

General Terms and Conditions of Sale of DS Smith Packaging Germany Group

1. Scope of application

- a) Unless otherwise agreed in individual contracts, all deliveries and services (hereinafter uniformly referred to as "deliveries") shall only be effected on the basis of these General Terms and Conditions of Sale. They shall apply to entrepreneurs (§ 14 of the German Civil Code), legal entities under public law and special funds under public law (Buyer).
- b) By accepting these terms and conditions without objection, the Buyer agrees to the exclusive applicability of these terms and conditions for the respective delivery and for all subsequent business transactions, without us having to refer to them once again in each individual case. In this regard, we will inform the Buyer of any changes to our GTC of Sale without delay. Deviating or supplementary purchasing conditions on the part of the Buyer are only valid when they have been accepted in writing by the Seller. These terms and conditions also apply when the Seller executes the delivery without reservation in knowledge of conflicting or deviating terms and conditions on the part of the Buyer.

2. Offer, conclusion of contract, information, guarantees

- a) All offers of the Seller are subject to confirmation. The provision of the goods by the Buyer shall only be binding for 30 days after receipt of the non-binding offer.
- b) Information regarding quality and durability shall only be regarded as guarantees when it is expressly designated as such. The same applies to the assumption of a procurement risk.
- c) The information contained in data sheets, brochures and other information material serves only as a guideline and will only become binding contractual content when the Seller has expressly agreed to it in writing.
- d) The contract is not concluded until the Seller has declared acceptance in the form of a written order confirmation. Subsequent verbal agreements require written confirmation by the Seller.

3. Delivery Execution

- a) Unless otherwise agreed, delivery is ex works.
- b) Unless otherwise agreed, the Seller determines the method and route of dispatch. When the Buyer wishes to pick up the goods or have them collected, the Seller's prior consent is required.
- c) If carriage paid delivery has been agreed, yet without the consignment being cleared or the freight deducted from the invoice, the Buyer shall pay the freight. The invoice amount can be reduced accordingly. The freight rates valid on the day of calculation shall then apply. Any increase in freight costs as a result of subsequent changes in the mode of transport, the route of transport, the place of destination, small quantity, flooding or ice surcharges or similar circumstances affecting the freight costs shall be borne by the Buyer, provided that he has caused the aforementioned additional costs or that these are attributable to him.
- d) If goods are stored at the Seller's premises that are kept available at the Buyer's disposal or sold for production without shipping agreement (so-called call-off items), the Buyer must accept these within four weeks after notification of completion.

4. Transfer of risk

When the goods are dispatched at the request of the Buyer, the price risk shall pass to the Buyer at the latest when the goods are dispatched. This applies even if the Seller has assumed additional services such as loading, transport or installation. When delivery is delayed due to circumstances for which the Buyer is responsible, the price risk shall pass to him on the day of notification of readiness for delivery. Transport insurance is only taken out on the Buyer's express instruction and at his expense.

5. Delivery, delivery time, partial and excess deliveries

- a) The type and scope of delivery shall be determined by the Seller's written order confirmation, unless the Buyer immediately objects to this in writing.

The Seller is entitled to partial deliveries, insofar as they are reasonable for the Buyer.

- b) The delivery period is agreed individually or stipulated by us upon acceptance of the order. The delivery period begins with the sending of the order confirmation, however not before all essential questions pertaining to contract execution have been clarified. When, after acceptance of the order, the Buyer demands changes that influence the period of preparation, the delivery period shall only begin with confirmation of these changes. In particular, the delivery period does not begin before the Seller receives all the necessary information or before the Buyer proves that he has opened a credit in accordance with the contract, or provided an advance payment or security.
- c) The Seller is entitled to make additional deliveries to the extent that this is reasonable for the Buyer, and by taking into account his legitimate interests. After conclusion of the contract, a justified interest of the Seller shall exist in the presence of circumstances that are not caused by the Seller and don't occur in bad faith in connection with the fulfilment of the order. Production and technical constraints are to be taken into account in this respect, in particular at the Seller's premises. As long as the Buyer does not prove special circumstances of the individual case that would justify a different assessment, a surplus delivery of up to 10 % is considered to be customary in the industry and, as such, reasonable.

