

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY OF INTER-PAPIER-HANDELSGESELLSCHAFT MBH

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§ 1 SCOPE OF APPLICATION

- (1) All deliveries, services and offers of Inter-Papier Handelsgesellschaft mbH (hereinafter referred to as "**Inter-Papier**") to its contract partners (hereinafter referred to as "**Buyer**") shall be made exclusively on the basis of these General Terms and Conditions of Sale and Delivery (hereinafter referred to as "**GTS**") and, insofar as applicable in accordance with subsection 2, the General Trade Rules for Sales of Paper and Paperboard ("**GTR**"), which are attached to these GTS. The GTS shall also apply to all future deliveries, services or offers, even if they are not separately agreed again.
- (2) In the case of deliveries, services or offers for paper and paperboard, the attached GTR shall apply in addition to these GTS, insofar as it is not expressly stipulated in these GTS that individual clauses of the GTR shall not apply and/or shall only apply in an adapted form.
- (3) The GTS shall apply exclusively. General Terms and Conditions of the Buyer, to which the Buyer has referred in its offer or acceptance, shall

only be included in the contractual relationship if Inter-Papier has expressly consented to them in writing.

- (4) Individual agreements made with the Buyer in individual cases shall in any case take precedence over these GTS. Subject to proof to the contrary, a written contract or the written confirmation of Inter-Papier shall be decisive for the content of such agreements.
- (5) The sales personnel of Inter-Papier as well as representatives of Inter-Papier are not entitled to enter into verbal agreements with the Buyer by which these GTS are amended or supplemented.
- (6) For the interpretation of customary delivery clauses, the Incoterms in the version valid at the time of conclusion of the contract shall apply, unless otherwise indicated.

§ 2 CONCLUSION OF CONTRACT

- (1) All offers of Inter-Papier are subject to change and non-binding, unless they are expressly marked as binding or contain a specific acceptance period.
- (2) The order of the goods by the Buyer shall be deemed a binding offer of contract. Unless otherwise stated in the order, Inter-Papier shall be entitled to accept this contractual offer within 14 days of its receipt.

§ 3 DELIVERY AND DELIVERY TIME

- (1) Unless otherwise stated in the order confirmation, delivery ex works is agreed.
- (2) Prospective deadlines and dates for deliveries and services are always only approximate, unless a fixed deadline or date has been expressly promised or agreed.
- (3) The agreement of delivery dates does not constitute a fixed-date agreement whereby time would be of the essence. Such agreement only exists if it is expressly stipulated in the contract by individual

agreement that “time is of the essence” or that the delivery dates are “fix” or “fixed”.

- (4) Inter-Papier shall be entitled to make partial deliveries and early deliveries if the partial delivery is usable for the Buyer within the scope of the contractual purpose, the delivery of the remaining ordered goods is ensured and the Buyer does not incur any significant additional expenses or costs as a result.
- (5) If the goods ordered are purchased in whole or in part from suppliers, Inter-Papier’s obligation to deliver shall be subject to Inter-Papier having been supplied in a complete, conforming and timely manner, unless Inter-Papier is responsible for the non-delivery or delay.
- (6) Inter-Papier shall not be liable for impossibility of delivery or for delays in delivery insofar as these are caused by force majeure or other events not foreseeable at the time of conclusion of the contract (e.g. operational disruptions of any kind, difficulties in the procurement of materials or energy, transport delays, strikes, lawful lockouts, shortages of labour, energy or raw materials, difficulties in obtaining necessary official permits, in particular import or export permits, official measures, measures to protect against health hazards, natural disasters or to combat terrorism) for which Inter-Papier is not responsible. If such events make the delivery or performance substantially more difficult or impossible and the hindrance is not only of temporary duration, Inter-Papier shall be entitled to cancel the contract. In case of hindrances of temporary duration, the delivery or service periods shall be extended or the delivery or service dates shall be postponed by the period of the hindrance plus a reasonable start-up period. Insofar as the Buyer cannot reasonably be expected to accept the delivery or service as a result of the delay, the Buyer may withdraw from the con-

tract by giving immediate written notice to Inter-Papier. This § 3 sub-section 6 shall also apply to effects of the Sars/COV2 (Covid-19 / "Corona") pandemic.

