

General Purchasing Conditions of KRPA PAPER, a. s.

I. Validity and terms

1. This General Purchasing Conditions ("GPC") are valid for all deliveries of raw materials, products, goods and services ("goods") realized between KRPA PAPER as a purchaser and a supplier.
2. Sales conditions of a supplier that are fully or partly deviating from this GPC, contradict this GPC or extend this GPC, are not binding for KRPA PAPER, despite not performed dissent from KRPA PAPER or supplier's explicit claim to make a supply according to other conditions.
3. In case any paragraph of this GPC become ineffective, obligations from contracts concluded under this GPC will not be affected.

II. Offer

1. Costs of making out the offer, as well as possible adjustments, price quotation, samples and gathering all information and supporting materials needed for making out the offer, bears in full the supplier.

III. Purchasing Contract

1. Supplier is obliged to confirm or refuse a purchasing order from KRPA PAPER in writing. KRPA PAPER considers an order or a proposal for a contract of purchase to be binding for a period of 10 working days from the date of its issue. If by the end of that period KRPA PAPER has not received confirmation of its order, KRPA PAPER no longer considers itself to be bound by it and is entitled to regard it as null and void.
2. A contract of purchase becomes valid from the date of the confirmation of the order by the supplier. If the supplier's confirmation of the order deviates in whole or in part from the conditions stated in the purchasing order (contract proposal), then all the changes, differences and disparities must be approved by KRPA PAPER in writing. Missing confirmation of KRPA PAPER on any changes, differences and disparities does not constitute approval. The same applies if the supplier uses his own forms to confirm the order or his own proforma invoice.
3. The supplier must put the reference number of the order on all documents, especially invoices, bills of delivery, if such number has been assigned.

IV. Price, Payment Terms

1. If not agreed differently, prices are understood as duty-paid, VAT included, delivered to the address of KRPA PAPER (DDP according to Incoterms 2010) including packaging.
2. Invoice may be issued after proper, complete and fault-free delivery if not agreed differently.
3. Payment term of an invoice is 60 days net from the date of the invoice deliverance, if not agreed differently.

4. KRPA PAPER is entitled to return invoices that are incomplete or with incorrect data. Payment term starts on the date of deliverance of a correct invoice.
5. Payment of invoices or confirmation of delivery do not mean any demonstration of acknowledgement and/or waiving rights by KRPA PAPER such as sanctions of delay, delivery of fault products, incomplete delivery as well as acknowledgement of KRPA PAPER that goods has been ordered.
6. Supplier is entitled to transfer demands on KRPA PAPER to third parties only on written permission of KRPA PAPER. Supplier is not entitled to credit his own demands with demands of KRPA PAPER without a written permission of KRPA PAPER.

V. Delivery

1. The supplier is obliged to deliver goods to the agreed place at own costs, risk and agreed conditions. Goods must be wrapped commonly and appropriately.
2. Supplier is entitled to use subcontractor only on written permission of KRPA PAPER. In case of performance via a subcontractor, supplier is responsible for the delivery as the supplier performs itself.
3. The mutually agreed period allowed for delivery is binding. If the supplier fails to deliver within the period, KRPA PAPER is not obliged to offer an alternative delivery time and reserves the right to withdraw from the contract.
4. In case of delayed delivery, KRPA PAPER is entitled to charge a penalty of 0.5 % from the total value of the order every late day. The right for a compensation for damages of KRPA PAPER is not affected.
5. Differences between agreed and real delivery are permit only within a limit stated in a contract. KRPA PAPER is not obliged to accept lower nor higher quantity, than agreed. Except other relevant evidence, quantity, weight, measurements of deliveries are taken from internal input check of KRPA PAPER.
6. The supplier shall always notify KRPA PAPER in good time about the goods to be dispatched, giving all necessary information, including the reference number of the order, a specification of the goods, their quantity, dispatch date and the number of the truck or railway wagon, depending on the type of purchase and the agreed conditions.
7. For each delivery a bill of delivery must be drawn up and it must include the reference number of the order, a detailed specification of the goods, their quantity, their destination (and, in the case of a delivery of cellulose, the content of dry material and the quantity and numbers of the bales) and, if necessary, the type and number of packages as well as any other relevant information (e.g. batch numbers).
8. If in case of imported goods, it is agreed that the goods are to be picked up at a mutually agreed place (port, manufacturer"s or supplier"s warehouse etc.) then the supplier must also ensure that the documents necessary for customs clearance are made out, including, at the minimum a customs invoice and any documents required by the country in question for transport across its border and, if necessary, for transit through other countries.
9. If the goods are delivered in or on returnable package then the fact must be stated in the bill of delivery and, if necessary, on the invoice. The cost of the containers and the period allowed for their return should also be stated. If KRPA PAPER has the choice whether to return or not the package, then the relevant conditions, including the financial aspect, must be given.
10. If agreed beforehand, or if it is common practice, the supplier must provide a quality certificate for the supplied goods. KRPA PAPER also always requires quality

certificates for perishable goods, including the production date (or the date of dispatch, if that has been declared the starting date of the guarantee period). KRPA PAPER also always requires quality certificates whether goods or materials mentioned under point 11, which must include the quantity of unwanted and/or limited substances.

