

GENERAL SUPPLY CONDITIONS FOR EMBALLATOR ULRICEHAMNS BLECK AB

1. APPLICABILITY

1.1 These General Supply Conditions shall apply on all agreements between Emballator Ulricehamns Bleck AB ("Emballator") and another party ("Purchaser") when the parties agree in writing or otherwise thereto. When the General Conditions apply to a specific contract, modifications of or deviations from them must be agreed in writing.

1.2 The object(s) to be supplied under these General Conditions is (are) hereinafter referred to as the Product. Wherever these General Conditions use the term in writing, this shall mean by document signed by the parties, or by letter, fax, electronic mail and by such other means as are agreed by the parties.

2. DELIVERY. PASSING OF RISK

2.1 Any agreed trade term shall be construed in accordance with the INCOTERMS 2010. If no trade term is specifically agreed, the delivery of the Product shall be Ex Works.

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2.2 If the Supplier, in case of delivery Ex Works, at the request of the Purchaser, undertakes to send the Product to its destination, the risk will pass when the Product is handed over to the first carrier. Partial shipments shall be permitted unless otherwise agreed.

3. TIME FOR DELIVERY. DELAY

3.1 If the parties, instead of specifying the date for delivery, have specified a period of time on the expiry of which delivery shall take place, such period shall start to run as soon as the contract is entered into, all official formalities have been completed, payments due at the formation of the contract have been made, any agreed securities have been given and any other preconditions have been fulfilled.

3.2 If delay in delivery is caused by any of the circumstances mentioned in Clause 13 or by an act or omission on the part of the Purchaser, the time for delivery shall be extended by a period which is reasonable having regard to all the circumstances in the case. This provision applies regardless of whether the reason for the delay occurs before or after the agreed time of delivery.

3.3 If Emballator does not deliver the Product within the agreed time of delivery and this is due to a circumstance for which Emballator is responsible, the Purchaser is, provided that the delay is of material importance to the Purchaser, entitled to liquidated damages from the date on which delivery should have taken place. The liquidated damages shall be payable at a rate of 0.5 per cent of the purchase price for each completed week of delay. The liquidated damages shall not exceed 7.5 per cent of the agreed purchase price.

If only a part of the Product is delayed, the liquidated damages shall be calculated on that part of the purchase price which is attributable to such part of the Product as cannot as a consequence of the delay be used as intended by the parties.

3.4 The liquidated damages become due at the Purchaser's demand in writing but not before delivery has been completed or the contract is terminated under Clause 3.8.

3.5 The Purchaser shall forfeit its right to liquidated damages if he has not lodged a claim in writing for such damages within one (1) months after the time when delivery should have taken place.

3.6 If the Purchaser anticipates that he will be unable to accept delivery of the Products at the delivery time or if delay on behalf of the Purchaser is to be expected, he shall forthwith notify Emballator in writing thereof, stating the reason and, if possible, the time when he will be able to accept delivery. The Purchaser shall nevertheless pay for the Products. Emballator shall arrange for storage of the Products at the risk and expense of the Purchaser.

3.7 Emballator may by notice in writing require the Purchaser to accept delivery within a final reasonable period. If the Purchaser fails to accept delivery within such period of time, Emballator may by notice in writing to the Purchaser terminate the contract in whole or in part and shall be entitled to compensation from the Purchaser for the loss Emballator has suffered by reason of the Purchaser's fault.

3.8 If the delay in delivery is such that the Purchaser is entitled to maximum liquidated damages under Clause 3.3 and the Product is still not delivered, the Purchaser may in writing demand delivery within a final reasonable period which shall not be less than one (1) week. If Emballator does not deliver within such final period of time and this is not due to any circumstance for which the Purchaser is responsible, the Purchaser may by notice in writing to Emballator terminate the contract in respect of such part of the Product as cannot in consequence of Emballator's failure to deliver be used as intended by the parties.

If the Purchaser terminates the contract, the Purchaser shall be entitled to compensation for the loss he has suffered as a result of Emballator's delay. The aggregate compensation, including the liquidated damages which are payable under Clause 3.3, shall not exceed 30 per cent of that part of the agreed purchase price which is attributable to the part of the Product in respect of which the contract is terminated.

The Purchaser shall also have the right to terminate the contract by notice in writing to Emballator, if it is clear from the circumstances that there will occur a delay in delivery which, under Clause 3.3 would entitle the Purchaser to maximum liquidated damages. In case of termination on this ground, the Purchaser shall be entitled to maximum liquidated damages and compensation under the second paragraph of this Clause 3.8.

3.9 Liquidated damages under Clause 3.3 and termination of the contract with limited compensation under Clause 3.8 are the only remedies available to the Purchaser in case of delay on the part of Emballator. All other claims against Emballator based on such delay shall be excluded, except where Emballator has been guilty of gross negligence.

4. PRICE AND PAYMENT

4.1 Unless otherwise agreed, the price for the Product is set forth in Emballator's applicable prices at the time of entering into the contract. Pallets and pallet collars shall be invoiced separately in accordance with Emballator's at any time applicable prices.

