

SAPPI TRADING AUSTRALIA PTY LIMITED

TERMS OF CONTRACT

1. SPECIFICATIONS

Specifications for goods required by the Buyer shall be submitted to Sappi Trading Australia Pty Limited ACN 086 317 071 ("Sappi") by way of purchase order at least 30 days preceding the month in which delivery or shipments are to be made. For all the goods sold hereunder, the following specifications shall be provided by the Buyer (where applicable): grammage, basis of weight, width of rolls, diameter of rolls, core, marks, packaging. The Incoterm rule used (as defined in the Incoterms 2010 published by the International Chamber of Commerce) for deliveries of goods will be as specified in Sappi's order confirmation. Sappi shall provide an order confirmation within 5 business days of receipt of the Buyer's purchase order.

2. PRICE

Should a substantial increase of not less than ten per cent (10%) of the total costs for the production and the transportation of the goods occur, Sappi shall have the right to demand a renegotiation of the price in respect of goods due for delivery within thirty (30) days of serving written notice of such renegotiation in order to obtain reimbursement for Sappi's increased costs as long as these continue. If agreement cannot be reached within these thirty (30) days, Sappi may cancel the undelivered part of the purchase order.

3. RISK

All risk in the goods shall pass to the Buyer upon delivery, in accordance with the Incoterm rule used, as specified in the order confirmation, unless otherwise expressly agreed in writing by Sappi and the Buyer.

4. INSURANCE

Sappi shall, where the CIF or CIP Incoterm rule applies to a particular supply of goods, provide on behalf of the Buyer and at the expense of Sappi marine insurance cover under Sappi's marine insurance policy. Sappi's marine insurance shall cover the goods against loss or damage from the point of delivery to the named port of discharge or place of destination in accordance with the applicable incoterm rule. The insured value shall be 110% of the total invoice value.

5. GROUNDS OF DISCHARGE FROM LIABILITY (FORCE MAJEURE)

5.1 The following shall be included as grounds of discharge from liability if they occur before goods have been delivered and if their effects were not clearly foreseeable by Sappi and impact Sappi's ability to produce or deliver the goods:

war; war risk; insurrection; blockade; requisition; embargo; calling up of personnel for military service; currency restrictions; export or import prohibitions or restrictions; restrictions in the use of power; labour conflicts; general shortage of labour, transport and materials; water shortage; fire; flood; storm; obstruction of railways; obstruction of navigation by ice at port of shipment; loss or detention at sea; non-delivery, faulty or delayed delivery by Sappi's suppliers

of raw material and other commodities for industrial production; mechanical failure and any other circumstances beyond the control of Sappi.

5.2 Sappi, may suspend performance under this contract on the grounds of discharge from liability, and will not be responsible to the Buyer for any damage resulting from such suspension. Goods Sappi has already manufactured or that are in the course of manufacture or in transit from Sappi's mills must always be accepted by the Buyer.

5.3 In the event of suspension of performance for less than twenty (20) consecutive days, deliveries shall be resumed as soon as practicable for the full contract quantity. When such suspension shall have continued for a period of twenty (20) consecutive days or more, the delivery or deliveries omitted during the period of suspension can be cancelled without liability to the Buyer, and subsequent deliveries shall be resumed thereafter according to contract.

5.4 Sappi shall notify the Buyer in writing, to the Buyers nominated facsimile or email account without delay on the occurrence of the intervention and on the cessation thereof and, as soon as practicable, notify the other party to what extent the ground of discharge will necessitate a suspension. The Buyer agrees to expeditiously provide current facsimile and email details to Sappi.

6. CLAIMS

Sappi shall accept properly verified claims related to product quality or service. Any claim of this nature must be made in writing within one year after delivery. Not less than one half of the goods the subject of the claim shall be held intact pending examination by Sappi or its nominee. No claim shall be allowed for incidental or consequential damage (including loss of profits). The Buyer shall not be entitled to deduct from the price invoiced to it by Sappi and the amount to any claim asserted by the Buyer against Sappi unless such claim shall have been allowed by Sappi. Marine insurance claims shall be dealt with in accordance with the applicable Incoterm rule.

7. DELAYED PAYMENT AND OWNERSHIP OF THE GOODS

7.1 Failure by the Buyer to pay for the goods within the time payment is due under the contract shall entitle Sappi to receive interest on the sum outstanding at the rate of five (5) percent above the bank rate or minimum lending rate officially or generally applied in the country of the Buyer from time to time while such payment remains outstanding. If the Buyer is in default of payment and the delay is not attributable to errors by the transferring banks, Sappi may cancel any outstanding orders placed by buyer with effect fourteen (14) days after giving notice if the payment has still not reached Sappi. In the case of instalment contracts such cancellation applies to the balance of the contract including or not including, as Sappi so elects, the goods for which the Buyer is in default of payment.