Deviating from the above basic rule, excess deliveries shall be deemed reasonable to the following extent in case of smaller order sizes: up to 500 pieces 20%, up to 1,500 pieces 15%. The actually delivered quantity shall be invoiced.

- d) The Seller is entitled to make short deliveries, insofar as this is reasonable for the Buyer, in particular due to technical production constraints prevailing at the Seller. The actually delivered quantity shall be invoiced.
- e) If delivery is delayed due to circumstances for which the Buyer is responsible, the Seller may, starting one month after notification of readiness for delivery, charge the Seller the incurred storage costs, but at least 0.5% of the invoice amount for each month. Further claims remain reserved; the Buyer is entitled to prove that the Seller did not suffer any or significantly less damage as a result of the delay.
- f) In the aforementioned case (clause 5. e), after a reasonable grace period has expired without result, the Seller is also entitled to dispose of the goods elsewhere and to supply the Buyer subsequently, within a reasonable extended period of time.

6. Defects in delivery, obligations of the Buyer in the event of notification of defects by his customers, reimbursement of expenses, liability

- a) Warranty claims of the Buyer presuppose that he has properly fulfilled his statutory obligations to examine and give notice of defects (§§ 377 ff. of the German Commercial Code). Irrespective of this obligation to examine and give notice of defects, in the event of obvious defects or incompleteness of the goods, the Seller must be notified of the complaints in writing without delay, but at the latest within 2 weeks after arrival of the delivery at the destination, with an exact description of the defect and the invoice number. At the Seller's request, documents, samples, packing slips and/or the defective goods must be returned to him. Claims on the part of the Buyer, due to defectiveness or incompleteness of the delivery are excluded when he fails to comply with these obligations.
- b) Should the goods show defects, the Seller may, at his discretion, either remedy the defects or provide defect-free replacement. Only when this should fail repeatedly or be unreasonable, and the defect(s) is/are not only insignificant, the Buyer will be entitled to withdraw from the contract or reduce the purchase price in accordance with the statutory provisions. 478 German Civil Code remains unaffected. The Buyer is entitled to claims for damages in accordance with Section 6. f).
- c) The Buyer must inform the Seller without delay of any notification of defects by his customer with regard to the delivery items. When the Buyer fails to comply with this obligation, he neither has any warranty claims against the Seller, nor any claim for reimbursement of expenses according to § 478 of the German Civil Code.

