

GENERAL CONDITIONS OF SALE - Paper Bags Department -

1. SCOPE: These general conditions cover all contracts of sale stipulated between the vendor and the purchaser. Derogations from these general conditions will only be binding if agreed in writing. If one or more of these general conditions is invalidated or becomes ineffective for any reason during the execution of the contract, the other conditions shall still apply.

2. NORMATIVE REFERENCES:

Terminology and types of paper bags	UNI EN 26590-1	Method of sampling empty bags for tests	UNI EN 27023
Description and measuring methods	UNI EN 26591-1	Dimensional tolerance	UNI EN ISO 8367-1
Drop test	UNI EN 27965-1	Interest in arrears	CONAI CHARTER
Test conditions	UNI EN 26599-1		

3. NEGOTIATION AND CONCLUSION OF THE CONTRACT:

3.1. OFFER: Unless otherwise expressly stated, estimates provided by paper bag suppliers are binding for a period of not more than fifteen days from receipt thereof by the purchaser. Estimates provided to purchasers shall include the following essential information: - bag format and type - quantity requested - preparation of the bag with indication of the basic weight of the various sheets - subject to be printed - delivery terms and shipment procedures - payment terms - price

3.2. ORDERS: Orders are only considered final once the purchaser has sent a formal order in writing and/or the vendor has confirmed the order with an official order confirmation, to be underwritten by the Customer. Orders that fail to reflect the contents of an estimate are subject to the manufacturer's acceptance and approval. Customers' orders shall therefore specify: - the quantity of bags ordered - the measurements and technical characteristics of the bags, as well as the weight and the types of paper used to make them - all other necessary information, such as price, delivery date, payment and delivery point and any graphic information:

3.3. ORDER CONFIRMATION: Unless the contract has been concluded instantaneously, the goods delivered immediately thereafter and the bill duly issued, purchasers' orders, given both directly to the vendor and via his agents or other intermediaries, must be expressly accepted in writing by the vendor by means of an order confirmation. On receipt of the order confirmation, or anyway not later than two days from receiving it, the purchaser shall notify the vendor of any discrepancy compared to his order. For anything not stated in the customer's order, the manufacturer's technical/qualitative standards shall hold good. Contracts shall always be understood to be concluded in the vendor's place of residence

3.4. MODIFICATION OR CANCELLATION: The cancellation or partial or total modification of an order is neither acceptable nor valid unless the two parties agree thereto. In this case, the customer shall be billed for the raw materials and other expenses. Unless the two parties have agreed otherwise, the manufacturer is entitled to demand the whole conclusion of the order

4. PRICE: The prices agreed upon are above all charges, duties and present or future taxes, which are exclusively at the purchaser's charge.

5. PRELIMINARY AND PREPARATORY WORK: Unless otherwise agreed, the purchaser shall generally pay all the expenses incurred for the preparatory and preliminary work done by the vendor. He shall therefore pay the expenses incurred by the supplier for printing sketches, graphic layouts, models, films, printing plates and impression cylinders prepared and, anyway, supplied by the vendor for the purpose of approval. The customer can anyway be billed for any proof sheets or preliminary works he may have requested if, after one month, there has not been any production follow-up

6. PRODUCT EXECUTION:

6.1. IDENTIFYING THE COMPONENTS: The sheets are conventionally analyzed from the outside of the bag to the inside; the first sheet is therefore the outer one and the last one is the inner one (sheet in contact with the packed product).

6.2. RAW MATERIALS: Unless otherwise agreed in writing, for all orders the bag manufacturer is entitled to choose and use the materials and machining processes on condition that the product supplied corresponds to the technical specifications agreed with the purchaser.

6.3. PRINTING:

6.3.1. ARTISTIC AND INDUSTRIAL PROPERTY RIGHTS: The purchaser is the only party liable for any infringement of third party rights and in particular of copyright and rights connected with trademarks, names and drawings to be printed on the bags ordered, as well as for any reproduction of the form of the outer appearance of third party products. The purchaser shall hold the vendor harmless from the prejudicial effects of any actions on the part of third parties claiming that such rights have been infringed. Any work involving creative input according to the law on artistic property (drawings, photos, prints, films or printing plates) carried out for the vendor remain the exclusive property of the vendor and shall not be transferred to the purchaser unless an agreement has been stipulated to that effect.

