

## GENERAL CONDITIONS OF SALE of company RADEČE PAPIR NOVA, d.o.o. - 2020

### *General*

#### **1. Art.**

The sale of the Seller's products shall be governed by the present General Conditions of Sale. These General Conditions of Sale are deemed to have been accepted without any reservations by the Purchaser. Furthermore, application of the present General Conditions of Sale shall be given priority over the Purchaser's general conditions on all matters.

The Seller reserves the right to update the content of the present General Conditions of Sale.

#### **2. Art.**

The subject matter of General Conditions of Sale is placing orders, manufacturing and delivery of paper, of the manufacturer's and Seller's (hereafter: Seller) standard sales program as well as other non- standard paper and paperboard grades (hereafter: products) that the manufacturer can offer as to his available technology. Standard program comprises products listed in price lists and other commercial documents.

#### **3. Art.**

These General Conditions of Sale apply entirely to sale and payment of all products defined in Article 1, unless otherwise stated in sales contracts between Seller and Purchaser or in confirmation of individual orders.

### *Deliveries*

#### **4. Art.**

For the confirmed orders the Seller guarantees to the Purchaser the agreed delivery terms for the whole standard programme. Delivery terms for standard product grades are shorter, considering the production programme plan and dates; they can be immediate for products in stock, or longer for non-standard product orders.

It is required from the Purchaser to place his orders in writing and in time (untill 25th of the month for next month) in view to the production programme plan, and to collect them in the confirmed delivery terms.

#### **5. Art.**

The Purchaser is obliged to take over ordered products no later than 60 days from the delivery date which is defined in the order confirmation. After the expiration of 45 days from the

delivery date, the Seller can remind the Purchaser to take over the ordered goods and of the rights/possibilities listed below, which the Seller has after the deadline for taking over the ordered goods.

After the expiration of the of the period mentioned in previous paragraph, the Seller can, in case if the Purchaser has still not taken over the products, on its own discretion:

- deliver products to the Purchaser at the Purchaser's expense only on the basis of the prior notice of delivery, which must be announced to the Purchaser at least one (1) working day before delivery, or
- offer and sell products to another potential purchaser without any liability to the Purchaser out of this, whereby the Seller shall regarding such sale of the products to another purchaser only inform Purchaser, or
- due to the further storage of the goods, charge the Purchaser with appropriate amount for the storage of the goods or with amount for storage which follows from the order confirmation.

If the Seller decides for the option from the first or third indent of the previous paragraph, he will after the expiry of the deadline for taking over ordered products from the first paragraph of this article issue an invoice for the ordered goods with the price as it was confirmed in the order confirmation.

### *Ordering*

## **6. Art.**

Every order notification should contain the following data:

- paper grade and quality including brand names listed in the Sellers' sales programme (price list)
- basis weight (grammage per m<sup>2</sup>)
- sheet size or reel width in cm and mm in case of sheets fiber direction with a sign SB or BB must be indicated
- pallet height and weight, if special with an order for product in reel the inner diameter of the core and the outer diameter of reel are obligatory
- paper quantity in tons, kilograms or number of sheets
- type of packaging if different from standard one
- technical specification of the product in case of special order
- delivery term, stating date or the week number of the year
- delivery destination, with the exact address (street, house number, place)
- way of dispatching and transport
- agreed price
- agreed payment terms

If the customer does not give all the required data in his order and a misunderstanding in delivery should arise, he cannot make any objection or claim to the delivery.

## **7. Art.**

In case the Seller agrees with the Purchaser's specification, he confirms the order in writing within max. 10 working days.

In case of written confirmation, the contract is valid, if the Purchaser does not object to it; moreover, he can verify the confirmation and return it to the Seller.

If the Purchaser changes some order elements after the order has already been confirmed, and the changes are accepted by the Seller, so this order is dealt with as a new order.

In case the costs at the Seller's have already occurred, the Purchaser is charged for them.

### **8. Art.**

If paper delivery has been agreed on the basis of special order and sample, the delivery of the products is regarded as corresponding to the sample, if average quality does not differ to a greater extent from the confirmed sample. The same is valid, if different technical and technological products characteristics from standard ones were agreed in writing.

### **9. Art.**

Minimum order quantities for standard products in standard sheet sizes are:

- 1 pallet in case of order from stock at the Seller's;
- 20.000 kg per position of the same basis weight, sheet size and fiber direction or reel dimension for an order to be included in the production programme;
- 20.000 kg or »full truck« per delivery destination, if a free delivery was agreed;
- 100.000 kg for non-standard paper orders.

### **10. Art.**

Weight tolerances between the weight ordered and the weight supplied for one position (one grade, basis weight, sheet size, fiber direction or reel dimension) can be as follows for standard dimensions:

- quantity ordered less than 3.000 kg: + - 8 %;
- quantity ordered more than 3.000 kg to 5.000 kg: + - 7%;
- quantity ordered more than 5.000 kg to 10.000 kg: + - 5 %;
- quantity ordered more than 10.000 kg to 100.000 kg: + - 4 %;
- quantity ordered more than 100.000 kg: + - 2,5 %.

