

SALES CONDITIONS

The sale of products from Portucel Soporcel Fine Paper S.A. ("the vendor") is governed by these provisions conforming to usage in the paper and board industry and trade. They shall be deemed to apply to the purchaser and shall supersede any general terms and conditions eventually used by him. In case of contradiction between a provision of the present conditions with a legal provision, this contradiction shall only imply the non-application of the non-consistent provision without changing the remaining provisions of the present conditions.

I - ORDER CONFIRMATION

An order confirmation issued by the vendor, always supports the ordering of products, and is binding for both parties, the vendor and the purchaser, under the terms and exceptions herein. The order confirmation is a commercial contract between both parties, and any disagreement concerning which shall be sent by the purchaser to the vendor in writing (by e-mail or fax) within 3 days from the date the confirmation was issued by the vendor.

II - DELIVERY

1. Period of delivery

Unless otherwise provided, the period of delivery is the one stated on the order confirmation.

Upon delivery, purchaser should register date and time on the correspondent proof of delivery document. In case any dispute arises in the future the date and time registered by the purchaser are to be considered the reference date and time of the delivery. In the absence of the registration of both date and time, disputes regarding the delivery accuracy will not be accepted.

2. Transfer of risks

a) With regard to products to be delivered by the vendor, the transfer of risks shall pass at the time of delivery at the purchaser's warehouse, except if the Incoterm incorporated in the order confirmation establishes otherwise.

In case the delivery of the products cannot be done within 30 days of the agreed delivery date, for reasons attributable to the purchaser, the risks of the products shall be transferred at that time to him.

b) With regard to products to be collected by the purchaser, the transfer of risk shall be effective at the time of shipping, according to the Incoterm incorporated in the order confirmation.

3. Impossibility to deliver (definitive, temporary or partial)

The vendor will have no responsibility by the occurrence of any event outside his control, which prevents or delays delivery of the products, including those related with the transport to the final contractual delivery place.

The vendor shall notify the purchaser of the occurrence and the reasons for the temporary or definitive impossibility to deliver, as soon as it is aware of it.

If the impossibility to deliver is temporary, execution of the contract is deferred as long as delivery remains impossible. However, in the event of the impossibility to deliver lasts for more than 30 days, both parties shall be entitled to terminate the agreement without compensation.

However if the impossibility to deliver relates to a delivery already due and which forms part of a contract providing for deliveries by instalments, the right to terminate shall apply only to the delivery which is due but not to future deliveries.

If the vendor has already manufactured part of the products ordered when an impossibility to deliver occurs, the purchaser shall take delivery of the quantities which have been manufactured in accordance with the agreed conditions.

4. Failure to collect products or refusal to accept delivery

When the purchaser fails to remove from the vendor's premises or when he refuses to receive delivery when delivery is due, the vendor shall be entitled to store the products in a warehouse at the purchaser's own expense and to claim reimbursement for the transport, storage and handling expenses from the purchaser.

If the delay in removing the products from the vendor's premises exceeds more than 30 days the date on which the products are available for collection by the purchaser, or if the purchaser refuses to take delivery of the products, the vendor shall be entitled to terminate the agreement, to resell the products and to claim from the purchaser the difference between the price initially agreed and the price of resale of the products, as well as the costs incurred to organize the resell, including any transport, storage and handling costs.

III - PAYMENT

1. Price

Unless otherwise provided, products shall be invoiced at the prices prevailing at the date of delivery.

When discounts are offered on the invoice the VAT shall be calculated on the basis of the invoice value less such discounts.

Credit notes shall not be discounted until the corresponding outstanding invoices are settled.

Either party may settle credits which are net and due, provided it is communicated in writing (by e-mail or fax).

2. Terms of payment

The due date for payment shall be the one indicated on the invoice.

The vendor reserves the right to grant such credit terms as he may see fit in accordance with the purchaser's credit situation. Before the fulfilment of the orders, the vendor may also require guarantees or prior payment from the purchaser.

The beginning of any insolvency procedure against the purchaser, or a change in shareholders, shall entitle the vendor to recover immediately any debts relating to any products delivered and unpaid.

At any moment after any change in the purchaser credit worthiness determined by the vendor, namely but not exclusively the interruption of purchaser's credit insurance coverage, or of alternative mechanisms ensuring that vendor is fully protected against credit risk on the sale of its products to the purchaser, vendor may freely decide, at any time, not to deliver orders already confirmed. In this case vendor will duly inform purchaser beforehand.

