

GENERAL TERMS AND CONDITIONS OF PURCHASE

The following General Terms and Conditions of Purchase ("**Terms**") apply to the purchase of all goods ("**Products**"), as identified in the Purchase Order ("**Order**") of CellMark Paper, Inc. ("**Buyer**") or in the contract to which these Terms are attached, that are to be sold to Buyer by the seller, also as identified in such Order or such contract ("**Seller**").

A. AGREEMENT. 1. These Terms, including any modifications to these Terms to which Buyer agrees in writing, and the provisions on the face of the Order or the provisions of any contract to which these Terms are attached shall constitute the entire agreement ("**Agreement**") between Buyer and Seller with respect to the purchase of the Products and shall supersede all prior oral or written communications or agreements with respect to the subject matter of the Agreement. **2. In the event of any inconsistency between these Terms and any other provisions of the Agreement, such other provisions shall prevail.** Seller expressly waives all provisions contained in any of Seller's correspondence or forms involved in this purchase that negate, limit, extend, or conflict with the Agreement. Specifically, Seller hereby agrees that the Agreement, including these Terms, shall control to the exclusion of any preprinted terms that are set forth in any acceptance, acknowledgment, or invoice of Seller or any other document of Seller used by Seller to initiate or confirm the purchase of Products to which the Agreement pertains. **3.** Seller agrees that it has not been induced to enter into the Agreement by any oral or written agreement, representation, or warranty made by Buyer, its employees, agents, or representatives other than as expressly set forth in the Agreement. **4.** The Agreement cannot be amended except by a written document that is signed by both parties.

B. CONFIRMATION OF ORDER. 1. Seller shall provide confirmation within ten (10) days of Seller's receipt of any Order. **2.** Execution of any Order by Seller shall be in strict compliance with the provisions of the Agreement.

C. SHIPMENTS; TIME OF THE ESSENCE. 1. Any chosen Incoterms rule indicated in the Agreement shall be governed by the most recently published Incoterms, unless otherwise stated in the Agreement. **2.** Upon completion of loading, Seller shall inform Buyer of all particulars of the shipment, including any vessel name, shipment date, loading location, and all other relevant information. Seller shall pay all demurrage, handling, and storage charges of Buyer caused by Seller's failure to send proper and adequate shipping notice to Buyer. **3.** Time is of the essence of this Agreement. Seller is to immediately inform Buyer of any anticipated delays of shipment. If any Products are not delivered in accordance with the date or dates specified in writing by Buyer, Buyer reserves the right to cancel all or any part of any Order or the Agreement affected thereby. Acceptance by Buyer in such cases of delayed delivery shall in no way bind Buyer to accept further deliveries. Any such Products shipped after the delivery date or dates specified in writing by Buyer shall be subject to Buyer's right to reject or direct the disposal thereof. Seller shall also be liable for any and all additional costs (including, but not limited to, replacement costs, price changes, exchange rate variances) incurred by Buyer as a result of any delayed or cancelled shipments. **4.** In the event Seller is to arrange the manner of transportation of the Products, Seller shall ship the goods via an appropriate and reputable carrier. **5.** Seller shall ensure that its packaging and packing of the Products is suitable for the chosen mode of transportation and Buyer's offloading and storage needs. Any Products within the scope of the Agreement deemed to be hazardous shall be packaged, marked, and shipped by Seller in compliance with all present and future applicable international, federal, state, and local regulations and, where required, shall be accompanied by applicable material safety data sheets prepared in accordance with such regulations in respect of each hazardous substance. Seller's failure to comply with this **Section C 5** shall be at the Seller's expense. **6.** Buyer reserves the right to return, at Seller's risk and expense, all Products sent in excess of the ordered quantity, varying from the sample or specification with which the ordered quantity of Products is to comply, delivered after the delivery date specified in the Agreement, or otherwise not in compliance with the terms of the Agreement. **7.** Partial shipments or any other deviations from the written shipping instructions of Buyer shall not be allowed, unless agreed to prior to shipment by Buyer in writing. **8.** Unless otherwise provided in the Agreement, Buyer shall pay all sales, use, delivery, port, excise, value added, and other taxes, duties, or similar charges presently or hereafter payable in respect to this transaction, or if any such charges are paid by Seller for the account of Buyer, Buyer agrees to reimburse the Seller on demand.

