



Mondi Scunthorpe

Conditions of Sale

1. APPLICATION

- 1.1 These conditions alone shall govern and be incorporated in every contract for the sale of goods made by or on behalf of the Seller ("Mondi Scunthorpe") with any customer ("the Buyer"). They shall apply in place of and prevail over any terms or conditions (whether or not in conflict or inconsistent with these Conditions) contained or referred to in any documentation submitted by the Buyer or in correspondence or elsewhere or implied by trade custom practice or course of dealing unless specifically excluded or varied in writing by a director or other authorised representative of the Seller and any purported provisions to the contrary are hereby excluded or extinguished.
- 1.2 Acceptance by the Buyer of delivery of the goods shall (without prejudice to Condition 2 or any other manner in which acceptance of these Conditions may be evidenced) be deemed to constitute unqualified acceptance of these Conditions.
- 1.3 If subsequent to any contract of sale which is subject to these Conditions, a contract of sale is made with the same buyer without reference to any conditions of sale of purchase such contract howsoever made shall be deemed to be subject to these Conditions.

2. QUOTATIONS AND ACCEPTANCE

- 2.1A quotation by the Seller does not constitute an offer and the Seller reserves the right to withdraw or revise the same at any time prior to the Sellers acceptance of the Buyers order.
- 2.2 The Sellers acceptance of the Buyers order (including telephone orders) shall be effective only where such acceptance is made on the Sellers printed Order Acknowledgement form signed by an authorised representative of the Seller.
- 2.3 Once accepted by the Seller an order placed by the Buyer cannot be deferred, modified or cancelled (save as provided herein) except by mutual agreement and then only on terms which totally indemnify the Seller. Such agreement to be evidenced in writing.

3. PRICES

- 3.1 The prices payable for the goods shall be those contained in the Sellers list prices current at the time of the order. The Seller shall have the right but not the obligation at any time to withdraw any discount from its normal prices and/or to revise prices to take into account inflation and/or increases in costs including (without limitation) costs of any goods materials carriage labour or overheads the increase or imposition of any tax duty or other levy and any variation in exchange rates or any variation in the cost to the Seller of supplying the goods caused by any reason beyond the Sellers control. Unless otherwise specified VAT and any other tax or duties payable by the Seller shall be added to the price whether or not included in the quotation, list price or invoice.
- 3.2 Subject to Condition 4 any discount allowed to the Buyer shall be marked on the front of the Order Acknowledgement form.
- 3.3 Origination costs (including the cost of acquiring or adapting machinery to the Buyers manufacturing requirements) shall be charged separately and prior to delivery of the goods unless otherwise agreed. All sketches and other origination work shall remain the Sellers property.
- 3.4 The Seller reserves the right to charge for carriage and insurance on orders.

4. TERMS OF PAYMENT

- 4.1 Time for payment of invoices shall be the essence of the contract.
- 4.2 Payment should be made in full within 30 days of the date appearing on the Sellers invoice.
- 4.3 The Seller reserves the right to suspend the provision of goods to the Buyer under the contract or any other contract where any amounts are overdue under any contract with the Buyer until all such amounts together with interest due in accordance with condition 4.4 have been paid.
- 4.4 In the event that the Buyer fails to make payment in full by the due date the Buyers right to discount (if any) shall be forfeited and the Buyer shall pay interest on the amount outstanding at the rate of 4% above the current base rate (from time to time) of the Royal Bank of Scotland calculated from day to day from the date upon which payment became due to the date of actual payment. Receipts will be apportioned first to outstanding interest before principal.
- 4.5 Any extension of credit allowed to the Buyer may be changed or withdrawn at any time.
- 4.6 If in the opinion of the Seller the credit worthiness of the Buyer has deteriorated the Seller may require full or partial payment of the price due under this contract or any other contract common to the Buyer and Seller prior to delivery or the provision of security for payment by the Buyer in a form acceptable to the Seller.