4.2 Notwithstanding the provision in Clause 4.1, Emballator shall at all time be entitled to adjust the prices due to any increases in Emballator's purchase cost for steel or as a result of material increases of Emballator's manufacturing costs for the Product. The adjustment of the price shall then correspond to the relevant cost increase.

4.3 Unless otherwise agreed, payment shall be made by the Purchaser thirty (30) calendar days at the latest after the date of delivery according to agreed INCOTERM.

4.4 Interest on overdue payments shall be paid in accordance with the Interest Act (SFS 1975:635).

5. RETENTION OF TITLE

5.1 The Product shall remain the property of Emballator until paid for in full to the extent that such retention of title is valid under applicable law. The retention of title shall not affect the passing of risk under Clause 2.

6. SPECIFICATION

6.1 It is the responsibility of Emballator that the Products are manufactured in accordance with the requirements set forth in Emballator's technical specifications unless the parties have agreed otherwise (the "Specification"). Emballator is entitled to, without prior notification to the Purchaser, adjust the Specification to a marginal extent provided that the Product's capacity and its quality for usage are not affected.

6.2 It is solely the responsibility of the Purchaser that the Product's quality and characteristics as set forth in the Specification is suitable for the Purchaser's intended use of the Product. For instance, the Purchaser is obligated to make sure that the Product is adjusted to the content that the Purchaser intends to fill the Product with as well as to transport, storage and handling of the Product with the content added by the Purchaser to the Product.

6.3 Emballator may upon request assist the Purchaser with certain advice and guidance in respect of the usage of the Product as well as regarding the different types of Products which in general according to the experience of Emballator may be appropriate for certain contents. However, such advises and guidance does not relieve the Purchaser from a full and own liability for the Products' suitability for intended use.

7. SPECIFIC PROVISION IN RESPECT OF CUSTOMIZED PRODUCTS

7.1 Customized Product" shall mean a product that is manufactured in accordance with the Purchaser's specification and that is not a part of Emballator's standard line of products. The Purchaser shall, well in advance before making its request of delivery of the Customized product, provide Emballator with any and all necessary documentation for such Customized product in accordance with at any time by Emballator notified instructions as to this.

7.2 Emballator provides printing of plates (printed plates) only when the Purchaser has approved a test print on paper and when the parties have entered into a first supply agreement regarding the Customized product in question. The Purchaser's approval of a test print shall be made through a signature by the Purchaser on the paper print of the décor or look which the Purchaser has obtained from Emballator and which shall be resent to Emballator.

7.3 Emballator undertakes to, free of charge, store customized Printed Plates or completed Customized products during the following twelve months after the Purchaser's suggested date of delivery as set forth in the Purchaser's order. After the expiry of such twelve months period the Purchaser is obligated to compensate Emballator with SEK 450 (or, when sale is made in EUR, €45), excluding values added tax, per Customized type of product and month that Emballator stores a customized Printed Plate or complete Customized product classifiable to such Customized type of product.

If Emballator, twentyfour (24) months after the Purchaser's suggested date of delivery as set forth in the Purchaser's order call of, still holds Customized Printed Plates or completed Customized products in storage, Emballator shall be entitled to destroy the Printed Plates and/or the Customized products and invoice the Purchaser an amount that, in respect of Printed Plates corresponds to 60 per cent, and, in respect of Customized products, corresponds to 100 per cent, of the sales price of the products. However, the Purchaser may request that Emballator instead of destroying the Printed Plates and/or the Customized products shall deliver these to the Purchaser at the Purchaser's expense. Such request shall be made in writing no later than the 20th in the month following the month when the mentioned period of twenty four month expires.

8. LIABILITY FOR DEFECTS

8.1 Pursuant to the provisions of this Clause 8, Emballator is liable for defects or nonconformities (hereinafter referred to as "Defects") resulting from a Product's deviation from the Specification more than to a minor extent. If a Product is Defective and this is not caused by the Purchaser or on any circumstance on part of the Purchaser, Emballator shall in its own discretion remedy the Defect or deliver a new Product as a replacement for a defective Product.

8.2 Emballator's liability is limited to Defects which appears within a period of one (1) year from delivery.

8.3 The Purchaser shall without undue delay after the Purchaser detected or should have detected the Defect notify Emballator in writing about the Defect. Such notification shall under no circumstance be given later than two (2) weeks after the expiry of the time period set forth in Clause 8.2. The notice shall contain a description of the Defect. If the Purchaser fails to notify Emballator in writing about the Defect within the period given in this Clause 8.3 he forfeits his right to claim the Defect. Where the Defect is such that it may cause damage, the Purchaser shall immediately inform Emballator in writing. The Purchaser shall bear the risk of damage resulting from his failure so to notify.

8.4 On receipt of the notice under Clause 8.3 Emballator shall remedy the Defect or deliver a new Product within reasonable time, which shall be at least fourteen (14) days, after the Purchaser's notification of the Defect.

