

Packwell GmbH & Co. KG General Terms and Conditions

General

§ 1

These General Terms and Conditions apply to all contracts with Packwell GmbH & Co. KG (Contractors).

Any supplementary agreements must appear in writing.

Packwell GmbH & Co. KG shall be entitled to unilaterally revise these Terms and Conditions as far as this is necessary to rectify any disruption of the equivalence mandate, or to adapt the Terms and Conditions to changes in legal or technical framework conditions. Packwell GmbH & Co. KG shall inform Customer of any changes by sending the content of the revised provisions to Customer's last known email address. A change shall become part of a contract if Customer has not sent Packwell GmbH & Co. KG, in written or electronic form, its objection to the change within six weeks after receiving notification that the change is to be included in the contract.

§ 2

Any deviating or additional conditions of purchase of Customer shall apply only if they have been expressly acknowledged by Contractor in writing. This shall also apply should Contractor, despite being aware of any deviating Customer terms and conditions, performs a delivery without reservation.

§ 3

All offers shall be subject to alteration and shall not be valid they are confirmed in writing. The written-form requirement under this provision shall be complied with in the case of written or electronic communication, even if the document has not been signed.

Performance of Deliveries

§ 4

Contractor shall be entitled to make overdeliveries or underdeliveries if this is acceptable to Customer in consideration of Contractor's interests. The quantity tolerances which are customary in the industry shall be considered acceptable.

§ 5

Partial deliveries shall be permitted to the extent that is acceptable to Customer in consideration of Contractor's interests.

§ 6

Costs for blocks, stamping tools and other materials shall be invoiced to Customer separately. Upon payment by

Customer, said materials shall become Customer property. After a storage period of 2 (two) years after the last order, Contractor shall ask Customer to collect the material from its premises. Should Customer not comply with said request within a reasonable period of time imposed on it by Contractor for this purpose, for storage-related reasons Contractor shall be entitled to sort out and destroy the material.

§ 7

Customer shall be responsible for ensuring any equipment ordered complies with copyrights and proprietary rights.

Palletisation

§ 8

After each delivery of palletised goods, Customer shall simultaneously return to Contractor the same number of pallets it received, equivalent in value to those it received.

§ 9

Pallets which are not returned or which are returned in damaged condition shall be billed at replacement price.

Delay in Acceptance by Customer

§ 10

Should a delivery be delayed at Customer's request, Contractor shall be entitled to bill Customer the storage costs it incurs, even in case of storage in its own works, but at least 1 (one) % of the amount of the invoice for the goods for each month, starting one month after Contractor has indicated its readiness to deliver. The right to make any further claims is hereby reserved; Customer shall be free to prove that Contractor has suffered no losses or considerably fewer losses as a result of the delay.

§ 11

In addition, in the cases mentioned in §10, Contractor shall be entitled, after a reasonable grace period has passed without result, dispose of the goods otherwise and make the delivery to the Customer within a reasonably extended period.

§ 12

Contractor expressly reserves the right to assert further claims and rights.

Force Majeure

§ 13

If execution of an order be delayed as a result of force majeure, i.e. unusual circumstances which Contractor was unable to avoid despite using a reasonable degree of care in view of the circumstances of the event, e.g. violence, war,

riot, the disruption of operations, strike, lockout, the unavailability of specialists, official sanctions and interventions, delays in the delivery of essential raw materials or energy supply problems, or any other unforeseen obstacles which are outside Contractor's sphere of influence, the agreed delivery period shall be extended by the duration of the disruption. Contractor shall immediately inform Customer when an event of force majeure occurs. Apart from the aforementioned, the contract will continue to exist unchanged.

§ 14

Should the disruption last longer than 6 (six) weeks, both Parties shall be entitled to withdraw from the contract.

Warranty, Liability

§ 15

Complaints regarding delivered goods must be submitted in writing immediately, within no more than 8 (eight) work days following receipt of the goods. Hidden defects must be reported in writing within no more than 8 (eight) work days after they are discovered.

All complaints must include samples of the goods complained about as well as complete pallet slip information.

Defects to part of a delivery may not lead to a complaint about the entire delivery unless it is unreasonable for Customer to accept the defect-free portion of the delivery.

§ 16

Should Contractor allow a reasonable period for supplementary performance, imposed by Customer, of at least 8 (eight) weeks to lapse, or should Contractor attempt to rectify a defect twice or deliver a replacement once and be unable to rectify an existing defect, or should Contractor unjustifiably refuse to make or unduly delay making a necessary repair or replacement delivery, or should a repair not be unacceptable to Customer for other reasons or should the conditions under §§ 281 para. 2 or 323 para. 2 of the BGB apply, Customer may, instead of the repair or replacement, claim the legal remedies of withdrawal from the contract and reduction of the price as well as compensation for damage and expenses, the latter in accordance with § 21 of these Terms and Conditions below. Art. 478 of the BGB shall remain unaffected by this.

§ 17

Customer shall be responsible for carrying out received goods inspections for all deliveries and documenting these in writing, in accordance with commercial due diligence. The inspection catalogue of the Verband der Wellpappen-Industrie e.V. (VDW), in its current version, shall be used as a basis for carrying out these received goods inspections in accordance with what is customary in the industry.

Contractor shall be entitled to inspect the received goods inspection reports of its deliveries to Customer.

§ 18

Contractor shall not be liable for any deviations customary in the industry with respect to sizing, smoothness and purity of paper or gluing, sewing, colours, prints and weight.

§ 19

Furthermore, the corrugated board box inspection catalogues published by the Verband der Wellpappen-Industrie e.V. (VDW), Hilpertstrasse 22, D-64295 Darmstadt, available from Contractor, as well as the DIN standard for corrugated board packaging, each in its current version, shall serve as the basis for assessing deviations which are customary in the industry or technically unavoidable.