D. INVOICES; PAYMENT TERMS; OFFSETS BY BUYER. 1. Unless otherwise specified in writing in the Agreement, all invoices will be sent to Buyer in quadruplicate, and such invoices shall be accompanied by all shipping details, including weights, quantities, packaging description, and the like. **2.** Unless otherwise specified in writing in the Agreement, Buyer shall pay all complete and accurate invoices within sixty (60) days of the invoice date or the date of Buyer's receipt of same, whichever is later. **3.** Unless otherwise specified in writing in the Agreement, payment shall be made in US dollars. **4.** Any and all payments due to Seller under the Agreement may, at the discretion of Buyer, be offset or charged against any outstanding obligations of Seller to Buyer under the Agreement.

E. WARRANTY, REMEDIES FOR BREACH OF WARRANTY. 1. Seller represents and warrants that all Products shall be in exact accordance with the description, samples provided by Buyer (of which Seller acknowledges receipt), or specification agreed upon between Seller and Buyer prior to purchase and set forth in the Agreement. Seller also represents and warrants that all Products shall be free from apparent and latent defects in material and workmanship, merchantable, fit for Buyer's purpose, of which Seller is aware, and free of any liens or encumbrances. **2.** Seller represents and warrants further that Buyer's purchase, use, or resale of the Products shall not in any way infringe any United States patent rights or other property rights of any third party. **3.** Seller also represents and warrants that the Products are in compliance with all applicable federal, state, and local laws, rules, and regulations including, but not limited to, the Fair Labor Standards Act, Occupational Safety and Health Act, Toxic Substances Control Act, and any and all applicable rules and regulations of the Food and Drug Administration. **4.** The warranties of this **Section E** shall survive delivery, and receipt of the Products or services related thereto, payment for the Products, or inspection of the Products shall not constitute a waiver by Buyer of any breach of warranty. **5.** Unless otherwise stated in the Agreement, all warranties of Seller shall be in effect for two (2) years after the date of delivery. **6.** If prior to the elapse of the warranty period Seller makes a claim that any Products are defective, at Buyer's option, Seller shall repair or replace such defective Products at its sole expense (including any additional transportation costs) or refund the full purchase price of the defective Products to Buyer. If during the same period Seller makes a claim that any Products are subject to any liens or encumbrances, Seller shall cure such breach of warranty within ten (10) days of Seller's receipt of Buyer's notice of such breach. **7.** With respect to any repaired or replaced Products, all of the above warranties shall be extended for two (2) years after the date of any such repair or replacement.

F. TERMINATION; CONSEQUENCES OF TERMINATION. 1. Except as provided in Section E 6, in the event that either party to the Agreement alleges that the other party has failed to make any payment when due or has otherwise breached any provision of the Agreement, the party not in breach shall provide notice of such breach to the other party and, if the breach is capable of remedy, provide the other party with thirty (30) days (or such longer period to which the party not in breach agrees) to resolve the matter to the satisfaction of the party giving such notice. If no such resolution is reached within such time, the Party not in breach shall have the right to invoke the terms of **Section J** of these Terms or terminate the Agreement by means of notice to the other party. Any such termination of the Agreement shall not be deemed to be a waiver of such party's right to institute legal or equitable proceedings to resolve the dispute. If each party is alleged to be in breach by the other and no resolution of the dispute is reached within the period that is set forth above, then the parties shall submit to binding arbitration in accordance with **Section J** of these Terms, and unless the parties otherwise agree, the Agreement shall terminate at the conclusion of such proceeding. **2.** If either party makes an assignment for the benefit of creditors, admits in writing its failure or inability to pay its debts as they become due, becomes the subject of an "order for relief" within the meaning of that phrase in the United States Bankruptcy Code or becomes the subject of a similar order under any other laws for the protection of debtors or creditors, or applies for or consents to the appointment of a receiver for any of its property, the other party may terminate the Agreement, at any time, effective immediately upon notice to that effect. **3.** Upon any termination of the Agreement for any reason, each party shall return to the other party all papers, materials, and other property of the other party that are then in its possession. **4.** Notwithstanding any termination of the Agreement, any duty or obligation that has been incurred under the terms of the Agreement and has not been fully observed, performed, or discharged shall survive such termination until such duty or obligation has been fully observed, performed, or discharged, and any right that has been created under the terms of the Agreement and has not been fully exercised, enforced, or satisfied shall survive such termination until such right has been fully exercised, enforced, or satisfied.

