

Terms and Conditions of Sale

The terms and conditions herein (the "T&C") shall govern the sale of all products (the "Products") supplied by Fornaroli Carta S.p.a. the "Seller") to the client (the "Buyer") identified in the Order, except otherwise agreed in writing by the parties. By sending to the Seller an Order relating to the Products, the Buyer accepts these T&C.

1. AGREEMENT

1.1 The sale of the Products will be governed by the T&C, which shall be accepted and signed by the Buyer and sent together with the Buyer's purchase order (the "Order"), as well as by the Order and the Seller's written order confirmation ("Order Confirmation"), which altogether constitute the entire Agreement (the "Agreement"). The relationship between the parties in connection with the Products will be exclusively governed by the Agreement.

1.2 The Offers will not be in any way binding on the Seller. The Agreement will be deemed as concluded and entered into force only upon Order Confirmation by Seller.

2. DELIVERY

The terms for delivery set out in the Agreement are only estimates; therefore, the Seller will not have any liability whatsoever for any damages that the Buyer may suffer in connection with delay in the delivery of Products. In any event, the Seller will make reasonable efforts to comply with the agreed delivery terms. If reasonable, the Seller will make partial deliveries.

3. EXPORTATION

In case the Products are to be exported from one country to another, the agreed delivery terms will be subject to receipt of all documents and authorisations required for exportation. Regardless of the final destination and unless if otherwise agreed in writing, the Prices are determined considering the packaging for domestic shipment and, therefore, any further expense will be borne by the Buyer.

The Buyer undertakes to communicate in writing to the Seller the Products' final destination and the identity of the addressee before the term agreed for delivery expires.

Should the exportation of the Products violate any prohibition and/or restriction and/or law or should the Buyer not provide the Seller with the information regarding the Products' destination and addressee within the aforesaid term, the Seller will be entitled to forthwith terminate the Agreement, without prejudice to its right to recover damages.

4. PRICES

4.1 The prices of the Products (the "Prices") quoted in the Seller's price list or in the Seller's offer, if any, are intended ex-works and not inclusive either of VAT or any other taxes, duties or tax burden that might apply to the Buyer in relation to the Agreement or of shipment and/or mandatory insurances charges, if any. The Buyer will provide certificates regarding tax exemption or payment of the taxes due by Buyer. If after conclusion of the Agreement public charges and taxes should be increased or newly introduced (e.g. duties; charges for import and export) the Seller shall be entitled to add such additional expenses to the price.

4.2 If there are more than two months between the conclusion of the Agreement and the delivery date and provided that the Seller is not responsible for this, the Seller shall be entitled to make a price adjustment, provided that there was an increase of the own costs by more than 5%, especially due to increases of the prices for material or the costs for transport or due to increases of wages. If any agreement cannot be achieved within fifteen (15) days starting from the demand, the Seller may cancel the undelivered part of the contracted quantity of the Products without any liability.

4.3 If part payments or payments in installments are agreed upon, then the entire outstanding amount of the debt shall become immediately due for payment in the event that the Buyer is in default with a due payment

5. PAYMENT

5.1 The payment of the Prices by the Buyer shall be made within 30 (thirty) days as of the date of the relevant invoice unless otherwise agreed in writing by the parties (e.g. in the Order Confirmation). Seller reserves the right to claim payment or the issuance of an irrevocable letter of credit or bank guarantee satisfactory to Seller and at Buyer's cost, also before shipment. In case of delay in payment, the Seller will be entitled to suspend the performance of the Agreement until the Buyer makes the due payment. In addition, the sums due by the Buyer will accrue delay interests, starting from the date they fall due, on a daily basis, at the rate set forth in article 5 of the Legislative Decree 231/2002 and subsequent modifications and additions, without prejudice to any other applicable remedy pursuant to the law and/or the Agreement.

5.2 The Buyer will not be entitled to suspend the payment of any sums to the Seller, regardless of any kind of complaints, if any, concerning the Products or the Agreement. The Buyer undertakes to provide the Seller, before delivery of the Products, with any payment guarantee that might be requested by the Seller in the form reasonably satisfactory to the Seller.

6. SOLVENCY

Buyer's order will be deemed a representation that Buyer is solvent and able to pay for the Products ordered.

If Buyer fails to make payments when due or is subject to bankruptcy proceedings, dishonour of cheques, forced executions, Buyer will be deemed to be in default and Seller will have the right to terminate forthwith its obligations by written notice to Buyer. In which case, Seller may, at its option, suspend or withhold further deliveries or immediately cancel the contract with Buyer without prejudice to any other action or remedy which Seller may have. Furthermore, any amount owed to Seller will become immediately due.

