

**General Business Terms and Conditions
for Deliveries of Paper and Paper Products for Export Market**

**KRPA PAPER, a.s., ID 275 37 820, Nádražní 266, 543 71 Hostinné, Czech Republic
(hereinafter only as "Seller")**

effective from 1st March 2014 for an indefinite period of time

I. Scope and Effects

1. The General Business Terms and Conditions ("GBTC") apply to all deliveries of goods and services transacted between the Seller and the Buyer (hereinafter only as "Buyer"). For the purpose hereof the goods and the subject of work shall be collectively referred to as "goods".
2. Any Buyer's terms and conditions that deviate from, are contrary to or amend the GBTC, whether fully or partly, are not binding on the Seller, even if the Seller does not object them or if the Buyer manifests its will to receive supplies in accordance with such terms and conditions.
3. Should any particular provision hereof become ineffective, the obligation arisen from the contract concluded on the basis hereof shall remain unaffected.

II. Delivery Terms and Other Arrangements

1. The quantity of goods is indicated in delivery notes or in a release note. Where the goods are delivered by weight, a deviation is permitted from the contracted weight within the tolerance + - 7%. As a rule the invoices shall be issued for actually delivered quantity, except for goods delivered in an ideal weight.
2. The agreed place of performance shall be the Seller's registered seat.
3. Unless otherwise agreed, the Seller shall deliver the goods within 180 days from the conclusion of a contract.
4. Unless otherwise agreed, the goods shall be considered delivered upon being handed to the first carrier for transportation to the Buyer. Any loss caused by damage or loss of the shipment shall be born by the carrier. The damages shall be claimed against the carrier by the Buyer.
5. The Seller shall send along with the goods a delivery note or other documents related to the goods.
6. If the Buyer fails to collect the goods in a proper and timely manner or is late in giving transport instructions, when the transport is arranged by the Buyer, the goods shall be stored at the Seller. The Seller may charge the Buyer for the goods in storage the storage fee in the amount of CZK 500/t for each commenced week of delay in collecting the goods.
7. If the Buyer is in delay in collecting the goods or payment of the purchase price which should be done upon acceptance of the goods and such delay continues longer than 30 days, the Seller shall be entitled to sell the goods in an appropriate manner, even without a previous notice.
8. The Seller is entitled to employ subcontractors.
9. The Seller is entitled to perform prior to the agreed date of performance; partial deliveries are permitted as well.
10. The Seller reserves the title to the goods, i.e. the goods shall become the Buyer's property after the Buyer has paid the price for it in full.
11. The goods shall be packed in accordance with the applicable standards or in a manner normal for the respective types of goods, unless otherwise agreed in the contract. If the goods are dispatched on pallets, the cost of pallets shall be included in the price for goods. The information on pallets indicated in invoices and delivery notes are for the records-keeping purpose only.
12. All samples handed to the Buyer shall be considered independent exhibits the quantity, size and properties of which are reserved and not intended for resale.
13. If the goods are supplied in several individually invoiced deliveries, the Seller may withdraw from the contract in the event of the Buyer's delay in payment of any of the deliveries.
14. The Buyer may withdraw from the contract subject to payment of the compensation in the amount of 20% of the value of the goods, unless the goods are custom made and normally not kept in stock, in which case the notice of withdrawal must be delivered prior to the Buyer accepts any part of such delivery under the terminated contract.

III. Price and Payment Terms

1. The price shall be computed according to the Supplier's pricelist effective for the relevant period, unless otherwise stipulated in a separate contract. A value added tax shall be added to the price.
2. Unless otherwise stated, the prices are ex works, without package fees, customs, freight costs and expenditures etc.
3. Payment means crediting the Seller's bank account with the respective amount.
4. After the goods are delivered, the Seller shall issue an invoice. Unless otherwise agreed, invoices shall be payable within 14 days after the issue date of an invoice. If the agreed quantity of goods is delivered in more shipments, each shipment shall be invoiced separately.

5. In case of any delay in payment the Buyer shall pay a contractual penalty to the Seller in the amount of 0.1% of any amount due for each day of such delay. The Seller shall also be entitled to a statutory default interest and a compensation for damage arisen by a breach of his obligation.

6. If the Buyer is in delay in payment, the Seller shall be entitled to retain the goods that have not been delivered so far from all contracts with the Buyer, which measure shall neither constitute a breach on the Buyer's part nor the Buyer's right to withdraw from such contract.

IV. Liability for Defects

1. The Buyer shall report all patent defects without undue delay after he could have detected them providing that he performs an inspection in a timely manner and with the exercise of professional care, however, no later than within 15 days from the day of takeover of the goods. The Buyer shall report all latent defects without undue delay after he could have detected them with the exercise of appropriate care, however, no later than within 6 months from the day of takeover of the goods.
2. The goods must be stored in accordance with the terms and conditions set forth in the relevant technical sheets for each type of goods, otherwise to the conditions normal for the respective type of goods.
3. Claims are exercised in writing, including the identification of delivery, defects of goods and the Buyer's requirements.
4. The Seller shall respond to the claim within 15 days after the receipt of the claim report.
5. In case of a defective performance the following is stipulated for the Buyer by way of derogation from the provisions of CivC:
 - any occurrence of repairable defect or repairable defects shall be under all circumstances considered a minor breach of the Contract and not a material breach,
 - in case of a minor breach of the Contract the Buyer shall be entitled to request at own discretion removal of the defect, delivery of faultless goods and/or a reasonable discount on the purchase price,
 - in case of a material breach of the contract the Buyer shall be entitled to a discount on the purchase price or to withdraw from the Contract.
6. If the Seller disagrees with the claim, the Buyer shall prove the defects in quality in the Seller's presence.
7. The Contracting Parties hereby explicitly exclude the application of the provisions of Section 2108 of the Civil Code.
8. If the Seller causes by a defective product any demonstrable damage to the Buyer, the Seller and the Buyer have hereby agreed on the limitation of the Seller's liability which shall not exceed 15% of the value of the goods delivered within the particular delivery which caused the defect.

V. Final provisions

1. The Buyer shall not assign without the Seller's approval his claims against the Seller arisen from the Purchase Contract onto any third party.
2. The Seller reserves the right to reasonably change these GBTC during the validity and effectiveness of the framework purchase contract, even without stating any reasons. The Seller

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shall inform the Buyer of any change of GBTC by a written notice sent to the Buyer’s email and/or mailing address without undue delay, however, no later than within 30 calendar days from the effects of such change. Should the Buyer disagree with the proposed version of these present General Business Terms and Conditions, he shall be entitled to terminate the framework purchase contract upon a one calendar month notice which shall start after delivery of the notice of termination to the Seller.

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For the Seller

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For the Buyer