6.3.2. PRINTING QUALITY: The definition of the printing quality is connected with the particular production batch. The printing batch is decisive for any assessment, estimate and definition of the final product quality understood in terms of the visual chromatic result and definition of the outlines. Printing shall always be seen to comply with current commercial quality standards in terms of the tolerance of the colour shade, variations in location and positioning and any buckling of the clichés. Unless otherwise agreed in writing, the vendor uses normal printing inks and cannot therefore guarantee that the printing inks will be particularly resistant to light, neither is he liable for any variations in colour shades; consequently, any such variations cannot justify any refusal on the part of the purchaser to receive the goods or to ask for a reduction in price. Even if the Pantone numbers (or other scales) have been provided, the colours are always only indicative since the resulting shade is the fruit of various components (paper, porosity, absorbency, thickness, supply of inks and corresponding supplier, printing press, etc.) which can greatly affect the end result.

6.3.3. APPROVAL OF THE PROOFS: In order to ensure that the purchaser's wishes have been correctly interpreted, the vendor shall get the latter to sign the proofs by way of acceptance. The proofs are only presented to the purchaser if he expressly asks for them or if the vendor considers it necessary or appropriate to show them to him. On this point, since the proofs supplied by the customer or by the vendor are almost always prepared on special proof presses with oil paints and inks, which have completely different characteristics from (biodegradable) industrial water inks used in printing, it is obvious that the industrial result may be quite considerably different from the proofs, also due to the different production procedures. The customer's signature will exonerate the vendor from all responsibility for errors or omissions and for any discrepancy between the product supplied and the original used by the purchaser and in general from the contractual description of the product. In the absence of the customer's written signature of approval, any verbal consent given by the purchaser shall free the vendor from liability. The proofs are understood to be tacitly approved and accepted, even in the absence of written or verbal approval, unless the customer has provided different instructions in the time that elapsed between sending the proofs and starting production. If the customer requests any last-minute retouches, either to add extra phrases or to move words or parts of the established graphic layout, thus causing the printing plate to be re-made or causing a standstill while waiting for the printing press, the corresponding costs will be charged to the customer on top of the agreed price. If the purchaser considers the colour shade to be particularly important, he shall agree with the supplier to be present when the first copies are printed so that he can give his approval.

6.3.4. BAR CODES: If a customer requires a bar code to be printed, so that it can be read by a laser bar code reader (for example at supermarket checkout desks), the manufacturer cannot be held responsible for the laser reader's refusal to read it or for any incorrect reading even if it is proved that such an inconvenience is caused exclusively by a printing defect attributable only to the vendor, since the technical-physical characteristics of the paper can cause the lines to vary considerably. Such guarantees can only be given if coated papers are used. If the customer requests a derogation from the normal rules governing the use of bar codes, he has to specify as much in the order and shall exonerate the manufacturer from liability

6.3.5. MANUFACTURER'S LOGO The vendor is entitled to distinguish his products by printing or anyway getting his own trademark and/or his own reference code put on them, likewise any symbols needed to identify the packaging in the recycling process and/or to facilitate the same.

6.4. PRODUCTION ALLOWANCES:

6.4.1 TOLERANCE OF BASIC WEIGHT AND THICKNESS: Tolerance of the basic weight for each sheet of paper and of thickness for the plastic materials used to produce the bags is set at +/- 5%, while bags produced with coupled materials are allowed an average tolerance for each sheet of +/-10% of the agreed basic weight. The vendor is entitled to supply bags with individual sheets of different basic weights as long as the number of sheets and the overall basic weight remains the same and with the established allowance of +/- 5%.

6.4.2. DIMENSIONAL TOLERANCE: See standards UNI EN 26591-1 (description and measuring methods) and UNI EN ISO 8367-1 (dimensional tolerance) or, in other words:

open-mouth bags	valve bags
▪ bag length ± 10 mm	▪ bag length ± 10 mm
▪ bag width ± 5 mm	▪ bag width ± 5 mm
▪ bottom width ± 5 mm	▪ bottom width ± 5 mm
▪ gusset width ± 3 mm	▪ valve width -0/+5 mm
	▪ valve length ± 5 mm

6.4.3. QUANTITY ALLOWANCE: Acceptable quantity allowances compared to the order are as follows:

fewer than 5,000 bag	± 25%
between 5,000 and 10,000 bags	± 15%
between 10,000 and 25,000 bags	± 10%
between 25,000 and 100,000 bags	± 8%
over 100,000 bags	± 5%

6.4.4. QUALITY ALLOWANCE: See standards UNI EN 27023 (empty bag sampling method), UNI EN 26599-1 (conditioning for tests) and UNI EN 27965-1 (drop test).