Weight tolerances for standard products in special dimensions are:

- quantity ordered less than 3.000 kg: + - 20 %;
- quantity ordered more than 3.000 kg to 5.000 kg: + -15 %;
- quantity ordered more than 5.000 kg to 10.000 kg: + - 10 %;
- quantity ordered more than 10.000 kg to 20.000 kg: + - 8 %;
- quantity ordered more than 20.000 kg: + - 4 %.

Variations for non-standard products can be also different but they have to be agreed upon between the Seller and the Purchaser.

For orders based on a counted number of sheets, the following variations are allowed:

- 3 % for quantities below 1.000 kg or 5.000 sheets
- 2 % for quantities more than 1.000 kg or more than 5.000 sheets

If, on customer's demand, the variation is allowed only upwards or downwards respectively, then the tolerance value is doubled, which is valid also for all colored papers and paper boards as well as for special orders.

Basis weight tolerance can be +/- 4 %. At least 95 % of the quantity ordered has to be within upper tolerance limits. Higher tolerance with 5 % of the products does not give the customer the right to claim, if the quality in fact serves its purpose and if the total weight does not exceed the theoretical weight in tolerance by +/- 4 %.

### **11. Art.**

With flat sheets inner packaging is included into the net weight of paper, and outer packaging is deducted as tare weight. However, the theoretical weight of the product is invoiced.

With papers in reels the whole reel is calculated as net weight, including packaging, core and possible edges.

Standard packaging is included in the product price, whereas special packaging is a matter of agreement regarding the way of packaging as well as price.

### **12. Art.**

The dimensions of products delivered must not exceed the ordered ones:

- Untrimmed sheet size by +/- 0.4 % or max. +/- 3 mm respectively;
- Trimmed sheet size by +/- 0.2 % or max. +/- 2mm respectively;
- A4/A3 diagonal max difference +/- 0,75 mm (EN 20216).

Allowed rectangular variations of sheet size are:

- untrimmed sheet size by 0.6 %, with a minimum of 4 mm, calculated on the actual sheet dimensions;
- trimmed sheet size by 0.3 %, with a minimum of 2 mm, calculated on the actual sheet dimensions.

Allowed width tolerances for products in reels are:

- below 400 mm by +/- 2 mm;
- 400 mm to 1600 mm by +/- 3 mm.

In cases where the diameter of the reels is specified in the order, the following tolerances are valid for papers:

- if maximum and minimum values are not specified: - 4 cm and + 2 cm;
- if minimum diameter is specified: + 4 cm;
- if maximum diameter is specified: - 8 cm.

Allowed tolerances for paperboards are:

- if maximum and minimum values are not specified: +/- 6 cm;

- if minimum diameter is specified: +12 cm;
- if maximum diameter is specified: - 12 cm.

At least 95 % of the delivered paper quantity have to be within tolerance limits, 5 % can be out of tolerance limits, this being valid only upwards, which entitles the Purchaser to claim the invoice.

### **13. Art.**

The quality, characteristics and dimensions of the products must meet the inner regulations of the manufacturer, i.e. the Seller, in accordance with the acquired quality management system.

As for special paper grades quality and other requirements have to be specially agreed upon in writing between the two parties.

#### *Transfer of risks*

### **14. Art.**

EXW (ex works) is valid as place of fulfillment unless otherwise agreed by the Seller and the Purchaser in a yearly contract or for a specific individual order. Any trade terms that have been agreed pursuant to the International Chamber of Commerce INCOTERMS, shall be ruled by INCOTERMS 2010 edition.

#### *Claims*

### **15. Art.**

The Purchaser has to check immediately the quantity of products delivered and any damages and/or visual defects and to make a written record of this these findings together with the carrier. The record is to be sent to the Seller immediately or at the latest within 7 days from the date of arrival of products.

### **16. Art.**

It is the right and the duty of the Purchaser to claim quality variations or hidden defects that could not be revealed at the arrival of products:

- immediately or at the latest within 5 days from arrival of products in case quality or quantity differ from the agreed specifications;
- before use or at the latest within 10 days from arrival of products, when he notices variations in weight, color, cleanliness, coating or in other quality parameters found out by means of;
- sample analysis or during processing at the latest within 6 months of arrival of products in case of hidden defects that were detected during processing.

Observation of a defect in only one part of the delivery does not justify the claim of the whole delivery, and it does not release the Purchaser from settling the invoice for the products in the agreed payment term.

In case a claim is justified the Seller has to take back the claimed quantity at his own expense. The Purchaser has to take necessary measures that the products are in suitable condition in original or equivalent packaging.

### **17. Art.**

Every transport unit of the product (pallet, reel) has its identification data in a visible place. The Purchaser has to include the identification data, the delivery note number and the invoice number of the delivery in question into the claim which is to be in writing.

It is also obligatory to enclose a sample (sheet) of the product claimed, to thoroughly describe the defect and to explain the circumstances of the occurrence and the reason for the claim.

On the day when the above conditions have been fulfilled the claim is regarded as open. The Purchaser is justified to a claim only if he manipulates products according to our storing instructions.