7. ORDER REVOCATION

7.1. Further to the conclusion of the Agreement, no Product may be returned to Seller's without prior consent if the same. Orders accepted by Seller may not be revoked except upon Seller's written consent prior to shipment and Buyer's acceptance of Seller's cancellation charges which shall protect Seller against all costs borne by the Seller before the revocation and any losses as a consequence thereof.

7.2. Seller will be released from all obligations under the Agreement in case performance becomes impossible.

8. APPLICABLE LAW AND ARBITRATION

8.1 The T&C and the Agreement are governed by Italian law.

Product may be returned to Seller's without prior consent if the same. Orders accepted by Seller may not be revoked except upon Seller's written consent prior to shipment and Buyer's acceptance of Seller's cancellation charges which shall protect Seller against all costs borne by the Seller before the revocation and any losses as a consequence thereof.

7.2. Seller will be released from all obligations under the Agreement in case performance becomes impossible.

9. INSPECTION

All Products must be inspected within eight (8) calendar days of receipt. If any damage is discovered, a claim must be filed with the carrier. A full report of the damage must be forwarded to Seller so that it can arrange for repair or replacement. Failure to comply with this provision precludes Buyer from making any claim against Seller in respect of any damage to the Products.

10. RETENTION OF TITLE

Title relating to the Products will be transferred to the Buyer upon payment of the same.

11. WARRANTY

11.1 The Seller warrants that the Products will be free from substantial defects. Damages of the first five layers of each paper roll due to the transport shall not be regarded as a defect which entitles the Buyer to claim damages. Should the Products not conform with this warranty, the Seller, at its sole discretion, will replace the Products free of charge or will reimburse the Buyer the Prices actually paid by the Buyer, provided that the Buyer sends a written notice to the Seller describing the Product's defects or malfunction within the aforesaid term of 90 days as from the date of delivery and, in any event, within 8 days from discovery of the defects indicated. In the event that defects are reasonably discoverable upon delivery, such term of 8 days will start running from the date of receipt of the Products by the Buyer. Failing to observe these provisions will lead to the rejection of damage claims.

12. POLLUTION

Buyer agrees to indemnify, defend and hold Seller harmless against any loss, damage, expense, claim and any other cost or liability (including, but not limited to, fines and penalties to the extent permitted by law, clean-up or other remedial or containment costs, or legal, technical or other professional fees) arising as a result of any pollution, contamination, or other loss or damage to the environment or natural resources caused by the Products or services provided by Seller under the Agreement, for any reason or ground, except in case of Seller's gross negligence or wilful conduct.

13. DRAWINGS

13.1 Any drawings annexed to the Agreement indicate in general the style, disposition and approximate dimension of the Products. The Buyer shall not rely on such drawings, unless otherwise agreed in writing by the Seller and the Buyer. In no event will manufacturing or proprietary drawings be supplied.

13.2 No offer made by the Seller will be binding on the same unless if otherwise provided. The offers will be based on the data, specifications and other information provided by the Buyer. Unless otherwise agreed in writing by the parties, all samples, dimensions, weights, formulae and other particulars and information contained in engineering designs, quotations, tenders, specifications, prospectuses, advertisements and other documents supplied by Seller, are supplied or communicated for information purposes only and do not form part of the Agreement.

14. CONFIDENDIALITY

14.1 The Buyer acknowledges that the drawings, printings, and any other technical material supplied by the Seller, either prepared by the Seller or third parties contractually bound to the Seller, may contain confidential information (such as, but not limited to, trade secrets and confidential know-how) having a commercial value for the Seller or for the aforesaid third parties. Any such information shall be deemed confidential if so marked by the Seller or, in any event, if in the circumstances it should be reasonably considered to be confidential, whilst the information made available to the public by the Seller shall not be deemed confidential.

14.2 The Buyer undertakes (a) to keep any such information confidential, (b) not to disclosure any such information to any other person (except to those employees, agents and consultants who should know them) or entity, unless where authorized in writing by the Seller, ordered by a court or other competent authority, or obliged under the applicable laws, in which case the Buyer shall inform the Seller in advance of the request to disclose the information, (c) not to use any such information other than n connection with the Products or for the purposes of the Agreement and (d) to ensure that the Buyer's employees, agents and consultants are informed about and complied with this provision.

14.3 The Buyer will be liable and will indemnify the Seller and/or third parties contractually bound to the Seller of any damages arising out from the breach of this provision.

15. INTELLECTUAL PROPERTY RIGHTS

15.1. All patents, trade marks, copyrights, projects, designs, models, know-how, industrial secrets and other technical and commercial information egarding the Products, as well as the related registration and all other intellectual property rights in the technical items and materials supplied by the Seller, either where created or acquired by the same prior of after the conclusion of the Agreement, are, and will remain, on the exclusive property of the Seller. The Buyer undertakes to abstain from any act that may violate or jeopardize such rights.