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- d) The Buyer can only assert claims for compensation relating to the acquisition of the goods to be delivered subsequently by third parties or relating to the involvement of third parties for subsequent improvement against the Seller by way of recourse (§ 478 of the German Civil Code), provided he has previously set the Seller a reasonable grace period for subsequent performance without success. In the event of recourse, the Seller shall only bear the burden of proof vis-à-vis the Buyer for a period of 6 months as of delivery to the consumer that the defect did not already exist before the transfer of risk to the Buyer and subject to the proviso that no more than 12 months have passed between this transfer of risk and the resale by the Buyer.
- f) In accordance with the product liability law, the Seller is liable, without limitation, in cases of the express assumption of a guarantee or a procurement risk, as well as due to intentional or grossly negligent breaches of duty. Likewise, the Seller is liable without limitation for intentional or negligent injury to life, body or health. The Seller shall only be liable for damage to property and pecuniary loss caused by slight negligence in the event of a breach of material contractual obligations (obligation the fulfilment of which is essential for the proper performance of the contract and on the compliance of which the contractual partner regularly relies and may rely), but limited to the contractual loss foreseeable at the time the contract was concluded..
- g) Unless the Seller is responsible for them, claims for compensation for damages of any kind resulting from improper handling, modification, assembly and/or use of the delivery items or from faulty advice or instruction by the Buyer are excluded. In addition, the Buyer is fully responsible for the use of any design, trade name or trade name appearing on the goods at his request.
- h) If the Buyer is entitled to claim damages instead of performance or to withdraw from the contract, he must declare, at the Seller's request and within a reasonable period of time whether and how he will assert these rights. If he does not declare himself in due time or insists on performance, he shall only be entitled to exercise these rights after the fruitless expiry of a further reasonable grace period.
- i) Claims for defects become statute-barred 12 months after the transfer of risk. The same applies to defects of title. In the event of intentional or grossly negligent breaches of duty, breach of essential contractual obligations, claims arising from tort, lack of guaranteed qualities, assumption of procurement risks and injury to life, body or health, the statutory limitation periods shall apply. If the service is intended for a building and has caused such defectiveness, the warranty period is 5 years. §§ 438 par. 3, 479 and 634 a para. 3 of the German Civil Code remain unaffected.
- j) Any further liability for damages than those provided for in the preceding paragraphs of this Section 6 shall be excluded - irrespective of the legal nature of the asserted claim.
- k) The aforementioned limitations of liability also apply according to reason and amount in favour of the legal representatives, employees and other vicarious agents of the Seller.

7. Force majeure

All cases of force majeure, strikes, lock-outs, inadequate supply of materials or energy, lack of transport facilities and other similar events or causes for which the Seller is not responsible and that the Seller was not able to foresee, shall release the Seller from the obligation to perform the contract for the duration and scope of such obstacles - however, this shall apply for a maximum of up to four weeks. This also applies when these circumstances occur at the Seller's suppliers. The Seller shall inform the Buyer as soon as possible of the start and end of such impediments. Should the obstacle continue to exist even after four weeks, the Buyer has the right to withdraw from the contract in accordance with the statutory provisions, §§ 346 ff. of the German Civil Code.

8. Terms of payment, prices, delay

- a) Unless otherwise agreed, prices are exclusive of statutory value-added tax and shipping costs.
- b) All invoices are payable within 30 days as of the invoice date, without any deduction. The receipt of payment on the Seller's accounts shall be decisive for compliance with payment deadlines. Cheques are only accepted in lieu of payment. Any expenses incurred shall be borne by the Buyer.
- c) With default in payment, interest of 8 percentage points per annum above the respective base interest rate (§ 247 of the German Civil Code) shall become due. We reserve the right to prove further damage caused by default.
- d) The Seller is not obliged to fulfil the contract as long as the Buyer also does not fulfil his obligations from other contracts with him as agreed, in particular when invoices due are not paid.
- e) If several claims exist, the Seller is entitled to offset payments by the Buyer against his claims in the order of their due date. The right of determination of the debtor, according to § 366 par. 1 of the German Civil Code is excluded in this respect.
- f) The Buyer can only offset or withhold payment for those claims that are undisputed or legally binding.
- g) After the unsuccessful expiry of a reasonable grace period, the Seller is entitled to provide outstanding deliveries only against payment in advance or to make them dependent on the provision of security when the Buyer is in arrears with agreed payment terms, or when circumstances exist that cast doubt on the Buyer's solvency when banking standards are applied..

9. Services provided by affiliated companies

At the Seller's request, any of its contractual obligations may be fulfilled by another company of the DS Smith Packaging Deutschland Group, namely DS Smith Packaging Deutschland Stiftung & Co. KG, DS Smith Paper Deutschland GmbH, DS Smith Packaging Arenshausen Mivepa GmbH, DS Smith Recycling Deutschland GmbH, Delta Packaging Services GmbH, DS Smith Hamburg Display GmbH, DS Smith Rhein Display GmbH, DS Smith Crea Display GmbH, Bretschneider Verpackungen GmbH, DS Smith Pre-Press Services GmbH, DS Smith Packaging Wilhelmshaven GmbH or DS Smith Packaging Arnstadt GmbH. The Buyer's legitimate interests are to be taken into account. As long as the performance is equivalent, the relevant contractual obligations shall be deemed to have been fulfilled.

