

LIETPAK UAB GENERAL CONDITIONS OF SALE

1. Application of the General Conditions of Sale

1.1. These Lietpak UAB General Conditions of Sale (the **General Conditions of Sale**) shall apply to all sales transactions concluded between Lietpak UAB, company address: A. Mickėvičiaus 165, Čekoniškių k., LT-14207, Lithuania, (reg. code 125261991) (the **Supplier**) as the Supplier and its client as the buyer (the **Buyer**) where the General Conditions of Sale have been referred to in the relevant Order confirmation by the Supplier, price offer or any other notification sent by the Supplier to the Buyer. Conflicting or divergent terms of purchase or other restrictions of the Buyer will not be accepted unless and to the extent the Supplier has given express written consent in each individual case.

2. Subject Matter of the Agreement

2.1. The Supplier shall sell certain products (the **Products**) to the Buyer pursuant to the terms and conditions agreed under these General Conditions of Sale. Confirmed Order, accepted price offer or other agreement incorporating the General Conditions of Sale by way of reference shall jointly be referred to as the agreement (**the Agreement**).

2.2. The Buyer shall pay for the Products according to the terms agreed in the Agreement.

3. Prices

3.1. The actual quantities delivered and/or services performed will be charged for at the Supplier's prices valid at the time when the Buyer submits the order (**the Order**) to the Supplier, provided such Order is confirmed by the Supplier with the Order confirmation. The Buyer may request from the Supplier a price quote valid for the Products intended to be ordered prior to the submission of the Order. If Value Added Tax (**VAT**) applies, it will be added to each Order on top of the indicated prices. In case of manifest error in price quote or price confirmation, the Supplier is free to adjust its quoted price to the price that was actually applicable at the time when the Order was submitted by the Buyer.

4. Order and Order Handling Procedure

4.1. Any offers/quotations by the Supplier in respect of prices, quantities, delivery times and availability are not binding until confirmed by the Supplier. The Buyer places Orders for the Products via an e-mail address of the Supplier's representative with whom the Buyer communicates directly regarding the particular Order or via other means indicated by the Supplier. Any Order shall become binding to the Parties after the Supplier has sent to the Buyer a written confirmation of the Order (which may include an invoice). The Parties consider confirmation via e-mail to be equal to a written confirmation. These General Conditions of Sale shall apply to the confirmed Orders having reference to these General Conditions of Sale whether indicated on the Order confirmation or by any other means of notification engaged by the Supplier, and they shall overrule any prior agreements or arrangements between the Supplier and the Buyer in respect of the confirmed Order. Conflicting or divergent terms of purchase or other restrictions of the Buyer will not apply unless and to the extent the Supplier has given express written consent in each individual case.

5. Technical Documentation

5.1. Upon respective request of the Buyer or without it, the Supplier may provide to the Buyer certain technical documentation/Product information and data sheet which may include typical Product values, specifications, measurements or other kinds of technical information. The Buyer is prohibited to use such documentation for any other purposes than for the fulfilling of the Agreement and may not reproduce, copy or convey in any manner such documentation to third persons without a separate written consent of the Supplier.

5.2. Save as provided otherwise, prospectuses and catalogues shall not be binding.

6. Quality of the Products

6.1. The Supplier shall make its best efforts to ensure that the delivered Products are free from defects resulting from faulty workmanship and use of defective materials. Quality of the Products only refers to the quality, grade and properties described in the Supplier's technical/Product information and data sheet. Any public comments, recommendations or advertising shall not constitute any quality data concerning the Products purchased.

7. Tolerances

7.1. Production-related variations in quantity of up to 10% and technically unavoidable quality tolerances shall be permissible. In particular, Product tolerances indicated in Supplier's technical documentation/Product information and data sheet for a particular Product are permissible and shall not be regarded as non-conformities of the delivered Products. Unless specifically indicated by the Buyer, the Supplier establishes Product parameters in accordance with its technical documentation/Product information and, where such parameters are not set, upon its discretion.

8. Delivery

8.1. The Supplier indicates and confirms the delivery date in the Order confirmation. In the event of a delay in delivery the Buyer shall grant a reasonable extension to the Supplier for up to 4 weeks.

8.2. The Parties agree that a standard delivery term used shall be EXW (Supplier's warehouse located at A. Mickėvičiaus 165, Čekoniškių k., LT-14207, Lithuania) Incoterms 2010, unless a different delivery term is agreed in the Order confirmation.

8.3. The Supplier has the right to refuse from delivering the Products if the Buyer has not fully paid the amount of the agreed prepayment or if the Buyer has overdue invoices in any amount.

