

General Terms and Conditions of Sale, Delivery and Payment

1. Scope of application

1.1 These General Terms and Conditions of Sale, Delivery and Payment form an integral part of the contracts concluded with the purchaser about deliveries to be rendered by individual group companies of Sonoco Consumer Products Europe to purchasers who are entrepreneurs within the meaning of section 14 German Civil Code (*BGB*). They shall also apply to all future deliveries, services or offers to the purchaser, even if they are not agreed upon specifically again.

1.2 Terms and conditions of the purchaser do not apply. Acceptance of these terms requires prior written consent. This also applies if we carry out delivery with knowledge of contradictory or deviating terms and conditions of the purchaser.

2. Offers, conclusion of the contract, industrial property rights

2.1 Offers displayed in catalogues or on the Internet shall be a non-binding invitation to order these articles ("invitation to treat"). If we prepare offers on the basis of individual customer requirements, the binding effect thereof depends on the content of the offer.

2.2 If an order is made as an "offer" by the purchaser, the contract is concluded either by a written order confirmation or by delivery.

2.3 Concluded contracts oblige the purchaser to accept and pay the delivery made according to the agreement.

2.4 Oral agreements must be confirmed in writing. If the contract with the purchaser has been concluded in writing, amendments and supplements to the contract must be confirmed in writing.

2.5 We shall retain all property and copyrights as well as patent rights or other industrial property rights as well as rights of use and exploitation to drawings or other documents prepared by us or our vicarious agents and handed over to the purchaser or made available to him in any other form, also electronically. Passing on of such material to third parties shall require our express written consent. After conclusion of a contract, the purchaser shall be allowed to use and exploit such material as well as the goods produced on the basis of it for the contractual purposes.

3. Object of sale

3.1 It is the sole responsibility of the purchaser to check, at his own expense, whether our goods are suitable for and compatible with the purpose desired by him and whether they comply with the legal provisions in the country of destination intended by him.

3.2 We can change the technical and colour design as well as the dimensions and weights of our goods in coordination with the purchaser after conclusion of the contract.

3.3 Even if the purchaser bears any share of the costs for tools and templates produced, in particular printing and embossing rollers, blocks, technical drawings and computer files, he shall not acquire ownership in these. Any trademark rights or other property rights of the purchaser shall be taken into account.

3.4 If on request of the purchaser brand and proper names as well as terms, symbols and forms protected by copyright and competition law are used or affected when producing, printing and labelling our goods, the purchaser shall guarantee that he is entitled to use them. The purchaser shall release us in this respect from all possible third-party claims.

4. Delivery, dates, deviating quantity, pallets

4.1 Delivery dates and periods are binding if agreed upon by contract. They refer – in absence of any other agreement – to the date of dispatch to the purchaser or the notification of readiness for dispatch.

4.2 The observance of delivery dates and periods presupposes that the purchaser has fulfilled all obligations incumbent upon him, e.g. intended provision of materials, releases, handing over of invoices or other documents and, if so agreed, the payment of a deposit.

4.3 Should changes of the design agreed with the purchaser after specification of the delivery dates or periods lead to longer delivery period, the delivery dates shall be extended appropriately.

4.4 We are entitled to make partial deliveries in so far as this is reasonable for the purchaser.

4.5 In case of goods to be individually manufactured for the purchaser, we reserve the right to supply 10 % more or less of the ordered quantity. This reservation increases to 20 % if orders amount to less than 5,000 items.

4.6 The purchaser shall be obliged to accept the goods offered to him as agreed. If on request of the purchaser, dispatch is delayed, we shall be entitled to charge the costs incurred by us through storage starting one month after notification of readiness for dispatch, at least 1 % of the net invoice amount for each month. We reserve the right to exercise or assert all further rights and claims according to statutory provisions.

4.7 Where delivery is made by our means of transport together with standardised transport units (Euro pallets), the purchaser shall be obliged to leave the same number of unloaded pallets to us in return (change of pallets).

5. Prices, delivery and payment terms

5.1 The agreed prices shall be applicable. We deliver “EXW named place“ (EX WORKS (Incoterms in the version valid when the contract was concluded) plus statutory VAT. The costs for insurance, packaging, dispatch and import or export duties accruing shall be borne by the purchaser if not agreed otherwise.

5.2 Payments shall be due without deductions within 14 days after invoicing. Payment has been made once the amount indicated on the invoice is at our disposal.

5.3 If the purchaser falls into arrears of payment, the statutory regulations shall apply. We shall especially be entitled to claim interest on arrears at the statutory rate as well as any further losses, including the costs of reminders after occurrence of the default and higher interest charges.

