

General Conditions of Sales International Paper (UK) Limited

Applicable to customers established in the United Kingdom.
Including retention of title clause.
The Buyer's attention is drawn in particular to Condition 7.

GENERAL CONDITIONS OF SALE
APPLICABLE TO CUSTOMERS ESTABLISHED IN THE UNITED KINGDOM
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1 The following conditions of sale shall apply to all sales by *International Paper (UK) Limited* (the "Seller") to the exclusion of any Buyer's or other condition of purchase or which would otherwise be implied by trade, custom, practice or course of dealing. Except where inconsistent with these conditions, the paper and carton board industry customs, as published by the European Federation of the Pulp, Paper and Board Industry shall apply and are hereby incorporated into these conditions. All quotations and offers are issued subject to these conditions and all orders accepted imply acceptance of these conditions. Alterations or amendments of these terms and conditions must be accepted by the Seller in writing otherwise they should be null and void. In the case of incompatibility or difference between these conditions and the specific conditions appearing on any other Seller's document addressed to the Buyer, the latter shall expressly prevail.

The Buyer acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of the Seller which is not set out in the order as accepted by the Buyer subject to Condition 2 and these Conditions. Any samples, drawings, descriptive matter, or advertising issued by the Seller and any descriptions or illustrations contained in the Seller's catalogues or brochures or website are issued or published for the sole purpose of giving an approximate idea of the goods described in them. They shall not form part of any contract between the Seller and the Buyer for the sale of the goods.

2 PLACING AND CONFIRMATION OF ORDERS No order shall be binding unless accepted by the Seller in writing by letter, fax or e-mail ("Confirmation of Order"), faxes and e-mails being accepted by mutual agreement as proof of entry into the contract between the Seller and the Buyer for the sale and purchase of the goods set out in the order (the "Contract"). Orders placed by telephone shall become binding on the Buyer upon receipt of the telephone call. However, orders placed by telephone shall cease to have effect unless the Seller dispatches a Confirmation of Order within three working days from the order placed by telephone. In such a case, receipt of the goods shall be deemed acceptance equivalent to Confirmation of Order. Unless otherwise stated a quotation for the goods given by the Seller is binding for shipment within 14 days from the date it was made to the Buyer.

Each time that the Seller deems the financial status of a Buyer unsatisfactory, rendering uncertain the payment of receivables, or for any new customer or for any unusually large order, the Seller may require, prior to processing the order, a deposit or satisfactory financial guarantee or full payment of the goods prior to delivery. In the event of non-compliance with those conditions within the time limit specified by the Seller, the Seller is entitled to rescind the contract and the order shall be deemed null and void. Seller may, without liability, cancel or suspend its obligations in part or whole, during any period where Seller is hindered or delayed in manufacturing or supplying the goods by normal means by reason of *force majeure* occurring after Confirmation of Order, which shall include (but not be limited to) general or partial strike and other forms of industrial action, machinery breakdown, shortages of supply and/or transport or any circumstances beyond Seller's reasonable control.

3 SPECIFICATION OF QUANTITY

Unless otherwise specified in the order as accepted by the Seller, references to the quantity of goods shall be calculated as follows:

- (i) Paper and board in reels – for reels of each kind, quantity is expressed in gross weight including the standard packaging material, such as wrapper, core, plug (as weighed)
- (ii) paper and board in sheets – for sheets, quantity is expressed in theoretical net weight of paper or gross weight as specified, the latter being the weight of paper on the pallet including standard packaging material
- (iii) pulp – the gross weight of pulp is the weight of pulp at 80% dryness. For commercial settlements the quantity is calculated on the basis of 90% conversion.

4 PACKAGING Unless otherwise specified in the order as accepted by the Seller, packing of goods shall be in conformity with Seller's practice for the transport involved. Costs for special packing at the request of the Buyer are not included in the price of goods and shall be paid by the Buyer.

