

CODE OF PRACTICES IN THE PLASTIC PACKAGING MANUFACTURING INDUSTRY

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preamble

The purpose of the present Code is to outline the professional practices currently in use in the industries manufacturing and/or marketing plastic packaging. The Code is periodically updated to keep pace with the state of the art in the profession and, when relevant, with the current legislation.

In the event of a dispute, the Code is intended to help customers and suppliers settle their differences.

Any other document entitled "Code of Practices" in use in the plastic packaging sector but more specific to a given area or type of packaging shall complement the present Code of practices. A list of such documents is provided in appendix I.

ARTICLE 1

DEFINITIONS

The terms used below are to be understood as follows:

- **«Pass for press»**
any medium such as a plan, specifications or finished product...
- **«Customer»**
any individual or legal entity with which a commercial transaction has been effected involving the use of the packaging for its professional activity or any retailer or distributor of the same.
- **«Order»**
any order placed by the customer. This term includes any one-off order involving only a single delivery as well as any global order (contract) or open order entailing several successive deliveries over a period of time to be negotiated by the parties.
- **«Open Order»**
any order entailing several deliveries over a period of time to be negotiated by the parties.
- **«Packaging component»**
any part of a packaging which can be separated manually or by any other simple physical means.
- **«Supplier»**
any individual or legal entity manufacturing and/or marketing products intended for packaging or wrapping.
- **«Product»**
any product to be packaged or wrapped in the packaging.

ARTICLE 2 DRAFTING THE CONTRACT

The customer's order must be complete and list precisely the type of packaging, the quantity, price and requested delivery date and must refer to the data sheets or, when relevant, to the descriptive or performance specifications.

The order shall be valid only when accepted and confirmed in all respects by the supplier.

In the event of open orders, the minimum quantity per delivery and/or the frequency of removal will be agreed upon by the customer and the supplier and, in particular, will mention the date of first availability and the deadline for removal of the remainder of the order.

Beyond the deadline for removal of the remaining order, the supplier will be entitled to dispatch and/or invoice the remaining goods without further notice.

ARTICLE 3 CANCELLATION OF AN ORDER

In the exceptional event of the supplier agreeing, on an amicable basis, to a request for cancellation of all or part of an order, the raw material and other expenses, research and development costs, will be fully refundable to the supplier by the customer. A lump-sum settlement can be negotiated.

ARTICLE 4 RESPONSABILITY

The placing of an order presupposes that the customer has ensured him/herself that the packaging complies with the legal requirements concerning the product to be packaged or wrapped and that it is compatible with the product.

It is imperative that the choice of a packaging offered by the supplier or defined by the customer be validated by appropriate tests performed by the customer at his/her responsibility.

The supplier guarantees the compliance of the packaging with its description ex-factory and provides no explicit or implicit guarantee.

The supplier shall not be held liable for any usage of the packaging in breach of legal requirements, for any form of incompatibility with the product, or for any incorrect usage of the packaging.

ARTICLE 5 PASS FOR PRESS

The pass for press (and/or the panopies) shall be signed by the customer before any order is fulfilled. The supplier is responsible for compliance from the printing process (and/or for the décor) to the pass for press (and/or the panopies).

ARTICLE 6 TOOLING, MOULDS AND SPECIAL EQUIPMENT

Refer to General terms of Sale for the Plastics Industry.

ARTICLE 7 INTELLECTUAL PROPERTY AND INDUSTRIAL ARTISTIC PROPERTY

When the supplier fulfils an order entailing creative activity as defined in the legislation on intellectual and artistic property (drawings, text, photographs, mock-ups, etc...), the author's rights due from this creative activity, and particularly reproduction rights, shall be held by the supplier and cannot be transferred to the customer other than by explicit agreement.

7.1.

The customer guarantees the supplier against all outcomes of legal actions which might be taken against him on account of the fulfilment of an order for pieces in breach of industrial and intellectual property rights such as patents, trademarks or registered patterns, or in breach of any privatory right held by a third party.

7.2.

The sale of pieces shall not entail the transfer to the customer of the supplier's intellectual and industrial property rights relative to the manufacturing designs. The same holds for designs proposed by the supplier in order to improve the quality or the selling-price of the pieces, by an original modification of the specifications. If these modifications are accepted by the customer, the latter shall agree with the supplier upon the conditions of their usage within the framework of the order. In no event shall the customer enjoy the use of the designs for him/herself, nor shall he/she divulge their content without having previously and expressly acquired the intellectual property rights relating to them.

7.2. a

Likewise, the transfer of tooling designed and manufactured by the supplier shall not entail the transfer of the intellectual and industrial property rights which must be covered by a specific agreement.

7.3.

The customer authorizes the supplier, except in the event of written instructions to the contrary, to display at any event, such as trade-fairs and exhibitions, certain pieces he has produced.