G. FORCE MAJEURE. 1. If either party is unable to fulfill any obligation under the Agreement as a result of any cause that is beyond such party's reasonable control, including, but not limited to, Acts of God, fire, earthquake, hurricane or other windstorm, labor disputes, whether or not the demands of labor are within the ability of the party to meet, embargoes, unavailability or shortage of power, labor, transportation, raw materials, or usual means of supply, equipment failure (which is not the result of a failure to properly maintain such equipment), shortage or curtailment of energy sources, wars, rebellions, civil disorders, regulations or acts of government, government agencies, or instrumentalities, or any other causes whether similar or dissimilar to the foregoing (**hereinafter referred to as a "Force Majeure Event"**), the party whose performance has been so affected shall immediately give notice to the other party and shall take commercially reasonable steps to resume performance. Upon giving such notice, the party whose performance has been so affected shall be excused from performance to the extent so affected. If the period of nonperformance exceeds thirty (30) days from the effective date of such notice of the Force Majeure Event, the parties shall meet to discuss the circumstances surrounding the Force Majeure Event and agree to new conditions for the

resumption of performance of the affected party and any required modification of other terms of the Agreement. **2.** If Seller is affected by a Force Majeure Event and the parties do not agree to new conditions for the resumption of performance by Seller that are acceptable to Buyer, in Buyer's sole discretion, Buyer may cancel any Order (or the Agreement) affected by such suspended performance of Seller. In the event of any such cancellation by Buyer, Buyer shall not be liable for any damages, but instead shall be liable only for the purchase price of any conforming Products already delivered to Buyer and not paid for at the time of such cancellation and any other reasonable costs of Seller incurred in anticipation of performance that cannot be reasonably avoided by Seller. **3.** Neither Buyer nor Seller shall be liable for any damages resulting from any delay or failure of performance arising from any Force Majeure Event.

H. TITLE AND RISK OF LOSS. Title, risk of loss or damage, and other incidents of ownership shall pass to Buyer in accordance with the applicable Incoterms, or upon delivery of the Products, in the event no Incoterms are specified.

I. CONFIDENTIALITY. **1.** The confidentiality provisions of these Terms shall govern the relationship between the parties only if no separate confidentiality agreement is already in place and in effect at the time the Agreement takes effect. **2.** Any proprietary or confidential information of either party (**the "disclosing party"**) that is disclosed to the other party (**the "receiving party"**) or of which the receiving party becomes aware as a result of performance under the Agreement shall remain the sole property of the disclosing party. Proprietary and confidential information of either party and the specific terms of the Agreement are hereinafter referred to as **"Confidential Information."** **3.** The receiving party agrees to maintain the confidentiality of such Confidential Information, disclose such Confidential Information only to those employees or other representatives of the receiving party who are bound by confidentiality terms at least as restrictive as those of the Agreement and who need to know the information to enable the receiving party to perform hereunder, not disclose any such Confidential Information to any third party, and not use such Confidential Information except for the purposes of the Agreement and then only in accordance with the terms of the Agreement. The receiving party shall be liable for any breach of these confidentiality terms by any of its employees or representatives. Each party agrees that any proprietary or confidential information of the disclosing party shall not be deemed to be Confidential Information or subject to the terms of this section if (i) such information is already in the receiving party's possession as of the effective date of the Agreement or was independently developed without any reference to or use of the Confidential Information of the disclosing party, or (ii) at the time of disclosure or thereafter such information becomes rightfully available to the receiving party from a third party without any secrecy restriction, or (iii) at the time of disclosure or thereafter such information is generally available to the public, as evidenced by generally available documents or publications. **4.** At the expiration or any termination of the Agreement, upon request of the disclosing party, the receiving party agrees to return to the disclosing party all copies of any Confidential Information of the disclosing party furnished to the receiving party pursuant to the Agreement. **5.** The confidentiality terms of the Agreement shall survive any expiration or termination of the Agreement and shall bind each party hereto for two (2) years after any such expiration or termination.

J. DISPUTE RESOLUTION. **1.** Subject to the terms of **Section F** of these Terms that describe circumstances under which a party not in breach has the right to terminate the Agreement without submitting to arbitration, all disputes that the parties cannot settle shall be resolved by binding arbitration in accordance with the terms of this **Section J. 2.** Any binding arbitration hereunder shall be held in Stamford, Connecticut in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect, and any such arbitration shall be before one arbitrator. After the arbitrator gives the parties written notice of the decision, the arbitrator shall have 30 days thereafter to reconsider and modify such decision if any party so requests within 10 days after the decision. Thereafter, the decision of the arbitrator shall be final, binding, and non-appealable. Judgment upon the award rendered by the arbitrator may be entered in any state or federal court having in personam and subject matter jurisdiction. **3.** Notwithstanding the above provisions, each party shall have the right, without awaiting the outcome of the arbitration, to seek from an appropriate court provisional remedies, including, but not limited to, temporary restraining orders or preliminary injunctions before, during, or after arbitration. A party's seeking any such remedies shall not be deemed to be a waiver of either party's right to compel arbitration. It is agreed by the parties that any such court may only award injunctive relief and not monetary damages.

