
GENERAL SALES CONDITIONS

GENERAL SALES CONDITIONS APPLICABLE TO ALL SALE OF GOODS FOR WHICH A MEMBER OF THE VGP GROUP ACTS AS SUPPLIER**1. Definitions and scope**

1.0 The following capitalized terms are defined as follows:

“**Customer**” means the legal entity issuing the Order and purchasing the Goods from the Supplier.

“**Goods**” means the goods described in the Order.

“**Order**” means the purchase order for Goods, together with the Specification(s).

“**Specification(s)**” means the description / specifications of the Goods as set out in or attached to the Order.

“**Supplier**” or “**we**” means the member of the VGP Group accepting the Order and selling the Goods to the Customer.

“**VGP Group**” means the group of companies which are active in the (carton) packaging industry across Europe, and which have Van Genechten NV as ultimate parent company.

1.1. These general terms and conditions of sale (the “**Terms and Conditions**”) shall apply to and be part of all Orders (and/or (framework) contracts) accepted by Supplier and its Customers. These Terms and Conditions shall also apply to all pre-contractual relationships between the Supplier and its Customers, including to any offer made by the Supplier.

1.2. Unless expressly otherwise agreed in writing, these Terms and Conditions shall prevail in the event of a discrepancy with any other written or oral correspondence or documents exchanged between the Supplier and its Customers.

1.3. Any variation from these Terms and Conditions is only binding when it is explicitly accepted in writing by the Supplier. The Customers’ consent (either implicitly or explicitly) to the applicability of these Terms and Conditions to a contract shall automatically apply to subsequent Orders (and/or contracts).

1.4. Any general conditions set forth by Customer in any document are explicitly rejected and shall not be binding, unless and to the extent that they have been explicitly accepted by the Supplier in writing.

2. Offers

2.1. Unless stipulated otherwise, an offer from the Supplier is considered to be expired in case it is not expressly confirmed (either in writing or electronically) by an Order of the Customer within one (1) month from date of the aforementioned offer.

GENERAL SALES CONDITIONS

2.2. Orders must be in line with the quantities offered. In case the quantities of an order differ from the quantities offered, prices will be revised accordingly in the Order acceptance.

2.3. Administrative costs resulting from an excessive price quotation will be passed on by the Supplier to the Customer if the offer is not followed by an Order, provided the Supplier has given pre-notification to the Customer.

2.4. Should the preparation of an offer require development, engineering, sample costs and proofs, the Supplier is entitled to pass on these costs to the Customer.

2.5. The ownership of any intellectual property of Good designs remains exclusively with the Supplier; any such new designs cannot be used by the Customer without (royalty or other way of) payment and/or prior written agreement from Supplier.

2.6. Prices in the offer are based on the elements that the Customer specified in its request. In case of changes, prices will be revised.

2.7. The Supplier can only accept responsibility for the quality of the Goods if he had full responsibility for the purchase of the board and other relevant raw materials.

3. Order Acceptance and Pricing Conditions

3.1. A sale is concluded only when acceptance of the Order has been given by the Supplier to the Customer either in writing or in electronic format. Unless if agreed otherwise, such an Order acceptance or contract will be sent by the Supplier to the Customer within a maximum period of two (2) weeks from the date of the receipt of the Customer's Order.

3.2. The Customer must clearly specify in its Order the Goods delivery schedule. The costs resulting from that schedule will constitute an element of the cost price.

3.3. Whenever a contract (or Order) includes delivery of Goods with a delivery time after one (1) month from date of its signing, provisions about quantities and delivery have to be fixed and Customer acknowledges and agrees that Supplier can propose new pricing for the subsequent term of one (1) month in order to amend and reflect changes in raw material purchase prices and other price fluctuations in the Supplier's supply chain impacting the production and pricing of the Goods.

3.4. Any change in the elements of the Order acceptance or the contract caused by the Customer give the Supplier the right to amend the prices accordingly.

3.5. Prices in Order acceptance (and contracts) are based on the raw material prices (and other relevant supply chain cost elements such as (without limitation): glue, ink, vanish, energy and fuel cost, transport costs and wooden pallets) valid on the date of the signature of the Order acceptance or the contract. In the event of a change of these raw material prices, the contracting parties undertake to renegotiate the prices for the agreed period. If no reasonable agreement can be reached, the Supplier reserves the right to terminate the contract unilaterally (without any penalty becoming due).

GENERAL SALES CONDITIONS

3.6. Unless parties explicitly agree otherwise the costs of packaging, transport (insurance), import and export duties as well as all other levies and taxes in respect of the delivered Goods and transport shall be borne by the Customer.

