



## **General Conditions of Sale (GCS) of the Cham Paper Group and its subsidiaries**

### **1. Scope of application**

Subject to alternative agreements between the contracting parties, these General Conditions of Sale (hereinafter “GCS”) apply for all current and future contractual relationships pertaining to the Cham Paper Group (hereinafter “CPG”). General terms and conditions of parties contracting with CPG (hereinafter “purchaser”) will only form an element of the contract with the express written agreement of CPG.

### **2. Offers and formation of contract**

- 2.1 All offers on the part of CPG are subject to change without notice. Offers, supplementary agreements and other declarations by CPG are required in writing for validity.
- 2.2 Contractual relations between the purchaser and CPG will only first be effected through written notice of acceptance by CPG and are based on these GCS in all cases. Acknowledgement of receipt of an order will not amount to any notice of acceptance.

### **3. Delivery**

- 3.1 In the absence of alternative agreement, deliveries are EXW seller’s premises in accordance with Incoterms 2000. Place of delivery is the respective CPG manufacturing or packaging plant.
- 3.2 Delivery periods and dates are only binding following express commensurate confirmation by CPG. Delivery periods commence on the date of order confirmation or, in the event of a commensurate framework agreement, upon confirmation of the goods call-off. Part deliveries are permitted.
- 3.3 Should CPG fail to comply with an agreed delivery period for reasons occasioned by it, the purchaser will be entitled to withdraw from the contract upon expiry of an additionally applied period of not less than ten (10) days.
- 3.4 Should delivery be prevented or delayed for reasons not occasioned by CPG (for example, force majeure, stoppages, lack of raw materials, lack of transportation, strike), the delivery date will be extended for the duration of the hindrance in question. In the case of impossibility or unreasonableness of delivery, CPG will be released from its delivery obligation. Claims in damages for delayed performance or possible claims due to delayed performance or non-performance

may only be asserted in the case of wrongful intention or gross negligence on the part of CPG and will be limited to the value of the purchase price.

- 3.5 Should the purchaser default in acceptance for a period of more than two (2) weeks, CPS will be entitled to withdraw from the contract or delivery in question and, where the purchaser fails to provide evidence that it is not responsible for the circumstances of the default, may also require compensation. The purchaser will bear the costs of storage for the period of default in acceptance in all cases.

#### **4. Price**

- 4.1 Prices and delivery conditions remain subject to change up to the time of delivery. Pricing is based on product-specific criteria and units.
- 4.2 In the absence of special agreement, prices are free carrier (EXW seller's premises Incoterms).
- 4.3 For rolls of all types (paper, card, etc.) and cut-size paper delivered in packages or on pallets, the effective gross weight in consideration of permissible tolerances according to Section 9.2 et seq. below, including standard packaging materials (package wrapping, steel strapping, covers, bung closures etc., without pallets) is definitive for determination of price. As regards delivery units of paper in specific numbers of sheets, the commensurate theoretical nominal weight (calculated paper density x area of order) applies.
- 4.4 Each contracting party is responsible for any imposed taxes, customs duties and levies as per EXW seller's premises Incoterms and is obliged to effect declarations to the official authorities.

#### **5. Terms of payment**

- 5.1 Thirty (30) days net as of invoice date, subject to alternative agreement according to order acknowledgement. Any costs of payment will be borne by the purchaser. In the event of default in payment, default interest of 5% will be imposed and, irrespective of the agreed delivery date, CPG will be entitled to suspend all future deliveries until payment has been received and/or may withdraw from supply contracts by means of commensurate written communication.
- 5.2 Offsetting by the purchaser or retention of payments in relation to disputed goods is not permitted.

#### **6. Passage of risk**

- 6.1 Risk passes to the purchaser:

- a) Upon loading onto the means of transport designated by the purchaser or CPG at CPG's works;
- b) Upon duly and properly communicated availability at CPG's storage facility, whereby the purchaser is to collect the goods from CPG;
- c) Upon default in acceptance by the purchaser.

## **7. Inspection obligations**

- 7.1 Upon delivery, the purchaser is to check the goods for conformance with the order acknowledgement. Discernible defects are to be notified to CPG within five (5) working days of delivery, otherwise rights regarding defects will expire.
- 7.2 Hidden defects are to be notified within five (5) working days of discovery by the purchaser, whereby notification of the defect is to include a sample of the disputed goods.
- 7.3 Where notification of defect is not submitted in time, the goods will be deemed accepted in accordance with agreement.

