

## GENERAL TERMS OF SALE (EXPORT)

### 1. WARRANTY AND LIMITATIONS

Seller warrants that at the time of arrival at the delivery point specified in the applicable Incoterm, the Goods: (i) will conform with the specifications published by Seller or attached hereto, and (ii) will be free of all liens and encumbrances of title. If Buyer gives written notice to Seller of any failure of Goods to conform with the specifications within ninety (90) days after reaching the delivery point, and if such failure is established under procedures customary in the industry or otherwise established to Seller's satisfaction, then at Seller's option it will either make an allowance for such Goods, refund to Buyer its purchase price, or replace it with Goods meeting the foregoing warranty. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FOREGOING AND ALL OTHER WARRANTIES (WHETHER WRITTEN, ORAL OR IMPLIED) INCLUDING WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED. THE FOREGOING WARRANTY IS BUYER'S SOLE REMEDY FOR NON-CONFORMING GOODS UNDER THIS AGREEMENT. NEITHER BUYER NOR SELLER SHALL BE LIABLE FOR CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, OR FOR ANY AMOUNT IN EXCESS OF THE PRICE FOR THE SHIPMENT INVOLVED, UNDER THE FOREGOING WARRANTY OR ANY OTHER PART OF THIS AGREEMENT, AND NEITHER PARTY SHALL BE RESPONSIBLE FOR THE ACTS OR OMISSIONS OF CARRIERS. ANY LEGAL ACTION AGAINST BUYER OR SELLER FOR BREACH OF THIS AGREEMENT, INCLUDING ANY WARRANTIES HEREUNDER, MUST BE INSTITUTED WITHIN ONE YEAR AFTER DELIVERY.

### 2. CLAIMS

All claims of whatever nature applying upon any shipment made under this Agreement must be made within ninety (90) days after arrival at the delivery point; and Buyer shall hold not less than one half the shipment in dispute, pending examination by Seller or its nominee for this purpose. Seller shall examine the Goods within ten (10) days of notification by Buyer, and shall immediately advise disposition of the Goods.

### 3. TITLE AND RISK OF LOSS

Title and risk of loss shall transfer from Seller to Buyer at the point of delivery specified in the Incoterm applicable to the order. Trade terms shall be interpreted in accordance with the 2010 edition of "Incoterms," published by the International Chamber of Commerce, except as set forth in above and as follows:

- a) Seller shall not be responsible for delays caused by carrier.
- b) Seller shall continue to have a title retention interest (which includes a purchase money security interest) in the Goods sold hereunder and products containing such Goods until Seller has received full and final payment. Upon default, Seller may repossess the Goods or products, but prior to any repossession Buyer is revocably authorized to sell the Goods or products containing the goods in the regular course of its business. Any such sale shall automatically constitute an assignment to Seller of the account receivable resulting from such sale.

### 4. PAYMENT

Unless otherwise agreed in the body of the contract or in the order acknowledgment, shipments will be made under a confirmed irrevocable sight Letter of Credit in favor of Seller. The Letter of Credit shall make adequate provision for quantities in excess of the amount ordered to the extent permitted by the contract, and also shall remain valid in the event of partial shipments or reduced quantities. The Uniform Customs and Practice of Documentary Credits, ICC Publication No. 500 (1993 Revision) or its revision also shall be applicable.

In all instances, remittances shall be made free of exchange or other charges in U.S. funds, by wire transfer at the time and location specified by Seller. A late payment charge of 1.75% per month (or the maximum amount allowed by law, if lower) on the unpaid balance will be made on all past due accounts. Buyer also agrees to pay reasonable attorney's fees and other costs incurred at collection, as well as other damages incurred by Seller by reason of delay or default in performance of Buyer's obligations to accept and pay for the goods. If at any time Buyer's financial responsibility shall become impaired or unsatisfactory, Seller may, without prejudice to other rights, demand security or advance payment in cash less a mutually agreed upon discount.

### 5. QUANTITY, ORDERS AND SHIPMENT

Buyer shall furnish Seller by the fifteenth (15<sup>th</sup>) day of each month advice as to quantity of Goods to be supplied during the succeeding month. The basis weight of the Goods must be designated in Buyer's purchase order. In the absence of such information, Seller may ship in accordance with information last received. Seller's obligation to fulfill Buyer's purchase order is conditioned upon Seller's written acknowledgement. If Seller ships quantities within 5% of the quantity specified and/or Goods with a basis weight that is within 5% of the specified basis weight, Seller shall have fulfilled its obligation. Widths and diameters of Goods ordered must be within the reasonable manufacturing limits and availability of Seller's active production equipment and shall not be less than 11" in width and 38" in diameter. If Buyer requests expedited shipping, Buyer shall pay the expedited freight charges unless it is due to Seller's late shipment, in which case Seller shall pay such charges except in cases of excused non-performance.

### 6. TIME AND PLACE OF SHIPMENT

Seller does not guarantee shipping or delivery date and all advance information as to date of shipment or delivery is an approximation only based upon Seller's best judgment at the time.

