

General Terms and Conditions of Purchase (GTC) of Sappi Italy Operations S.p.A. (hereinafter "SIO")

1. Scope of Application

- 1.1 These General Terms and Conditions of Purchase (GTC) shall apply to all products and services provided to SIO, unless expressly provided for otherwise in writing by other agreements concluded between the parties.
- 1.2 Upon the acceptance of an order, however at the latest upon the first delivery, SIO's contracting partner (hereinafter "Supplier") shall acknowledge the exclusive application of these GTCs, this also applying to future deliveries. Any terms and conditions of the Supplier departing from or in amendment to these GTCs shall not be deemed to form an integral part of a contract.

2. Orders

- 2.1 Orders, call-off deliveries, changes or additions to orders placed by SIO and ancillary agreements shall not be binding unless made in writing. All requests for quotations made by SIO shall be without obligation to it.
- 2.2 Where an order is not fulfilled by the Supplier within seven days upon receipt or is not confirmed unaltered, SIO shall no longer be bound by the order. An order shall be deemed to be accepted by the Supplier without reservation where the Supplier — where it is not already bound by a quotation in advance of an order — does not contest the order in writing within forty-eight hours of being sent the order.
- 2.3 Where the details of the Supplier's order confirmation diverge from the order placed by SIO, the Supplier shall explicitly draw SIO's attention to this. The divergent order confirmation shall be deemed to constitute a new quotation and shall be subject to SIO's written acceptance.

3. Delivery

- 3.1 In the absence of an agreement stipulating otherwise, DDP (Delivered Duty Paid) pursuant to Incoterms 2010 shall apply to all deliveries. The place of delivery shall be SIO's mill placing the order, unless specified otherwise by SIO.
- 3.2 Agreed delivery dates and times shall be binding upon the Supplier. SIO shall be entitled to modify delivery dates and times at any time without incurring any costs. Delivery terms shall commence at the date on which an order is received by the Supplier. Partial deliveries shall be subject to SIO's express prior approval.
- 3.3 SIO shall be entitled to refuse acceptance of goods that are not delivered on the agreed date and to have them returned to the Supplier at its expense and risk, or to have them stored by third parties.
- 3.4 Where delays in delivery are expected or have occurred, the Supplier shall immediately inform SIO to this effect in writing. However, any such notification shall not release the Supplier from its obligation to effect delivery in a timely manner.
- 3.5 In the event of a delay in delivery, SIO may grant the Supplier a grace period to effect delivery or SIO may withdraw from the contract, irrespective of whether the fault for the delay is attributable to the Supplier. In any event the Supplier shall compensate SIO for any loss or damage incurred by it as a result. To this end, lump-sum damages of 0.5% shall apply for each day of delay, such damages being capped at 10% of the contract value. Where SIO incurs additional damage or loss as the result of the delay, it shall be entitled to additionally assert claims for compensation.
- 3.6 The values established by SIO during incoming inspection shall be definitive with regard to the condition, type, quantity and weight of a consignment. SIO shall be entitled to reject excess or shortfall deliveries outside of the standard tolerance range. SIO's incoming inspection shall not be deemed to constitute acceptance.

4. Pricing

- 4.1 Prices shall be deemed to be fixed prices. They shall include all expenses (e.g. packing, insurance etc.) associated with the products and services to be provided by the Supplier.
- 4.2 Any changes in price shall be subject to SIO's written agreement.

5. Fulfillment and Delivery

- 5.1 Subcontracting by the Supplier shall be subject to SIO's prior written consent, unless the items to be supplied are standard components commercially available featuring standard specifications. The Supplier shall be liable to SIO for all products sourced from subcontractors as it would for its own products.
- 5.2 Each consignment is to feature a delivery slip indicating the order number and a description of the nature and quantity of contents in accordance with the order placed by SIO.
- 5.3 All equipment deliveries shall include a technical description and user manual, these items to be furnished free of charge. Where software products are supplied, the Supplier's or Vendor's supply obligation shall not be deemed to be satisfied until the complete (system and user) documentation has been furnished. Where software specifically developed for SIO is supplied, the source code shall be supplied as well.
- 5.4 Where the Supplier provides products or services on SIO's company premises, the Supplier shall comply with all safety, environmental and fire protection regulations applicable to non-company members in their current version as amended.
- 5.5 The Supplier shall be obligated to take back all packing and transport material (hereinafter "Packing Material") of every type, when requested by SIO to this effect or when this material contains substances that pose a health or

environmental hazard. All costs associated with the disassembly of the packing material or transportation of same to the Supplier's shall be assumed by same.