5. DELIVERY

- 5.1 Delivery or dispatch dates mentioned in any quotation, Order Acceptance form or elsewhere are approximate only and not of any contractual effect and the Seller shall not be under any liability to the Buyer in respect of any failure to deliver on any particular date or dates. Time for delivery shall not be of the essence of any contract to which these conditions apply and shall not be made so by the service of any notice.
- 5.2 Delivery shall be at the Buyers premises unless otherwise stipulated or agreed by the Seller. The cost of delivery in the United Kingdom shall be included in the price but the Seller shall make an additional charge for delivery otherwise than by its normal carrier or for express delivery. The Buyer shall be solely responsible for unloading of goods at point of delivery. The Buyer shall indemnify the Seller against any and all liabilities, claims or costs arising as a result of the Seller or its sub-contractors assisting the Buyer in the unloading, loading or other removal of the goods from the point of delivery. Following delivery the goods may only be returned by the Buyer with the Sellers prior written consent.
- 5.3 The Seller may effect delivery in one or more instalments. Where delivery is affected by instalments each instalment shall be treated as a separate contract.
- 5.4 Unless otherwise expressly agreed the goods shall be delivered as soon as the Seller is able to deliver them. Where delivery is effected by instalments the Buyer shall in any event accept delivery of all goods ordered within 3 months of the first delivery date specified by the Buyer in its order or associated correspondence.
- 5.5 If the Buyer fails to comply with Condition 5.4 or refuses or fails to take delivery of goods tendered in accordance with the contract or fails to take any action necessary on its part for delivery and/or shipment of the goods then with effect from such time the goods shall be held at the Buyers risk and the Seller shall be entitled to invoice the Buyer (payment becoming immediately due) or terminate the contract with immediate effect or dispose of the goods as the Seller may determine in which case the Seller may recover from the Buyer any loss and additional costs incurred as a result of such refusal or failure (including without limitation storage costs from the due date of delivery).
- 5.6 Section 32(2) of the Sale of Goods Act 1979 shall not apply. The Seller shall not be required to give the Buyer the notice specified in Section 32(3) of that Act.
- 5.7 Non delivery of the goods shall be notified to the Seller within seven days of the date of despatch indicated by the Seller.
- 5.8 The Seller and (where relevant) the carriers must be notified within seven days of receipt of the goods of any damage or shortage and the Buyer must retain for inspection any damaged goods and packaging.
- 5.9 The Seller shall incur no liability whatsoever in the event of failure by the Buyer to notify the Seller of non-delivery, damage or shortage as above.

6. RETENTION OF TITLE

- 6.1 Notwithstanding delivery of the Goods or any of them and the passing of risk in respect of them to the Buyer title to the Goods shall not pass from the Seller to the Buyer unless and until the Buyer has paid to the Seller the price of the Goods and any other sums due to the Seller.
- 6.2 Pending such payment and passing of title, it is hereby agreed and acknowledged as follows:-
 - 6.2.1 the Buyer shall hold the Goods as bailee on behalf of and to the order of the Seller and shall accept delivery and be in possession of them only in such capacity and on and subject to the terms and conditions herein contained
 - 6.2.2 the Buyer shall take all reasonable care of the Goods including the insurance thereof against all usual risks with an insurance company approved by the Seller for the full replacement value thereof (and the Buyer shall procure that the interest of the Seller is noted upon any policy of insurance in respect of goods supplied by the Seller and produce a copy of such policy and endorsement on demand) and shall be solely accountable to the Seller for any loss or damage suffered in respect of them whilst the same are in his possession or under his control
 - 6.2.3 the Buyer shall at all times store the Goods in such a manner as shall facilitate identification of them both generally and by reference to invoices in respect thereof
 - 6.2.4 the Buyer is authorised to sell on the Goods at a price which shall be no less than the price payable by the Buyer to the Seller
 - 6.2.5 the Buyer shall hold the proceeds of any re-sale of the Goods on behalf of the Seller and not pay the same into any overdrawn bank account and retain such proceeds separately and shall account to the Seller therefor
 - 6.2.6 the Buyer shall record each sub-purchaser of the goods (including name, address and date and price of each delivery) and shall if the Seller so requests assign in writing such claims as the Buyer may have against any such sub-purchaser in respect of such goods or non- payment therefor.
- 6.3 The Buyer hereby grants an irrevocable right and licence to the Seller and its servants and agents to enter upon all or any part of the Buyers premises with or without vehicles during normal business hours for the purpose of inspecting and/



or repossessing goods to which it has retained title. This right and licence shall continue to subsist notwithstanding the termination for any reason of any contract which is subject to these Conditions and is without prejudice to any accrued rights of the Seller under such contracts or otherwise.