§ 20

Contractor shall guarantee the attributes regarding the composition of its corrugated board products, guaranteed in writing, for a maximum of 6 (six) months.

Any Customer claims due to material defects shall come under the statute of limitations 1 year from handover/delivery of the object of purchase to Customer. Excluded from this are claims for defects from consumers and claims for damages due to loss of life, limb or health and/or claims for damages due to grossly negligent or intentional damage by vendors/suppliers. In these cases, the periods of limitation provided by law shall apply.

Liability

§ 21

In the case of any damage to property or financial loss which is caused by slight negligence, Contractor shall be liable only for damage which was foreseeable when the contract was concluded and which is typical of such contracts.

§ 22

If, in the case where a delay in delivery is caused by Contractor's slight negligence Customer, following expiration of a reasonable grace period, claims compensation instead of performance or the compensation of expenses, said compensation shall be limited to the additional costs of any necessary covering purchase, but no more than the amount of the order value.

§ 23

Any liability for claims for damages or for reimbursement of expenses apart from that provided for in the preceding paragraph of § 21 of these Terms and Conditions shall be excluded, regardless of the legal nature of the claims.

§ 24

The bases and amounts of the aforementioned limitations of liability shall also apply in favour of the legal representatives, employees and other performing and/or vicarious agents of Contractor.

Delay in Payment

§ 25

Payment terms shall be based on the individual contracts between Contractor and Customer or on Contractor's order confirmation. In the case of a delay in payment, interest in the amount of 9 (nine) percentage points above the applicable base interest rate (§ 247 of the BGB) shall be due annually. The right to prove any further damage caused by delay remains reserved.

§ 26

In case of a delay in payment by Customer, Contractor shall be entitled, until the invoice amounts due are paid, to not make any additional deliveries unless it receives advance payments for these.

§ 27

Should Customer not adhere to agreed deadlines for payment or if circumstances exist which, according to customary banking standards, indicate a considerable worsening of its pecuniary circumstances and/or its creditworthiness, Contractor may, after a reasonable grace period has passed without result, demand immediate payment for deliveries already made and, at its choice, demand advance payment or payment upon delivery for future deliveries. Alternatively, Contractor may demand that Customer provide security as customary in the banking industry.

§ 28

Contractor may, at its choice, withdraw from its supply contracts already concluded with Customer or demand compensation instead of performance if Customer has not made the payment within 10 days following receipt of a justified reminder.

Retention of Title

§ 29

Any goods delivered shall remain the property of Contractor until all claims arising from the business relationship are fulfilled, including any current account balance.

§ 30

The retention of title shall not exclude Customer's right to use the delivered goods as part of its proper business operations, or to process or dispose of the goods. However, as long as

the retention of title exists, Customer may not transfer the delivered goods by way of security or pawn them.

§ 31

Should delivered goods be used for packaging or processed as packing material, Contractor's ownership of them shall not expire as a result. Contractor shall become owner or co-owner of the new object in proportion to the invoice value of its goods subject to retention of title to the goods packaged/packing materials produced. As indirect owner of the goods subject to retention of title, Contractor shall be entitled at any time to access Customer's premises/storage areas.

§ 32

Should delivered goods or the packing materials produced from them be disposed of, Customer shall hereby cede to Contractor its purchase price claims against its buyers, until the full payment of his outstanding money in the amount of the invoice value of the delivered goods subject to retention of title. Contractor shall hereby accept the cession. Customer shall remain authorized to include the purchase price claim even after the cession. Contractor's authorization to collect the claim itself shall remain unaffected by this. However, Contractor undertakes not to collect the claim as long as Customer fulfils his payment obligations using the proceeds from the resold goods, is not in delay of payment and, in particular, no bankruptcy, settlement or insolvency proceedings have been filed for nor have the payments been stopped. If this is the case, Contractor may demand that Customer inform it of the ceded claims and their debtors, provide all information necessary for the collection, hand over the relevant documents and inform the debtors (third parties) of the cession.

§ 33

Should Customer breach its obligations, in particular default in its payments, Contractor shall be entitled to demand it surrender the delivery item, even without fixing a deadline; the Customer shall be obliged to surrender the delivery item.

§ 34

Should the value of the above security exceeds the value of the claims to be secured by 20%, Contractor shall, upon Customer demand, release delivery items fully paid for of its choice. Customer must object to any third-party access to the property serving as security (goods subject to retention of title as well as claims), indicating Contractor's rights, and to inform the Contractor of such access immediately. Furthermore, Customer shall insure the goods subject to retention of title to the usual extent.

**Place of Performance, Place of Jurisdiction and
Choice of Law**

§ 35

The place of jurisdiction for all obligations and/or legal disputes arising from the supply contract shall be the place of Contractor's business establishment from where the order was confirmed. This shall apply only if Customer is a merchant, a corporate body under public law or a special fund under public law or its headquarters are outside the Federal Republic of Germany.

§ 36

The place of performance for all mutual obligations, e.g. Customer payments or Contractor deliveries, shall be the place of Contractor's business establishment from where the order was confirmed.

§ 37

German law shall apply without exception, under exclusion of the UN Convention on the International Sale of Goods.

Ineffectiveness of Provisions

§ 38

Should individual provisions of these Terms and Conditions be or become ineffective for legal reasons, the validity of the other provisions shall remain unaffected.

§ 39

Any ineffective provisions shall, by mutual agreement, be replaced by effective provisions which came as close as possible to the commercial purpose of the ineffective provisions.