7.2 Delivered goods, as applicable shall – to the extent permitted by the law of the Buyer's country – remain the property of Sappi until the whole sum payable under the contract is paid. The ownership of the goods, as applicable, includes the right to the goods as delivered or converted and the right to the receivables and the money which the Buyer may have acquired from disposing of the goods or products made thereof. Money so received in payment must be kept on a separate account by the Buyer.

7.3 Should the Buyer be in default in making a payment due under the contract, Sappi shall have the right upon giving written notice to the Buyer to withhold deliveries due to the Buyer under the

particular contract and under all other contracts made between them until such payment is received by Sappi.

7.4 Should the Buyer or Sappi become insolvent or go into liquidation or have a receiver appointed or otherwise be found to be in such a financial position that it may reasonably be assumed that he will not be able to fulfil his obligations, the other party shall have the right to cancel the contract if the first party has not within ten (10) days after given notice furnished a satisfactory guarantee for the fulfilment of the contract.

8. PERSONAL PROPERTY SECURITIES ACT 2009 (AUSTRALIA) AND 1999(NEW ZEALAND) (“PPSA”)

8.1 The Buyer acknowledges that this contract creates a security interest under the PPSA and that the Buyer has received value as at the commencement of this contract.

8.2 The Buyer:

(a) must at Sappi’s request, as soon as reasonably practical, execute any documents and do anything reasonably required to register the Sappi security interest in the goods on the Personal Property Securities Register (“PPSR”);

(b) must keep full and complete records of the goods;

(c) must not, without Sappi’s prior written consent, sell, lease, dispose or create a security interest in, mortgage or part with possession of the goods, other than in the ordinary course of business or any interest in them (or purport or attempt to purport to do such thing) or permit any lien over the goods;

(d) without limiting any other right Sappi may have, must as soon as reasonably practicable return the goods if requested to do so by Sappi following non-payment of any amount owing by the Buyer to Sappi or following breach of any obligation of the Buyer to Sappi;

(e) gives Sappi the right to inspect the goods or any part of them at all reasonable times during the Buyer’s ordinary business hours;

(f) must not change its name, address or contact details without providing Sappi prior written notice; and

(g) must not register a financing change statement or a change demand without Sappi’s prior written consent.

8.3 So far as permitted by the PPSA, the Buyer waives its right:

(a) to receive a copy of any verification statement or financing change statement or statement of account on sale of the Goods;

(b) to receive any notice required under the PPSA, including a notice that Sappi intends to sell the goods or to retain the goods on enforcement of the security granted to Sappi;

(c) to object to a proposal by Sappi to retain the goods in satisfaction of the security granted to Sappi;

(d) where any goods become attached to other goods and are deemed an accession as defined in the PPSA, to not have any goods damaged when Sappi removes the accession, to receive notice of removal of the accession and to apply to the court for an order concerning the removal of the accession under the PPSA.

8.4 By submitting a purchase order, entering into a credit accommodation, or acceptance of delivery of goods, the Buyer acknowledges that it has entered into a security agreement as defined by the PPSA and that Sappi may register its security interest on the PPSR.

9. CREDIT

Notwithstanding the provision of 7 above and without detracting from the generality thereof, should the credit of the Buyer in the judgement of Sappi become impaired, Sappi shall have the right to decline to make shipments or deliveries except for cash paid in advance. Nothing in this clause contained shall affect the obligation of the Buyer to accept and pay for the goods herein contracted for.

10. ASSIGNMENT

This contract shall bind the successors and assigns of the parties. The Buyer must not assign this contract without having obtained Sappi's express written consent, such consent will not be unreasonably withheld.

11. GOVERNING LAW

This agreement shall be interpreted in accordance with the laws of Australia for shipments to Australia and the laws of New Zealand for shipments to New Zealand.

12. DISPUTES

All disputes and controversies arising in connection with this contract, which cannot be settled by mutual accord, shall be mediated under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more mediators appointed in accordance with the Rules. Incoterms 2010 shall apply.

13. GENERAL CONDITIONS

13.1 If in the Buyer's orders, letters, etc. stipulations exist which do not agree with these provisions such stipulations will be deemed null and void unless otherwise expressly agreed upon in writing signed by both parties. No unilateral writing on the part of the Buyer shall be effective to vary these terms of contract. Any shipments accepted by the Buyer shall be under and pursuant to these terms of contract.

13.2 The failure of the Sappi to enforce any term or condition set forth in this contract shall not be deemed a waiver of any such terms or condition