5.4 We reserve the right to accept bills of exchange and cheques in each individual case. If payments are made by bills of exchange, no discount will be granted. Bills of exchange and cheques will be accepted as conditional payment only.

5.5 The purchaser may set off or withhold only such claims that are non-contentious, acknowledged or have been ascertained with the force of law.

5.6 In the event of non-compliance with the terms of payment or the occurrence of circumstances bringing into question the ability of the purchaser to pay, we shall be entitled to demand immediate settlement of outstanding invoices for deliveries made or rendering of agreed advance payments of the purchaser. A deferment of payment based on the acceptance of bills of exchange becomes invalid. The purchaser shall be obliged to pay cash immediately against return of the bill of exchange. Moreover, we shall be entitled to effect outstanding deliveries against advance payment or provision of securities only, even if these have not been agreed beforehand. We shall also be entitled to forbid the

resale of the goods delivered under extended reservation of ownership as well as to withdraw from the contract and to immediately retrieve the goods at the expense of the purchaser.

6. Special materials

6.1 If we procure special materials for carrying out an order of a purchaser i.e. materials especially procured by a third party for the execution of an order with the knowledge of the purchaser (e.g. labels), we shall be entitled to charge the purchaser for these costs if six months have passed since the order date without the purchaser having accepted the goods ordered. Upon payment, the special materials become the property of the purchaser. We will subsequently store them for the execution of orders made by the purchaser. When accepting the goods ordered, the amount paid by the purchaser for the special materials shall be credited proportionally towards the reimbursement payable for the quantity accepted.

6.2 If the purchaser is in default of acceptance, the risk of accidental loss or deterioration of the special materials passes to him. The provision stipulated in clause 4.6. as well as further rights and claims in the event of a default of acceptance by the purchaser remain unaffected.

7. Passing of risk

The risk of accidental loss and deterioration is transferred to the purchaser when our goods are handed over to the carrier, at the latest when the goods leave the factory or warehouse in the event they are taken over at our supply plant or warehouse. On the request of the purchaser we also insure the goods against theft, breakage, transport, fire and water damage as well as against other insurable risks at the expense of the purchaser.

8. Reservation of title

8.1 We shall reserve the right of the ownership over the goods supplied to the purchaser until the settlement of all existing as well as future claims arising from the contracts concluded with the purchaser (reserved goods).

8.2 Processing or transformation of the reserved goods shall always be carried out for us as manufacturer but without resulting in any obligations for us. If the ownership expires as a result of combination or intermixture or if we become the owner or co-owner of a new object, the purchaser owes us compensation proportional to the value of the goods delivered by us compared to the value of the finished goods. The purchaser shall store our (co-) property free of charge and insure the goods sufficiently.

8.3 The purchaser is entitled to sell the reserved goods in the regular course of business. Pledges or the granting of security are prohibited. The purchaser shall assign to us by way of security the future claims deriving from the resale. The assignment is, however, only valid to the amount corresponding to the value of the resold, processed, intermixed or combined reserved goods invoiced by us. We revocably authorise the purchaser – despite our own right to collect claims – to collect the claims assigned to us on our account in his own name. The costs for collection and any interventions shall be borne by the purchaser. As long as the purchaser complies with his payment obligations, we will not assert or collect the claim ourselves. On our demand the purchaser has to inform us of the names of the third-party debtors and to notify them of the assignment. Our right to inform them of the assignment ourselves shall remain unaffected.

8.4 The purchaser shall be obliged to handle the goods with due care and to sufficiently insure them at his own expense against theft, fire, water, breakage and other damages. Upon our request he has to submit to us a certificate of insurance.

8.5 In the event that third parties take hold of the reserved goods, the purchaser will make clear that the reserved goods are our property and inform us without delay in order to enable us to enforce our property rights. The purchaser shall be obliged to hand over to us all documents required for safeguarding our rights and to reimburse us the expenses incurred in connection with a necessary intervention.

8.6 In the event of late payment, we can immediately demand the return of the reserved goods from the purchaser. The purchaser shall be obliged to return the reserved goods, if we have withdrawn from the contract due to the default in payment. For the return of the goods, the purchaser shall grant us or persons authorised by us access to the premises where the reserved goods are stored.

9. Defence of precariousness

If after the conclusion of the contract we become aware of the fact that our payment claims are jeopardised by the purchaser's inability to fulfil his obligations, we are entitled – if we are required to perform in advance – to fix a reasonable period for the purchaser within which he has to provide collateral. After expiry of the period without result we shall be entitled to withdraw from the contract. Regardless of that we shall have a right to suspend performance until payment or collateral is rendered. By asserting the right to refuse performance, agreed delivery periods shall be suspended until performance or collateral is rendered.

