

General Terms and Conditions of GRÜNPERGA Papier GmbH

Per May 2010

1. Scope, Offer and Conclusion of an Agreement

- (1) These General Terms and Conditions apply for all sales and other agreements with business customers – even for the future –, as far as not agreed upon otherwise in writing. We hereby expressly object to any of the buyer's general terms and conditions. Our conditions are considered as agreed upon by placing an order or by accepting a delivery.
- (2) Our offers are without engagement. We are only obliged vis a vis the buyer after our written order confirmation and only such concludes the contractual relationship.
- (3) Any one-sided declarations such as reminders, cancellations, termination need to be made in writing. To meet the written form the transfer per telex is sufficient, for the rest the transmission by telecommunication, especially via email, is not sufficient.

2. Prices, Completion and Quantity

- (1) As far as not agreed upon otherwise in writing, all prices are net prices ex stock or ex works plus the respective value added tax valid at the time of the shipping.
- (2) Has a delivery time of more than 4 months been agreed upon or is the delivery time more than 4 month from the time of the conclusion of the agreement due to reasons, the buyer is responsible for or which are in the buyer's risk sphere, we have the right to make a price adjustment if our costs rise by more than 5 percentage points, especially by a rise of the material prices or by a salary increase. Is the price increase more than 10 percentage points of the original price, the buyer has a right of cancellation.
- (3) We reserve any insignificant and inevitable variations with respect to the material compositions, colour, weight, measurement and other similar features of the ordered product if they are customary in trade and as far as the usability of the contractually stipulated purpose does not require an exact match. Further, we reserve the right to change our products due to technical advancements according to custom and usage, as far as the usability for the contractually stipulated purpose is not affected.
- (4) In addition the General Sales Conditions of the Paper and Board Manufactures of the EU shall apply in the respective valid version, especially with respect to variations in quantity, weight and measurement. Such will be provided for inspection on demand.

3. Delivery and Delivery Time

- (1) The delivery of products and services will in principle be accomplished ex stock or ex works, as far as not agreed upon otherwise in writing.
- (2) Delivery and completion dates only apply approximately, if a fixed deadline or date has not been expressly promised or agreed upon. The delivery date is in principle the day on which we give notice of our readiness for delivery. Agreed delivery and completion deadlines start with the date of our order confirmation.
- (3) We have the right for partial delivery, if
 - the partial delivery is usable for the buyer in the frame of the contractually intended use,
 - the delivery of the rest of the ordered products is secured and
 - the buyer does not have material additional expenses or additional costs due to the partial delivery (unless we agree to bear such costs).
- (4) We are not liable for delivery or services delays due to force majeure or unforeseeable circumstances that we are not responsible for such as war, strike, lock-out, a lack of raw material and energy, congestions and inevitable business disruption, official orders, wrong supply or supply not in time by our suppliers even in case of an agreed binding deadline. In such cases we have the right to delay the delivery and services for the duration of the hindrance plus an adequate acceleration time. Does the hindrance lasts longer than one month, we and the buyer have the right to withdraw from the contract after having set an adequate period of grace with respect to that part of the agreement that has not been fulfilled.
- (5) Blanket or call orders oblige the buyer to accept the total quantity that forms the basis of the blanket or call order. As far as no particular call dates result from the agreement, the total quantity of the blanket or call order needs to be called within six month. If the buyer does not meet such call dates, we have the right to invoice the total quantity and to stock the products until payment on the buyer's costs or to withdraw from the agreement and claim for damages according to our own choice after giving a written notice and information of the consequences of the omitted call.
- (6) The occurrence of our delivery delay is subject to the statutory provisions. However, in any case a reminder of the buyer is necessary. If we default with delivery without the existence of gross negligence or intend, our liability for the mere damages caused by delay is limited to 5% of the net value of the products delivered late at the most.