- (7) No. 10 GTR shall not apply.
- (8) If binding delivery dates have not been met, the Buyer shall only be entitled to legal remedies of any kind after he has granted Inter-Papier a reasonable curing period. The further liability limitations according to § 6 of these GTS shall remain unaffected.

§ 4 PLACE OF PERFORMANCE, TRANSFER OF RISK, INSURANCE, STORAGE COSTS

- (1) The place of performance for all obligations arising from the contractual relationship shall be at the seat of Inter-Papier.
- (2) The performance of the transport, the passing of the risk concerning the accidental loss and the accidental damage of the goods as well as the assumption of the insurance costs shall take place in accordance with the Incoterms used in the order confirmation. In the event of defective goods, there shall be no reversion of risk to Inter-Papier even if the Buyer asserts a claim for defects, insofar as the defect consists only in short quantities or insofar as only parts of the goods are defective with regard to the non-defective items as well as insofar as curative performance, irrespective of the remedy exercised by the Buyer, is actually possible or would have been possible, unless Inter-Papier has refused to cure.
- (3) If Inter-Papier concludes an insurance contract under which the Buyer is the insured person, the Buyer shall be responsible for taking any action as may be requisite under the insurance contract and/or from the legal provisions applicable to the insurance relationship.

- (4) The Buyer shall be in default of acceptance if he does not accept the performance duly offered to him. If the Buyer is in default of acceptance, Inter-Papier shall only be liable for intent and gross negligence during the default of acceptance. The risk of accidental loss or accidental deterioration of the goods shall furthermore pass to the Buyer at the time of default of acceptance.
- (5) If the Buyer is in default of acceptance, fails to cooperate or if Inter-Papier's delivery is delayed for other reasons for which the Buyer is responsible, Inter-Papier shall be entitled to claim compensation for the resulting damage including additional expenses (e.g. storage costs, demurrage and/or detention in port). In case of storage by Inter-Papier, the storage costs shall amount to 0.25 % of the invoice amount of the delivery items to be stored per expired week. Inter-Papier reserves the right to claim and prove further or lower storage costs.

§ 5 LIABILITY FOR DEFECTS

- (1) The basis of Inter-Papier's liability for defects shall be the agreement reached on the quality of the goods. All product descriptions and manufacturer's specifications which are the subject matter of the individual contract or which were publicly announced by Inter-Papier or by the manufacturer (in particular in catalogues or on the Internet) at the time of the conclusion of the contract shall be deemed to be an agreement on the quality of the goods. Inter-Papier is permitted to substitute the product designated in the order confirmation with a product of at least equivalent technical specifications in case of procurement from upstream suppliers, provided that Inter-Papier should itself not have been supplied in a complete, correct and timely manner within the delivery period for reasons for which Inter-Papier is not responsible and the deviation is reasonable taking into account the interests of the Buyer.

- (2) Claims of the Buyer that are based on defects shall require that the Buyer immediately inspects the delivered goods for defects and, if a defect becomes apparent, immediately notifies Inter-Papier. If the Buyer fails to notify Inter-Papier, the goods shall be deemed to have been accepted, unless the defect was not recognisable during the inspection. If such a defect becomes apparent later, the notification must be made immediately after discovery; otherwise the goods shall be deemed to have been approved also in view of this defect.
- (3) The Buyer may only assert his rights to avoidance of the contract, reduction of the purchase price or replacement delivery due to defects if he has set Inter-Papier a reasonable curing period for curative performance or subsequent delivery and the rectification or subsequent delivery has not taken place within this period or is refused by Inter-Papier.
- (4) As Inter-Papier obtains ordered goods from the manufacturer or sub-suppliers and resells them directly, Inter-Papier shall not be obliged to inspect the goods for defects. Inter-Papier shall not be held responsible for any fault on the part of the manufacturer in the production of the ordered goods. Insofar as a defect is due to the fault of Inter-Papier, the Buyer may claim damages subject to the limitations of liability set forth in § 6.
- (5) Claims based on defects shall expire one year after delivery of the goods. This does not apply if the defect has been fraudulently concealed.