8.5 If Emballator does not remedy the Defect or deliver a new Product within the time period given in Clause 8.4, the Purchaser may terminate the contract by notice in writing to Emballator provided that the Defect is of material importance to the Purchaser. If the Purchaser terminates the contract pursuant to this Clause, the Purchaser is then entitled to compensation for the loss he has suffered as a result of the Defect up to a maximum of the agreed purchase price for the defective product.

8.6 If the Purchaser has given such notice as mentioned in Clause 8.3 and no Defect is found for which Emballator is liable, Emballator shall be entitled to compensation for the costs Emballator has incurred as a result of the notice.

8.7 The Purchaser shall bear any additional costs which Emballator incurs for remedy of Defects or delivery of a new Product as a result of the Product being located in a place other than the place of delivery.

8.8 Emballator is not liable for Defects arising out of materials provided, or design stipulated or specified by the Purchaser.

8.9 Emballator is liable only for Defects which appear under proper use of the Product. Emballator's liability does not cover Defects which are caused by faulty maintenance, incorrect erection or use, or by alterations carried out without Emballator's written consent. Finally Emballator's liability does not cover normal wear and tear or deterioration.

8.10 Save as stipulated in this Clause 8, Emballator shall not be liable for Defects or for any omission to remedy a Defect or to deliver a new Product. This applies to any loss the Defect may cause including loss of production, loss of profit and other indirect loss. This limitation of Emballator's liability shall not apply if Emballator has been guilty of gross negligence.

9. LIABILITY FOR DAMAGE CAUSED BY THE PRODUCT

9.1 Emballator shall not be liable for any damage to property caused by the Product after it has been delivered and whilst it is in the possession of the Purchaser. Nor shall Emballator be liable for any damage to products manufactured by the Purchaser, or to products of which the Purchaser's products form a part.

If Emballator incurs liability towards any third party for such damage to property as described in the preceding paragraph, the Purchaser shall indemnify, defend and hold Emballator harmless.

9.2 If a claim for damage to person or for damage to property caused by the Product is lodged by a third party against one of the parties, the latter party shall forthwith inform the other party thereof in writing.

10. DEFECTS CAUSED BY TRANSPORT

10.1 Where Emballator is responsible for the transport of the Product, the Purchaser shall promptly upon delivery of the Product carry out an inspection in order to determine defects caused by the transport, if any. The Purchaser shall, if there is reason to anticipate that depreciation or damage to the Product has occurred during transport, forthwith notify the freight forwarder and Emballator thereof. If the Purchaser fails to carry out the obligations set forth above in this paragraph, he forfeits his right to lodge a claim to Emballator due to damage caused by transport.

11. SUBCONTRACTORS

11.1 Emballator is entitled to engage subcontractors for the performance of its obligations pursuant to the contract.

12. LABELLING

12.1 Emballator is entitled to label each Product with its company name, its product trade mark, number of articles, information of patent protection or protection of designs as well as any and all necessary instructions of usage and warnings..

13. FORCE MAJEURE

13.1 The parties are relieved from liability for a failure to perform any of their obligations due to a circumstance ("Grounds of Relief") which impedes, significantly aggravates or delays any obligation to be fulfilled under this contract. As Grounds of Relief shall inter alia be considered: acts or omission of authorities, new or changed legislation, shortage of goods, conflict on the labour market, blockade, fire, flood, or major accidents as well as defects or delay related to deliveries from Emballator's sub-contractors caused by such circumstances as referred to in this paragraph 13.1.

13.2 A party who claims relief according to the provisions above must notify the other party thereof without delay.

13.3 Notwithstanding the provisions above either party is entitled to terminate the contract if the performance of a certain obligation is delayed for more than six (6) months.

14. ANTICIPATED NON-PERFORMANCE

14.1 Notwithstanding other provisions in these General Conditions regarding breach of contract, each party shall be entitled to suspend the performance of his obligations under the contract, where it is clear from the circumstances that the other party will not be able to perform his obligations. A party suspending his performance of the contract shall forthwith notify the other party thereof in writing.

15. LIMITATION OF LIABILITY

15.1 Save as otherwise stated in these General Conditions there shall be no liability for Emballator towards the Purchaser for loss of production, loss of profit, loss of use, loss of contracts or for any other consequential or indirect loss whatsoever suffered by the Purchaser.

15.2 Emballator's aggregate liability towards the Purchaser according to the contract, including but not limited to Emballator's liability pursuant to Clause 3 (delay) and 8 (defects), is limited to the price for the Product(s) which is covered by the contract.

16. DISPUTES AND APPLICABLE LAW

16.1 Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration administered by the Arbitration Institute of the Stockholm Chamber of Commerce (the "SCC").

16.2 The Rules for Expedited Arbitrations shall apply, unless the SCC in its discretion determines, taking into account the complexity of the case, the amount in dispute and other circumstances, that the Arbitration Rules shall apply. In the latter case, the SCC shall also decide whether the Arbitral Tribunal shall be composed of one or three arbitrators.

16.3 The seat of arbitration shall be Ulricehamn.

16.4 The contract shall be governed by the substantive law of Sweden.