In case the Seller has not been informed of possible defective material and the Purchaser goes on with processing, the Purchaser takes full responsibility for the manufactured end products and all used materials.

### **18. Art.**

Concrete, mutual and / or general sales and payment conditions that can change with time are part of contracts of purchase and sale and of the current Seller's offer.

#### *Penalties*

### **19. Art.**

Should the payment of the invoices be delayed beyond their due date and after a formal reminder has been sent to the Purchaser by the Seller, the Purchaser shall pay the Seller a penalty corresponding to 15% of the total amount in debt (apart from the payment of the principal amount of the debt and the interest for delayed payment referred to above).

#### *Retention of Title*

### **20. Art.**

The products shall remain the property of the Seller until the Purchaser has paid the price in full.

## **21. Art.**

The products sold shall remain Seller's property until all claims arising out of our business relationship with Purchaser have been satisfied. If the products have been processed or finished by Purchaser, our retention of title shall extend to the new finished product.

If the products have been processed, combined or mixed by Purchaser with products of others, we acquire joint title pro rata, to that part of the products that represents the invoiced value of our products in relation to the total value of the other products which have been processed, combined or mixed.

In the event products are combined or mixed with main products of Purchaser or of any third party, Purchaser hereby assigns its rights to Seller with regard to the new product. If Purchaser combines or mixes our products with main products of a third party for compensation, Purchaser hereby assigns to us its right to compensation from such third party.

## **22. Art.**

Purchaser may, in the ordinary course of its business, resell any products which are subject to Seller's retention of title. If, upon such resale, Purchaser does not receive the full purchase price in advance or upon delivery of such products, it shall agree with its customer retention of title in accordance with these conditions. The Purchaser hereby assigns to Seller all its claims arising from such resale and its rights arising from the said agreement for retention of title. When required by us, the Purchaser shall advise its customer of such assignment of rights and provide Seller with the information and documents necessary to enforce our rights. Notwithstanding the foregoing, Purchaser shall only be entitled to collect payments from claims from such resale to any third party as long as Purchaser properly satisfies its liabilities to Seller.

## **23. Art.**

In the event that the security interests granted to Seller exceed the value of our claims, Seller shall, when requested, be obliged to release security interests which he deems appropriate.

*Force Majeure*

## **24. Art.**

Conditions of Force Majeure shall relieve Seller from our delivery obligations. If there is a material change in the conditions that exist at the time this contract is concluded, we are entitled to withdraw from the contract without consequences. The same rights shall apply to interruptions in our supplies of energy or raw materials or industrial disputes, governmental decrees, breakdowns of transport or of our operations or if our suppliers fail for the foregoing reasons to deliver at all, or fail to deliver in a proper or timely manner.

*Limitation of Liability*

## 25. Art.

Seller can only be held liable for indemnification, for whatever legal grounds, in case of intentional misconduct or gross negligence on his part, or on the part of his legal representatives or on the part of those employed by the Seller in the performance of Seller's obligations. The aforementioned limitation of liability shall not apply when the products supplied by Seller to the Purchaser do not comply with the specific representation of quality made Seller us and such representation was intended to protect the Purchaser against any resulting damages.

Further, the foregoing limitation of liability shall not apply to mandatory liability. In case of slight negligence Seller's liability shall be limited to the invoiced value of the products in question.

### *Statements of Account*

## 26. Art.

Purchaser shall verify the correctness and completeness of statements of account, especially balance confirmations, as well as notes and settlements of accounts. Objections to statements of account shall be in writing and shall be sent within one month of receipt of the subject's statement. Any other objections shall be made without delay. Failure to make timely objections constitutes approval. In cases of legitimate legal objections, the Purchaser's statutory rights are unaffected by expiration of this term.

### *Disputes*

## 27. Art.

All disputes arising out of or related to this contract or the breach thereof shall be first tried to be settled by conciliation administered by the Permanent Court of Arbitration attached to the Chamber of Commerce and Industry of Slovenia under its Rules of Conciliation.

If the conciliation has not been successful (or: if the dispute has not been settled by conciliation (in accordance to the said Rules) within 60 days), such dispute shall be finally resolved by a sole arbitrator or by a panel of three arbitrators in accordance with the Rules of Arbitration of the same Court. The language to be used in the arbitral proceedings shall be Slovene.

### *Place of Jurisdiction*

## 28. Art.

If a dispute cannot be settled by mutual agreement or by arbitration, the place of jurisdiction shall be Seller's commercial domicile. If Seller institute legal proceedings against Purchaser, he has an option to also institute legal proceedings at the Purchaser's place of jurisdiction.



*Applicable Law*

**29. Art.**

The contract and the legal relationship with the Purchaser shall be governed by Slovene law by excluding the rules of conflict of laws..

*Severability*

**30. Art.**

Should any of these conditions be deemed wholly or partly invalid, this has no effect on the validity of the remaining conditions.

*Validity*

**31. Art.**

The general Conditions of Sale are valid from 9.11.2020 and until a possible change for all the deliveries carried out after the above date.

Radeče, November 2020

**RADEČE PAPIR NOVA, d.o.o.**  
directors

mag. Leopold Povše

Tomaž Režun