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(hereinafter referred to as the "Seller")

## General Terms and Conditions of Sales and Delivery of Mondi Group for Large Paper Sacks

### 1. APPLICATION

- These General Conditions shall regulate every sales contract agreed between a 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

- |   |                   |
|---|-------------------|
| - 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      |
| - Dimension tolerances (paper sacks):         | UNI EN ISO 8367-1 |

### 3. CONTRACT NEGOTIATION AND CONCLUSION

- **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:
  - a. Size and type of sack
  - b. Quantity to be offered
  - c. Sack composition including grammage of each ply
  - d. Terms of delivery and shipping instructions
  - e. Terms of payment
  - f. Prices

- **ORDERS:**

- Each order becomes 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 order confirmation to the Purchaser.
- The Purchaser must indicate in his order:
  - a. The quantity of sacks ordered;
  - b. Sack sizes and technical specification;
  - c. All other commercial information such as: price, terms of delivery, payment and return.
- For everything not specified in the Purchaser's order the Seller's technical/qualitative standards shall apply.
- Contracts shall be considered as signed and concluded in the Seller's place of domicile.
- Mondi is entitled to outsource part of the process at BRC Packaging certified plants or at plants with similar Standard.
- Mondi is also entitled to use recycled paper. Please refer to the document "SUITABILITY OF THE PAPER SACKS TO THE FOOD CONTACT" for this issue.

- **ORDER CONFIRMATION:**

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

- **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 be entitled in any event 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:**

- Plies analysis is conventionally conducted from the outside to the inside of the sack; therefore, the first ply is the external one and the last ply is the internal one (which is in direct contact with the filled 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.

- **FOOD SAFETY:**

- The material supplied by Mondi IPI Srl and Mondi Gradisac Srl is suitable to the food contact according to EU Regulation 1935/2004 and to the Italian D.M. 21/03/73 and subsequent modifications, amendments and supplements.

In case of any food alert the Purchaser shall send an email to:

Mondi IPI Srl - [luca.nobili@mondigroup.com](mailto:luca.nobili@mondigroup.com) - (Mobile: +39.335.68.98.543)

Mondi Gradisac Srl - [gianluca.bonetti@mondigroup.com](mailto:gianluca.bonetti@mondigroup.com) (Tel. +39 0481 955 311)

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- **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.

- **Print quality**

- Print features must always comply with current commercial quality as regards hue tolerances, positioning variations and any crush of print plates.
- Unless otherwise agreed in writing, the Seller will use normal printing inks. He will not therefore guarantee a particular ultraviolet resistance 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.

- **Print approval**

- The Seller shall submit a PDF file 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 the definition of the order.
- Without this written approval, any verbal approval given by the Purchaser shall release the Seller from any liability.
- After the start of the production, the PDF file 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 changes, causing the remaking of the print plates or a production stop on the line, the Seller has the right to demand reimbursement to the Purchaser of all resulting additional costs.
- If the Purchaser considers the hues as particularly important, he shall agree with the Supplier to attend the first printing run to give his approval.

- **Manufacturer's logo**

- The Seller may distinguish his products by printing/putting his brand name 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 TOLERANCE:**

- **Grammage and thickness tolerances**

- \*) paper +/- 5% (grammage),
- \*) plastic materials +/-10% (thickness),
- \*) coated materials +/-10% (grammage).
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- The Seller may decide to supply sacks produced with plies of alternative grammage, provided that the number of plies and the total grammage with the above mentioned +/- 5% tolerance remain unvaried.

▪ **Dimensional tolerances**

- See UNI EN ISO 8367-1 regulations, i.e.:
  - a. **Open mouth sacks:**
    - i. Sack length +/- 10 mm
    - ii. Sack width +/- 5 mm
    - iii. Bottom width +/- 5 mm
  - b. **Valve sacks:**
    - i. Sack length +/- 10 mm
    - ii. Sack width +/- 5 mm
    - iii. Bottom width +/- 5 mm
    - iv. Valve width 0/+5 mm
    - v. Valve length +/- 5 mm

▪ **Quantity tolerances**

- Admitted quantity tolerances are as follows:
  - i. Less than 5,000 sacks +/- 25%
  - ii. 5,000 to 10,000 sacks +/- 15%
  - iii. 10,000 to 25,000 sacks +/- 10%
  - iv. 25,000 to 100,000 sacks +/- 8%
  - v. More than 100,000 sacks +/- 5%