ARTICLE 8

FORCE MAJEURE

Any case of force majeure such as a strikes, lock-outs, riots, mobilization, decisions by Public Authorities, disruptions in the transport and supply of raw materials, fire, natural catastrophes or similar events affecting either the supplier's premises or those of his own suppliers shall entail by right the suspension of the current contract or of its execution without compensation or damages being due to the customer.

If the disruption is only temporary, the execution of the contract shall be suspended for the duration of the disruption. However, should the disruption exceed 30 days, and in the absence of an agreement between the parties, each of the latter shall be entitled to terminate the contract without compensation.

If, at the time of the disruption, whether permanent or temporary, the supplier has already manufactured part of the order, the customer shall be obliged, in the absence of an agreement to the contrary between the parties, to take delivery of the finished items on the terms agreed.

In the event of a disagreement between the customer and the supplier regarding the existence of a case of force majeure, the Trade Disputes Court will render its decision in the last resort.

ARTICLE 9

SETTLEMENT

Any substantial modification requested by the customer in the terms of the contract can entail a corresponding modification of the price. Likewise, in the event of a major change in the economic situation which might lead to a significant shift in the balance of the contract.

The non-payment of a single invoice shall immediately render the customer liable for immediate settlement of all other sums due, and even non-due. Non-payment shall entitle the supplier to demand settlement in cash before shipment of any further supplies and entitles the supplier to cancel, without compensation, the orders or contracts of the defaulting debtor.

ARTICLE 10

TERMS OF DELIVERY

Delivery is taken of the items of packaging and approval given by the customer or his/her representative at the premises of the supplier, regardless of the price including delivery costs. The items travel at the risk of the shipper, whatever the mode of transport or shipment used.

In the event of damage or of missing items on reception of the goods, the customer shall be responsible for addressing all the necessary complaints and reservations to the shipper, in accordance with articles 105 and 106 of the *Code of Trade*.

ARTICLE 11

DELIVERY DATES

The contractual delivery date is stipulated by the supplier on the order confirmation slip addressed to the customer.

Delivery dates will be respected subject to the supplier obtaining, at the dates fixed by him, all the elements necessary for the completion of the order.

Any delay on the part of the customer in supplying the elements necessary for the completion of the order will automatically entail postponement of the contractual delivery date without liability on the part of the supplier.

ARTICLE 12**COMPLAINTS**

At the risk of cancellation of the guarantee, the customer shall declare in writing, and immediately upon discovery, the existence of any off-specifications items and provide evidence of their complaint regarding non-compliance with specifications.

The supplier shall enjoy the right to examine the packaging and the conditions of usage at the premises of the customer or of the end-user. Failing this, he shall be entitled to reject the complaint.

Counter-tests can be performed only on items taken from the original packaging and after inspection of the conditions of storage.

No delivered product shall be returned without the supplier being duly informed. Acceptance of the return can in no way be interpreted as acknowledgement of liability.

When a complaint is acknowledged to be valid by the supplier, the delivered items will be returnable on condition that they are made available in good condition in their original packaging or are destroyed at the customer's premises with the consent of the supplier. Replacement or refund will not entitle the customer to compensation. Recognition of the validity of a complaint by the supplier will entail only replacement or refunding of the defective items and will not entitle the customer to compensation.

Should the customer decide of his/her own accord and for whatever reason to package the product in off-specification packaging, he/she will not be entitled to compensation for any losses and damage which may occur.

A dispute concerning a consignment or part-consignment will not entitle the customer to withhold payment on those consignments not affected by the complaint.

ARTICLE 13**PROPERTY RESERVE**

The packaging remains the property of the supplier until such time as full payment is made for the main item and accessories. However, any risks to the packaging remain the responsibility of the customer immediately the packaging is made available, as stipulated in Article 10. The customer will store in property reserve the packaging delivered by the supplier in such a manner that it can be readily identified and is not confused with other goods.

In the event of failure to settle any of the payments, the supplier shall be fully entitled to take back the product which the customer must return at first bidding, without prejudice to the damages from which will be deducted any amounts already paid, the which, when appropriate, will be withheld by the supplier to this end.

The provisions outlined above do not obstruct the transfer to the purchaser, immediately on delivery, of all risks regarding loss or damage of the purchased goods as well as any damage to which they may give rise.

ARTICLE 14**SETTLEMENT OF DISPUTES**

In the event of a dispute, the supplier and the customer will first attempt to resolve the matter on an amicable basis and by reading the provisions contained in the present Code. Should the dispute persist, the TRADE DISPUTES COURT designated in the supplier's general terms is the only body competent to settle the issue.

French law shall be applicable even when several defendants are involved or in the event of guarantee claims.



CHAMBRE SYNDICALE DES EMBALLAGES