9. Inspection at Delivery

9.1. The Buyer has an obligation to verify that the delivered Products (including, without limitation, the information printed on the Products) and quantities conform to the confirmed Order and the invoice (if it is included), as well as for the intended use by the Buyer and/or third parties.

9.2. Upon delivery the Buyer must immediately inspect and verify that the delivered Products are free of any external or otherwise visible damage. In case of visible damage Buyer must note the damage on the delivery documents (specifically on the CMR waybill). Any claims of non-conformity of the Products to the terms of the Agreement must be made by the Buyer by submitting in writing the reasons. Simultaneously material samples for complaint inspection purposes as well as the original Lietpak label must be sent to the Supplier. The complaints must be submitted to the Supplier within 14 calendar days after receipt of the Products from the carrier. If the Buyer fails to submit the complaints within the indicated time period, the Products supplied are deemed to have been accepted. The Buyer shall not be entitled to raise any further claims based on faulty delivery, especially claims for damages, and shall not have the right to terminate the Agreement.

9.3. In case of hidden defects a written complaint must be submitted without delay upon detection of the defect, at the latest within 6 months after receipt of the Products but in no case later than within one year from the date of manufacturing of the Products, whichever comes earlier. The date of manufacturing shall be indicated on the Product label or other means chosen by the Supplier. The burden of proof in respect of its being a hidden defect lies with the Buyer.

9.4. Products which have been complained about shall not be returned until the Supplier receives the material samples for inspection of such Products and confirms in writing that such Products are defective and may be returned and/or destroyed, unless the Supplier decides otherwise and informs the Buyer about such decision. In case the Parties disagree whether the Products are in fact defective, an independent expert shall be appointed by the mutual consent of the Parties and the respective expenses shall be borne with the Party in whose disfavour such expert provides an opinion. The direct and factually grounded expenses related to the return and/or destruction of the defective Products shall be borne with the Supplier.

9.5. Used or processed/converted Products shall be deemed to have been accepted.

9.6. In the event of any non-conformity the Supplier's liability shall be limited to repair or replacement of the Products in question. The Supplier's liability does not extend to further use, application, processing or conversion of the Products, as well as using the Products for manufacturing other products, and/or the damages caused to such other products, unless there is a proven breach by the Supplier of the terms and conditions of the confirmed Order and/or the relevant technical documentation of the Supplier.

9.7. Any replacements of the Products are subject to: (i) the Buyer filing a claim of non-conformity; (ii) the Supplier confirming the non-conformity; and (iii) the Buyer first returning or, at the request of the Supplier, destroying the non-conforming Products. The relevant shipping costs shall be covered by the Supplier.

10. Invoicing and Payment

10.1. The Buyer undertakes to pay to the Supplier for the ordered Products in accordance with the invoice issued by the Supplier and the agreed payment term indicated in the Order confirmation or on the invoice issued by the Supplier. The Supplier may issue invoices already before delivery and also has the right to demand prepayment.

10.2. The Buyer must also pay for the shipping costs of delivering the Products to the Buyer and the Supplier is entitled to invoice the Buyer for such shipping costs if the Supplier has paid for such shipping costs.

10.3. If the Buyer is in delay of any payments, then the Supplier is entitled to claim a late payment interest of 0.05% from the amount not paid in due time for each delayed day.

10.4. If there are justified doubts as to the solvency or creditworthiness of the Buyer and if the Buyer, despite requests to do so, is not willing to make payment concurrently upon delivery or to provide appropriate collateral for the performance of his obligations within a reasonable period prior to delivery, then the Supplier shall, insofar as he himself has not yet performed, be entitled to rescind the Agreement.

10.5. Payments shall not be deemed to have been effected until the sum is finally disposable in an account in the Supplier's name.

10.6. The Supplier shall use payments received to discharge the oldest invoice items due plus the accrued default interest and expenses in the following order: expenses, interest, and principal claim. Any divergent repayment provisions by the Buyer shall be disregarded.

10.7. The Buyer shall only have the right of retention if and when its claim/counterclaim has been recognized by the court's judgement. The same applies to set-off rights.

11. Transfer of Title

11.1. Title to the Products shall transfer from the Supplier to the Buyer upon proper fulfilment of the following: (a) delivery of the Products, and (b) full payment for the Products by the Buyer, and (c) due performance of all other existing obligations arising from the Buyer's business relations with the Supplier.

12. Retention of Title

12.1. The Supplier retains title to the delivered Products (**Reserved Products**) until the said Products have been paid for in full and the Buyer has performed all his existing obligations arising from his business relations with the Supplier.

