

1. Payment terms

- Against Irrevocable Letter of Credit at sight net confirmed by a first class Bank situated in the Netherlands.
 - Open account, depends on Credit Insurance.
- Delivery time: After receipt of workable Letter of Credit, as usual.

2. Delivery terms

According to new Incoterms 2000.

3. General Trade Rules

Adopted by the Finnish, Norwegian and Swedish paper makers' associations on April 4th 1929. Agreed upon by the Swedish Transmarine Export Union and the Norwegian Oversea Exporters's Assin.

§ 1. Subject to the express provisions in writing of the contract every contract is entered into on the basis of the present General Trade Rules. If in the buyer's contract, order, letters, etc., stipulations, printed or written, exist which do not agree with these General Trade Rules, such stipulations to be deemed null unless otherwise expressly agreed upon in writing.

§ 2. All orders and contracts are entered into on the understanding that the goods sold as well as the raw materials necessary for the same, which according to the seller's working programme are to be manufactured at the seller's own work, also should be manufactured there. The seller is therefore under no obligation, in order to fulfil the contract, to procure the goods sold or the above mentioned raw materials from other sources in order to effect delivery. If the seller is not the manufacturer the words "the seller's own works" in the present rules shall mean the works with which the order has been placed by the seller.

§ 3. Time of shipment - and/or delivery - is to be understood relating to port of shipment and with reservations against delay of the scheduled shipping opportunity. Where a date or time for delivery is qualified by the words "about" or "approximately" or similar expression, it shall mean that either party is allowed a margin of a fortnight either way, anyhow with reservation against delay of the scheduled shipping opportunity. If not otherwise agreed upon, the expression "successive delivery" shall mean that the delivery in question shall be effected in about equal lots per month during the stipulated time of delivery.

§ 4. Should the buyer fail to take such steps as he has to take in accordance with the terms of the contract or the present trade rules, in order to get the goods made or/and delivered to him, then the seller shall give 14 day's notice to the buyer to registered letter or telegram requiring him to do so, and if the buyer shall fail to take such steps within that period of 12 days, the seller may

in order to fix damages sell on the buyer's account either the goods in respect of which the buyer shall have made default or the buyer's rights according to the contract in addition to either of which the seller's right to cancel the contract, is reserved. In effecting the sale aforesaid the seller shall be under the obligation to endeavour to obtain the best price obtainable. This obligation shall be deemed fulfilled, if the sale be made by public auction in conformity with the law of the seller's country, but in the event of such sale by auction the seller shall give to the buyer's 14 day's notice of the date and place of auction by registered letter of telegram.

§ 5. When goods are sold CIF (Cost, Insurance and Freight), the insurance shall cover the amount of the invoice only, unless the buyer within reasonable time before shipment shall have requested the seller to insure for a larger amount, in which latter case the premium on the excess shall be account of the buyer.

§ 6. In the event of the mill in which the goods are to be manufactured or any pulp mill which supply of pulp for the manufacture was based upon being destroyed fire or any other cause beyond the seller's control, this contract shall be null and void for the quantities effected thereby. In the event of temporary total interruption through force majeure, the seller has the right to suspend deliveries for a period equivalent to the time the regular working of the mill is, for the reason, hindered or interrupted - the rights of the parties to cancel according to the stipulations in § 7 below always reserved.

In case of temporary total interruption through force majeure the seller shall have the right to postpone a proportionate part of the contract for a period corresponding to such partial stoppage, always without prejudice to the rights hereinafter conferred by § 7.

"Force majeure" shall mean all circumstances beyond the seller's control, such a strike, lockout, shortage of labour, power or water, flood, ice, fire, war, civil disturbances or any other circumstances preventing or hindering the manufacture or delivery by regular means of the goods, or the supply by regular means of pulp, or restrictions, or hindrances in obtaining machinery or supplies of coal, saltcake or any other paper- and/or board making material. Provided always that the onus shall be on the seller to establish as a condition of relief under this paragraph and that the interruption or other cause was of such a nature that it could not have been avoided or overcome by means reasonably within the contemplation of a manufacturer in the ordinary course of business.