§ 6 LIMITATIONS OF LIABILITY

- (1) Liability for damages based on fault - irrespective of the legal grounds - shall be engaged in the event of intent and gross negligence. In the

event of simple negligence, Inter-Papier shall be liable, subject to statutory limitations of liability (e.g. care in own affairs; insignificant breach of duty), only

- a. for damages arising from injury to life, limb or health,
 - b. for damages resulting from the breach of an essential contractual obligation (i.e. an obligation the fulfilment of which makes the proper performance of the contract possible in the first place and on the observance of which the contractual partner regularly relies and may rely); in this case, however, Inter-Papier's liability shall be limited to the compensation of the foreseeable, typically occurring damage.
- (2) The limitations of liability resulting from § 6 Subsection 1 shall also apply to third parties as well as to breaches of duty by persons (also in their favour) whose fault Inter-Papier is responsible for according to statutory provisions. They shall not apply insofar as a defect has been fraudulently concealed or a guarantee for the quality of the goods has been assumed and for claims of the Buyer under the Product Liability Act.
- (3) Due to a breach of duty which does not consist of a defect, the Buyer may avoid the contract, terminate the contract or claim damages only if Inter-Papier is responsible for the breach of duty.

§ 7 PRICES, TERMS OF PAYMENT AND DEFAULT IN PAYMENT

- (1) Unless otherwise agreed in individual cases, the current prices at the time of conclusion of the contract shall apply, EXW, plus statutory VAT.
- (2) Insofar as Inter-Papier assumes the terminal handling charges at the port of loading and/or port of discharge in accordance with the Incoterms used in the order confirmation, these costs shall be limited to

USD 500 per container and shall be charged to the Buyer in excess thereof.

- (3) The invoice is issued on the day of delivery or provision and is due immediately. A postponement of the due date (value date) is generally excluded. Cash discount is not accepted.
- (4) Payments after the due date shall bear interest at a simple rate of 5 per cent p.a.
- (5) Payment shall be made by bank transfer. Offsetting is only permitted with undisputed or claims recorded with res iudicata effect.
- (6) The place of performance for the payment of the purchase price shall be the seat of Inter-Papier. Payment shall be deemed to have been effected when the amount has been credited to the account. Payment costs - also in the form of government imposed levies - shall be borne by the Buyer.
- (7) Inter-Papier reserves the right to request in its order confirmation that the order amount be secured by a letter of credit. The terms of the letter of credit shall be stipulated in the order confirmation. In addition, the "Uniform Customs and Practice for Documentary Credits (UCP)", published by the International Chamber of Commerce in Paris (ICC), shall apply in the version valid at the time of conclusion of the contract, unless these have been expressly excluded or deviating provisions have been made.
- (8) Before full payment of invoice amounts due, including accrued interest, Inter-Papier shall not be obliged to make any further deliveries under a current contract with the Buyer.
- (9) Upon expiry of a period of 14 days after receipt of the invoice, the Buyer shall be in default. Claims for payment and further claims of Inter-Papier against the Buyer shall bear interest during the period of default. The interest rate shall be the simple interest at the overnight interbank lending rate prevailing for the currency of payment at the

place of the buyer or 12 percent simple interest p.a., whichever higher.
The right to claim further damages for default is reserved.

- (10) No. 8 lit. (a), (b), (d) and (e) GTR shall not apply.
- (11) If it becomes apparent after the conclusion of the contract (e.g. by filing for insolvency proceedings) that the claim to the purchase price is endangered by the Buyer's inability to pay, Inter-Papier shall be entitled to refuse performance and - if necessary after setting a deadline - to avoid the contract.

