

General Terms and Conditions of Sales and Delivery of Mondi Group

For Large Paper Sack

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1. APPLICATION

- These General Conditions shall regulate every sale contract agreed between an Mondi Group company, hereunder referred to as the Seller, and the Purchaser.
- Any departure from these General Conditions must be agreed upon in writing.
- If one or more of these General Conditions become invalid or ineffective for any reason during the completion of the contract, the other conditions will continue to be valid.

2. REGULATORY STANDARDS

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|--|-------------------|
| - Nomenclature and types (paper sacks) | UNI EN 26590-1 |
| - Description and method of measurement | UNI EN 26591-1 |
| - Drop test (paper sacks) | UNI EN 27965-1 |
| - Conditioning for testing (paper sacks) | UNI EN 26599-1 |
| - Method of sampling empty sacks for testing | UNI EN 27023 |
| - Dimensional tolerances (paper sacks) | UNI EN ISO 8367-1 |

3. CONTRACT NEGOTIATION AND ONCLUSION

+ TENDERS:

- Estimates provided by the Seller are valid and binding for 20 days from the date of issue, unless a different term is specified.
- Estimates provided to purchasers shall include the following essential information:
 - Sack format and type
 - Quantities offered
 - Sack preparation including different sheet grammages
 - Terms of delivery and shipping instructions
 - Terms of payment
 - Prices

+ ORDERS:

- Each order shall become executive only after the Purchaser has sent a formal written order to the Seller or the Seller has acknowledged the order by sending an appropriate copy order to the Purchaser.
- The Purchaser shall indicate the following in his order:
 - The quantity of sacks ordered,
 - Sack sizes and technical specifications,
 - All other commercial information such as price and terms of delivery, payment and return.
- For everything not specified in the Purchaser's order the Seller's technical -qualitative standards shall apply.

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- Contracts shall be considered as signed and concluded in the Seller's place of domicile.

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For Large Paper Sack**

+ CONFIRMATION OF ORDERS:

- The Purchaser, after receipt of confirmation of the order, shall immediately or no more than two days after receipt, notify the Seller of any discrepancy with respect to his order.

+ MODIFICATION OR CANCELLATION:

- Any cancellation or partial or total modification of an order must be agreed by both parties (Seller and Purchaser).
- The Seller will in any event be entitled to reimbursement by the Purchaser of all production costs borne up to the time of cancellation of the order.

4. PRICE

- The price agreed upon is net, clear of any tax or charge which shall be entirely at the Purchaser's expense.

**5. PRODUCTION OF THE
ORDER + COMPONENT PARTS:**

- Sheet analysis is conventionally conducted from the outside to the inside of the sack; therefore, the first sheet is the external one and the last sheet is the internal one (which is directly in contact with the sacked product).

+ RAW MATERIALS:

- Unless otherwise agreed in writing, the Seller may choose and use the materials and manufacturing processes for all orders, provided that the end product complies with the specifications agreed with the Purchaser.

+ PRINTING:

• **Intellectual and patent property and rights**

- The Purchaser shall bear sole liability for any third party rights infringement, specifically with regard to any copyright and trademark or registered trademark rights concerning brands, names, patents and designs that the Purchaser himself decides and instructs to be put on his ordered sacks.
- The Purchaser shall guarantee the Seller's extraneousness from any of the above liabilities, taking upon himself full liability for the consequences of any proceedings taken by a third party owing to any infringement of the rights mentioned above.
- In accordance with the law governing intellectual property, any job involving creative work (drawings, photos, printings, films or printing film) performed by the Seller shall remain the exclusive property of the Seller and shall not be transferred to the Purchaser unless otherwise agreed between the parties.
- After two years without any activity of a certain printing plates belonging to the Purchaser, the Seller could decide to destroy the material.