Basically, there are two types of product non conformity to which the purchaser may give quite different importance: A) Critical non conformities which considerably reduce the possibility of the purchaser using the bag or which make it completely useless for the designated purpose. B) Significant, but not critical, non conformities, which in some way affect the use of the bag but enable it to be used normally or with some precaution at the filling stage.

Critical non conformity allowances, point A, can go up to the following limits: (allowance per cent):

lot including fewer than 5,000 bags	5%	lot including 25,000 to 100,000 bags	2%
lot including 5,000 to 10,000 bags	4%	lot including over 100,000 bags	1%
lot including 10,000 to 25,000 bags	3%		

This top limit must be verified over the entire lot of goods produced and not on a part of it or on the individual pallets.

7. HUMAN FOOD-PACKAGING

7.1. RAW MATERIALS: All the raw materials used for manufacturing our products are suitable to human food contact (comply with CE regulation N.1935/2004 and related documents).

7.2. DEDICATED USE: Our product have to be stored following information reported in point 11. Our products are suitable to human food contact but they can expose food-product to the risk of contamination by external agent during storing or handling if not well sealed/closed at the moment of filling.

7.3. TRACEABILITY: Orderly data collection and the use of an internal information database, allows us to trace our products during their productive process both top-down and bottom-up lifetime.

7.4. COMMUNICATION: Through his Quality and Food Safety Manager our company is strictly devoted to supply the appropriate communication to his customer and other parts involved; this case, absolutely hypothetical, is related to callback/recall operations of our products.

8. PACKAGING AND TRANSPORT: Barring special agreements, the vendor will use the normal packaging standards in terms of the type and size of the pallets, quantity of bags and protection for the same. On request, the same number of CP1 type pallets or Europallets shall be returned; if they are not returned, they will be billed at cost price. If the goods are billed according to weight, the price will be calculated on the gross weight (including the packaging paper and the pallet). Any special packaging will be debited at cost.

9. DELIVERY: To all effects, and in particular to the effect of releasing the vendor from the obligation of making it, delivery is understood always and anyway to be at the vendor's production unit on the day on which the shipping and delivery note is issued, even if the merchandise has to be carried to the purchaser's address or to another place designated by him. The goods always travel at the purchaser's risk even when shipment is wholly or partially at the vendor's charge. Unless otherwise agreed, delivery terms are never peremptory or binding, but are merely indicative and approximate. In no case, unless otherwise agreed in writing, shall the vendor be obliged to compensate the damage caused by not having delivered the goods in time. The effective delivery terms are always extended for at least as long as any delays due to: - late delivery to the vendor of raw materials expressly ordered from third parties - variations in the product, agreed with the purchaser, and delays, slow-downs, suspension or interruption of any work attributable to him - strikes, shut-downs, fire, floods, earthquakes, particularly adverse meteorological conditions, measures taken by public authorities, power cuts, machine failures, lack of raw materials or other random events or cases of force majeure, unless the vendor's obligation is extinguished due to unexpected impossibility except in the case contemplated in point no.11. If the goods are not to be carried to the purchaser's domicile or to another place designated by the same, he is obliged to collect them in the agreed time. If the purchaser does not arrange for the goods to be collected in good time, the vendor is entitled to return the goods to his own warehouse, and the purchaser shall then pay for such storage at the current market rates for such services, and/or to ship the goods to the purchaser who shall then pay the corresponding carriage costs. For as long as the goods are thus stored, the vendor cannot be held liable for any loss or damage to the same for whatever reason. In any case, any goods not collected by the purchaser in good time are billed on the day on which they are stored and payment terms shall start from that day.