▪ **Quality tolerances**

- (A) Critical non compliances, which reduce significantly the possibilities to use the sack or which make the sack completely unusable for its designed purpose.
- (B) Significant (but not critical) non compliances, which affect slightly 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 percentage limits:

- i. Less than 5,000 sack batch 5%
- ii. 5,000 to 10,000 sack batch 4%
- iii. 10,000 to 25,000 sack batch 3%
- iv. 25,000 to 100,000 sack batch 2%
- v. More than 100,000 sack batch 1%

This maximum limit shall be checked on the entire batch and not on part of it or on single pallets.

**6. PACKING AND SHIPPING**

- Unless otherwise agreed, the Seller will adopt his packing standards with regard to: size and type of the pallet, pieces per pallet and protection of the goods.
- Any requested and supplied CP1 or Euro pallets shall be returned in their original quantity and condition. Pallets not returned or returned in an unusable condition will be invoiced at cost price.
- 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 charged at cost.

**7. DELIVERY**

- The contractual delivery terms will always be extended by a period at least equal to the delays due to the following:

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- i. Product variations requested by the Purchaser, delays, slowdowns, suspensions or disruptions of manufacturing processes imputable to the Purchaser;
  - ii. *Force majeure* 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 shortage, unless the Seller is discharged from his obligation given the unexpected impossibility of performance, except for the case provided for in part 10;
  - iii. 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;
  - iv. Should the Purchaser fail to collect the goods promptly, the Seller may relocate the goods to his warehouse and the Purchaser shall pay 1.5% of the product sales price for each month of storage, and/or send the goods to the Purchaser, who shall also pay for the transportation costs;
  - v. During the storage period after the term of collection of the goods, the Seller is not liable for any loss or deterioration of the goods for whatever reason;
  - vi. In any event, goods not collected within the agreed period may be invoiced as per contractually agreed collection date and the terms of payment shall become effective from that same date.

## **8. PAYMENT**

- Acceptance of cheques and other securities shall be subject to financial coverage.
- In the event of a delay in payment, the Purchaser shall pay interest on arrears as laid down by the Italian Legislative Decree No. 231 of October, 9th 2002 and subsequent amendments and additions.
- 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 by the Purchaser, the Seller has the right to suspend supplies of the remaining deliveries or contracts without prejudice to his right for compensation.

## **9. CHECKS ON GOODS AND COMPLAINTS**

- Notification of any non-compliance must happen within 30 days following receipt of the goods.
- Notwithstanding the provisions of the art. 1745, first paragraph, of the Italian Civil Code, the Purchaser's complaints shall be submitted to the Seller exclusively in writing, via registered letter.
- 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.
- Purchaser's complaints are not admitted when concerning alterations caused by light or other agents or substances harmful to paper, colour printing, etc.
- Similarly, Purchaser's complaints are not admitted 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. Where these conditions are not indicated, goods must be preserved under the following conditions:
  - i. Minimum temperature: 10°C,
  - ii. Relative humidity between 40 and 60%,
  - iii. Free from any PE wrapping film so to allow further dry up of the sacks,
  - iv. 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 evidence of his complaints. Goods subject to complaint cannot be returned to the Seller without his approval.

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- 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 commit 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.
  - Only for the food grade sacks: please refer to the Food Contact declarations issued by the relevant plant for the "expiry date" of the items.

#### **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 whose price, if the parties are unable to agree on one, is to be established by a third party designated by both parties, or, if they are unable to agree on one, by the General Secretary of the Italian Associazione Nazionale Industrie Grafiche, Cartotecniche e Trasformatrici (national association of graphics and paper converting industries).
- Both parties, however, retain their right to withdraw from the contract.