10. Retention of title

- a) The delivered goods remain the property of the Seller until the purchase price and all other claims of the Seller have been paid in full. With a current account, the reserved title shall be regarded as security for the balance claim of the Seller. When the Buyer acts in breach of contract, in particular when the purchase price due is not paid, the Seller is entitled to withdraw from the contract in accordance with the statutory provisions and to demand the return of the goods on the basis of the retention of title and the withdrawal. When the Buyer does not pay the purchase price due, the Seller may only assert these rights if the Seller has previously set the Buyer a reasonable deadline for payment without success, or such a deadline is not required under the statutory provisions.
- b) Processing of the delivered goods by the Buyer is carried out for the Seller as a manufacturer within the meaning of § 950 of the German Civil Code without obliging the Seller. When the goods subject to retention of title are combined or inseparably blended with other items not belonging to the Seller so as to form a single item, and when this item is to be regarded as the main item, the Buyer hereby assigns proportional co-ownership to the Seller, insofar as the main item belongs to him. The Buyer shall keep the resulting property in safe custody for the Seller free of charge.
- c) Until rescission by the Seller in accordance with the foregoing provision in 10. a), the Buyer shall be entitled by the Seller to sell, process or remodel the reserved goods within the framework of proper management. He hereby assigns any claims arising therefrom to the Seller. If the reserved goods are sold by the Buyer together with other goods not delivered by the Seller, the assignment shall only apply in the amount of the value of the reserved goods sold, as stated in the Seller's invoice in each case. In the event of the resale of items in which the Seller has co-

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ownership shares pursuant to Section 10 b), the assignment shall apply in the amount of these co-ownership shares. The assigned claims serve as security to the same extent as the reserved goods.

- d) If the assigned claim is included in a current account, the Buyer hereby assigns to the Seller a balance from the current account corresponding to the amount of this claim. The Buyer is entitled by the Seller to collect the assigned claim until the Seller withdraws in accordance with the above provision in 10. a. At the Seller's request, he is obliged to notify his customers of the assignment in advance and to provide the Seller with the information and documents required to assert the claim.
- e) If the value of the securities existing for the Seller exceeds his claims by a total of more than 10 %, the Seller is obliged, at the request of the Buyer, to release securities to this extent at the Seller's discretion.
- f) The Buyer is not entitled to other disposals of the reserved goods (pledges, transfers by way of security) or other assignments of the claims mentioned in item 10 c). In the event of seizure or confiscation of the reserved goods, the Buyer must point out the property of the Seller and inform him immediately.
- g) The Buyer is obliged, at his own expense, to adequately insure the reserved goods against all usual risks, in particular against fire, burglary and water risks, to treat them with care and to store them properly.

11. Property rights of third parties, lithographs, etc.

- a) Responsibility for copyright compliance and other protective rights to the equipment of the goods specified by the Buyer is borne solely by the Buyer. With claims arising due to an alleged infringement of industrial property rights of third parties, the Buyer shall release the Seller upon first request.
- b) Lithographs, printing plates, master copies, clichés, matrices, embossing plates, punching tools and contours, printing cylinders and the like remain the property of the Seller, unless otherwise agreed by the parties or the circumstances. A storage obligation for third-party print documents, manuscripts and other items made available exists for a maximum of 6 months from delivery of the last order hereby produced. After expiry of this period, the Seller may destroy the above items without prior notice.

12. Place of performance, place of jurisdiction, transfer of rights, applicable law

- a) The place of performance for delivery and payment shall be the place of the supplying plant.
- b) For all disputes arising from the contractual relationship, if the Buyer is a merchant, a legal entity under public law, or special assets under public law, or has no general place of jurisdiction in Germany, the place of jurisdiction shall be Nuremberg or the respective place of performance (item 12. a) at the Seller's discretion, also for bill, document and cheque proceedings. However, the Seller is also entitled to sue the Buyer at his court of domicile.
- c) A transfer of the rights of the Buyer from the contractual relationship is only permitted with the prior written consent of the Seller.