§ 8 RETENTION OF TITLE

- (1) Inter-Papier shall retain title to the goods sold until all present and future claims arising from the purchase contract and an ongoing business relationship (secured claims) have been paid in full.
- (2) The goods subject to retention of title may neither be pledged to third parties nor assigned as security before full payment of the secured claims. The Buyer shall immediately notify Inter-Papier in writing if an application for the opening of insolvency proceedings is filed or if third parties (e.g. seizures) have access to the goods belonging to us.
- (3) In case of breach of contract by the Buyer, in particular in case of non-payment of the purchase price due, Inter-Papier shall be entitled to avoid the contract according to the statutory provisions and/or to demand return of the goods on the basis of the retention of title. The demand for return does not include the declaration of avoidance at the same time; Inter-Papier shall rather be entitled to demand only the return of the goods and to reserve the right to avoidance. If the Buyer does not pay the purchase price due, Inter-Papier may only assert these rights if the Buyer has previously been set a reasonable deadline for payment without success or if such a deadline is dispensable.

- (4) Until revoked in accordance with (c) below, the Buyer is authorised to resell and/or process the goods subject to retention of title in the ordinary course of business. In this case, the following provisions shall apply in addition.
- a. The retention of title shall extend to the products resulting from the processing, mixing or combining of the goods at their full value, whereby Inter-Papier shall be deemed to be the manufacturer. If in case of processing, mixing or combining with goods of third parties their right of ownership remains, Inter-Papier shall acquire co-ownership in proportion to the invoice values of the processed, mixed or combined goods. Apart from that, the same shall apply to the resulting product as to the goods delivered under reservation of title.
 - b. The Buyer hereby assigns to Inter-Papier as security the claims against third parties arising from the resale of the goods or the product in total or in the amount of any co-ownership share of Inter-Papier in accordance with the preceding paragraph. Inter-Papier accepts the assignment. The obligations of the Buyer mentioned in paragraph 2 shall also apply with regard to the assigned claims.
 - c. The Buyer shall remain authorised to collect the claim in addition to Inter-Papier. Inter-Papier undertakes not to collect the claim so long as the Buyer meets his payment obligations towards Inter-Papier, there is no deficiency in his ability to pay and Inter-Papier does not assert the retention of title by exercising a right according to subsection 3. If this is the case, however, Inter-Papier may demand that the Buyer discloses the assigned claims and their debtors, provides all information necessary for collection, hands over the relevant documents

and informs the debtors (third parties) of the assignment. Furthermore, in this case Inter-Papier shall be entitled to revoke the Buyer's authority to further sell and process the goods subject to retention of title.

d. If the realisable value of the securities exceeds Inter-Papier's claims by more than 10%, Inter-Papier shall release securities of its choice at the Buyer's request.

(5) Insofar as, according to the applicable conflict of laws rules, relevant, mandatory provisions of the law of the place where the goods are located conflict in whole or in part with the application of the provisions of this paragraph, the invalid or unenforceable provision shall be replaced by a valid or enforceable provision which comes as close as possible to the economic intention of the invalid or unenforceable provision.

(6) No. 8 lit. (c) GTR shall not apply.

§ 9 CHOICE OF LAW, PLACE OF JURISDICTION, ARBITRATION CLAUSE

(1) The law of the Federal Republic of Germany shall apply, including the UN Convention on Contracts for the International Sale of Goods.

(2) Should individual provisions of these GTS be invalid, this shall not affect the validity of the remaining provisions. The invalid provision shall be replaced by the provision customary in the industry for this case, or in the absence of a permissible provision customary in the industry by the corresponding statutory provision.

(3) Insofar as the GTR are applicable in accordance with § 1 Subsection 2 of these GTS, the provision made therein shall apply to the settlement of disputes with the proviso that the place of proceedings shall be Hamburg. Otherwise, the exclusive place of jurisdiction shall be Hamburg.

GENERAL TRADE RULES FOR SALES OF PAPER AND PAPERBOARD

The following General Trade Rules for Sales of Paper and Paperboard shall apply unless the General Terms and Conditions of Sales and Delivery of Inter-Papier Handelsgesellschaft mbH expressly stipulate that the individual clauses of the GTR shall not apply and/or shall only apply in an adapted form.

GENERAL TRADE RULES FOR SALES OF PAPER AND PAPERBOARD

1. WEIGHT (Mass)

Unless otherwise stated, the word tonne or ton (also when abbreviated to t) shall mean 1,000 kilogrammes.

2. QUANTITY: DELIVERED

The delivered quantity is expressed in and based on weight, which is determined at the time when the goods are manufactured and packed.