11. If the ordered material becomes not complying to health and/or safety and/or environmental norms, the supplier is required to inform KRPA PAPER of the fact beforehand, and wait for its agreement before dispatch. If such agreement is given, the supplier is required to state in the accompanying documents that the goods or material are hazardous and to mark them in an appropriate way according to the relevant norms. If KRPA PAPER is not informed in the prescribed manner of any possible risk from the goods, or if is informed but do not give consent of KRPA PAPER to the delivery, then the costs arising from any damage caused shall be borne by the supplier.
12. If the supplier has obtained a certificate of quality according the ISO 9001 norms, KRPA PAPER requests a copy of the certificate and information in case of any changes. Supplier is obliged to allow KRPA PAPER and representatives of its customer to visit his production plant in order to check the functioning of the quality control system. If the supplier is merely an intermediary, he must still be aware of the possibility of a visit and he is required to do everything within his power to enable KRPA PAPER or its customer to visit the manufacturer's plant. The supplier or supplying company should take note that a refusal to permit a visit aimed at checking the quality control system will result in an negative evaluation of a supplier with further impact on future mutual business.
13. If not agreed differently, ownership of the goods passes to KRPA PAPER at the moment of delivery. Supplier always bears full responsibility for the goods until delivery.
14. KRPA PAPER has a right to withdraw from a contract with a supplier in case of:
 - late delivery of goods
 - faulty delivery
 - supplier became insolvent
 - breaking this GPC

VI. Damage Responsibility

1. Supplier provides warranty for the period of 24 months starting at the delivery date, if not agreed differently. Supplier is responsible for damages found at delivery, as well as damages and faults occurred in the warranty period. Supplier guarantees that the goods will be within the warranty period eligible for the intended purpose of application, eventually will keep parameters usual for the certain type of delivery.
2. Warranty period will be interrupted at every written notice of damage. After removing the fault, new warranty period comes into effect.
3. KRPA PAPER is entitled to put in repair eventual damages on expenses of a supplier in case the supplier does not repair the damage in adequate time itself.
4. In case any sanction comes into effect from the side of KRPA PAPER customer with provable damage of a supplier, the supplier is obliged to affranchise KRPA PAPER from the customer's claims and to cover all related expenses.
5. When delivery is not fault-free, KRPA PAPER is entitled to withhold adequate part or the whole purchase amount until the reclamation is settled. The purchase amount withhold cannot be considered as delay in payment.

6. Responsibility to provide an input check is understood to be complete when faults are announced to the supplier within 2 months from the date of delivery. In case of hidden faults, KRPA PAPER will notice the fault within the warranty period.

VII. Confidentiality

1. Contracting parties are obliged for indefinite time keep information gathered during business relationship keep confidential. The supplier must commit all eventual subcontractors.
2. KRPA PAPER considers all the information contained within the purchase contract, as well as any other information that may be given to the supplier in connection with the contract, to be confidential. It may not be revealed to any third party nor may it be used in a way that conflicts with its original purpose. This applies even if the purchase contract has not been concluded.

VIII. Third Party Rights and Product Branding

1. Supplier guarantees that the goods is in no way subject to claim by any third party.
2. Supplier is responsible that goods partly or fully comply with industrial rights of third parties.
3. Supplier is required to inform KRPA PAPER on using any own and/or third party industrial rights, patents and protected brands in delivered goods. Licence must enable to export goods to all exporting countries of KRPA PAPER.
4. Both parties make a commitment that they will inform each other on possible risks or violation of third party rights and will cooperate on elimination of claims.
5. Procedures and solutions, that are an intellectual property of KRPA PAPER, may be used only for production goods for KRPA PAPER. Supplier may not apply for a patent or invention on any solution, that is an intellectual property of KRPA PAPER and has been handed out in documentation or emerged during an order of KRPA PAPER.
6. In case a supplier was awarded by industrial rights in contrary to above mentioned paragraphs, is obliged the rights transfer free of charge and without any delay to KRPA PAPER and compensate KRPA PAPER incurred losses.

IX. Certification and audits

1. The supplier provides the customer with the maximum possible information support in the field of certification. Proof of validity and eligibility is performed by providing copies of the relevant certificates to the customer.
2. The supplier is obliged to immediately inform the customer about a change of any facts decisive for the existing certifications, especially in case of loss of a certificate and other important facts.
3. Supplier is obliged to adhere to the applicable law forced in fields of food manufacturing practice, cleanliness, prevention of undesirable migration, ethics, employee rights, labour safety, health protection, environment protection and continuous effort to decrease negative impact of the activity upon society and environment.
4. By prior agreement, the supplier must allow a customer audit of the production premises, where the product supplied to the customer is manufactured, in order to assess the level of aspects listed in paragraph 3.

X. General

1. Contractual relations are governed by Czech law. Competence of court is general court of KRPA PAPER.
2. KRPA PAPER reserves a right to change this GPC without a notice.

XI. Validity

1. This GPC is valid since 1 June 2021 ad infinitum.