• **Print quality**

- Print features must always comply with current commercial quality as regards hue tolerances, positioning variations and any block deflection.
- Unless otherwise agreed in writing, the Seller will use normal printing inks. He will not therefore guarantee a particular light -fastness for printing inks and will not be responsible for any hue variation over time as a result of exposure to light or any other agent.
- Assessment of the quality of the graphics even when Pantone (or other range) numbers are provided, must take account of actual reproduction potential and all other factors (paper, porosity, absorption, thickness, etc.), which may affect the final result.

• **Proof sheet approval**

- The Seller shall submit a proof sheet for the Purchaser's approval, which the latter shall indicate in writing.
- The Purchaser's approval releases the Seller from any liability for errors and omissions and for any discrepancy between the delivered product and the model/sample used by the Purchaser to define the product during ordering.
- Without this written approval, any verbal agreement given by the Purchaser shall release the Seller from any liability.
- After the start of production, the proof sheet shall be considered accepted even without any written or verbal approval, unless otherwise specified by the Purchaser.
- Should the Purchaser's requirement entail some last -minute touch-up, causing the remaking of the printing film or a stoppage on the production line, the Seller has the right to demand reimbursement of all resulting additional costs from the Purchaser.

**General Terms and Conditions of Sales and Delivery of Mondi Group
For Large Paper Sack**

- If the Purchaser considers the hues as particularly important, he shall agree with the Provider to attend the first printing run to give his approval.
- **Manufacturer's logo**
- The Seller may distinguish his products by printing/putting his brand and/or his reference code on them, as well as any other symbol necessary or useful for the identification of the packaging during the recycling process.

+ PRODUCTION TOLERANCES:

● **Grammage and thickness tolerances**

- Grammage tolerances for each sheet of paper and thickness tolerances for plastic materials used to produce the sacks are fixed at +/- 5%; for sacks produced with coupled materials, the average tolerance for each sheet is +/-10% of the grammage.
- The Seller may decide to provide sacks prepared with sheets of different grammage, provided that the number of sheets and the total grammage with the above -mentioned +/- 5% tolerance remain unvaried.

● **Dimensional tolerances**

- See UNI EN ISO 8367 -1 regulations, i.e.:

- Open-mouth sacks:

- Length of sack +/- 10 mm
- Width of sack +/- 5 mm
- Width of bottom +/- 5 mm

- Valve sacks:

- Length of sack +/- 10 mm
- Width of sack +/- 5 mm
- Width of bottoms +/- 5 mm
- Width of valve 0/+5 mm
- Length of valve +/- 5 mm

● **Quantity tolerances**

- Admitted quantity tolerances are as follows:

- Less than 5,000 sacks +/-25%
- 5,000 to 10,000 sacks +/-15%
- 10,000 to 25,000 sacks +/-10%
- 25,000 to 100,000 sacks +/-8%
- More than 100,000 sacks +/-5%

● **Quality tolerances**

A. Critical non -compliances, significantly reducing the use opportunities of the sack or making the sack completely unusable for its designed purpose.

B. Significant (but not critical) non -compliances, slightly affecting the use of the sack, allowing its typical use or requiring some kind of care during sacking operations.

Critical non-compliance (A.) tolerances are admitted up to the following limits (percentage of tolerance):

- Less than 5,000 sack batch 5%
- 5,000 to 10,000 sack batch 4%
- 10,000 to 25,000 sack batch 3%
- 25,000 to 100,000 sack batch 2%
- More than 100,000 sack batch 1%

This maximum limit shall be checked on the entire batch and neither on part of it nor on single

pallets.

6. PACKING AND SHIPPING

- Unless otherwise agreed, the Seller will adopt his packing standards as regards pallet size and type, sack quantity per pallet and preservation.
- If the goods are invoiced by weight, the price shall be calculated on gross weight (including pallet and packing paper).
- Any special packaging shall be debited at cost price.