The seller shall within reasonable time give the buyer written notice of the cause and commencement of such interruption and likewise of its termination.

§ 7. If delivery of the ordered goods or part of the same from reasons referred to in paragraph 6 has been delayed more than 30 days after stipulated date of delivery, the buyer shall have the option of cancelling the quantity thus delayed.

If the duration of the interruption has exceeded thirty days, the seller shall also have the option of cancelling the contract, thus:

a) in orders for a number of successive deliveries, whether these deliveries are fixed in the con-

tract or not, for each month a quantity equal to that month's delivery;

b) in cases where an order for delivery in one consignment at a stipulated time has been given, the whole of the order if the stipulated time for delivery shall fall within the period of interruption and this interruption has lasted more than one after that time;

c) of other orders for one single consignment may be cancelled a total quantity corresponding to the loss of production, not already covered by cancellations under sections a) – b) above, the older orders always being cancelled before the later ones.

§ 8. If the costs of production and/or delivery are materially increased from reasons of a social or economical character, for instance outbreak of war, civil disturbances, social upheavals etc., the seller is entitled to cancel unless the buyer agrees to pay extra costs incurred in the manufacture and transportation.

§ 9. If an order is to be executed by successive deliveries, each delivery shall – except as far as the stipulations of § 10 are concerned – be treated as a separate contract, and differences of disputes about one delivery shall not affect the balance of the contract.

Disputes of any kind do not entitle the buyer to withhold payment for goods delivered. He may however at his option deposit the invoice amount with a bank of acknowledged standing in the seller's country until the dispute has been settled.

§ 10. Notwithstanding the stipulations of paragraph 9 above the seller may at his option withhold or refuse to make further deliveries if the buyer:

a) shall have omitted to make payment to the seller on due date according to contract and shall thereafter have continued in such default for a period of 7 days after receipt of notice by registered letter or telegram from the seller, requiring him to make such payment within such period of 7 days and intimating that in default of such payment further deliveries will be withheld;

b) become insolvent;

c) has suspended payments;

d) has gone into bankruptcy or compulsory liquidation or receivership;

e) is in such a financial position that it may reasonably be assumed that he will not be able to fulfil his obligations.

§ 11. Faults or irregularities in the goods which can be judged from invoice or out-turn sheets shall be claimed in writing within 7 days after receipt of same. Other faults or irregularities to be claimed in writing as soon as the faults or the irregularities have been observed but not later than:

- For sheets- eight weeks and;
- For reels – three months after arrival of the goods in the importing country.

The words “importing country” for the purpose of this paragraph shall be deemed to mean the country of ultimate import and not the country of primary import or transshipment in those cases where the seller previous to delivery has received by bale marks, invoice marks, instructions or other indications emanating from or on behalf of the buyer, reasonable notice that the goods are intended for export or transshipment overseas.

The following rules are to be observed when such a claim is going to be made:

a) 50 – fifty - % of the goods to be intact and available for inspection and/or for drawing samples when necessary.

b) Samples to be drawn out of at least 10% of the number of bales or reels then available. In case of samples being drawn from bales, it must be stated on each sample from which place in the bale and the ream (top-middle-bottom) they have been taken resp. from which part of the reel the sample has been taken.

c) Samples to be drawn within reasonable time by persons agreed upon between the buyer and the seller, or, if such an agreement cannot be made, by a person appointed through an official authority, preferable through the consul of the seller’s country. The samples must be sealed and sent the seller’s country for arbitration, together with a report showing that samples have been drawn according to the rules. A consignment of reams or reels shall not be judged by separate sheets or pieces drawn buy the buyer and any deviation from the stipulations of the contract apparent in sheets or pieces so drawn shall not give the buyer the right to reject the consignment.

