaging requested by Buyer, and invoice Buyer for such charges.

8. TITLE TO NON-CONSIGNEE PRODUCTS: For non-consigned Products, title to and ownership of the Products shall transfer to Buyer upon the delivery of such Products in accordance with Section 4. Buyer shall at all times retain title to, and risk of loss of and damage to, Buyer Rolls. Buyer must insure Buyer Rolls, and Buyer Rolls will not be covered by VOITH's insurance.

9. INFRINGEMENT: Provided VOITH is finally held to have actually infringed the intellectual property of a third party, which intellectual property was publicly disclosed prior to the order date, VOITH agrees to indemnify Buyer for any loss, liability or reasonable, direct expense that Buyer incurs (including reasonable attorneys' fees) because of such actual infringement by any part of the Products. For the avoidance of doubt, VOITH shall not be liable for the infringement of any third-party intellectual property that was not publicly disclosed prior to the order date.

VOITH has the right, with Buyer's assistance upon VOITH's request, to conduct the defense of any litigation relating to such alleged infringement, including, without limitation, any settlement negotiations. If all or any part of the Products is held to infringe a third party's intellectual property and the use thereof is enjoined or VOITH deems the continued use thereof inadvisable, VOITH shall, at its sole option and expense, procure for Buyer the right to continue the use of such part of the Products, or replace or modify the same with non-infringing parts that maintain the original performance characteristics of the Products.

Notwithstanding the above, VOITH shall not be obligated to indemnify Buyer for the following: (a) any infringement claim about which Buyer does not notify VOITH in writing within five days of Buyer receiving notice of it; (b) any infringement claim resulting from the use of the Products contrary to the specifications or direction of VOITH; (c) any unauthorized modification or alteration of the Products; (d) any compromise or settlement made without VOITH's written consent; (e) any infringement of combination or process patents covering the use of the Products in combination with other products, equipment or technologies not furnished by VOITH; (f) any infringement of any intellectual property covering goods or articles manufactured or produced by the Products; (g) any claim of contributory or indirect infringement resulting from the resale by Buyer of the Products; (h) any infringement by Products manufactured or provided by VOITH, or Services performed by VOITH, in accordance with drawings, designs or specifications proposed or furnished by Buyer; and (i) any refusal by Buyer to accept or use suitable modified or replacement Products to avoid infringement; compliance with all of the foregoing is an absolute condition precedent to Buyer's right to indemnification under this Section 9.

10. INTELLECTUAL PROPERTY: VOITH does not transfer any intellectual property rights to Buyer under the order (nor grant Buyer any right to use any intellectual property other than for purposes expressly agreed to by VOITH), and any and all proprietary and intellectual property provided or disclosed to Buyer by VOITH shall be treated by Buyer as confidential.

11. DELAYS: If VOITH fails to complete any Service or deliver any Product by any guaranteed date for reasons solely within VOITH's control, then for each business day of delay VOITH shall pay to Buyer, as liquidated damages and not as a penalty, 0.1% of the portion of the Purchase Price attributable to the delayed Service or Product; provided, however, that in no event shall such liquidated damages exceed 5% of the portion of the Purchase Price attributable to the delayed Service or Product. Buyer and VOITH agree that in light of the difficulty in ascertaining the actual damages arising from an unexcused delay, the liquidated damages described in this section constitute a fair and adequate remedy for Buyer, and shall be Buyer's exclusive remedy for delay. Buyer may not terminate or cancel the order for any delay unless and until the liquidated damages cap set forth above is reached and VOITH has failed to continue efforts to complete the Service or deliver the Product.

12. FORCE MAJEURE: VOITH shall not be in breach of contract or liable for any damages or losses if it fails to perform or suffers delay in performance due to any act of God; act of Buyer; embargo or other governmental act, regulation or request; fire; flood; accident; sabotage; strike, slowdown or other labor difficulties; war (whether declared or undeclared); riot; extraordinary breakdown; epidemic; pandemic; supply-chain disruption or delay; delay in transportation; defaults of common carriers; shipwreck; inability to obtain necessary labor, materials or manufacturing facilities; or, without limiting the foregoing, any other delays beyond VOITH's control, all whether foreseeable or unforeseeable (a "Force Majeure Event"). In addition, if VOITH's costs increase due to a Force Majeure Event, Buyer shall pay to VOITH one-half of the amount of the increase (*i.e.*, the parties shall bear equal shares of the cost increase). If a Force Majeure Event occurs, the performance/delivery date(s) shall be extended by a time at least equal to the period of the delay and its consequences. If a Force Majeure Event delays VOITH's performance by more than 30 consecutive days or 90 days in the aggregate, VOITH may cancel the affected order(s) without liability to Buyer.