K. CHOICE OF LAW; CAUSES OF ACTION. **1.** The Agreement, the performance of the parties hereunder, and any disputes arising out of or related to the Agreement shall be governed by and construed in accordance with any applicable United States federal laws, rules, and regulations and the laws of Connecticut (the "State") that are applicable to contracts made and performed entirely within the State by residents of the State without presumption or construction against the party responsible for the drafting of any particular terms that are set forth in the Agreement. **2.** Buyer waives all claims arising from breach of warranty by Seller unless Seller receives written notice of any such breach in accordance with **Section E. 3.** Any cause of action by a party hereto that is intended to assert a claim arising out of or related to the Agreement other than a claim of breach of warranty or a claim within the scope of the arbitration provisions shall be brought within twelve (12) months of the date on which such cause of action accrues. Any such cause of action not commenced within such period shall be barred. In any lawsuit between the parties related to the Agreement, the prevailing party shall be entitled to recover, in addition to any damages awarded to it, its reasonable fees of attorneys and related court costs.

L. CONSTRUCTION. Captions are used herein for convenience only and shall not be used in the construction or interpretation of the Agreement. All words importing the singular include the plural and vice versa, as the context may require. Capitalized terms shall have the meanings ascribed to such terms throughout the Agreement. The official text of the Agreement, any notices, and any accounts, statements, or other documents that are required by the terms of the Agreement shall be in English. In the event of a dispute concerning the construction or meaning of one or more of the above referenced items, reference shall be made only to the particular item or items, as the case may be, as written in English and not to any translation of such item or items into any other language. The parties disclaim the application to the Agreement of the United Nations Convention on Contracts for the International Sale of Goods.

M. WAIVERS. Any failure to enforce or any delay in enforcing compliance with any terms of the Agreement shall not constitute a waiver of such terms in the future or of any other terms. A waiver of any terms of the Agreement or of any rights or obligations of any party hereunder shall be effective only if it is in writing and signed by the party waiving compliance, and any such waiver shall be effective only in the specific instance and only for the specific purpose stated in such written instrument.

N. SEVERABILITY. If any terms of the Agreement are determined by a court of competent jurisdiction to be invalid or unenforceable, such terms shall be deemed to be amended to the extent necessary in that jurisdiction to conform to applicable laws or regulations, or if such terms cannot be so amended without materially altering the intention of the parties, such terms shall be stricken, and the remainder of the Agreement shall continue in full force and effect in so far as it remains a workable instrument to accomplish the substantial portion of the intents and purposes of the parties.

O. SCOPE OF REMEDIES. **1.** No remedy made available by any of the terms of the Agreement is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy available at law or in equity. **2.** It is expressly agreed that a breach under **Section I** of these Terms by one party will cause immediate and irreparable harm to the other party and that a remedy at law would be inadequate. Therefore, in addition to any and all remedies available hereunder, the party not in breach will be entitled to seek a preliminary injunction or other equitable remedies, without the requirement of posting any bond in connection therewith, in all legal proceedings arising out of or related to any such threatened or actual breach under **Section I** of these Terms.

P. ASSIGNMENT. **1.** No relationship of agency, employment, joint venture, or partnership is created by the Agreement. **2.** Neither the Agreement nor any portion hereof shall be assigned or delegated by Seller without the written consent of Buyer, which consent shall not be unreasonably withheld. The Agreement shall inure to the benefit of and be binding upon the parties, their successors, and permitted assigns.

Q. INSURANCE; INDEMNIFICATION. **1.** Seller shall obtain and maintain adequate commercial general liability insurance, including product liability coverage, acceptable to Buyer. Seller shall name Buyer as an additional insured under such policy, and upon Buyer's request, Seller shall provide evidence of such insurance coverage. **2.** Seller agrees to indemnify and hold harmless Buyer, its successors, assigns, customers, and users of the Products (**the "Indemnified Parties"**) against all claims, demands, judgments, losses, damages, costs, and expenses (including legal fees) incurred or suffered by the Indemnified Parties and arising out of (i) the death or injury to any person or loss or damage to any property alleged to have resulted from the Products or (ii) any allegation of infringement of any US patent, and Seller shall defend the Indemnified Parties from any lawsuits or other adversarial proceeding related to such matters at Seller's expense. If the use or resale of the Products by any Indemnified Party is enjoined or otherwise restricted as a result of any such third party patent infringement claim, Seller shall, at its own cost and expense (i) procure by license or other means for Buyer the right to continue using the Products, (ii) replace the Products with non-infringing products satisfactory to Buyer, (iii) modify the Products in a way satisfactory to Buyer so they become non-infringing, or (iv) refund the full purchase price of the Products to Buyer.