- 6.4 Notwithstanding the provisions of this Condition the Seller shall be entitled to bring an action against the Buyer for the price of the goods in the event of non-payment by the Buyer by the due date even though property in the goods has not passed to the Buyer and/or shall have the right by notice to the Buyer at any time after delivery to pass property in the goods to the Buyer as from the date of such notice.
- 6.5 It is declared for the avoidance of doubt without prejudice to the generality of the foregoing that the Company may recover any Goods not paid for and payment shall become due if:-
- 6.5.1 The Buyer does or fails to do anything which would entitle a Receiver to take possession of any of their assets or which would entitle any person to present a petition to wind up the Buyer or for the Bankruptcy of the Buyer; and/or
 - 6.5.2 The Buyer passes any resolution to wind themselves up or presents his own petition in Bankruptcy or publishes a notice convening a meeting of its creditors pursuant to Section 588 of the Companies Act 1985 or any statutory modification or replacement thereof; and/or
 - 6.5.3 Any sum owed by the Buyer to the Seller (whether in respect of the goods or otherwise) is not paid to the Seller by the date when it is due; and/or
 - 6.5.4 The Buyer commits a breach of any contract with the Seller.

7. RISK AND INSURANCE

- 7.1 Subject (where appropriate) to Condition 5 risk shall pass on delivery.
- 7.2 Any property of the Buyer in or under the Sellers possession or control and all property supplied to the Seller on behalf of the Buyer shall be held by the Seller at the Buyers risk.
- 7.3 Without prejudice to Condition 6 from the time of delivery until property in the goods passes to the Buyer in accordance with Condition 6.1 the Buyer shall insure the goods for their full value with a reputable insurance office. Upon request the Buyer shall use reasonable endeavours to have the Sellers interest in the goods noted on the insurance policy. Until property in the goods passes to the Buyer the proceeds of any claim on such insurance policy shall be held on trust for the Seller and the Buyer shall forthwith account to the Seller with such proceeds.

8. THIRD PARTY RIGHTS

- 8.1 The Buyer shall indemnify the Seller against any and all liabilities claims and costs incurred by or made against the Seller as a direct or indirect result of the carrying out of any work required to be done on or to the goods in accordance with the requirements or specifications of the Buyer involving any infringement or alleged infringement of any rights of any third party (and including without limitation the printing of any illegal or libellous matter on the goods).
- 8.2 In respect of international supply contracts only the Seller shall have no liability to the Buyer in the event of goods infringing or being alleged to infringe the rights of any third party in the event that the goods are or may be the subject of third party rights the Seller shall be obliged to transfer to the Buyer only such title as the Seller may have.
In respect of all other sales, if at any time any allegation of infringement of letters patent, copyright or design rights is made in respect of the goods or if in the Seller's reasonable opinion such an allegation is likely to be made the Seller may at its opinion and at its own expense:
- 8.2.1 modify or replace the goods without detracting from overall performance thereof, so as to avoid the infringement; or
 - 8.2.2 procure for the Buyer the right to continue to use the goods; or
 - 8.2.3 repurchase the goods at the price paid by the Buyer less depreciation at such rate as is applied by the Seller to its own equipment.
- 8.3 The Buyer shall notify the Seller forthwith of any claim made or action brought or threatened alleging infringement of the rights of any third party. The Seller shall have control over and shall conduct any such proceedings in such manner as it shall determine. The Buyer shall provide all such reasonable assistance as the Seller may request. The cost of any such proceedings shall be borne in such proportions as the parties shall determine.
- 8.4 Where the Seller or its employees or agents design the goods pursuant to a commission from the Buyer (whether in consideration of an order or otherwise) then the Buyer assigns the design right in that design (and the right to apply for registration of that design, if applicable) to the Seller. Such assignment being conditional upon payment of all sums due to the Seller under this contract.