3. Late payment

If an invoice, which is due, is not paid, even partially, on time, the vendor shall be entitled to:

- a) Require late penalties the amount of which shall be equivalent to one and a half times the legal rate of interest;
- b) The immediate payment of all outstanding invoices:
- c) Payment before delivery of all orders already accepted;
- d) Interrupt the delivery of any other orders already registered, even if confirmed, in process or in transit.

Payments made by the purchaser shall always be set against the oldest invoices.

4. Passing of title

The vendor retains title of the products delivered, until payment in full of all sums due to him by the purchaser. The products delivered, stored on the purchaser's premises, shall consequently be treated by the latter as being on consignment to him and shall be properly insured by him. Such products shall remain the vendor's property to the extent of the debts outstanding or otherwise of the purchaser to the vendor. If such products cannot be identified, all products answering the same specifications and not identified shall be deemed to belong to the vendor to the extent of his claim.

In order to simplify the identification, the removal of the products' distinctive identification marks before their use is forbidden.

In case the purchaser does not fulfil its payment obligations to the vendor the latter shall be entitled to demand restitution of all unpaid products from the purchaser, which from thereon will refrain from selling the products. For this purpose, vendor may, after giving purchaser a five-day prior notice, load the products from the purchaser's warehouse, which shall be fully permitted, facilitated and paid for by the latter. Any credits related to outstanding invoices will not be settled by the vendor.

Furthermore, the resale and processing of the products are forbidden in case of any insolvency procedure.

If the vendor repossesses the products after being processed by the purchaser and sells them to a third party, he shall receive the sales price of the products as agreed between the vendor and the purchaser, the interest thereon from the date of invoice and any sales costs.

The present provision is applicable whatever may be the legal status of the purchaser. In case of any insolvency procedure it will be, if necessary, limited in its effects by the application of the applicable law.

IV – WARRANTIES AND CLAIMS

The purchaser is obliged to examine each delivery immediately upon receipt. Visual defects, including damage in transit, incompleteness of the products or any other non-conformity revealed by an elementary check, must be notified to the vendor within 2 weeks of delivery date, before the product is used and relevant notes made on the corresponding proof of delivery document or submitted in written to the vendor.

The purchaser is aware of and accepts the basis weight and other paper properties' tolerances set by the vendor which are indicated in the respective Technical Data Sheet.

The vendor shall use his best efforts to ensure that on delivery the products shall conform in all material respects to their description and in accordance with the Technical Data Sheet and free from any material and manufacturing defects.

The vendor shall not be liable for any non-conformance with the foregoing warranty where the purchaser has misused or incorrectly handled the products, not stored them properly and in suitable conditions, or has used them without notifying the vendor of any non-conformity and not followed the vendor's reasonable instructions.

The use by the purchaser of more than 10% of the product delivered shall constitute acceptance of it, and any claim related to paper quality will not be considered after 6 months from the date of delivery..

The purchaser shall make the products available for examination and / or return for a minimum period of two (2) weeks from the date notice was given to the vendor.

The vendor shall be informed at once and allowed to study the non-conformity of the products on site, the conditions of its use and the nature of the converted products. Work shall not resume before a formal agreement has been reached between the vendor and the purchaser.

In the event of the vendor recognising that a claim is justified, the vendor shall take back at his own expense the non-conforming product which shall be sent back to him by the purchaser in good condition and in the original or similar package and wrapping. The vendor shall replace the product within the shortest period of time within his production capacity and other commitments.

In the event of the purchaser being liable for any loss or damage under any agreement, the liability shall be limited to any proven direct loss or damage incurred by the Purchaser up the amount equal to the purchase price of the products giving rise to such a claim.

Except when a claim has been expressly admitted and accepted by the vendor (unless such procedure takes longer than 30 days due to reasons attributable to vendor), the purchaser

shall be forbidden from withholding payment of that part of the invoice falling outside the claim and of any or all other invoices, whether or not related to the claim.

The vendor shall not be liable for any indirect, consequential, incidental or punitive damage or loss incurred by the purchaser in connection with the product or the agreement, including but not limited to loss of profits, revenue, production or goodwill.

The purchaser shall use his best endeavours to mitigate the loss or damage arising in relation to any claim which the purchaser may bring against the vendor under or in connection with any agreement.

V - DISPUTES

Unless otherwise expressly agreed, all disputes that may not be solved amicably by the parties shall be settled by the Lisbon Civil Courts.

However the vendor reserves the right to sue before the courts having jurisdiction over the purchaser's principal or registered office.

Portuguese law is applicable, except when the vendor opts to elect the law of the purchaser's country in regard to the passing of title provision and/or the respective legal action.

These conditions are drawn up in Portuguese and in English. However any purchaser may obtain a translation of them in the major European languages.

The Portuguese version shall prevail.