4. Packaging

Disposable packaging is not taken back. Reusable packaging or other borrowed packaging will be exchanged upon delivery or returned on buyer's costs within an adequate time and in immaculate condition if not agreed upon otherwise in writing.

5. Place of Delivery, Shipment, Risk Assumption

- (1) The place of delivery for any deliveries, services and payments is for both parties Grünhainichen, as far as not agreed upon otherwise in writing.
- (2) Any risks and dangers are transferred to the buyer with the departure of the products at our stock or works or with the contractual notice or our readiness for delivery and placing the products at the disposal in our stock respectively. The latter does also apply if the delivery is postponed by the buyer or delayed due to other reasons the buyer is responsible for.
- (3) The buyer does not have the right to refuse the acceptance of our products due to immaterial defects.

6. Defects and Complaints

- (1) The buyer has to accomplish a reception inspection of the delivered products immediately. Complaints due to transport damages or shortages have to be claimed directly and immediately vis a vis the transport company and to be noted on the letter of consignment/CMR.
- (2) The buyer has to inform us immediately, at least within 3 working days after receipt and before processing such products, about any evident defects in writing or per telex by specifying the defect according to nature and degree. Hidden defects have to be also notified in writing immediately, at the latest at the 8. day after such have been detected. After the expiry of the time limit any notices of defects are excluded.
- (3) In case of a qualified notice of a defect we may mend, even repeatedly, or deliver a replacement versus return of the rejected products according to our own choice. In case of a failure of the supplementary performance, which means in case of impossibility, unacceptability, refusal or inadequate delay, the buyer has the right to claim for the warranty rights that he is entitled to due to law.

7. Claims for Damages and Liability for other reasons

- (1) We are only liable for damages for whatever legal grounds in case of intend or gross negligence - even for our executive employees and other auxiliary persons. For other faults we are only liable if the damages fall under the Product Liability Act, in case of an injury of life, body or health, in case of a condition guarantee and in case of a breach of a material contractual obligation.
- (2) In case of neglect our liability is limited to typical and foreseeable damages, as far as the damage is not an injury of life, body, health or a condition guarantee.

8. Limitation

The period of limitation for any claims and rights due to defects of the object of agreement – for whatever legal grounds – is one year. This does not apply if a longer period is mandatorily required by law e.g. as in § 479 German Civil Code (BGB) and in case of a cause of a defect by intend or gross negligence, in case of fraudulent concealment, in case of a condition guarantee, of a breach of a material contractual obligation and in case of an injury of life, body, health or freedom. The limitation does also not apply for claims under the Product Liability Act.

9. Payment Conditions

- (1) The invoice will be issued as soon as the products/services come to shipping or are provided otherwise. Payment terms always start with the date of our invoice. As far as not agreed otherwise in writing, the invoiced amount is due for payment immediately. In case of a payment within 14 days we grant 2 % discount. The provision of a bill needs our prior approval. In case of a payment by check the payment is only considered to be accomplished with the final encashment. Any costs resulting from the check or bill are to be born by the buyer.
- (2) The grant of discounts and other payment periods does not lead to a prolongation of the due date. In case of payment after one month after receipt of the invoice, the buyer has to pay interest in an amount of 8 percentage points over the base rate according to the German Civil Code (BGB) starting from the due date. For any reminders we charge costs of 3.00 EUR per reminder. We reserve the right to claim for further damages. In addition, in case of delay or an excess of the payment date the buyer is responsible for, we have the right to demand immediate payment of any due invoices as well as the prepayment of any accepted orders if the buyer does not give real or personal securities for all payments.
- (3) The buyer only has the right to set off, retention or reduction vis a vis us if the counter claims are established as final or accepted by us.
- (4) We have the right to assign our claims due to accounts payable especially for purposes of financing.