3.7. If the Customer cancels the Order, the Supplier is entitled to invoice to the Customer full costs of the board it reserved for the Order plus all additional costs incurred for the preparation of the Order.

4. Delivery, Invoicing

4.1. Goods will be delivered and invoiced on the delivery date fixed in the Order acceptance or in the contract.

4.2. If delivery of the total quantity is not completed within the agreed period at the request of the Customer, the Goods and additional costs of storage (pallets per week) will be invoiced by the Supplier to the Customer.

4.3. Finished Goods cannot be guaranteed quality wise when stored longer than six (6) months after the date of manufacture.

4.4. The transfer of risk to the Customer is achieved at the moment when each relevant individual delivery is completed, notwithstanding retain rights of ownership.

4.5. If the board reserved for the Order is not converted within three (3) months of the agreed delivery time the Supplier is entitled to invoice the board to the Customer and storage charges may be applied (pallets per week).

4.6. Particular services such as rush Orders or exceptional delivery requirements will be invoiced additionally.

5. Intellectual and Industrial Property Rights

5.1. The information and data contained in any document or support (i.e. designs, dies, negatives, plates, printing cylinders, forming tools, films and digital data) supplied and prepared by the Supplier shall remain the Supplier's exclusive property along with all intellectual property rights (including but not limited to patent rights, copyrights, trademarks, designs) attached thereto. Therefore, no right, title or interest is transferred to the Customer in the names, trademarks, trade secrets, patents, pending patents, expertise, copyright and other intellectual property rights relating to the Goods even if the Customer has financially contributed to their creation.

5.2. The Customer shall defend, indemnify and hold harmless the Supplier from and against any and all claims, losses, damages, costs, penalties, liabilities, judgments, amounts paid in settlement, fines and expenses (including, without limitation, court costs and reasonable fees of attorneys and other professionals) arising out of or in connection with any infringement of intellectual and/or industrial property rights in the case of:

GENERAL SALES CONDITIONS

- the production or reproduction in accordance with the Order and the instructions of the Customer, and/or;

- materials and/or texts, trademark designs and construction for opening and closing of the Goods made available to the Supplier by the Customer or on behalf of the Customer by third parties.

The Customer will indemnify the Supplier against damages allowed by the competent court with respect to any such claim.

5.3. Projects, drawings, sketches, printing proofs, blanks, die cutting and other tooling etc. property of the Customer are stored with the Supplier at the risk of the Customer. Supplier will keep any such materials stored in a confidential way for the Customer's benefit.

5.4. The storage of the materials mentioned under 5.3 ends one (1) year after their latest use, after which they can be destroyed. In case of specific legislation related to the sector in which the Customer operates, a longer storage term not exceeding the legal provisions can be agreed.

6. Tolerances

6.1. Printing: Printing takes place according to internationally recognized printing standards and agreed tolerances. Printing proofs, texts and bar codes approved by the Customer are binding. Production according to these standards cannot give rise to complaints.

6.2. Quantity: Tolerances of the quantities delivered are subject to the individual job requirements with regard to quantity, material, process type, size, etc. The appropriate percentage of tolerance will be specified in the Order acceptance. In the absence of a Specification in the Order acceptance, the Supplier is deemed to have performed adequately if quantities do not exceed plus or minus 10%.

6.3. Within the defined quantity tolerances, the invoicing is based on the effective delivery.

6.4. The Supplier warrants that the Goods during the Warranty Period shall:

- (a) conform to the agreed Specifications, or in the absence thereof, to the Supplier's standard specifications for the Goods; and
- (b) be delivered free from any lawful security interest or encumbrance unknown to the Customer.

"Warranty Period" means a period of six (6) months following the date of production of the Goods and subject to storage conditions approved and/or controlled by Supplier.

6.5. The Customer must determine for itself, by tests or otherwise, the suitability of the Goods for the Customer's purpose. The Supplier makes no warranty that the Goods are merchantable or fit for any particular purpose.

6.6. The Supplier makes no other warranty, express or implied.

GENERAL SALES CONDITIONS

7. Packaging

7.1. Packaging Specifications must be defined and agreed upon in the Order acceptance or contract. The Supplier is entitled to charge changes by the Customer in the agreed Specifications separately.

8. Acceptance of Goods

8.1. Upon delivery of the Goods, the Customer shall immediately and as thoroughly as possible inspect the Goods. In the event of any discovered defects (including damage during transport), the Customer will notify the Supplier forthwith and ultimately within 24 hours after delivery. Failure to comply with these obligations will result in forfeiture of the claim.