- d) The law of the Federal Republic of Germany applicable to the legal relationships of domestic contractual partners shall apply without exception; the application of the UN Convention on Contracts for the International Sale of Goods is hereby excluded.

13. Special conditions for the sale of corrugated board and corrugated board products

- a) Pricing: unless otherwise agreed, the prices are quoted "ex works" plus the statutory applicable value-added tax. The costs required for the execution of the order for templates, drafts, drawings, samples, punching tools and printing plates are not included in the price and are to be reimbursed by the Buyer.
- b) Dimensions: unless otherwise agreed, the internal dimensions (length x width x height) shall apply to all corrugated board packaging. The inside dimension is defined in mm.
- c) Warranty: the Seller assumes no warranty or liability for deviations in size, smoothness, light fastness or purity of the papers, gluing, stitching, colours and printing customary in the industry. Furthermore, for the assessment of deviations customary in the industry or technically unavoidable deviations, the test data logs for corrugated cardboard boxes issued by VERBAND DER WELLPAPPENINDUSTRIE E.V., Hilpertstrasse 22, 64295 Darmstadt, and to be submitted to the Buyer on request, as well as the DIN standard for corrugated cardboard packaging, all in the respectively applicable version, shall be applied.

- d) The Seller keeps a pallet account for the Buyer on the pallets and cover plates owned by him. This provides information about the stock of pallets and its variations. Upon request, the Buyer will receive a statement of the pallet account for reconciliation of the balance. The account records are kept on the basis of shipping documents. The customer must acknowledge the pallets received in each case. For each delivery of palletised goods, the Buyer shall return to the Seller, reciprocal and simultaneous, the same number of equivalent pallets he has received. Pallets not returned or damaged will be invoiced.

14. Special conditions for printed products

- a) Sketches, drafts, specimen type matter, specimen prints, proofs, changes to delivered/transmitted data and similar preparatory work initiated by the Buyer will be invoiced. The same applies to data transmissions (e.g. via ISDN).
- b) The Seller is entitled to a right of retention on the print and stamp originals, manuscripts, raw materials and other items supplied by the Buyer until complete fulfilment of all due claims from the business relationship.
- c) The Buyer must, in any case, immediately verify the conformity of the goods as well as the preliminary and intermediate products sent for correction. The risk of any errors shall pass to the Buyer with the declaration of readiness for printing / declaration of readiness for production, to the extent that these do not refer to errors that only occurred or could have been detected in the subsequent production process. The same applies to all other release declarations of the Buyer.
- d) With coloured reproductions in all manufacturing processes, minor deviations from the original cannot be objected to. The same applies to the comparison between other templates (e.g. digital proofs, proofs) and the end product.
- e) Supplies (including data carriers, transferred data) by the Buyer or by a third party engaged by him are not subject to any inspection obligation on the part of the Seller. This does not apply to obviously unprocessable or unreadable data. With data transmissions, prior to transmission, the Buyer must use state-of-the-art protection programmes for computer viruses. Data security is the sole responsibility of the Buyer. The Seller is entitled to make a copy.
- f) In addition, unless otherwise agreed, the commercial practices of the printing industry shall apply.

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- g) Products to which the Buyer is entitled, in particular data and data carriers, shall only be archived by the Seller after the time of delivery of the end product and after express agreement and subject to special remuneration. If not agreed upon, the Buyer has to provide appropriate insurance protection himself.
- h) The Buyer is solely liable if third party rights, in particular copyrights, are infringed by the execution of his order. The Buyer shall indemnify the Seller against all claims of third parties for such an infringement, unless the Seller is responsible for the infringement.

Status as of: March 2014