#### **11. SPECIAL CONDITIONS FOR E-COMMERCE SALES**

- The sale by way of our E-Commerce platform shall be governed in addition by the following special provisions:
- We give all customers the opportunity of placing on-line orders on: [ebags.mondigroup.com](http://ebags.mondigroup.com).
- On request, the customer will be provided with a user ID and a personal master password along with instructions containing the technical requirements at customer's premises (these shall be established by the customer at his cost and risk; there will be no compensation upon termination of our E-commerce platform for any reason whatsoever, in particular also if we give notice). The customer is thereby able to produce and release on our server sub-authorizations. These sub-authorizations are either of the same scope as the master authorization or permit the placing of orders and the reading or permit only the reading. The master authorization may be used to modify or revoke a sub-authorization at any time.
- The issue and control of sub-authorizations as well as the preservation and confidentiality of the master authorizations and the sub-authorizations shall be exclusively the customer's responsibility. We can only check whether a password is consistent with a properly released sub-authorization. We do not have to make any further checks.
- Any person that logs in by using a sub-authorization released on our server and the relevant password shall be deemed authorized to take all legally effective measure in connection with orders and creation of print proofs, the modification thereof and submission of orders to us. Such person shall as well particularly be deemed authorized to give the approval to print the print proofs. This shall also apply if such information - whether sent as encrypted text or clear text - is read by unauthorized persons (in particular "hackers") either at customer's premises or in the Internet.
- Orders may only be placed for such products for which precise specifications have already been agreed in advance.
- The customer shall check the draft of the print proof for any fault whatsoever before giving the print approval. With giving this approval the customer agrees irrevocably to the printing of this template. Subsequent changing of the template (and therefore subsequent trouble shooting as well) can only be made at the expense of the customer.

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- An order may only be placed if all obligatory fields (indicated with a star) are completed. Before sending the order, the customer is provided with a schedule of the contents of the order and prices which he may correct or confirm. We will confirm receipt of the order through an automatically sent e-mail, which is, however, no acceptance of the order. Messages are received by us only during regular business hours (Monday to Friday from 9:00 a.m. to 4:00 p.m., except for public holidays in Italy). Any messages arriving on our server outside these hours shall be deemed received only on the next working day.
  - The Contract becomes effective only if we check the order, marking it as "confirmed" among open orders. The Customer does not need to be provided with a separate notice of acceptance. Unless the order is entered as "confirmed" within 14 days after sending, it shall be deemed refused.
  - We will save the accepted order, retrievable by the customer under open orders at any time. He may also view the internal stage of the order.
  - The customer knows that the Internet is no safe communication medium and that information which is transmitted through the Internet can, on the one hand, become known and, on the other hand, be modified by third parties. The customer bears the risk that we might not receive information or that information might not be received in the form sent. We may rely upon the fact that information was sent by the customer in the form as received by us.
  - We are not liable for any functioning of our E-Commerce platform without any interruption. We are entitled to carry out work which may require a shut-down at any time, also without prior notice. We are not obliged to provide a certain capacity of the connection and of the server so that overloads and longer response periods have to be taken into account.
  - We may fully discontinue our E-Commerce platform at any time without stating any reason with one month's prior notice (date of sending of the notice).
  - The customer acknowledges that the information provided in the course of the order and the handling of the order may be compiled, processed, saved and used for accounting purposes and for internal market research and marketing purposes. We will use the information to ensure compliance with statutory provisions, for the handling of payment transactions and for advertising purposes. The customer also agrees to the data transmission to our print plate suppliers as our subcontractors. The print plate suppliers will use the information only for the purpose mentioned above.
  - All business information between the parties as well as the provisions hereof shall not be disclosed to third parties. This provision shall survive the termination hereof.
  - The information and recommendations provided in the course of our E-Commerce platform will be provided to the best of our knowledge. Nevertheless, we are not able to know and take into account all considerations underlying the customer's decision. Therefore, the customer is obliged before taking a measure to verify any information and recommendation we provided and to make his own decision. We disclaim all liability for incorrect information and recommendations, unless the customer proves that we acted with intent or gross negligence.

## **12. HANDLING OF PERSONAL INFORMATION**

- With regard to the handling of customers' personal information, customers are entitled to exercise the rights laid down in Articles 15 (Right of access by the data subject), 16 ( Right to rectification), 17 ( Right to erasure ['right to be forgotten']), 18 ( Right to restriction of processing) of the European Regulation 679/2016.

**13. JURISDICTION AND ARBITRATION**

- The parties undertake to attempt to settle any dispute out of court. Should it be 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 Italian law.
- The competent Court shall be that having jurisdiction at the Seller's domicile.