§ 12. Any Duties, tolls, or other public charges imposed by any country into which goods are to be imported shall be borne by the buyer and any such charges imposed by the exporting country shall be borne by the seller. Legal prohibitions subsequent to the conclusion of the contract as the import of the goods in the importing country entitle the buyer to cancel except as the goods which are due for delivery not more than two months from the said event and which have already been made or are in the course of manufacture.

The seller shall if required furnish to the buyer impartial and clear proof regarding the time of manufacture.

§ 13. Making orders, i.e. orders for paper and boards which are not kept in stock, are considered correctly executed when the quantity delivered against each separate item of the order does not exceed or fall below the quantity ordered by more than a margin either way of:

- 15 % for quantities of less than 1 ton;
- 10 % for quantities of one ton or more and not exceeding 5 tons;
- 10 % for quantities of above 5 tons and not exceeding 10 tons for coloured papers;
- 7,5 % for quantities of above 5 tons and not exceeding 10 tons for other than coloured papers;
- 5 % for quantities of above 10 tons and not exceeding 50 tons;
- 3 % for quantities of above 50 tons in reels and in sheets in one substance;

Mill's original weight to be valid. For delivery as per above the payment shall be made on the actual quantity.

§ 14. Paper and boards are to be considered as correctly delivered:

a) when the weight per square meter does not exceed or fall below the weight ordered by more than:

For paper:

- 8 % under 40 grammes;
- 4 % from including 40 up to 240 grammes;
- 8 % from including 240 grammes and higher.

For board (machine made boards and cylinder boards):

- 8 % from including 150 up to 250 grammes;
- 10 % from including 250 grammes and higher.

Note 1. If the buyer stipulates a maximum or a minimum weight, the seller is entitled to double the deviation – below or above respectively – as per above.

Note 2. Test of sample to determine the correct basis weight or grammes per square meter of paper or boards to be made under an atmospheric relative moisture of 65 %.

Note 3. The weight per unit is to be fixed by weighing in the case of reels, pieces of one square meter, and in the case of sheets, whole sheets.

b) and when the sizes of sheets or width of reels, not to be delivered with clean-cut edges, do not deviate more than 1/2 % from the dimensions ordered with a maximum deviation of 1/2 % centimeter or 3/16 English inch;

c) and when the paper or boards supplied are a fair commercial match taken as a total.

Note 4. A deviation in strength of 10 % is allowed.

Note 5. Mill's original weight to be valid.

Note 6. A consignment of reams or reels of paper or boards shall not be judged by separate sheets or pieces but shall be judged considered as whole.

§ 15. For paper in sheets the actual weight to be paid for but in no case for more than the ordered weight.

For paper in reels the actual weight always to be paid for.

For boards the actual weight to be paid for.

The actual weight of paper in sheets is the net weight of the paper plus the weight of ream wrappers. The actual weight of paper in reels is the net weight of the paper plus the weight of the reel wrappers, reel centres, plugs and strings. The actual weight of boards is the net weight plus the weight of inside wrappers and strings.

§ 16. Unless otherwise agreed upon between the seller and the buyer, all disputes or differences shall be settled finally by arbitration in the seller's country. Such arbitration to take place in The Netherlands in conformity with the rules of the arbitration court of The Netherlands Central Chamber of Commerce.

These General Trade rules, established for unconverted paper and board, are also fully applicable for all types of converted paper, board, foil, transparent material, laminations and the like, both unprinted and printed, with the understanding that cancellation of an order by buyer shall not be possible if the goods, or as far as the goods, have been cut to size or otherwise wholly or partly manufactured or printed as per buyer's instructions. If cancellation of an order is accepted by seller, all expenses already incurred, such as cutting to size and other initial costs, including costs for drawings, printersproofs, blocks, dies, cutting formes and the like, shall be for buyer's account. Deviations in sizes, within reasonable limits, deviations in colour, character, surface of the material, deviations in colour of printing-ink shall not give buyer the right to reject the consignment. All disputes or differences shall be settled finally by arbitration in the seller's country, in conformity with the Dutch legislation on arbitration.