10. PAYMENT: Payment expiry terms are as established in the regulations in force in the EU. Out-of-pocket expenses for stamp duties, certifications, legalization, duties and taxes shall always and anyway be paid in advance. The place of payment is to all effects the vendor's domicile whatever means of payment is agreed upon. Cheques and other instruments are acceptable subject to collection. In the event of delays in payment the purchaser is bound to pay interest at the same rate as: -the official Euribor rate at a one month term for payments made within 30 days -the average monthly Euribor rate +50% and anyway not more than 5 points for payments over and above 30 days with any bank charges at the purchaser's charge. When several contracts have been concluded between the purchaser and the vendor and a controversy arises regarding the goods involved in one or more particular sales, the purchaser is not entitled to suspend payment of the other non disputed supplies. Again in the case of several contracts, if the purchaser fails to pay the price even of one single supply, the vendor can suspend the supplies under way and refuse to fulfil the other contracts, in any case, without detriment to his right to compensation for the damage. If the payment terms have been established, the vendor can immediately demand payment of the amounts due to him if, during the execution of the contract, the purchaser is having trouble, even temporarily, maintaining his own commitments.

11. INSPECTIONS AND CLAIMS: Within eight days from receipt of the goods, the purchaser shall check the conformity thereof. Non-conformity claims shall be made within the following 22 days (i.e. within 30 days from receipt of the goods). Moreover, regardless of the vendor's declaration that the bags sold comply with current standards and with the agreed specifications, before using them in a commercial or industrial context, the purchaser shall follow suitable technical control procedures to verify that they comply with the aforementioned standards and that they are technologically suitable for their designated purpose. If a non-conformity with such standards or specifications fails to emerge from the purchaser's inspection, or, if it emerges but he fails to notify as much to the vendor in writing with a registered letter within eight days, or anyway within and not later than thirty days from receipt of the goods, the vendor is exonerated from any guarantee or liability regarding the purchaser. Also by way of derogation from art. 1745, paragraph 1 of the civil code, the purchaser's claims shall be made in writing exclusively to the vendor by means of registered letter. Without detriment to the first and second paragraphs of this article, hidden quality defects must also be reported within and not later than eight days from discovery. Claims made by the purchaser cannot be accepted if they concern alterations affecting every single part of the bags (paper, colour, printing, etc.) caused by exposure to light and to the substances with which the bags come into contact, because the vendor's guarantee does not include such alterations. Neither are the purchaser's claims acceptable if, due to improper storage, on his part, of the goods consigned to him, these undergo alterations and anyway become even partially unsuitable for the designated purpose. The goods shall be stored by the purchaser under the conditions specified by the vendor. If such conditions are not stated, the goods shall be stored under the conditions stated below: temperature of not less than 10°C; relative humidity between 40% and 60%; free of any polythene film wrapping. For fifteen days from the date of the claim the goods contested by the purchaser shall be kept at the vendor's disposal for inspection, without this affecting the purchaser's duty to provide detailed proof in support of his claim. Contested goods cannot be returned to the vendor without his authorization. Without detriment to the vendor's responsibilities contemplated in this and in the previous conditions, if quality defects or anyway non-conformities of the goods do exist, and are judicially ascertained or found by the vendor, and in any other case in which the vendor is ascertained or acknowledged to be defaulting as regards the product sold, the purchaser has the right, to be exercised within two months from the aforementioned ascertainment or acknowledgement, to ask the vendor for the defective or anyway non conforming goods to be made respondent to what was agreed. In this case, the vendor can either recondition the goods or replace them. The term of two months granted to the purchaser is peremptory and is considered by the party as the expiry term, to all consequent effects. If the vendor accepts the claims, he is only liable for the value of the goods supplied, and under no circumstance is he obliged to compensate the purchaser for damages, either direct or indirect.

12. UNFORESEEN DIFFICULTIES AND DIFFERENT PERFORMANCE: If the production of a specific raw material or the use of a particular technical process ceases during the execution of the contract, thus preventing the vendor from delivering the agreed merchandise, the vendor is entitled to examine with the purchaser the possibility of delivering a similar product; if the price of such product cannot be agreed upon, it is set by a third party designated by the parties, or, if they fail to agree on such a third party, by the Secretary General of the Associazione Nazionale Industrie Grafiche, Cartotecniche e Trasformatrici. Otherwise, the vendor is entitled to cancel the sale.

13. GOVERNING LAW: The contract is regulated according to Italian law. For any controversy, jurisdiction lies exclusively with the Italian Judge. The competent judge is the presiding judge in the place in which the vendor has his domicile.

CUSTOMER

MANAGING DIRECTOR