### 7. TRANSPORTATION COSTS AND SHORTAGES

When prices include any costs of transportation from point of manufacture, any increase in such costs becoming effective after the applicable price is quoted or established by Seller, and any costs for services beyond the applicable freight rate or tariff, shall be for Buyer's account. Any extra costs of utilizing substitute methods of delivery when the intended type of carrier, vehicle or loading or unloading facilities become unavailable, or expedited freight when requested by Buyer or resulting from Buyer's failure to make timely forecasts or orders, also shall be for Buyer's account. When prices include ocean freight, Seller is entitled to select the route, port of shipment and vessel with privilege of stopping in transit. Seller reserves the right to discharge at a port other than the named port of destination, in which event any differences in Buyer's cost of taking delivery and inland transportation to ultimate destination shall be for Seller's account, unless such discharge is authorized by conditions specified in the carrier's bill of lading.

## **8. INSURANCE**

Unless an order under this contract specifies EXW, FCA, FOB, CFR, CPT, or FAS shipping terms or the like, prices quoted include insurance in accord with the terms of Seller's open cover cargo insurance policy as in force from time to time. Notwithstanding the provisions on title passage and risk of loss, such insurance shall be maintained for the benefit of Buyer or Seller, as their interests may appear, until arrival of the goods at the described point of delivery. Upon request, and when provided in whole or in part to protect an interest of the Buyer, Seller will provide evidence of such insurance coverage.

## **9. ARBITRATION**

Any controversy or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration in Manhattan, New York, NY in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules. This provision shall be enforced and judgment upon any award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

## **10. GOVERNING LAW**

The law of the State of New York, including the Uniform Commercial Code as in force therein, shall govern all aspects of this Agreement including its validity, interpretation, performance, operation and enforcement. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement or transactions hereunder.

## **11. MOISTURE, WEIGHT AND DEFINITIONS**

This contract is made, and the Goods covered thereby are to be invoiced, on the basis of Seller's applicable measurements. If Buyer's test of any shipment indicates a difference greater than [industry standard tolerances](#), Buyer shall notify Seller immediately. If the parties are unable to resolve the difference, a retest or joint test shall be made in accordance with the then prevailing rules for testing approved by Technical Association of the Pulp and Paper Industry of the U.S. (TAPPI). However, Buyer shall pay the invoice for the Goods in full when due subject to final adjustment in accordance with such retest or joint test. All incidental expenses relating to this clause shall be paid by the party in error. "Short ton" means 2,000 pounds, "metric ton" means 2,204.6 pounds. Unless otherwise specified, all references to tonnage shall mean metric tons, dimensions shall mean the International Metric System (SI), and monetary amounts shall be in U.S. Dollars.

## **12. NO ADDITIONAL OR CONFLICTING TERMS; NOTICE; WAIVER.**

These terms shall supersede and cancel any and all previous understandings, contracts and agreements, oral or written, which were in effect between the parties with respect to the sale of the Goods and Seller expressly rejects any other terms. No additional or conflicting terms contained in any request for quote or proposal, purchase order or other document shall be effective unless in writing signed by Buyer and Seller. Other than routine communications, which will likely be made by e-mail, telephone and in-person meetings, all notices must be in writing and shall be deemed complete upon personal service, delivery by a recognized international courier or by certified mail with return receipt, or delivery by fax with confirmation of receipt, at the notice address or fax number as a party may specify to the other. No right of either party shall be deemed to have been waived by any failure of such party to exercise any right in any prior instance or instances.

## **13. EXCUSED NON-PERFORMANCE (FORCE MAJEURE)**

NORPAC will not be liable for any failure of or delay in the performance of this Agreement arising from any matter beyond its control, including without limitation (1) equipment failure or repairs, other than routine maintenance, or supply shortages; (2) acts of God such as flood, fire, earthquake, explosion, or pandemic; (3) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (4) governmental order, law or action; (5) embargoes or blockades; (6) national or regional emergency; (7) strikes or labor stoppages or slowdowns; and (8) shortage of adequate power or transportation facilities.

## **14. TERMINATION**

Either party may terminate an agreement, order, acknowledgement or shipment if the other party fails to cure any default in the performance within thirty (30) days after written notice; provided, however, that no notice or opportunity to cure shall apply to Buyer's obligation to pay invoices within terms. An order or agreement will terminate immediately and automatically if either party files a voluntary petition in bankruptcy, or enters into an arrangement with its creditors, or applies for consents to the appointment, or suffers or permits the entry of an order adjudicating it to be bankrupt or insolvent.

## **15. TAXES**

Any and all taxes or charges of any nature (other than taxes imposed on the gross or net income of Seller), imposed by any United States, state or local government authority, which shall become payable by reason of the sale, delivery and/or use of Goods hereunder shall be deemed for Buyer's account, and Seller may either bill the same to Buyer separately, or add the same to the price of Goods shipped hereunder. Seller will notify Buyer in writing of the nature of any such tax or charge and of the law imposing same.