For reels, and for sheets packed in bulk, the weight is determined gross for net - for reels wrappings, cores and plugs included and for sheets wrappings included. For paper in sheets counted and reamwrapped, the weight is the nominal weight as defined in clause 5 (a).

The delivered quantity is decisive for the amount of money to be paid by the buyer and also for determining whether there is such deviation from the contracted quantity that the purchase shall not be considered to have been completed in accordance with the contract. The rights of the buyer are always reserved, however, in accordance with clause 7 below, in the event of deviations in grammage or size which exceed the tolerances stated in clauses 5 and 6.

3. QUANTITY: TOLERANCES

An order for paper or paperboard outside the normal stock range of the seller shall be deemed to have been fulfilled in accordance with the contract if the seller delivers to the buyer goods that do not deviate from the contract quantity by more than the tolerances stipulated below. Where a delivery comprises several lots as defined in clause 5 (a) each lot shall be considered separately.

A. For grammages up to and including 180 g/m² (with the exception stated in C below)

| Contracted quantity | Permitted deviation |
|----------------------------|---------------------|
| Under 1 ton | ± 15 % |
| 1 ton but under 5 tons | ± 10 % |
| 5 tons but under 10 tons | ± 7.5 % |
| 10 tons but under 100 tons | ± 5 % |
| 100 tons and over | ± 3 % |

For coloured qualities a further deviation of ± 2.5 % is permitted.

B. For grammages over 180 g/m² (with the exception stated in C below)

| Contracted quantity | Permitted deviation |
|--------------------------|---------------------|
| Under 5 tons | ± 15 % |
| 5 tons but under 15 tons | ± 10 % |
| 15 tons and over | ± 5 % |

For coloured qualities a further deviation of ± 2.5% is permitted.

C. For liner and fluting irrespective of grammage

| Contracted quantity | Permitted deviation |
|----------------------------|-----------------------------------|
| Under 10 tons | Special agreement must be reached |
| 10 tons but under 20 tons | ± 15 % |
| 20 tons but under 50 tons | ± 10 % |
| 50 tons but under 100 tons | ± 7.5 % |
| 100 tons and over | ± 5 % |

In respect of A, B and C, the stated deviations shall be doubled downwards and upwards respectively where the buyer has stipulated for a maximum or minimum weight without any margin for excess or shortage.

4. QUANTITY: CLAIMS

Claims arising from the seller delivering to the buyer a quantity of goods less or more than he contracted for must be notified by the buyer to the seller within seven (7) days of the buyer receiving any document stating of certifying the weight of the goods delivered.

In the event of any shortage deemed to have occurred in transit, the buyer shall on receipt of the goods, in the interests of the two contracting parties, duly notify the carrier.

5. QUALITY: GRAMMAGE TOLERANCES

(a) Interpretation of terms

Delivery means the total amount of goods covered by one contract and delivered at one time.

Lot means one or more units of paper or paperboard of a single kind and of specified characteristics, made by one and the same mill and delivered at one time.

Unit means a reel, bale, pallet, parcel or other transportation package.

Grammage means the weight in grams per square metre of paper or paperboard.

Ordered grammage means the grammage specified in the contract.

Actual grammage of a lot of paper or paperboard is the arithmetic means of the grammage as determined by sampling and testing the lot according to SCAN-P 1:61 and SCAN-P 6:75 respectively or such other SCAN methods, as may be adopted in their place. For newsprint, mechanical printings, magazine paper, liner and fluting the actual grammage, however, shall refer to the moisture content of these products at the time of manufacture.

Nominal weight for a delivery of sheets means the delivered number of sheets x their contracted area x the contracted grammage.

Tolerance with respect to grammage means the allowed difference between ordered and actual grammage expressed in per cent of ordered grammage.

(b) Stipulations

A lot of paper or paperboard will be considered delivered correctly with regard to grammage when

- (1) the actual grammage in relation to the ordered grammage stays within the tolerances given below in tables A and B for paper and paperboard respectively and
 - (2) the test values for individual units in relation to the ordered grammage stay within the tolerances given below in the tables for one ton
- If delivery comprises two or more lots, the actual grammage of each lot must be determined separately.