## **8. Rights regarding defects**

- 8.1 Where justified notification of defects is effected promptly in relation to substantial defects, CPG is entitled to carry out supplementary performance; namely, it may remedy the fault or effect replacement delivery within a reasonable period and require return of the disputed material. Should supplementary performance be unreasonable, impossible or unsuitable, the purchaser may require an appropriate discount in respect of the purchase contract or may withdraw from the contract.
- 8.2 In addition, within the scope of statutory law, all claims for compensation including any reimbursement of expenses or consequential losses due to defects are precluded.
- 8.3 Use of the disputed goods as well as their return is subject to the express agreement of CPG.
- 8.4 All rights regarding defects are forfeited upon expiry of one (1) year from the date of delivery.

## **9. Tolerances**

- 9.1 Immaterial deviations in relation to the agreed strength, thickness, shade, smoothness, other technical specifications or the corrugations of the paper or card do not amount to defects and are to be accepted by the purchaser insofar as the goods fulfil the intended purpose stated in the order.

9.2 The following quantity tolerances apply:

Paper and graphic card in CPG standard qualities, density and sizes	
Order quantity	Tolerance
over 50 t	+/- 4%
20 to 50 t	+/- 6%
10 to 20 t	+/- 8%
5 to 10 t	+/- 10%
3 to 5 t	+/- 15%
less than 3 t	+/- 20%

Special productions and non-standard densities	
Order quantity	Tolerance
over 20 t	+/- 8%
10 to 20 t	+/- 10%
5 to 10 t	+/- 15%
less than 5 t	+/- 20%

9.3 A tolerance of 6% applies for densities of 49g/m<sup>2</sup> and less; a tolerance of +/- 5% applies for all other densities, whereby the average weight of the goods and not the weight of individual sheets or parts of rolls is definitive in all cases.

9.4 The sheet-count tolerance in relation to number of sheets is 5% per package unit.

9.5 The following dimensional tolerances apply (under normal moisture conditions):

Product	Tolerance
Guillotine-cut (gross size)	+/- 0.2%, mind. +/- 2.5 mm
Guillotine-cut, trimmed 4 sides (net size)	+/- 0.15%, mind. +/- 1.5 mm
Packing paper (gross size)	+/- 0.5%, mind. +/- 5 mm
Packing paper (net size)	+/- 0.3%, mind. +/- 2 mm

9.6 Where variations in only one direction are agreed as permissible, the stated quantity, density and dimensional tolerances will be doubled (with the exception of gross packing paper). As regards delivery of several types of product, the tolerances for each product type apply.

## 10. Packaging

The selling price includes the application of standard-format packaging, whereby in this context repackaging with a transportation and moisture protection function

(for example, repackaging with PE coated kraft paper) is deemed standard. A cardboard tube is used as a winding core. The costs of any special packaging required for transportation of goods will be borne by the customer.

## **11. Retention of title**

- 11.1 The supplied goods remain the property of CPG until such time as all accounts payable by the purchaser arising in respect of its entire business relations with CPG have been settled in full. In the event of default in payment or other conduct contrary to the contract on the part of the purchaser, upon first request the purchaser will isolate all goods subject to retention of title and place them at the disposal of CPG.
- 11.2 In the event that the supplied goods subject to retention of title have been processed, CPG will be entitled to co-ownership in the newly resulting item to a level of the material value of the goods pro rata to the other material values and/or to the processing value.
- 11.3 Insofar as not in default of payment, the purchaser is entitled to dispose of the supplied goods subject to retention of title within its ordinary course of business either prior to or following processing. The purchaser hereby wholly assigns to CPG receivables from its customers resulting from disposal of the goods, whereby the purchaser is required to notify CPG of such receivables. The supplied goods subject to retention of title may not be pledged or assigned as security by the purchaser.

## **12. General provisions**

Should parts of these terms of contract be or become inoperative or unworkable, the validity of all remaining provisions will remain without prejudice therefrom. Any such ineffective provisions will be replaced by effective or workable provisions of the closest possible economic equivalence.

- 12.1 All amendments, supplements or variations to these general terms of contract are required in writing.

## **13. Applicable law and legal venue**

- 13.1 All agreements between the contracting parties are exclusively subject to Swiss substantive law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 (CISG).
- 13.2 Exclusive legal venue is the ordinary courts in Zug, Switzerland. CPG is also entitled to legally pursue its claims against the purchaser in the latter's own domicile.