9. LIABILITY

- 9.1 The Seller shall not be liable to the Buyer:-
- 9.1.1 for shortages in quantity unless the Buyer notifies the Seller of any claim for short delivery within 7 days of receipt of the goods.
 - 9.1.2 for damage to or loss of the goods or any part of them in transit (where the goods are carried by the Seller's own transport or by a carrier on behalf of the Seller) unless the Buyer shall notify the Seller of any such claim within 7 days of receipt of the goods or the scheduled date of delivery whichever shall be the earlier;
 - 9.1.3 for defects in the goods caused by fair wear and tear, abnormal or unsuitable conditions of storage or use, mishandling of the goods or any act, neglect or default of the Buyer or of any third party;
 - 9.1.4 for any discoloration or imperfection in the goods caused by any atmospheric conditions unless notified to the Seller within 6 weeks of the goods despatch;
 - 9.1.5 for other defects on the goods unless notified to the Seller within 1 month of the receipt of the goods by the Buyer or where the defect would not be apparent on reasonable inspection within 6 months of delivery.
- 9.2 Where liability is accepted by the Seller under condition 9.1 the Seller's only obligation shall be at its option to make good any shortage or non-delivery and/or as appropriate to replace or repair any goods found to be damaged or defective and/or to refund the cost of such goods to the Buyer.
- 9.3 The Seller shall not be liable for any loss, damage or liability of any kind suffered by any third party directly or indirectly caused by repairs or remedial work carried out without the Seller's prior written approval and the Buyer shall indemnify the Seller against any and all claims and costs arising out of such claims to the extent that such repairs or remedial work have been performed by the Buyer or its agents.
- 9.4 The Sellers aggregate liability to the Buyer whether for negligence, breach of contract, misrepresentation or otherwise shall in no circumstances exceed the cost of the defective, damaged or undelivered goods which give rise to such liability as determined by net price invoiced to the Buyer in respect any of any occurrence or series of occurrences.
- 9.5 Subject to this condition 9
- 9.5.1 all conditions warranties and representations expressed or implied by statute common law or otherwise in relation to the goods are hereby excluded;
 - 9.5.2 the Seller shall be under no liability to the Buyer for any loss damage or injury, direct or indirect, resulting from defects in design, materials or workmanship or otherwise howsoever arising (and whether or not caused by the negligence of the Seller its employees or agents) other than liability for death or personal injury resulting from the Sellers negligence.
 - 9.5.3 the Seller shall have no liability for any indirect or consequential losses or expenses suffered by the Buyer, howsoever caused, and including without limitation loss of anticipated profits, goodwill reputation, business receipts or contracts or losses or expenses resulting from third party claims.

10. SPECIFICATIONS AND CONFIDENTIALITY

- 10.1 Unless expressly agreed in writing by the Seller all drawings, designs, specifications and particulars of weights and dimensions submitted by the Seller are approximate only and the Seller shall have no liability in respect of any deviation from them. The Seller accepts no responsibility for any errors omissions or other defects in drawings, designs or specifications not prepared by the Seller and the Seller shall be indemnified by the Buyer against any and all liabilities and expenses incurred by the Seller arising from them. Corrections to goods required by the Buyer following inspection and approval of proofs by the Buyer shall be at the Buyers expense and will be charged for separately.
- 10.2 All drawings, designs, specifications and information submitted by the Seller shall be treated as confidential and shall not be disclosed to any third party without the Seller's written consent or used by the Buyer other than for purposes authorised by the Seller.
- 10.3 The Seller reserves the right to alter the specification of any goods without prior reference to the Buyer provided that the goods substantially comply in all other known respects with the Buyers requirements and any such variation or substitution of reasonably equivalent materials or goods or finishes shall not give rise to a claim against the Seller.
- 10.4 Actual dimensions and quantity of the goods may vary slightly from dimensions and quantity indicated and the Seller shall not accept liability or deemed to be in breach of contract providing that such variation shall not exceed plus or minus 10% of those dimensions or quantities.

11. PACKAGING

The Buyer shall meet the cost of any special packaging requested by the Buyer or any packaging rendered necessary by delivery by any means other than the Seller's normal means of delivery.



12. LICENCES AND CONSENTS

If any licence or consent of any government or other authority shall be required for the acquisition, carriage or use of the goods by the Buyer the Buyer shall obtain the same at its own expense and if requested produce evidence of the same to the Seller on demand. Failure to obtain any licence or consent shall not entitle the Buyer to withhold or delay payment of the price. Any additional expenses or charges incurred by the Seller resulting from such failure shall be for the Buyer's account.

13. INTELLECTUAL PROPERTY

- 13.1 Any words descriptions trade marks or other matter printed at the Buyer's request on goods supplied by the Seller shall be the sole responsibility of the Buyer who shall indemnify the Seller against all liability whether civil or criminal under statute or at common law arising out of the use such words descriptions trade marks devices or other matter
- 13.2 All blocks, sketches and other original work produced by the Seller, together with all rights therein, shall be the property of the Seller unless otherwise agreed in writing.

14. FORCE MAJEURE

- 14.1 The Seller shall not be liable to the Buyer for any loss or damage which may be suffered by the Buyer as a direct or indirect result of the supply of goods by the Seller being prevented hindered delayed cancelled or rendered uneconomic by reason of circumstances or events beyond the Seller's reasonable control ("force majeure circumstances") including but not limited to Act of God war not strike lock-out trade dispute or labour disturbance accident break-down of plant or machinery fire flood storm difficulty or increased expense in obtaining workmen materials or transport or other circumstances affecting the supply of the goods or of raw materials by the Seller's normal source of supply or the manufacture of the goods by the Seller's normal means or the delivery of the goods by the Seller's normal route or means of delivery.
- 14.2 In force majeure circumstances the Seller may in its sole discretion terminate any contract for the supply of goods pursuant to these Conditions or cancel delivery of goods to the Buyer or may, with the agreement of the Buyer, deliver goods at an agreed rate of delivery commencing after any suspension of deliveries.
- 14.3 If due to the force majeure circumstances the Seller has insufficient stocks to meet all its commitments the Seller may apportion available stocks between its customers at its sole discretion.