5 DELIVERY AND TRANSPORT The period for delivery shall commence on the date on which Confirmation of Order is given. The delivery date mentioned in the Confirmation of Order is an estimate and the time of delivery is not of the essence. The Seller shall have no liability in respect of any failure to deliver by any such estimated date, unless through willful default on the part of the Seller. If there is no Confirmation of Order prior to delivery, the Seller shall inform the Buyer in advance of the intended delivery date orally or in writing. Delivery of goods is always carried out in accordance with the delivery terms (Incoterms 2010) specified in the Confirmation of Order. Unless otherwise specified, all risks relating to the goods sold, including those as a result of *force majeure*, are transferred to the Buyer on delivery of the goods to the carrier.

It is the responsibility of the Buyer to verify upon reception the quality, quantity, condition, weight of the goods and their conformity to the shipping documents, to establish short delivery or any damage during shipment and to notify any claims to the carrier or the Seller, depending on delivery terms, and take appropriate action against the latter within the legal period if necessary. The Buyer shall also communicate any such claims to the Seller for information. If the Buyer has placed an order giving rise to successive deliveries according to an agreed time line, the Buyer shall not be entitled to request any suspension of deliveries or a different distribution of them.

6 PRICE AND PAYMENT Unless otherwise specified prices quoted are deemed "Ex-works" (Incoterms 2010) (value added tax and other tax excluded), net of transport costs to the agreed upon destination, which are at the Buyer's charge. The Seller reserves the right to revise its price list at any time with prior notice of 1 month to the Buyer. Unless otherwise specified in the notice, the new prices become applicable to all orders invoiced from the date on which the new prices become effective.

Unless otherwise provided in the order as accepted by the Seller, the goods shall be invoiced according to the Seller's price list in force on the day on which the invoices are issued and invoices are payable at the choice of the Buyer either 45 days end of month or 60 days from invoice date. Time of payment is of the essence. Invoices are payable in cleared funds to the bank account nominated in writing by the Seller. The Buyer shall pay all amounts due under the Contract in full without any deduction or withholding except as required by law.

No discount for anticipated payment will be applicable unless with the prior written agreement of the Seller. In case of the Buyer's insolvency, bankruptcy, liquidation, negotiations or arrangement with or proposal to creditors with a view to rescheduling or compromising debts, or the appointment over the Buyer or any of its assets of a receiver, administrative receiver or administrator, or similar proceeding or event to any of the foregoing as regards the Buyer or its assets (each being an "Insolvency Event"), all outstanding balances in favour of the Seller shall be deemed immediately due and payable. In case of non-payment by the Buyer, even partial, of any invoice by the due date, all outstanding debt shall become payable in full. In addition, without limitation the Seller's other rights and remedies, the Buyer shall pay interest on the overdue amount at the Seller's option at either the rate of 3% per annum above *The Royal Bank of Scotland N.V.*'s base lending rate from time to time, or the then current rate under the Late Payment of Commercial Debts (Interest) Act 1998 and the regulations made under it, such interest to accrue on a daily basis from the due date until the date of actual payment of the overdue amount, whether before or after judgment. The Buyer shall pay the interest together with the overdue amount. The Seller is also entitled to claim the reimbursement of costs for legal proceedings on a full indemnity basis

and/or obtain a financial guarantee for the payment and/or cancel deliveries under the Contract and any other contracts for orders not yet delivered or for which payment has not been made.

7 RETENTION OF TITLE The Seller shall retain title to the goods delivered or sold until it has received payment in full in cleared funds for (i) the goods under the Contract and (ii) the accessories or other amounts due in relation to the sale of those goods. Presentation of documents creating an obligation to pay (such as promissory note or cheques), draft or other, shall not constitute payment. In order to facilitate the identification of goods, until title has passed to it, the Buyer shall (i) not remove or obscure any identifying marks on the goods, (ii) hold the goods on a fiduciary basis as bailee for the Seller; and (iii) store the goods separately from all other goods held by the Buyer so that they remain readily identifiable as the Seller's property, but the Buyer may resell or use the goods in the ordinary course of its business. The Buyer shall notify the Seller immediately if it becomes subject to any Insolvency Events.