6. Invoices, Payments

- 6.1 Invoices shall be submitted to SIO under separate cover. They shall contain SIO's order number, an itemization of the products supplied and the purchase order date.
- 6.2 The applicable payment terms shall be in accordance with SIO's order. The date of the payment transfer order shall be decisive for the timeliness of payment.
- 6.3 Payments by SIO shall not be deemed to constitute an acknowledgment of the product or service being in compliance with the contract. Where products or services are faulty or incomplete, SIO shall be entitled to withhold payment of outstanding amounts from business dealings with the Supplier in an appropriate amount until the Supplier has duly fulfilled its obligations. This shall be without prejudice to other rights SIO may exercise.
- 6.4 The Supplier shall not be permitted to assign claims against SIO to a third party.

7. Safety, Environmental Protection

- 7.1 Products and services provided by the Supplier shall comply with statutory requirements. Relevant certifications, test certificates and supporting documentation shall be supplied free of charge.
- 7.2 The Supplier warrants that all products supplied by it comply with applicable statutory provisions in Switzerland and the EU in effect at the time of delivery (in particular with regard to safety, environmental protection, restricted substances, etc.). The Supplier warrants that it does not use any prohibited substances. Any dangerous and hazardous substances as defined by relevant laws and directives shall be explicitly indicated by the Supplier in the specifications. Where applicable, safety data sheets shall be furnished with quotations and along with the delivery slip of the respective first delivery (documents to be in German or English at minimum). SIO is to be notified immediately of any evidence relating to a violation of substance restrictions and the supply of prohibited substances in the event of changes in laws, also subsequent to delivery.
- 7.3 When effecting delivery, installing products or rendering services the Supplier, and it alone, shall be responsible for complying with accident prevention regulations. Any safety equipment required as a result and any manufacturer's instructions shall be furnished free of charge.

8. Import and Export Regulations, Customs

- 8.1 Where products or services are provided from an EU member state, the Supplier's EU VAT number shall be indicated.
- 8.2 Imported goods shall be delivered duty paid (see section 3.1).
- 8.3 The Supplier shall be obligated to inform SIO in detail and in writing of any (re-)exports subject to a permit pursuant to Swiss, EU and US export and customs provisions and/or the export and customs provisions of the country of origin of the goods and services.

9. Passage of Risk, Acceptance, Title

- 9.1 Irrespective of the agreed price terms, the risk of goods and services shall pass to SIO upon receipt at the delivery address indicated by SIO where no erection, installation or assembly is performed, and upon completion of erection, installation or assembly work and acceptance by SIO where delivery provides for this work. Commissioning or use shall not be deemed to supersede a declaration of acceptance by SIO.
- 9.2 Title to the goods supplied shall pass to SIO upon delivery of the goods to same. Any retention of title stipulated by the Supplier shall be inoperative.