13. INDEMNIFICATION BY VOITH: Any indemnification by VOITH shall be limited to claims against Buyer by third parties for intellectual property infringement, bodily injury, wrongful death or property damage, and only to the extent caused by the negligence or intentional misconduct of VOITH or those in VOITH's control. VOITH shall not be liable to Buyer or any third party for the fault, intentional misconduct, negligence or acts or omissions of Buyer or any third party. VOITH shall have the exclusive control of the defense of any claim covered by the above indemnity, including, but not limited to, settlement negotiations. Buyer shall provide VOITH with prompt written notice of any such litigation or claim. If any Product is held to infringe any valid patent and its use is enjoined, or VOITH deems continued use of such Product inadvisable, VOITH may, at its sole cost and option, procure for Buyer the right to continue using such Product, replace such Product, or modify it to make it non-infringing, provided the modified Product maintains the original performance characteristics of the Product.

14. LIMITATIONS OF LIABILITY: NOTWITHSTANDING ANYTHING TO THE CONTRARY, VOITH'S AGGREGATE LIABILITY ARISING OUT OF, CONNECTED WITH OR RESULTING FROM THE ORDER, OR FROM VOITH'S PERFORMANCE UNDER OR BREACH OF THIS AGREEMENT, OR FROM ANY PRODUCT OR SERVICE, SHALL IN NO CASE EXCEED THE PORTION OF THE PURCHASE PRICE ATTRIBUTABLE TO THE PARTICULAR PRODUCT OR SERVICE FROM WHICH THE LIABILITY ARISES. NOTWITHSTANDING ANYTHING TO THE CONTRARY, VOITH SHALL NOT BE LIABLE FOR ANY SPECIAL DAMAGES, PUNITIVE DAMAGES, INDIRECT DAMAGES, INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, CONSEQUENTIAL DAMAGES, SIMILAR TYPES OF DAMAGES OR LOSSES, LOSS OF PROFITS, DOWNTIME, LOSS OF PRODUCTION, LOSS OF REVENUES OR LOSS OF USE OF ANY PROPERTY OR CAPITAL OF BUYER, ANY OF ITS AFFILIATES OR ANY THIRD PARTY, EVEN IF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES HAS BEEN DISCLOSED TO VOITH IN ADVANCE OR COULD HAVE BEEN REASONABLY FORESEEN BY VOITH. THE LIMIT ON THE AMOUNT OF VOITH'S LIABILITY AND THE EXCLUSIONS OF DAMAGES AND LOSSES SHALL APPLY REGARDLESS OF THE THEORY OF LIABILITY, WHETHER BASED ON CONTRACT, INDEMNITY, WARRANTY,

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TORT, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER BASIS. THE LIMIT ON THE AMOUNT OF VOITH'S LIABILITY AND THE EXCLUSIONS OF DAMAGES AND LOSSES SHALL BE DEEMED TO BE INDEPENDENT OF, AND SHALL SURVIVE, ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY UNDER THE TERMS OF THIS AGREEMENT.

15. GOVERNING LAW: This agreement shall be governed by and construed according to the internal laws of the Province of Ontario and of Canada, without reference to principles of conflicts of laws. **EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL.** The rights and obligations of the parties shall not be governed by the provisions of the 1980 U.N. Convention on Contracts for the International Sale of Goods.

16. EXPORT CONTROL: Buyer shall be responsible for compliance with all applicable export control laws and regulations, including, but not limited to, those of the Canadian Export and Import Permits Act (EIPA) and Department of Foreign Affairs and International Trade (DFAIT), the U.S. Office of Foreign Assets Control (OFAC), Export Administration Regulations (EAR) and the International Traffic in Arms Regulations (ITAR). VOITH shall not be liable to Buyer for any failure to deliver products as a result of (a) governmental refusal to grant any export or re-export authorization; (b) cancellation of any export or re-export authorization; or (c) any change or subsequent interpretation of a law or regulation after the date of an order that adversely affects or impacts VOITH's costs or ability to perform its obligations. VOITH shall not be liable to Buyer for Buyer's failure to comply with any export control regulation. Buyer shall notify VOITH in writing of any applicable export control classification (e.g., ECL, ACL, USML or ECCN) of any item (hardware, software, source code, technology/technical data) prior to furnishing such item to VOITH or asking VOITH to manufacture such item. For all items to be received by Buyer from VOITH, Buyer certifies that it will not export, re-export or transport any such item, or otherwise perform any act, contrary to EIPA, DFAIT, OFAC, EAR or ITAR prohibitions and restrictions. This includes, but is not limited to, observing all OFAC country and list-based sanctions and complying with all EAR Part 736, 744, and 746 restrictions. Under certain circumstances, VOITH will require that Buyer provide information on the ultimate destination of items provided to Buyer, including information regarding the end use and end user. Buyer shall furnish such information to VOITH upon VOITH's request. Buyer agrees that the export control requirements listed above shall survive the completion, early termination, cancellation or expiration of the applicable order.