15. SAMPLES

Any samples or trade cards or models supplied or exhibited to the Buyer are supplied or exhibited solely for information and in no way import any express or implied conditions or warranties as to quality, description, fitness for purpose or merchantable quality and the Buyer shall be deemed to have satisfied itself as to such matters prior to ordering the goods.

16. TERMINATION

- 16.1 Without prejudice to any other right under these conditions, if the Buyer;
- 16.1.1 being an individual, enters into a voluntary arrangement or if a petition is presented for the making of a bankruptcy order against him or if he compounds with his creditors; or
- 16.1.2 being a company, passes a resolution for its winding-up or becomes the subject of an application for a winding-up order (otherwise than for the purposes of amalgamation or reconstruction previously approved in writing by the Seller) or if a meeting is called to approve the appointment of a liquidator to the Buyer or if a petition is presented to the Court for the appointment of a liquidator to the Buyer or if a receiver, manager, administrative receiver or an administrator is appointed or a petition is presented to the Court for the appointment of an administrator to the Buyer or over any part of the Buyer's undertaking or if circumstances arise which might entitle the Court or a creditor of the Buyer to appoint a receiver, manager, administrative receiver or administrator or which might entitle the Court to make a winding-up order or if the Buyer take or suffers any similar or analogous action in consequence of debt;
- or
- 16.1.3 commits a breach of any contract between the Seller and the Buyer
(including without limitation any failure by the Buyer to pay for the goods in accordance with Condition 4).
the Seller may without prejudice to any of its other rights stop any goods in transit and/or suspend further deliveries to the Buyer and/or exercise its rights under Condition 6 and/or by notice in writing to the Buyer terminate any contract with the Buyer.
- 16.2 Upon termination of any contracts pursuant to Condition 16.1 any indebtedness of the Buyer to the Seller shall become immediately due and payable and the Seller shall be relieved of any further obligation to supply any goods to the Buyer pursuant to such contracts.



17. ASSIGNMENT

None of the rights or obligations of the Buyer under these Conditions may be assigned or transferred in whole or in part without the prior written consent of the Seller.

18. LIEN

The Seller shall be entitled to a general lien on all goods and property owned by the Buyer in the Seller's possession (although the Buyer may have paid for the same in full) in satisfaction of the whole or part as the case may be of the unpaid price of any goods sold and delivered to the Buyer under any contract. The Seller shall be entitled to offset any sum or sums owing to it from the Buyer against any sums owed to the Buyer by the Seller.

19. HEADINGS

The headings of these Conditions do not form part of the Conditions and shall not affect their interpretation.

20. SEVERABILITY

If any of these Conditions is held to be invalid, illegal or unenforceable in any respect whether in whole or in part such invalidity, illegality or unenforceability shall not prejudice the effectiveness of the rest of these Conditions or the remainder of any part of a Condition affected.

21. WAIVER

Failure by the Seller to exercise or enforce any rights under any contract subject to these Conditions shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement of such right at any time thereafter.

22. NOTICES

Any notice hereunder shall be in writing and be deemed to have been duly given if delivered personally or sent by prepaid first class post (airmail if to an address outside the United Kingdom) telex or telefax to the party concerned at its last known address. Notices delivered personally shall be deemed to have been given when delivered, notice sent by first class post shall be deemed to have been given seven days after despatch (fourteen days if given by airmail) and notices sent by telex or telefax shall be deemed to have been given on the date of despatch.

23. GOVERNING LAW

Any contract to which these Conditions apply shall be governed by and construed in accordance with the Laws of England and the parties hereby submit to the exclusive jurisdiction of the English Courts.

24. In accordance with the UK Bribery Act 2010, Mondi Scunthorpe Ltd. does not tolerate any form of bribery, whether direct or indirect, by, or of, its employees, officers, agents or consultants or any persons or companies acting for it or on its behalf. The board and senior management are committed to implementing and enforcing effective systems throughout the organisation to prevent, monitor and eliminate bribery.

Mondi Scunthorpe Ltd, 1 Atkinsons Way, Scunthorpe, DN15 8QJ, Registered Office –
Scunthorpe UK Mondi Consumer Goods Packaging

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