The Seller shall be authorized to enter, accompanied by any court representative if mandatory under the applicable law, the Buyer's premises during working hours in order to proceed with an examination or recovery of goods to which it has retained title. Payments effected by the Buyer shall be allocated to invoices issued by the Seller for goods which have been already utilized.

All risks related to sold goods (loss, deterioration, damage) including those resulting from conditions of *force majeure* are passed on to the Buyer on their delivery to the transporter according to Condition 5. The application of this clause is without prejudice to the Seller's rights to damages and to the right for the Seller to terminate all orders and/or rescind a sale contract as per article 8 hereafter.

8 FAILURE TO PAY In the case of non-payment on due date, the Seller reserves the right to cancel, without prior notice, any orders which have been placed or accepted and/or the Contract.

9 FAILURE TO TAKE DELIVERY If the Buyer fails to take delivery of the goods delivered in conformity with the order on the applicable date, the Buyer shall be liable for any corresponding costs incurred by the Seller, in particular costs of storage and warehousing, and the Seller shall be entitled to charge warehousing costs of £ 1/ton/day.

10 WARRANTY AND CLAIMS The Seller warrants that on delivery [and for four months thereafter], the goods shall: (i) conform in all material respects with their description in [the Seller's published specification]; and (ii) be free from material defects in design, material and manufacture. The Seller shall not be liable for any non-conformance with the foregoing warranty where the Buyer has misused the goods, not stored them properly and in suitable conditions, or has used them without first notifying the Seller of the non-conformity and following its reasonable instructions.

The Seller gives no warranties save the forgoing and all warranties, conditions and other terms implied by statute, common law, course of dealing or customer and practice, including as to quality or fitness for purpose are, to the fullest extent permitted by law, excluded from the Contract.

Upon arrival of goods at their destination, the Buyer shall promptly examine the conformity of the goods to the order, including as to defects. In case of non-conformity, the Seller shall be liable only if the claim was received in writing and: - before any utilization of the goods and at the latest 10 days as of delivery date if the non-conformity can be revealed by elementary check; - within 4 months from the delivery date if the goods present hidden defects. After the above-mentioned period, the goods shall be deemed duly delivered in conformity with the order. Subject as provided below in this Condition 10, the Seller's its liability under or in connection with the Contract, including (without limitation) for willful default, repudiation and tort (including negligence): (i) shall be limited to the purchase price of the goods under the Contract, and (ii) shall include liability only for the replacement of the goods, and liability for all other costs and in particular loss of profit or indirect damages is excluded.

Notwithstanding any other provision of the Contract, the Seller does not limit or exclude liability for (i) death or personal injury caused by its negligence; (ii) fraud or fraudulent misrepresentation; (iii) breach of the terms implied by section 12 of the Sale of Goods Act 1979; (iv) defective products under the Consumer Protection Act 1987; or (v) any matter in respect of which it would be unlawful for the Supplier to exclude or restrict liability.

11 INDUSTRIAL PROPERTY The Buyer is not entitled to refuse any delivery in case he has requested the Seller to place the Buyer's own trade marks on goods. The Buyer shall hold harmless and indemnify the Seller from and against all liability which may arise from any claim or action against the Seller resulting from or connected with the use of any design, pattern or registered or unregistered trade mark requested by the Buyer or any kind of proprietary or intellectual property right in any such matter.

12 SETTLEMENT OF DISPUTES The Contract and any orders placed with the Seller shall be governed by and interpreted in accordance with the laws of England. All disputes arising under or in connection with the sale of goods hereunder and/or interpretation of the Contract shall be exclusively submitted to the courts of England.