(c) Table A: Tolerances for different kinds of paper

| Weight of lot, tons | Printing and writing papers 35-80 g/m ² | Creped and coated papers | Other paper qualities |
|---------------------|--|--------------------------|-----------------------|
| | % | % | % |
| 1 (minimum) | ± 5.0 | ± 9.0 | ± 7.0 |
| 5 | 3.6 | 6.5 | 5.1 |
| 10 | 3.2 | 5.7 | 4.4 |
| 20 | 2.7 | 4.9 | 3.8 |
| 50 | 2.3 | 4.1 | 3.2 |
| 100 | 2.0 | 3.6 | 2.8 |
| 500 | 1.4 | 2.6 | 2.0 |
| 1000 | 1.3 | 2.3 | 1.8 |
| 3000 | 1.0 | 1.8 | 1.4 |

For lots of paper of intermediate magnitudes the tolerances are obtained by linear interpolation.

(d) Table B: Tolerances for different kinds of paperboard

| Weight of lot, tons | Grammage ordered, g/m ² | |
|---------------------------|------------------------------------|-------|
| | < 450 | ≥ 450 |
| | % | % |
| 1 ton but under 15 tons | ± 5.0 | ± 8.0 |
| 15 tons but under 60 tons | 4.0 | 5.5 |
| 60 tons and over | 3.5 | 4.0 |

6. QUALITY: SIZE OF SHEETS AND WIDTH OF REELS, TOLERANCES

A delivery of paper or paperboard shall be deemed to have been completed in accordance with the contract if delivered sizes (in the case of sheets, the width and length and in the case of reels, the width) differs from the contracted sizes by no more than stipulated below:

Sheets

| | |
|-------------|---|
| Not trimmed | ± 0.4 %, not, however, exceeding ± 3 mm |
| Trimmed | ± 0.2 %, not, however, exceeding ± 3 mm |

Reels (with trimmed edge)

| | |
|----------------------|--------|
| < 400 mm | ± 2 mm |
| 400 mm but < 2000 mm | ± 3 mm |
| 2000 mm and over | ± 5 mm |

Minimum 95% of the measurements must be within these tolerances.

7. QUALITY: CLAIMS

(a) It shall be the responsibility of the buyer to check the quality of delivered goods before their processing. If the quality is not in accordance with the quality contracted for or if the buyer has reason to believe that the quality of the goods is such as to give rise to difficulties in processing, then the buyer shall not allow processing to commence unless he has received permission to do so from the seller in writing (also: by fax or e-mail).

If the buyer should discover a defect in the goods during processing, he shall immediately give written notice (also: per e-mail or fax) of such defect to the seller.

(b) A claim for a defect in quality that is of such a nature, that it can be ascertained from the seller's documents or from a sample provided by the seller, must be made by the buyer within seven (7) days of receipt of the documents or the sample by the buyer.

Claims in respect of other defects of quality shall be made by the buyer:

- (1) immediately, if the defect can be ascertained upon visual inspection of the goods or their packing
- (2) as soon as the defect is discovered, but at the latest within thirty (30) days in the event of the defect relating to grammage, size, colour, cleanliness, strength or other reason that can be determined through the taking of samples and
- (3) as soon as the defect is discovered, but at the latest within three (3) months in the event that it has not been possible to find the defect through visual inspection or to determine it through the taking of samples.

All periods of time shall be calculated from the time the goods are discharged at the place of destination.

(c) When giving notice of claim the buyer must identify the goods clearly and state fully the facts on which his claim is based and he shall send to the seller, then or as soon as possible thereafter, any documents that support his claim.

Until the dispute relating to the claim has been resolved, the buyer shall accept and carefully warehouse the goods and insure them for his interest and also for the interest of the seller to their full value including costs of transit and of warehousing and shall duly give notice of claim to the carrier within such period as may be provided by the contract of carriage should there be any evidence of damage in transit.

(d) If the buyer has given notice of claim as required above and the parties are unable to reach agreement on settlement of the claim, the dispute shall be referred to arbitration. At least ninety per cent (90%) of the goods in dispute shall then be made available to the seller unused and not unduly tampered with so that samples may be taken for the purpose of the arbitration irrespective of demands made by the buyer. If the buyer has rejected the goods, any claim of his relating to the goods may be upheld only as long as the above-mentioned proportion of the goods remains unused and has not been tampered with.