15.2 In the event a Product is, or in the Seller's opinion, may become subject to claims, actions or proceedings for violation of intellectual property rights, the Seller may, at its own discretion and expense, (i) obtain for the Buyer the right to use, lease or sell the Product, (ii) replace the Product with another product having the same function, (iii) modify the Product or (iv) remove the Product and reimburse the Price paid by the Buyer, previous deduction of a reasonable amount for the Product use, damage or obsolescence. To the extent permitted by law, the remedy offered by the Seller will be the sole and exclusive remedy for the Buyer vis a vis the Seller in connection with any third party's claim, actions and proceedings and in no case the Seller's liability to the Buyer will exceed the Priced paid for the allegedly infringing Product.

15.3 To the extent permitted by law, the Seller will have no liability whatsoever towards the Buyer, and the aforesaid remedies will not apply, in relation to any violation of third parties' intellectual property rights deriving from (a) any changes made on the Products by the Buyer or its agents/representatives, (b) any assembling of the Products with other products, (c) the use of the Products in the processes carried out by the Buyer or its agents/representatives or (d) the compliance by the Seller with the Buyer's instructions, designs, projects and specifications. The Buyer undertakes to defend, indemnify and keep the Seller harmless of any damage, cost, expense or liability whatsoever suffered by the Seller in connection with any claims, actions or proceedings raised by third parties in connection with any of these hypothesis.

16. INDEMNITY

The Buyer undertakes to indemnify and keep the Seller, its employees, representatives, consultants, agents, affiliated companies, successors and assignees, harmless from any claim, action, damage or liability (including legal expenses and indirect and consequential damages) deriving from injury or death or damages to any properties in connection with a conduct of the Buyer, its employees, representatives, consultants, agents, successors or subcontractors.

17. LIMITATION OF LIABILITY

17.1 THE SELLER'S LIABILITY VIS A VIS THE BUYER, WHETHER CONTRACTUAL OR IN TORT OR FOR ANY OTHER REASON WHATSOEVER, FOR ANY DAMAGES, COSTS, EXPENSE OR OTHER LIABILITIES, DERIVING

FROM BREACH OF THE AGREEMENT WILL BE LIMITED TO OVERALL PRICE OF THE PRODUCTS ACTUALLY PAID BY THE BUYER. IN ANY EVENT, THE SELLER WILL NOT BE LIABLE VIS A VIS THE BUYER FOR ANY NDIRECT OR CONSEQUENTIAL LOSSES, LOSS OF PROFIT, COSTS OR DAMAGES (WHETHER OR NOT FORESEEABLE), SUCH AS, BUT NOT LIMITED TO, LOSS OF CONTRACTS AND BUSINESS OPPORTUNITIES.

17.2 THIS PROVISION SHALL NOT BE DEEMED TO BE AN EXCLUSION OR LIMITATION OF THE SELLER'S LIABILITY IN CASE OF GROSS NEGLIGENCE OR WILFUL CONDUCT OR FOR DAMAGES DERIVING FROM DEATH OR PERSONAL INJURIES WHERE CAUSED BY GROSS NEGLIGENCE OR WILFUL CONDUCT OF THE SELLER, ITS EMPLOYEES, OR AGENTS

18. WAIVER

The failure, delay or partial exercise of a right deriving or the Agreement by the Seller shall not be deemed as a waiver of such right.

19. VALIDITY OF PROVISIONS

The invalidity or unenforceability, in whole or in part, of one or more clause of the T&C, shall not have an impact on the validity of the other clauses or of the remaining part of the clause. The invalid or unenforceable provision shall be replaced by a valid and enforceable one having a meaning as closest as possible to the original clause.

20. FORCE MAJEURE

20.1 In the event the fulfilment of a contractual obligation (other than the Buyer's payment obligation) is impeded, restricted or delayed by any event beyond the party's control – such as, but not limited to, governmental acts or omissions, war, revolutions, natural disasters, fire, explosions, strikes, obstructions, lack or delay on source of material or equipment, break of fundamental machinery or equipment, acts of God the obligation will remain suspended for as long as the impossibility to comply with it endure. In case, however, such impossibility endures for more than 120 days and the parties have not agreed an amendment to the agreement for the continuation of the Agreement following the suspension period once the 120 day elapse each party will have the right to terminate the Agreement by means of 30 days prior written notice to the other party.

20.2 The party suffering the force majeure event will not be liable for the non fulfilment or the delay in fulfilling its obligation to the extent that it is caused by such force majeure.

21. TERMINATION AND CANCELLATION OF THE AGREEMENT

21.1 Within 15 days following the conclusion of the Agreement, the Seller will have the right to withdraw from the Agreement by means of written notice to be sent to the Buyer by registered letter, return receipt requested. No sum will be due by the Seller to the Buyer in connection with the exercise of such withdrawal right.