12.2. In the event that the Reserved Products are processed/ used to manufacture another product, the Buyer shall be deemed to be acting on behalf of the Supplier without, however, accruing any claim against the Supplier on account of the processing. Therefore, the Supplier's retention of title also covers the products resulting from the processing. If the Reserved Products are processed together with products owned by third parties, or if the Reserved Products are blended, mixed or combined with products owned by third parties, the Supplier shall acquire co-ownership in the resultant products in the proportion of the invoice value of the Reserved Products to the invoice value of the third party products. If the Reserved Products are blended, mixed or combined with a principal item of the Buyer, the Buyer shall herewith assign his ownership in the new object to the Supplier.

12.3. The Buyer is prohibited from pledging the Products that are in its possession, but which are still the property of the Supplier. The Supplier may prohibit the Buyer to use or dispose of the Products that are still owned by the Supplier.

13. Printing, Packaging and Labelling, Third-Party Production

13.1. The Supplier does not warrant that all legal regulations relevant to the Buyer's field of activity are observed as regards the labelling/marketing and handling of the Products, nor does the Supplier warrant that purchase Orders executed to meet the Buyer's requirements and specifications do not violate the rights of third parties. The Buyer's requests and specifications are observed without obligation to verify and the Supplier shall not be liable for complying with any instructions and/or indications provided by the Buyer. Should any third party assert a claim against the Supplier in respect of protective rights relating to the execution of a purchase Order, the Buyer shall compensate the Supplier for any disadvantages caused to the Supplier by such claim.

13.2. Copy submitted or confirmed by the Buyer as ready for press shall be decisive for the execution of printing work. Industrially customary minor variations (including register deviations) shall be acceptable.

14. Warranty

14.1. The Supplier will grant a warranty against defects for the Products delivered for a period of 6 months counting from the receipt of the Products by the Buyer, but in no case longer than for a period of one year from the date of manufacturing of the Products, whichever comes earlier. Under such warranty the Supplier shall replace or repair defective Products without charge as long as the conditions laid out in Section 9 are met. For the Products replaced during the warranty period the original warranty period shall remain applicable.

15. Termination

15.1. The Supplier may terminate the Agreement in writing with immediate effect if the Buyer fails to comply with the material terms and conditions of the Agreement and fails to remedy any such breach within two weeks after receipt of the Supplier's respective written notice.

15.2. Either Party may terminate the Agreement immediately at any time by giving written notice if: (i) the other Party ceases or threatens to cease to carry on its business or goes into liquidation, if bankruptcy proceedings are initiated against the other Party or if an administrator or receiver is appointed over any part of its assets; or (ii) if the execution of the obligations under the Agreement are not possible as a consequence of legal acts or Government actions. In any case, the Buyer shall collect and pay for the Products which have already been ordered and the manufacturing process started, provided that the Supplier is capable to fulfil the confirmed Order or a part of such Order.

16. Rights after Termination and Survival

16.1. In the event of any termination of the Agreement, neither Party shall be entitled to any compensation by reason solely of that termination.

16.2. The sections of the Agreement that logically are intended to govern events related to the Agreement that could occur after the termination of the Agreement survive the termination and expiry of this Agreement. This includes but is not limited to the following sections of the Agreement:

(i) Section 10 – Invoicing and Payment;

(ii) Section 12 – Retention of Title;

(iii) Section 14 – Warranty;

(iv) Section 17 – Confidentiality;

(v) Section 18 – Liability (this includes any other clauses related to liability laid out in other provisions of the Agreement);

(vi) Section 25 – Applicable Law;

(vii) Section 26 – Dispute Resolution.

17. Confidentiality

17.1. Except as otherwise required by law or for the purposes of carrying out the intent of the Agreement, the Parties hereto agree to hold secret and confidential and not to disclose or use for the benefit of themselves or for any other person or body whatsoever the contents of the Agreement and/or any knowledge, information or data concerning the other Party's business or products which may be communicated to them or which it may acquire by virtue of the Agreement (unless ascertainable from public information or trade sources).

18. Liability

18.1. The liability of the Supplier is limited to direct damages caused to the Buyer as a result of a breach of the Agreement. The Supplier is liable for the damage only if the Supplier is culpable of the non-performance. Under no circumstances shall the Supplier be liable for loss of profit of the Buyer or any other indirect or consequential damages, or any other losses of speculative or unforeseeable nature. The Supplier shall neither be liable for any damages caused to the subsequent products when the Products are being processed and/or used in the manufacturing/packaging processes by the Buyer or any third parties unless such damage can be attributed directly and solely to the quality defects of the Products which do not correspond to the allowed tolerances indicated in section 7 of these General Conditions of Sale, and in such case, the liability of the Supplier shall by no means exceed the limitations set forth in this Agreement.