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For Large Paper Sack**

7. DELIVERY

- The contractual delivery times will always be extended by a period at least equal to the delays due to the following:
 - product variations requested by the Purchaser, delays, slowdowns, suspensions or disruptions of manufacturing processes imputable to the Purchaser
 - fortuitous circumstances and acts of God such as wars, terrorist attacks, vandalism, strikes, fire, floods, earthquakes, particularly bad weather conditions, measures imposed by the public authorities, power cuts, machinery breakdowns or raw material short age, unless the Seller is discharged from his obligation given the unexpected impossibility of performance, except for the case provided for in part 10.
- If the goods do not need to be transferred to the Purchaser's domicile or another location designated by the Purchaser, he shall collect it within the period agreed upon.
- In any event, goods not collected within the agreed period may be invoiced from contractually agreed collection date and the terms of payment shall become effective from that same date.

8. PAYMENT

- Cheques and other securities shall be accepted subject to financial coverage.
- In the event of a delay in payment, the Purchaser shall pay interest on arrears as laid down by Law 3/2004, of December 29, on combating late payment in commercial transactions.
- When more than one contract has been agreed between the Purchaser and the Seller, or if more than one delivery is included in a contract, any dispute arising from one of the contracts or one of the deliveries in a contract shall not entitle the Purchaser to suspend payment related to goods already supplied.
- In the event of failure to pay on the part of the Purchaser, the Seller has the right to suspend performance of the other deliveries or contracts without prejudice to his right for compensation.

9. CHECKS ON GOODS AND COMPLAINTS

- Notification of any non-compliance must be made within 30 days following receipt of the goods.
- Without prejudice to the provisions of parts 1) and 2), any hidden quality defect shall be reported within 8 days and no later from their detection.
- The Purchaser's complaints shall be exclusively submitted in writing, via registered letter, to the Seller.
- Similarly, Purchaser's complaints shall not be admissible when concerning the consequences of improper storage of the goods after delivery.
- Goods shall be preserved by the Purchaser in compliance with the conditions specified by the Seller, being recommended the consumption of bags before 1 year of the date of production.
Goods must be preserved under the following conditions:
 - Minimum temperature: 10°C,
 - Relative humidity between 40 and 60%,
 - Absence of any polyethylene wrapping film so as to allow further seasoning of the sacks,
 - Pallets must not be stacked on top of each other.
- Goods subject to complaint by the Purchaser shall be kept available for the Seller's inspection for 15 days from the date of complaint, without prejudice to the Purchaser's obligation to provide rigorous proof of his complaints. Goods subject to complaint cannot be returned to the Seller without his approval.
- Without prejudice to the cases of exclusion of Seller's liability mentioned above, in the event of any quality or non-compliance defects and any other manifest default or breach of the Seller, the Purchaser shall have the right, to be exercised within two months of the ascertainment of the breach, to request (to the Seller) that the defective or non-compliant goods shall be made good or replaced within two months, at the Seller's discretion.
- Even in the event of ascertained liability on the part of the Seller, he shall be answerable only for the value of the goods delivered and subject to complaint.
- Under no circumstances shall the Seller be obliged to indemnify the Purchaser for any direct or indirect damage such as loss of production, damage to property or injury, damage to his reputation, etc.

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For Large Paper Sack**

10. INABILITY TO PERFORM THE CONTRACT

- Should it become impossible to perform a contract because of the unavailability of a specific raw material or the discontinuation of a particular industrial process, the parties undertake to examine and agree upon the provision of an alternative product.
- Both parties, however, retain their right to withdraw from the contract.

11. HANDLING OF PERSONAL INFORMATION

- With regard to the handling of customers' personal information, customers are entitled to exercise the rights in accordance with Articles 13 to 19 of the Spanish Organic Law 15/1999, of December 13, on Protection of Personal Data.

12. JURISDICTION AND ARBITRATION

- The parties undertake to attempt to settle any dispute out of court. Should this prove impossible, they shall make recourse to an arbitrator, whose judgement shall be final and thus accepted by both parties and not open to appeal.
- Any dispute shall be dealt with under Spanish law.
- The competent Court shall be that having jurisdiction at the Seller's domicile, expressly waiving the parties any other jurisdiction that may apply.