

Terms and Conditions of Sales and Delivery of Innova Packaging Systems NV

1. APPLICABILITY

Except when expressly agreed otherwise, all our commercial relations with our counterparties are subject exclusively to our general terms and conditions. The applicability of general conditions of our counterparties is expressly excluded.

Acceptance of our order-confirmations or deliveries implies the consent and agreement of the counterparty party to our general terms and conditions.

Legal invalidity of any provision of these general terms and conditions shall not invalidate the remaining provisions of this Agreement.

2. OFFERS AND AGREEMENTS

Our offers are to be considered as norm-binding propositions, subject to the exhaustion, of our stocks, availability of the product or changes of price and/or raw material prices. Every acceptance of an offer by our customers will not constitute a binding agreement for us until this acceptance has been reconfirmed expressly by us, using an order confirmation.

All other obligations pertaining to prices and deliveries that are assumed by our representatives shall only be valid and enforceable after they have been expressly confirmed in writing by our company.

Every agreement will be deemed to have been made at our corporate headquarters in IEPER.

Orders and/or contracts may only be cancelled by means of a registered letter. Such cancellation shall only be effective after our written confirmation. Cancellations made after the order has been confirmed but prior to any execution of the order and/or contract shall entitle our company to a lump sum compensation amounting to 20 % of the total amount of the order and/or contract, and is payable within 8 days, without prejudice to our right to claim additional compensation for the actual damages exceeding such amount.

Cancellations made after the execution of the order and/or contract has been initiated shall entitle our company to a lump sum compensation amounting to 40 % of the total amount of the order and/or contract, and is payable within 8 days, without prejudice to our right to claim additional compensation for the actual damages exceeding such amount.

3. PRICES

Prices are stated exclusive of taxes and VAT.

Prices are only valid for the amounts of the order. New prices may be fixed for additional orders. Prices stated are always subject to changes following changes in index rates, exchange rates, wages, insurance rates, taxes on labor and prices of raw materials.

Our prices are exclusive of packaging, insurance, shipping, transport and delivery costs, and of costs for assembly and putting into service. VAT, taxes, levies, exchange rate losses and banking costs are chargeable to the customer.

4. DELIVERIES

Except if mentioned differently on our invoices, all our deliveries are made EXW our warehouses (Incoterms 2000). Without prejudice to section 8 of these terms and conditions, all risks pass to the customer as of the moment when the goods leave our warehouses. If, by exception to the foregoing, it has been agreed in writing that the goods will be delivered to the customer or at a place designated by the customer, then the delivery may occur in the absence of the customer. In that event, the waybill will be deemed proof of delivery. Times of delivery are only approximate. Possible delays shall not entitle the customer to any compensation nor give right to cancellation.

5. DAMAGES

In the event of damages to packaging or an insufficient number of packages, the customer must notify this on the waybill and must inform us thereof within one working day after the delivery took place.

6. DEFECTS

The customer must examine the goods with apt thoroughness immediately after their delivery. Reception of the goods implies acceptance of any visible defects and non-conformity in quality and quantity. Any use of the goods implies their acceptance.

Any complaints regarding visible defects or non-conformity must be notified to us within 2 working days after delivery accompanied by a detailed description thereof. By lack of such notice the customer forfeits all rights. Defects and non-conformities that could have been discovered after an aptly thorough examination shall always be deemed to be visible defects. Hidden defects must be notified to us by registered letter, within a period of 8 working days after- these have been discovered or had to be discovered under normal circumstances by the customer and in any event within a period of 3 months after the date on which the delivery took place.

In case of a justified complaint our company shall have to right to either replace or credit the goods. Our liability according to this provision shall always and irreversibly be limited to the value of the goods, calculated on the basis of our prices.

7. PAYMENTS

All our invoices are payable at IEPER, net, by wire transfer, without discounts. In the event of any default in payment, an interest of 12 % per annum will automatically apply to the outstanding balance of the invoice, without prior notice of default or prior recourse to the courts, and the outstanding amount will be increased automatically with a lump sum compensation for extrajudicial cost of 12 % with a minimum of 50,00 euros, even when ease of payment is granted.

Any default in payment shall automatically render all bills collectable, even when their due date has not been reached.

Any default in payment shall entitle our company to suspend any and all further execution of orders and/or contracts and deliveries. Should the customer not remedy his default within 14 days after notice has been given our company shall be entitled to bill the portion of goods that have already been produced and/or the portion of the contract that has been executed on the basis of the prices agreed for the order, and to cancel the remainder of the order and/or contract. In such event our company shall be entitled to a lump sum compensation amounting to 40 % of the value of the order and/or contract that has not been executed, without prejudice to our right to claim additional compensation for the actual damages exceeding such amount. In such event the goods shall only be delivered after full payment of all bills and said lump sum compensation.

8. RETENTION OF TITLE

As long as the customer has not satisfied any and all obligations resulting from any order and/or contract all goods shall remain the property of our company, notwithstanding the provision that the risks attached to the goods have passed to the customer. The goods may therefore at any time be reclaimed and recuperated without any formality. In the event that the goods would be processed or sold our property rights will extend to the relevant part of the accounts receivables that would have replaced these goods.

The counterparty acknowledges to have known and accepted this provision of retention of title prior to the delivery of the goods.

9. LIMITATION OF LIABILITY

All contracts and obligations are entered into on a best effort basis. Our liability incurred by any and all breaches of contract and non-fulfillment of obligations under these contracts is limited as follows:

a) Our liability is always limited to the value of the order or contract, exclusive of VAT and other costs, whereby our company shall always be entitled to either replace or repair the goods within a reasonable time-period, or to credit their value. Our liability shall in each case be limited to the amounts covered by our insurance.

b) Our company shall in no case be liable for:

- any and all indirect damages suffered by the customer, such as but not limited to: financial and economic losses, losses in production, loss of profits, rise of costs, disturbance of planning, loss of customers, damage of reputation, ...
- damages caused solely or partially by equipment or machinery that has been delivered or provided by third parties, and/or damages caused by any other attribute of the company of the customer;
- damages following claims of third parties;
- damages to any and all goods other than those delivered by our company.

10. APPLICABLE LAW AND COMPETENT JURISDICTION

All contracts between our company and the counterparty are governed by Belgian law. The courts of the judicial district of IEPER shall be exclusively competent for any dispute arising from these contracts.