8.2. The Customer will be entitled to submit claims relating to defects that could not be discovered upon delivery, to be demonstrated by the Customer, until one (1) month after delivery was made. After expiry of this period the Customer shall not be allowed to submit any further complaints relating to any possible defects in the Goods to the Supplier.

8.3. Supplies acknowledged by the Supplier as being defective will either be corrected or credited. The Supplier shall not be liable to pay compensation for consequential losses.

8.4. If a part of the delivery gives reason for a claim, the principle of mitigation for adverse consequences for the remainder of the delivery will be applied.

8.5. Any qualitative claim not accepted by the Supplier should be submitted to an arbitration committee being composed out of 2 (two) independent industry experts whereby each party can appoint 1 (one) such expert.

8.6. The liability of the Supplier is limited to the amount of the invoice corresponding to the Goods which are disputed. Supplier has no liability for consequential losses or indirect damages (including, without limitation: loss of profit/revenue, down-time, damages to or claims from third party (end) customers of the Customer, etc.).

8.7. Incorrect storage or use of the Goods by Customer precludes the liability of the Supplier.

8.8. Under no circumstance can the Customer make a claim against Supplier after the Goods delivered or part thereof have been used, processed or converted.

9. Ownership of the Goods

9.1. The Supplier shall retain its right of ownership over Goods supplied pending full and final payment of the relevant invoice, to the extent that the legislation of the country where the Goods are at the moment of the recourse allows it, and when all necessary conditions for the law to apply have been fulfilled.

GENERAL SALES CONDITIONS

10. Payment

10.1. Unless otherwise agreed in writing by the Supplier, payment shall be made within thirty (30) calendar days as from the date of the invoice, without any deduction whether by way of set-off, counterclaim, discount or otherwise unless the Supplier has given its prior written consent to the deduction. Bank charges will be borne by the Customer.

10.2. If the Customer fails to pay any sum due pursuant to the contract all outstanding invoices and sums payable to the Supplier shall become due automatically and immediately.

10.3. Any amount unpaid on its due date shall bear interest, by right and without any formal notice, at the annual rate equal to the statutory interest rate as then applicable in the country where the Supplier's registered office is located, increased with 2%, until payment is made.

11. Force Majeure

11.1. The Supplier may defer the date of delivery or discontinue such delivery or cancel the Order and/or contract or reduce the volume or quantity of the Goods ordered by the Customer if it is prevented from or delayed in the carrying on of its business due to circumstances beyond its reasonable control including, without limitation, acts of God, governmental actions, war or national emergency or defense requirements, riot, civil commotion, fire, explosion, flood, the impact of Brexit regarding (without limitation) transportation/delivery times, taxation and custom checks, epidemic (including, amongst other things: (the aftermath of) covid-19 or any other equivalent virus pandemic), accident, malfunction of machinery or apparatus, lock-out strike or other labor dispute (whether or not relating to either party's workforce), or restraint or delay affecting carriers or inability or delay in obtaining supplies of adequate or suitable raw materials including fuel and power, or sharp increase in the price of such raw materials, or non- or non-timely performance by any third party. Provided that, if the event in question continues for a continuous period in excess of six (6) months, the Customer shall be entitled to give notice in writing to the Supplier to terminate the contract. Equal to force majeure are events beyond the Supplier's control, which substantially change the economic importance or contents of the delivery, considerably affect the Supplier's business or render the Supplier's contractual duties excessively onerous. In such circumstances, the Agreement shall be adapted taking into account the principles of reasonableness and good faith. To the extent this is not economically justifiable, the Supplier shall have the right to rescind the contract without being due any indemnification to the Customer.

11.2. In the event of a temporary situation of force majeure, the Supplier shall be entitled to extend the envisaged agreed delivery scheduled by the time during which the temporary situation continues. As soon as either party becomes aware of the occurrence or the imminence of such an event, it shall inform the other party thereof and shall take reasonable steps to limit its damageable consequences.

GENERAL SALES CONDITIONS

12. Governing Law

12.1. These Terms and Conditions and any Order and/or contract entered into between the Supplier and its Customers will be governed by and construed and enforced in accordance with the laws of the country where the Supplier's registered office is located. The provisions of the 1980 United Nations Convention on Contracts for the International Sale of Goods are explicitly excluded.

13. Dispute

13.1. Any dispute arising out of or in connection with this Agreement, if not amicably settled, shall be subject to the jurisdiction of the competent courts of the city and country with commercial courts closest to place of incorporation of the Supplier.