10. Notice of defects, claims arising from defects

10.1 Notices of defects must be given by the purchaser in writing immediately but within 10 days after receipt of the goods at the latest. Other defects which cannot be discovered upon careful inspection within this period must be notified in writing immediately, within 10 days after discovery at the latest. The purchaser must give us the opportunity to inspect the defective condition. In case of non-compliance, we shall have the right to reject claims arising from defects made by the purchaser due to an omitted or delayed notice of defects.

10.2 If a defect exists, the purchaser shall be entitled either to demand cure by repair or replacement of the goods according to his choice. We shall be granted a reasonable period of time for this, unless it is not needed in individual cases due to an existing reason for exemption provided for by law. The expenses arising for the purpose of cure shall be borne by us if we are under a legal obligation to bear them. These are the labour and material costs incurred by us in case of a replacement of the goods.

10.3 Should the cure fail, the purchaser shall have the right to declare withdrawal or to demand a reduction if the legal requirements are met. If the breach of an obligation is only of a minor nature, the purchaser shall only have a right of reduction.

10.4 The rights of the purchaser due to a defect shall be excluded if he has knowledge of the defect at the time of conclusion of the contract. If a defect has remained unknown to him due to gross negligence, the purchaser can only assert rights in connection with this defect if we have violated an obligation to provide information and fraudulently concealed the defect. The purchaser shall be entitled to the statutory rights of recourse that apply when purchasing consumer goods as well as the limitation periods for statutory claims for reimbursement of expenses according to sections 478, 479 German Civil Code (BGB) without restrictions. Claims of the purchaser for damages due to defects are subject to the provisions of clause 11.

11. Liability

For damages not inflicted to the supplied goods themselves we shall only be liable – irrespective of the legal ground they arose from – in case of intent, gross negligence, culpable injury to life, body, health, damages we have fraudulently concealed or whose absence we have guaranteed and as far as we are responsible for personal injury or material damage to privately used objects according to the Product Liability Act (*Produkthaftungsgesetz*). We are liable in case of culpable breach of material contractual obligations in case of gross negligence and slight negligence, in the latter case, however,

limited to reasonable foreseeable losses to be anticipated in the context of the contract. Further claims shall be excluded. The statutory provisions on the burden of proof shall apply.

12. Property rights of third parties

12.1 If we manufacture and deliver the goods according to drawings, models, samples or other documents provided by the purchaser, the purchaser shall guarantee that industrial property rights or copyrights of third parties are not infringed. If due to the purchaser's infringement of third-party rights claims for damages are lodged against us, he has to hold us harmless or to indemnify us immediately from all third-party claims resulting from the infringement. He shall support us to a reasonable extent in the defence of claims being asserted against us in such cases.

12.2 The purchaser shall immediately notify us of the violation of any industrial property rights or copyrights asserted against him which are connected with the goods supplied by us.

12.3 Claims of the purchaser for damages against us due to the infringement of industrial property rights or copyrights are exclusively subject to the provisions of clause 11.

13. Force majeure, right of withdrawal

13.1 If we are hindered in the performance of our delivery obligations in a not negligible manner because of events of force majeure or other events beyond our control or if performance of our duties becomes unreasonable for any such reasons, we shall be entitled to extend the delivery period or to withdraw from the contract. This also includes in particular cases of strikes, lockouts, shortage of raw materials, auxiliaries, energy supply problems and measures taken by authorities. This applies regardless of whether the events, circumstances or reasons arise on our side or at one of our suppliers.

13.2 Claims of the purchaser for damages due to such a withdrawal shall not exist. The right of withdrawal shall also apply if the purchaser was initially notified of an extension of the delivery period. In case of an extension of the delivery periods, the purchaser, on his part, can also withdraw from the contract after having set a reasonable time limit.

14. Prohibition of assignment

The purchaser is not authorized to assign rights of the contract to third parties without our consent.

15. Data protection

Data we obtain from the business relationship with the purchaser will be stored by us in compliance with regulations of the Federal Data Protection Act (*Bundesdatenschutzgesetz*). It is guaranteed that the saved data will not be accessed by unauthorised persons but will only be used for purposes of the business relation with the purchaser.

16. Applicable law, place of performance, place of jurisdiction

16.1 The law of the Federal Republic of Germany shall apply exclusively excluding the United Nations Convention on Contracts for the International Sale of Goods.

16.2 Place of performance for the delivery is the factory or warehouse as named by us. Place of performance for all other rights and obligations of the contracting parties is Hockenheim.

16.3 Exclusive place of jurisdiction for disputes between the contracting parties is Mannheim. We reserve the right to sue the purchaser at his general place of jurisdiction.