18.2. Compensation claims, including non-contractual claims, by the Buyer shall be excluded in case of slight neglect of duty (minor breach) by the Supplier, the Supplier's staff or other persons involved by the Supplier in the performance of Supplier's duties, unless the neglected duty concerned is of substantial significance for attaining the purpose of the Agreement.

18.3. To the maximum extent permitted under applicable laws the Supplier shall not be liable for any third party (e.g. end customers of the Buyer) claims in relation to the Products, including the claims of the parties to whom the Products have been resold by the Buyer. In instances the liability for any third party claims can be legally attributed to the Supplier, the Buyer shall have an obligation to immediately, and in no case later than within one business day from the receipt of such claim, notify the Supplier in writing about such claim. Failure to notify the Supplier about any third party claim relieves the Supplier from any form of liability despite it being legally attributable to the Supplier.

18.4. The Supplier is only liable to the Buyer for the proper execution of confirmed Buyer's Order in accordance to the instructions/specifications of such Orders, which shall be based on the quality, grade and properties described in the Supplier's technical documentation/Product information and data sheet. The Supplier shall not be liable to the Buyer or any third parties for damages caused by the Buyer's or third parties' subsequent improper use of the Products or the use of the Products not in line with specifications for such Products available in the Supplier's technical documentation/Product information and data sheet (not intended purposes), unless the Supplier has expressly and only in respect to a particular Order confirmation in question confirmed that the Products are suitable for the use/exact customer application indicated by the Buyer in writing.

18.5. Application-related technical advice given by the Supplier orally, in writing and/or by way of trials is given in good faith, but can only be regarded as non-committal information, and this also applies where proprietary rights of third parties may be involved. It does not relieve the Buyer from testing Products supplied by the Supplier as to their suitability for the intended processes and purposes. The application, use and processing of the Products are beyond the Supplier's control and therefore entirely the Buyer's own responsibility.

18.6. The maximum amount of the Supplier's liability toward the Buyer for breach of the Agreement shall be limited to the price of the Products out of which the claim arose and further limited to the amount that has actually been paid to the Supplier for such Products prior to becoming aware of the non-performance.

18.7. The limitations and exclusions of liability stipulated above shall not apply where such liability cannot be excluded or limited under applicable law.

19. Notices

19.1. All notices and other communications under the Agreement shall be in writing or in a format that is reproducible in writing and shall be deemed to have been received by a Party: (i) if delivered by registered mail or courier service, on the date of the delivery receipt; (ii) if delivered by hand, on the day of delivery; (iv) if delivered by e-mail, on the day of dispatch.

20. Entire Agreement

20.1. The Agreement contains all clauses and supersedes all previous agreements, written or oral, between the Parties concerning the subject matter of the Agreement.

21. Severability

21.1. The invalidity or unenforceability of any provision of the Agreement shall not affect the validity or enforceability of any other provision.

22. Assignment

22.1. Neither Party may assign to third persons any rights or obligations under the Agreement without the prior written consent of the other Party.

22.2. The Supplier may assign claims it has against the Buyer for debt collection purposes (e.g. use debt collection services).

23. Amendments

23.1. The Agreement may only be amended in writing. Amendments made in any other format than in written format are null and void.

23.2. Notwithstanding the above the Supplier's price list may be amended unilaterally by the Supplier pursuant to clause 3 above.

24. Force Majeure

24.1. Neither Party shall be liable for any failure to comply with the Agreement if such failure results from conditions beyond its control including changes to legislation, regulations, action of any state authority, state administration or municipality institution, riots, military operations, natural disasters, express and implied sanctions towards the country of origin of the Products or other *force majeure* conditions. Parties shall have to continue performing their contractual obligations immediately after the end of *force majeure*. Should a circumstance of *force majeure* last more than sixty (60) days, either Party may by written notice to the other terminate the Agreement.

24.2. The Parties have agreed that fire, flooding, theft or similar events shall not be considered as *force majeure* if it has been caused by the acts or negligence (failure to act) of the Buyer or if a third person is liable for such events to the Buyer.

25. Applicable Law

25.1. The laws of the Republic of Lithuania shall apply to the implementation and interpretation of the Agreement. United Nations Convention on Contracts for the International Sale of Goods (CISG) does not apply to the Agreement.

26. Dispute Resolution

26.1. Any dispute, controversy or claim arising out of or in connection with the Agreement shall be settled by way of negotiations. If the Parties fail to settle the dispute by way of negotiations then the dispute shall be finally settled by the competent court based in Vilnius, Lithuania.