(e) If a delivered lot or part thereof is not within the appropriate tolerance stated in clause 5 or 6, or is not reasonably comparable in quality to a sample provided by the seller or to the seller's specification, the arbitrators may award rejection of the lot if all of it is faulty, or if only part of it is faulty they may award rejection of that part provided what remains can be used by the buyer. Rejection may not be awarded by the arbitrators for a faulty lot or part of a lot that is usable by the buyer for his normal business purposes despite the fault or defect. For such lots or parts of lots the arbitrators shall award a reduction of the contract price. The seller has, however, the option of claiming rejection of such faulty lot or part instead of a reduction of the price.

(f) If the arbitrators order samples to be taken, samples shall be taken and tested in accordance with officially recognized standardized procedures. The seller shall have the right to be represented at the sampling.

(g) If in the case of two or more successive deliveries of the same type of paper or paperboard, the arbitrators give the buyer the right to cancel the contract fully or in part or award a reduction by twenty per cent (20%) or more of the invoice price, the buyer shall have the right to cancel the contract in respect of undelivered quantities. If more than one type of paper or paperboard is covered by the contract, such right of cancellation shall apply to undelivered quantities of the type covered by the award.

8. DELAYED PAYMENT AND OWNERSHIP OF THE GOODS

(a) Failure by the buyer to pay for the goods within the time payment is due under the contract shall entitle the seller to receive interest on the sum outstanding at the rate of 5 per cent units above the bank rate or minimum lending rate officially or generally applied in the country of the buyer from time to time while such payment remains outstanding.

When the price is payable in a currency other than that of the seller's country, the seller is also entitled to compensation if the rate of exchange is less favourable to him on the day of delayed payment than it was on the last day when payment was due.

(b) If the buyer is in default of payment and the delay is not attributable to errors by the transferring banks, the seller has the right to cancel the contract with effect fourteen (14) days after giving notice if the payment has still not reached him.

In the case of instalment contracts such cancellation applies to the balance of the contract including or not including, as the seller so elects, the shipment for which the buyer is in default of payment.

(c) Delivered paper or paperboard shall – to the extent permitted by the law of the buyer's country – remain the property of the seller until the whole sum payable under the contract is paid. The ownership of the paper or paperboard includes the right to the goods as delivered or converted and the right to the receivables and the money which the buyer may have acquired from disposing of the goods or products made thereof. Money so received in payment must be kept on a separate account by the buyer.

(d) Should the buyer be in default in making a payment due under the contract, the seller shall have the right upon giving notice to the buyer in writing to withhold deliveries due to the buyer under the particular contract and under all other contracts made between them until such payment is received by the seller.

(e) Should the buyer or the seller become insolvent or go into liquidation or have a receiver appointed or otherwise be found to be in such financial position that it may reasonably be assumed that he will not be able to fulfil his obligations, the other party shall have the right to cancel the contract if the first party has not within ten (10) days after given notice furnished a satisfactory guarantee for his fulfilment of the contract.

9. LIMITATION OF DAMAGES

(a) If due to a defect of quality or delivery of a quantity less than the seller contracted to deliver, the seller accepts that the buyer rejects the goods delivered, or rejection is awarded by arbitrators, the seller shall without delay replace the defective goods or make good the short delivery, and the seller shall reimburse any additional expenses incurred by the buyer for handling, storing and insuring the defective goods but shall not otherwise be liable to the buyer for compensation or damages of any kind whatsoever because of the defect or short delivery.

Where there is a defect of quality that does not result in rejection of the goods, the buyer shall pay the reduced value of the faulty goods and shall not be entitled to recover other compensation or damages.

Should a lack in quantity be acceptable to the buyer or constitute no real reason for rejection, payment shall be made only for the exact quantity delivered.

Where the seller has given an express warranty regarding specific properties of the goods for a particular purpose for which the goods has been bought, this purpose having been made known to the seller by the buyer, the measure of damages for breach of warranty shall be those provided by subclause (b) of this clause.