10. Warranty and Indemnification

- 10.1 The Supplier warrants that the materials used in the item supplied by it are best suited for the item supplied; furthermore it warrants that execution has been duly effected in accordance with drawings, samples and the specified model or design and in accordance with the designated use. The Supplier also warrants that the item supplied does not exhibit any defect that would impair its value or fitness for the designated use, that it, the Supplier, has complied with the terms and specifications and other warranted characteristics indicated in the order and with relevant statutory and governmental provisions, and that the item supplied does not exhibit any defects of title.
- 10.2 Warranty shall be in accordance with terms as are customary in the industry, the warranty period being at least thirty-six months in length and commencing upon delivery. Complaints for obvious defects may be lodged by SIO within two weeks of arrival of the goods at SIO; complaints for hidden defects within two weeks of their discovery. The warranty period shall be interrupted by the period of any rectification of defects. A new warranty period shall commence upon the delivery of a replacement item. The time limit for asserting claims/limitation period shall be interrupted for the period commencing with the sending of a notification of a defect by SIO and ending with the satisfaction of SIO's claim for rectification of the defect.
- 10.3 Where notification of defect is effected by SIO in a timely manner, SIO shall be entitled to grant the Supplier a reasonable grace period for rectification of the defect or the provision of a defect-free product or service. Where SIO returns a defective item to the Supplier, SIO shall be entitled to charge back the invoice amount or charge the Supplier a lump sum of 5% of the price of the defective item. Where SIO incurs additional damage or loss, it shall be entitled to assert compensation claims for it as well. The Supplier shall assume the risk for the period during which the item or service is not under SIO's control.

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- 10.4 Where the remedying or rectification of a defect fails to produce a suitable result for SIO, SIO may at its discretion reduce the price by an appropriate amount or rescind the contract. In addition, SIO reserves the right to assert any and all claims for compensation, also with regard to the reimbursement of costs incurred by it as well as for incidental, special, indirect or consequential damages.
- 10.5 This shall be without prejudice to SIO's other rights as provided for by law.
- 10.6 Where the Supplier again provides essentially identical or similar goods and services that are defective or is again late after being served a written notice of warning, SIO shall be entitled to rescind the contract with immediate effect. In this case SIO's right to withdraw from the contract shall also include products and services that the Supplier is obligated to provide SIO under the same contract or another contract in the future.
- 10.7 The Supplier shall hold SIO harmless of all claims asserted by third parties against SIO — irrespective of the legal grounds on which they are founded — due to a material defect or defect of title or another defect of a product supplied by the Supplier, and shall reimburse SIO the necessary costs of pursuing legal action.
- 10.8 Force majeure, including, but without limitation to, acts of God, any governmental body (de jure or de facto) or public enemies, riots, embargoes, strikes or other concerted acts of workmen, casualties or accidents, and shortage of power, labor or materials, or any other unforeseeable causes, circumstances, serious events or contingencies beyond the contracting parties' control shall release them from their performance and delivery obligations hereunder for the duration and to the extent of such force majeure. This shall also apply in the event that these events occur at a point in time at which the relevant contracting partner is in delay or in default. In such an event, the contracting partners shall be obligated, as reasonably possible, to immediately provide any and all information needed and to adapt their obligations to the changed circumstances in good faith.
- 11. Maintenance of Confidentiality**
- 11.1 The Supplier shall be obligated to treat confidential all commercial and technical details that are not part of the public domain of which it gains knowledge by virtue of its business dealings with SIO and not to divulge them to third parties.
- 11.2 Use by the Supplier for third parties of information, plans and drawings provided by SIO, providing access to third parties to products that were created for SIO on the basis on information, plans or drawings provided by SIO to the Supplier, or referencing products and services provided to SIO in the presence of third parties shall be subject to SIO's express prior written consent.
- 11.3 SIO draws the Supplier's attention to the circumstance that personal data is stored that relates to the business relationship between SIO and the Supplier and that this data is also conveyed to SIO's affiliated companies.
- 12. General Provisions**
- 12.1 The Supplier shall waive offsetting any amounts outstanding of SIO against its own claims against SIO.
- 12.2 If any provision of these Terms and Conditions shall prove void or unenforceable, whether in whole or in part, it shall not in any way or manner affect the validity or enforceability of any other provisions hereof. In such event, the contracting parties undertake to approve a provision or provisions that come(s) closest to said incomplete, void or unenforceable provision(s) in its/their economic intent.
- 12.3 Modifications or amendments to or diverging agreements from these General Terms and Conditions shall not be binding unless rendered in writing.
- 13. Governing Law and Venue**
- 13.1 The courts of record of Zug, Switzerland, shall have exclusive jurisdiction with regard to any and all disputes arising from or in connection with these Terms and Conditions. SIO shall also be entitled to bring action against the Supplier at its domicile.
- 13.2 This agreement shall be governed and interpreted in accordance with the laws of Switzerland to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CSIG).