- (5) In case of a sustainable payment delay, bill or check protest or a cessation of payment, in case of the opening of insolvency proceedings or the non-opening of such proceedings due to a lack of mass or in case of the existence of other circumstances, which lower the credit worthiness of the buyer, we have the right to demand security within an adequate time period or delivery versus payment according to our own choice. Does the buyer not follow the demand within an adequate time period we have the right to withdraw from the contract subject to any other compulsory rights. Further, we have the right to enjoin the buyer from the resale and further processing of the products delivered by us and demand the return on the buyer's costs.

10. Title Retention, Extended Lien

- (1) Any products delivered to the buyer remain in our ownership until all of our existent current and future claims resulting from the business relationship for whatever legal grounds have been totally paid. This also applies as far as a claim has been set into a current invoice (current account). The buyer has the right to sale and process such products subject to retention of title in the ordinary business and as long as he is not in delay or if the requirements according to Sec. 9 para. (4) are not fulfilled.
- (2) Is the buyer's behaviour contrary to the contract, especially in case of a payment delay after an adequate time limit has been set, other materially breaches of the agreement or in case that adverse financial circumstance of the buyer become known to us, the buyer is obliged to return any products in his possession immediately on his own costs on our demand. After the return we have the right to exploit such.
- (3) In case of a processing or compound (in the following jointly „Processing“) of the products subject to retention of title with the buyer's products such is carried out for us. We will be the owner of the new products without having any obligations resulting herefrom. In case of a Processing with products that are not in our ownership, the buyer will grant us at least co-ownership in the new products in the ratio of the invoiced value of our products subject to retention of title to the total value.
- (4) In case of a sale of the delivery item the buyer herewith assigns to us as a precaution any claims resulting from the resale vis a vis the customer or third parties with any auxiliary rights in the amount of our claim. The assignment is effective including any current account claims. Have the products been processed or have we gained co-ownership in the amount of the invoiced value, we are entitled to the purchase price claim in the ratio of the value of the products.
- (5) The buyer has the right to collect the claims until our revocation. We will make use of our revocation right if the buyer is in delay with his payments or if the requirements set out in Sec. 9 para. (4) are fulfilled. In this case the buyer is obliged on our demand to give notice to the customers about the assignment and provide us with any information and documents that are necessary for the collection.
- (6) The buyer has to insure the products subject to retention of title against loss and damages. He herewith assigns to us any compensation claims, which he is entitled to due to any damages of the above mentioned kind, in the amount of the invoiced value. We accept the assignment.
- (7) Pledges or security transfers of the products subject to retention of title or of the assigned claim are not permitted. In case of pledges, confiscations or other decrees or interferences of third persons we need to be informed immediately by providing any documents that are necessary for an intervention.
- (8) Exceeds the appraised or nominal value the existing securities of the secured claims of more than 20 %, we will release the securities held by us after our own choice on the buyer's demand. Any rights resulting from the retention of title in the aforementioned special forms persist until the total indemnity from any contingent liabilities, which we have entered in the buyer's interest.
- (9) To secure our claims resulting from work performances vis a vis the buyer a pledge on the products brought in by the buyer and which are in the ownership of the buyer is agreed. Such pledge applies for any claims resulting from the business relationship with the buyer that accrue from the time of its exercising until the release of the security. The provision referring to the release of securities according to para. (8) applies mutatis mutandis.

11. Miscellaneous

- (1) German Law is exclusively applied to any agreements – also with foreign buyers.
- (2) Place of jurisdiction for any disputes resulting from the business relationship is the court that is locally responsible for Grünhainichen. We reserve the right to sue the buyer in his general place of jurisdiction. Compulsory regulations with respect to exclusive places of jurisdiction remain unaffected from this provision.
- (3) For deliveries and services to orderers in foreign countries it is expressly agreed that any necessary costs for prosecution, judicial and non-judicial, in case of the buyer's delay in payment are born by the buyer. For the rest the compulsory regulations apply.
- (4) Should any provision of this General Terms and Conditions or a provision in the frame of any other agreements be or become invalid, the validity of the other provisions or agreements remains unaffected.