(b) When either party is liable for damages to the other, these shall not exceed the loss, which the party in fault could reasonably have foreseen at the time of

the conclusion of the contract nor include consequential damages. Damages shall in no case exceed the invoiced value of the delivery concerned.

(c) If one party alleges a breach of contract by the other party, he must take all necessary measures to mitigate the loss resulting from the breach, provided that and in so far as he can do so without unreasonable inconvenience or cost. If he fails to take such measures, the party in breach may claim a reduction in the damages.

10. GROUNDS OF DISCHARGE FROM LIABILITY (FORCE MAJEURE)

(a) The following shall be considered as ground of discharge from liability if they occur after the conclusion of the contract – or when they have occurred before that time, if their effects were not clearly foreseeable before the conclusion – and they prevent, hinder or delay the production in which the buyer (or if the buyer is a wholesale dealer his customer provided named in the contract) intends to use the goods or the buyer's acceptance of the goods or the seller's production or delivery by agreed means, viz.: war, war risk; insurrection; blockade; requisition; embargo; calling up of personnel for military service; currency restrictions; export or import prohibitions or restrictions; restrictions in the use of power; labour conflicts; general shortage of labour, transport and materials; water shortage; fire; flood; storm; obstruction of railways; obstruction of navigation by ice at port of shipment; loss or detention at sea; non-delivery, faulty or delayed delivery by the seller's suppliers of raw material and other commodities for industrial production and any other circumstances beyond the control of the parties.

(b) The buyer or the seller, as the case may be, may suspend performance under this contract on the grounds of discharge from liability, neither party being responsible to the other party for any damage resulting from such suspension. Goods released by the seller and already manufactured or in the course of manufacture or in transit from the seller's mills must, however, always be accepted by the buyer.

(c) In the event of suspension of performance for less than ten (10) consecutive days, deliveries shall be resumed as soon as practicable for the full contract quantity. When such suspension shall have continued for a period of ten (10) consecutive days or more, the delivery or deliveries omitted during the period of suspension can be cancelled without liability to either party, and subsequent deliveries shall be resumed thereafter according to contract.

(d) The party wishing to claim relief by reason of any of the said circumstances shall notify the other party in writing or by telecommunications without delay on the occurrence of the intervention and on the cessation thereof and, as soon as practicable, notify the other party to what extent the claim will necessitate a suspension.

11. INCREASED COSTS

Should there after the conclusion of the contract occur a substantial increase of not less than ten per cent (10%) of the total costs for the production and the transportation of the goods, the seller shall have the right to demand a renegotiation of the price in respect of quantities due for delivery thirty (30) days after notice of renegotiation has been served in order to obtain reimbursement for his increased costs as long as these continue. If agreement cannot be reached within these thirty (30) days, the seller may cancel the undelivered part of the contracted quantity.

12. CLAIMS

All claims must be made in writing, by fax or e-mail. Claims shall be made within thirty (30) days of the discharge of the goods at the place of destination except in clauses 4 and 7 above stated cases and claims for payment of the invoice. Non-approval of the invoice shall be mailed within ten (10) days of its receipt.

If the buyer does not observe the provisions and time limits stipulated in clauses 4 and 7 as well as above in this clause, the claim will not be effective against the seller and the buyer will lose all right to compensation.

The buyer shall, irrespective of whether he has lodged or is going to lodge claims, pay the invoice when due. Final adjustment shall be made when agreement is reached or the decision of the arbitrators is given.

13. DELIVERIES

Each delivery under this contract shall be considered as a separate contract and default on one or more deliveries shall not invalidate the balance of the contract except as herein otherwise provided. The present clause does not, however, affect the applicability of the clause 11 above.

14. SPECIAL PROVISIONS

These General Trade Rules shall apply in their entirety unless otherwise expressly agreed upon in writing by the seller and the buyer.

15. APPLICABLE LAW

The contract and the legal relations between the buyer and the seller shall be governed by the law of the country of the seller, except concerning clause 8 (c) where the law of the country of the buyer shall apply.

16. ARBITRATION

All disputes arising in connection with the present contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules.