

SVILOCELL STANDARD TERMS OF SALE

1. Application of the Terms

The following Terms shall constitute an integral part of all agreements concluded with SVILOCELL on the delivery of bleached hardwood kraft pulp. Deviating stipulations, in particular such included in Standard Terms used by the customer, even if uncontested, shall only apply upon written consent hereto by SVILOCELL. The acceptance of an order by SVILOCELL shall under no circumstances be deemed acknowledgement of deviating stipulations.

Besides these Terms, the commonly accepted General Trade Rules for Wood Pulp from 1975 shall apply. Upon request by the customer SVILOCELL shall make available a copy of those Conditions and Rules.

2. Conclusion of Contract

A contract shall be deemed concluded final and binding only upon SVILOCELL issuing of a written order confirmation. Any information, advice or other particulars disclosed by SVILOCELL in the course of initiating a business relation shall only constitute a non-committal suggestion for the customers orientation, without any obligation on the side of SVILOCELL to enter into a particular contract. SVILOCELL only warrants for the accuracy of prices and technical data disclosed in formal and written offers.

If in the offers, order confirmations or other correspondence of SVILOCELL trade terms are used, the interpretation of same, except otherwise agreed upon, shall be made in accordance with the Incoterms 2010 in its prevailing version.

3. Delivery

Delivery terms are subject to the contract and are agreed by the order confirmation of SVILOCELL.

4. Date of Delivery, Delay

Notwithstanding an agreed delivery date, SVILOCELL may postpone delivery up to four weeks by written notice to the customer, the same not being entitled to raise claims of any kind whatsoever in respect to such postponement. In the event of a postponement of the delivery beyond the above term, with the exception that such postponement was not caused by grounds of force majeure, the customer may terminate the contract upon giving reasonable notice thereof.

Further claims of the customer due to late delivery, in particular, but not limited to, damages, shall be excluded in cases of negligence and otherwise be limited to the net value of the delivery delayed.

If the customer having terminated the contract wishes to enter into a hedge purchase on the contracted goods, the customer, otherwise waiving any and all claims in respect of the previously contracted goods, must allow SVILOCELL to submit an offer for such hedge purchase.

5. Force Majeure

In particular the following shall be considered as grounds of force majeure if they occur after the conclusion of the contract - or when they have occurred before that time, if their effects were not clearly foreseeable before the conclusion - and they prevent, hinder or delay the contractual obligations of SVILOCELL:

War; war risk; insurrection; blockade; requisition; embargo; recruiting up of personnel for military service; currency restrictions; export or import prohibitions or restrictions; restrictions in the use of power; labour conflicts; general shortage of labour, transport and materials; water shortage; fire; flood; storm; obstruction of railways; obstruction of navigation by ice or low water at port of dispatch or port of shipment; loss or detention at sea; non-delivery, faulty or delayed delivery by our suppliers of raw material or other commodities for production; any other circumstances beyond the control of SVILOCELL.

In the event of a case of force majeure SVILOCELL may, at its option, either suspend performance under the contract or immediately or at a later stage cancel the contract. The customer may not raise claims of any kind whatsoever against SVILOCELL on the grounds of such suspension or cancellation of the contract. SVILOCELL shall without delay notify the customer of the occurrence of a case of force majeure and of its further action in respect to the contract.

6. Prices, Costs

All prices shall exclude VAT. The price is a subject of contract and is agreed by the order confirmation. All duties, fees, taxes, freight- and insurance costs related to the delivery and the transport of the goods shall be contracted by the order confirmation.

Should there, after the conclusion of the contract, occur a substantial increase of the relevant price-determinants, as for instance of the price for raw materials and auxiliary commodities, wages and other social costs, costs of energy, taxes and likewise expenses, SVILOCELL shall be entitled to adjust the prices accordingly for such deliveries.

7. Payments, Retention of Title

Payment terms are subject to contract and are agreed by the order confirmation.

In the event payment has been agreed by documentary letter of credit, beside the terms of the order confirmation the ICC Uniform Customs and Practice for Documentary Credits, Revision 2007, ICC-Publication No. 600, in the prevailing version shall apply.

