

General Business Terms and Conditions

KRPA KRPA, a.s., Business ID: 275 37 820
with registered office Nádražní 266, Post
Code 543 71 Hostinné
incorporated in the Trade Register kept by
the Regional Court in Hradec Králové,
Section B, Insert 2767
(hereinafter only as the “Seller”)

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

effective from 1st January 2013 for an
indefinite period of time

I. Scope and Effect

1. In accordance with the Commercial Code we present you the General Business Terms and Conditions for Deliveries of Paper and Paper Products which form an integral part of purchase contracts. The General Business Terms and Conditions (“GBTC”) apply to all deliveries of goods and services transacted between the Seller and the Buyer.
2. Any 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. Conclusion of a Purchase Contract

1. A purchase contract is concluded between the parties based on a Buyer’s purchase order accepted by the Seller.
2. A Buyer’s purchase order is not binding on the Seller, unless the Seller has explicitly accepted it in writing.

III. Delivery

1. The quantity of delivery 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 place of business.
3. The Seller shall exercise its best efforts to deliver the goods within the preferred time of

delivery stipulated in the purchase order. The Seller shall deliver the goods within 180 days after delivery of the Buyer’s purchase order to the Seller, unless the goods can be produced earlier.

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 deliver freight instructions or provide for the shipment by the agreed time, 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 lapsed from the agreed time of acceptance of goods.

7. The Seller is entitled to employ subcontractors.

8. The Seller is entitled to perform prior to the agreed date of performance; partial deliveries are permitted as well.

9. The goods become a Buyer’s property after the Buyer has paid the price for it in full.

10. The goods shall be packed in accordance with the applicable standards or in a manner normal for the respective types of products, 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.

11. The quality of goods must conform to the relevant references for individual types of goods, unless otherwise agreed. 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.

IV. Price and Payment Terms

1. The price shall be computed according to the Seller’s pricelist effective for the relevant period, unless otherwise stipulated in a separate purchase contract. A value added tax shall be added to the price.

General Business Terms and Conditions

- 2. Unless otherwise stated, the prices are ex works, without package fees, freight costs and expenditures.
- 3. Payment means crediting the Seller’s bank account with the respective amount.
- 4. 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’s right to a contractual penalty is in addition to its right to claim a statutory default interest, or damages. If the agreed quantity of goods is delivered in more shipments, each shipment shall be invoiced separately.

V. Liability for Defects

- 1. The goods delivered are covered under the warranty pursuant to the applicable provisions of the Act No. 513/1991 Coll., the Commercial Code, as amended.
- 2. The Buyer shall inspect the shipment upon the collection thereof at the Seller’s warehouse, providing that the transportation was the Buyer’s responsibility, or upon the collection of goods from a carrier, providing that the goods have been shipped by the Seller. Any defects found during the inspection by the Buyer must be reported to the Seller in a written claim no later than within 15 days after the acceptance of goods. Should the defects be not reported within the above mentioned time limit, the Buyer’s right to claim the defects shall expire. The defects must be proved by the Buyer.
- 3. The goods must be stored in accordance with the terms and conditions set forth in the relevant technical sheets attached each type of paper produced.
- 4. Claims are exercised in writing, stating the delivery identification, defects, and Buyer’s requirements.
- 5. The Seller shall respond to the claim within 15 days after the receipt of the claim report.
- 6. If the goods are defective, the Seller may at own discretion either repair the goods or provide a faultless replacement. The Buyer may be granted a discount only providing that the defective goods cannot be repaired or replaced or such repair or replacement is unacceptable for the Seller or the Buyer.
- 7. If the Seller disagrees with the claim, the Buyer shall prove the defects in quality in the Seller’s presence.
- 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 for properly proven and substantiated loss events which shall not exceed 15% of the value of the goods delivered within the particular delivery which caused the defect.

VI. Final Provisions

- 1. Both the Seller and the Buyer are entitled to withdraw from an individual contract for the causes stipulated in the Commercial Code. 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. The Buyer may withdraw from the contract subject to payment of the compensation in the amount of 20% of the value of the ordered goods, unless the goods are custom made and normally nor 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.
- 2. In the absence of an individual purchase contract the present GBTC along with the confirmed purchase order shall constitute a contract between the parties. An individual valid purchase contract shall prevail over the GBTC.

.....
For the Seller

.....
For the Buyer