17. HEALTH AND SAFETY; ASBESTOS: Buyer is responsible for providing and properly installing any guards or safety devices required under the Occupational Safety and Health Act or the safety regulations of any jurisdiction. Buyer shall use, and shall require its employees and agents to use, all such guards and safety devices and shall maintain such guards and safety devices in proper working order. For purposes of applicable environmental law, Buyer shall be deemed to have charge, control and management of the work site for Services performed on Buyer's premises, including, but not limited to, conditions existing as of the date of the order, and shall notify VOITH in writing of the existence and specific location of any known hazardous material or substances (including, but not limited to, asbestos) prior to VOITH entering the work site. If Buyer fails to do so, Buyer shall indemnify and hold VOITH free and harmless of and from all claims, liabilities and obligations with respect to any personal injuries, property damage and other damages or losses directly or indirectly arising out of such failure. Notwithstanding anything to the contrary, in no event shall VOITH's scope of work include handling, removing or abating asbestos.

18. SEVERABILITY: If any provision of this agreement is deemed illegal or unenforceable, such illegality or unenforceability shall not affect the validity and enforceability of any legal and enforceable provision, and this agreement shall be construed as if such illegal or unenforceable provision had not been included.

19. WAIVER: No waiver by VOITH of any default by Buyer shall operate as a waiver of any other default or of the same kind of default on another occasion.

20. LANGUAGE: The parties have requested that this agreement and all documents relating to it be expressed in the English language. Les parties ont exigé que la présente convention ainsi que tous documents s'y rattachant soient rédigés en anglais.

THE FOLLOWING SECTIONS APPLY ONLY TO CONSIGNED PRODUCTS:

21. WITHDRAWAL AND INVOICING: VOITH shall invoice Buyer for the

Products in Buyer's possession (including at third-party storage facilities) on consignment as such Products are withdrawn from inventory or when such Products have been finished (packaged) for the applicable time period set forth below (or another applicable time period specified or agreed to by VOITH in writing), whichever is earlier (the "Triggering Event"):

Forming fabrics: 270 days
Press fabrics: 180 days
Dryer fabrics: 360 days
Sleeves: 180 days

Buyer shall notify VOITH in writing of each withdrawal of consigned Products within 24 hours of such withdrawal. Buyer must withdraw consigned Products from inventory on a first in, first out (FIFO) basis.

22. STORAGE AND INSURANCE: Buyer shall store consigned Products on suitable racks in a secure location with access controls and 24-hour camera/video surveillance. The storage environment must be climate-controlled and protect the consigned Products against quality-impairing influences such as humidity, solar radiation and extreme temperatures. Buyer shall ensure consigned Products are segregated from other goods or equipment and tagged or labeled as the property of VOITH. Buyer must keep consigned Products separate from the products of VOITH's competitors. Buyer shall bear all costs and expenses in connection with the storage of consigned Products. Buyer shall comply with all applicable laws and regulations in the storage and care of consigned Products. Buyer bears all risk of loss of or damage to consigned Products and shall insure them up to at least their full replacement value. Buyer shall provide VOITH with a certificate of insurance evidencing such coverage, which certificate of insurance shall name VOITH as an additional insured.

23. ACCOUNTING: At the end of each month, Buyer shall submit to VOITH a consignment inventory report that details all additions to and withdrawals from consigned Products inventory. In addition, consigned Products inventory must be physically counted at least once per year by Buyer at Buyer's expense. If there is a discrepancy between Buyer's reports or counts and VOITH's records with respect to the quantities of consigned Products, VOITH's records shall be presumed correct and the consigned Products that are the subject of such discrepancy (*i.e.*, that are missing or otherwise unaccounted for) shall be considered withdrawn as of the date of the accounting.

24. RIGHT TO INSPECT AND REMOVE: VOITH has the right to access, count and inspect consigned Products at any reasonable time during normal business hours. In addition, VOITH has the right to remove consigned Products from Buyer's storage facilities (including third-party facilities) at any time without providing prior notice to Buyer. Buyer irrevocably grants VOITH access to its facilities for the purposes described in this Section 24.

25. TITLE TO CONSIGNED PRODUCTS: For consigned Products, title to and ownership of the Products shall transfer to Buyer upon the applicable Triggering Event. To secure VOITH's rights and Buyer's obligations, Buyer does each of the following: (a) grants to VOITH a security interest in all consigned Products, now-existing or hereafter acquired, together with all cash and non-cash proceeds of the foregoing, including insurance proceeds; (b) agrees that, except as consumed in the ordinary course of business, Buyer shall not remove any portion of the consigned Products from its storage facilities; (c) agrees that VOITH may execute and file any Personal Property Security Act financing statements and other documents that may be required by VOITH to evidence its security interest; and (d) authorizes VOITH to notify any other creditors of Buyer who have filed financing statements on Buyer's goods that VOITH claims title to and/or a security interest in the consigned Products.