In the event of delayed payment, without prejudice to further claims, SVILOCELL shall be entitled to charge interest in the amount of 10 points above the 3 months EURIBOR/LIBOR from the maturity date.

Same SVILOCELL shall be entitled to employ a debt collecting office and instruct counsel, the costs thereof being borne by the customer.

Should the customer be put under adjudication or any other insolvency proceedings, SVILOCELL may call all its claims immediately due and in addition cancel all contracts not or not fully completed either in parts or entirely.

Goods delivered shall remain the free property of SVILOCELL until full

settlement of the respective claims of SVILOCELL. The customer shall be entitled to resell the goods, treated or untreated or as part of other goods, within its regular course of business, but may not pledge or otherwise offer the goods as a security. The customer, however, as a security now and therewith transfers to SVILOCELL any and all claims and security rights which he may or may have obtained towards his buyers and shall disclose this assignment in his accounts. SVILOCELL accepts this assignment. If the customer is selling the goods on credit basis he shall secure the rights of SVILOCELL in appropriate way. In the case of delayed payment the customer upon the demand of SVILOCELL shall disclose to SVILOCELL his buyers, whereas SVILOCELL shall be entitled to notify the assignment to said buyers. If the delivered goods are processed or otherwise combined with goods not being property of SVILOCELL, the property rights of SVILOCELL shall comprise the processed or combined goods proportional to the invoicing value of the delivered goods in relation to the value of the processed respectively combined goods.

Unless otherwise agreed, the customer may neither withhold payments on grounds of warranties or any claims whatsoever, nor request a retainer or compensate such claims with debts towards SVILOCELL.

8. Warranties

Warranty shall be given by SVILOCELL for a period of thirty days.

It shall be the responsibility of the customer to check the goods immediately upon delivery and to notify SVILOCELL of any defects in respect to quality/ or quantity, which the customer discovered or which may reasonably be discovered; such notification must comprise a detailed description of the defects. The Customer may neither process nor otherwise dispose of the goods reported defective unless he has received written permission from SVILOCELL to do so. Defects which could not have been reasonably discovered at delivery must be notified to SVILOCELL immediately upon discovery, but no later than by the end of the term of warranty, observing the above principles of notification. A violation of the above duties on checking of the goods and notifying of defects shall exonerate SVILOCELL from any warranty in respect to those defects which were discoverable and notifiable if such violation had not occurred.

The warranty from SVILOCELL shall be limited to the improvement of defective goods or the delivery of missing goods. The customer shall not be entitled to rescind the contract or request a price reduction.

SVILOCELL does not warrant for the compliance of the goods with particular requirements of the customer or of his buyers unless such requirements were explicitly stated and confirmed by SVILOCELL in additional agreement/correspondence. SVILOCELL limits its liability only for the parameter values declared in the company specification of the manufactured product, which can be downloaded from the official website of Svilosa AD (www.svilosa.bg). Damages to persons, equipment and other property (in particular, but not limited to, damages caused by interruption of production) shall be excluded, if caused by negligence, and otherwise be limited to the net value of the delivered goods. SVILOCELL shall not be liable for damages in cases where it is relieved from warranty.

The limitation of warranties shall apply for goods as well as for packing.

Unless otherwise agreed, SVILOCELL shall not be liable for any damages caused by negligence. In addition claims for damages shall be limited to the net value of the delivered goods.

9. Product Liability

Damages to property, caused by a defective product, which the customer suffers as a merchant, shall be excluded. Indemnities in respect to a defective product may not be requested in cases of negligence. The customer, otherwise being liable for any damages, shall be obliged to agree to this exoneration accordingly with his customers.

The limitation of our product liability shall apply on goods as well as on packing.

10. Place of Delivery, Applicable Law, Arbitration

Any and all present and future obligations related to contracts with the customer shall be fulfilled at the place of business of SVILOCELL in Bulgaria, where all court proceedings shall be instituted.

All contracts with the customer, including all claims arising in connection herewith, shall exclusively be governed by, and construed in accordance with, Bulgarian Law.

All disputes arising in connection with the present and future contracts with the customer shall be referred to the Bulgarian Chamber of Commerce and Industry Sofia. The arbitration shall be conducted in English.

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SVILOSA
Pulp in harmony with nature