21.2 The Seller will be entitled to immediately cancel the Agreement by means of written notice to be sent by registered letter return receipt requested, and will be entitled to suspend any further delivery :

(a) in case of the Buyer's material breach that is not remedied within 30 days as of receipt of the written notice containing a detailed description of the breach of the obligation and the remedies requested;

(b) in case the Buyer is subject to winding up or any bankruptcy procedure or, in any event, stop or is about to stop its activities.

21.3 In case of cancellation due to Buyer's fault, the Buyer shall pay to the Seller within 14 days as of the termination of the Agreement:

(a) the portion of the Prices corresponding to the Products already delivered to the Buyer, if any, in relation to which the termination will have no effect and.

(b) the costs borne or to be borne by the Seller in connection with the performance of the Agreement (including the production costs relating to the Products non yet delivered), as well as the costs reasonably borne by the Seller as a consequence of termination, plus a penalty equal to 15% of the overall price of the Products, apart from further damages.

22. STORAGE

If the Buyer fails to collect the Products when delivered according to the Agreement, the Seller may on behalf of Buyer to put the Products into storage at Buyer's expense.

23. VARIATIONS

Unless otherwise provided in the Agreement, no variation to the Agreement may be made only unless jointly agreed in writing by Seller and Buyer. If any variation increases or reduces the cost or time to Seller of performing the Agreement, the Price and/or programme shall be adjusted accordingly. Seller shall not be obliged to accept any variation if the net effect, including any variations already made, is to increase or reduce the Price by more than 15%. If the variations are not subject of a prior quotation from Seller accepted by Buyer, the price related to the variation shall determined by reference to the Price indicated in the Agreement or, where this is not applicable, by cost plus 25%. The term for performance of the Agreement shall automatically be adjusted in accordance with any variation.

24. INFORMATION PURSUANT TO ART. 13 OF LEGISLATIVE DECREE Nº 196 OF 30 JUNE 2003 "PRIVACY CODE"

24.1 Pursuant to article 13 of the Legislative Decree n. 196 of June 30 June 2003, the Seller provided the Buyer with the required information concerning the personal data that will be collected and processed by the Seller ("Data") for the performance of the obligations and activities relating to the Agreement. The collection, processing and conservation of the Data regarding the Buyer will be made to the sole purpose of fulfilling the obligations set forth by law or by the Agreement. Such Data may be processed, other than by the Seller's internal personnel assigned to do so, by their parties supplying outsourcing services or by the persons appointed as responsible for certain phases and/or parts of the data processing. A list of such persons is available at the Seller's registered office and may the consulted upon simple request.

24.2 The Data may be processed through electronic means and/or hard copies with full compliance of the provisions set out in the privacy code (Legislative Decree n. 196/2003). The supply by Buyer of the Data is discretionary, however, should the Buyer refuse to supply the Data thus rendering the Seller unable to duly fulfil its contractual obligation, any liability arising therefrom will be on the Buyer. The Buyer may at any moment exercise the rights set forth in article 7 of the Legislative Decree n. 196/2003 (access, rectification, deletion, objection to the data processing, etc.) by contacting the Seller's responsible for the Data.

24.3 The Buyer authorises the Seller to transfer the Data outside the Country by any means or form and withcompliance of the legislation in force, also for purposes not directly connected with the performance of thecontractual obligations.

25. ASSIGNMENT OF CREDITS

The Seller may assign to third parties its credits towards the Buyer pursuant to the Agreement as well astransfer the Agreement.

26. MISCELLANEOUS

26.1 Unless otherwise specified in these T&C, the communications to be made pursuant to the Agreement shall be in writing and shall be sent to the other party' at its registered office. Such communications shall be sent by means of registered letter return receipt requested, fax or email shall be deemed as effected on receipt of the same.

26.2 The Buyer shall not assign or transfer the Agreement or the obligation deriving therefrom to any third party, unless authorized in writing by the Seller.

Place and date_____

For acceptance of the aforesaid provisions

_____

Buyer

Pursuant to articles 1341 and 1342 of the Italian Civil Code the Buyer expressly approves articles 2 (Delivery); 4 (Prices); 5 (Payment); 6 (Solvency); 7 (Order Revocation); 8 (Applicable Law and Arbitration); 9 (Inspection); 10 (Retention of Title); 11 (Warranty); 12 (Pollution); 13 (Drawings); 14 (Confidentiality); 15 (Intellectual Property Rights); 16 (indemnity); 17 (Limitation of Liability); 21 (Termination and Cancellation of the Agreement); 26 (Miscellaneous).

_____

Buyer