3. QUANTITY: TOLERANCES

An order for paper or paperboard outside the normal stock range of the seller shall be deemed to have been fulfilled in accordance with the contract if the seller delivers the goods that do not deviate from the contract quantity by more than the tolerances stipulated below. Where a delivery comprises several lots as defined in clause 5 (a) each lot shall be considered separately.

A. For grammages up to and including 180 g/m² (with the exception stated in C below)

<table>
<thead>
<tr>
<th>Contracted quantity</th>
<th>Permitted deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 5 tons</td>
<td>± 0.5%</td>
</tr>
<tr>
<td>5 tons but under 10 tons</td>
<td>± 0.3%</td>
</tr>
<tr>
<td>10 tons but under 100 tons</td>
<td>± 0.2%</td>
</tr>
<tr>
<td>100 tons and over</td>
<td>± 0.1%</td>
</tr>
</tbody>
</table>

For coloured qualities a further deviation of ± 2.5% is permitted.

B. For grammages over 180 g/m² (with the exception stated in C below)

<table>
<thead>
<tr>
<th>Contracted quantity</th>
<th>Permitted deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 5 tons</td>
<td>± 1%</td>
</tr>
<tr>
<td>5 tons but under 15 tons</td>
<td>± 0.75%</td>
</tr>
<tr>
<td>15 tons and over</td>
<td>± 0.5%</td>
</tr>
</tbody>
</table>

For coloured qualities a further deviation of ± 2.5% is permitted.

C. For liner and flute regardless of grammage

<table>
<thead>
<tr>
<th>Contracted quantity</th>
<th>Permitted deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 10 tons</td>
<td>± 1%</td>
</tr>
<tr>
<td>10 tons but under 20 tons</td>
<td>± 0.75%</td>
</tr>
<tr>
<td>20 tons but under 50 tons</td>
<td>± 0.5%</td>
</tr>
<tr>
<td>50 tons but under 100 tons</td>
<td>± 0.25%</td>
</tr>
<tr>
<td>100 tons and over</td>
<td>± 0.1%</td>
</tr>
</tbody>
</table>

In respect of B and C, the stated deviations shall be doubled downwards and upwards respectively where the buyer has stipulated for a maximum or minimum weight without any margin for excess or shortage.

4. QUANTITY: CLAIMS

Claims arising from the seller delivering to the buyer a quantity of goods less or more than he contracted for must be notified by the buyer to the seller within seven (7) days of the buyer receiving any document stating or certifying the quantity of the goods delivered.

In the event of any shortage deemed to have occurred in transit, the buyer shall save the goods, in the interests of the two contracting parties, duly notify the carrier.

5. QUALITY: GRAMMAGE TOLERANCES

(a) Interpretation of terms

Delivery means the total amount of goods covered by one contract and delivered at one time.

Lot means one or more units of paper or paperboard of a single kind and of specified characteristics, made by one and the same mill and delivered at one time.

Unit means a reel, bale, pallet, parcel or other transportation package.

Grammage means the weight in grammes per square metre of a reel of paperboard or paper.

Ordered grammage means the grammage specified in the contract.

Actual grammage of a lot of paper or paperboard is the arithmetic mean of the grammage as determined by sampling and testing the lot according to SCAN-P 1:81 and SCAN-P 6.75 respectively or such other SCAN-P methods, as may be adopted in their place. For nespaper, mechanical printings, magazine paper, liner and fluting the actual grammage, however, shall refer to the paper content of these products at the time of manufacture.

Nominal weight for a delivery of sheets means the delivered number of sheets x their contracted area x the contracted grammage.

Tolerance with respect to grammage means the allowed difference between ordered and actual grammage expressed in per cent of ordered grammage.

(b) Stipulations

A lot of paper or paperboard will be considered delivered correctly with regard to grammage when

1. the actual grammage in relation to the ordered grammage stays within the tolerances given below in tables A and B for paper and paperboard respectively and
2. the test values for individual units in relation to the ordered grammage stay within the tolerances given below in the tables for one ton.

If a delivery comprises two or more lots, the actual grammage of each lot must be determined separately.

(c) Table A: Tolerances for different kinds of paper

<table>
<thead>
<tr>
<th>Weight of lots, tons</th>
<th>Printing and writing papers, 35–80 g/m²</th>
<th>Creped and coated papers</th>
<th>Other paper qualities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (minimum)</td>
<td>± 0.5</td>
<td>± 0.5</td>
<td>± 0.5</td>
</tr>
<tr>
<td>10</td>
<td>± 0.5</td>
<td>± 0.5</td>
<td>± 0.5</td>
</tr>
<tr>
<td>25</td>
<td>± 0.4</td>
<td>± 0.3</td>
<td>± 0.3</td>
</tr>
<tr>
<td>50</td>
<td>± 0.3</td>
<td>± 0.3</td>
<td>± 0.3</td>
</tr>
<tr>
<td>100</td>
<td>± 0.2</td>
<td>± 0.2</td>
<td>± 0.2</td>
</tr>
<tr>
<td>500</td>
<td>± 0.2</td>
<td>± 0.2</td>
<td>± 0.2</td>
</tr>
<tr>
<td>1,000</td>
<td>± 0.1</td>
<td>± 0.1</td>
<td>± 0.1</td>
</tr>
<tr>
<td>3,000</td>
<td>± 0.1</td>
<td>± 0.1</td>
<td>± 0.1</td>
</tr>
</tbody>
</table>

For lots of paper of intermediate magnitudes the tolerances are obtained by interpolation.
arbitrators for a faulty lot or part of a lot that is usable by the buyer for his normal business purposes despite the fault or defect. For such lots or parts of lots the arbitrators shall award a reduction of the contract price. The seller has, however, the option of claiming rejection of such faulty lot or part instead of a reduction of the price.

(f) If the arbitrators order samples to be taken, samples shall be taken and tested in accordance with officially recognized standardized procedures. The seller shall have the right to be represented at the sampling.

(g) If in the case of two or more successive deliveries of the same type of paper or paperboard, the arbitrators give the buyer the right to cancel the contract fully or in part or award a reduction by twenty per cent (20%) or more of the invoice price, the buyer shall have the right to cancel the contract in respect of undelivered quantities. If more than one type of paper or paperboard is covered by the contract, such right of cancellation shall apply to undelivered quantities of the type covered by the award.

8. DELAYED PAYMENT AND OWNERSHIP OF THE GOODS

(a) Failure by the buyer to pay for the goods within the time payment is due under the contract shall entitle the seller to receive interest on the sum outstanding at the rate of 5 per cent units above the bank rate or minimum lending rate of the country or generally applied in the country of the buyer from time to time while such payment remains outstanding.

(b) When the price is payable in a currency other than that of the seller's country, the seller is also entitled to compensation if the rate of exchange is less favourable to him on the day of delayed payment than it was on the date the payment was due.

(c) If the buyer is in default of payment and the delay is not attributable to errors by the transferring banks, the seller has the right to cancel the contract with effect fourteen (14) days after giving notice if the payment has still not been received. In case of default the contract and any instalment contracts such cancellation applies to the balance of the contract including or not including the seller so effects, the shipment for which the buyer is in default of payment.

(d) Delivered paper or paperboard shall—to the extent permitted by the law of the buyer's country—remain the property of the seller until the whole sum payable under the contract is paid. The ownership of the paper or paperboard includes the right to the goods as delivered or converted and the right to the receivables and the money which the buyer may have acquired from disposing of the goods or products made thereof. The amount received in payment must be kept on a separate account by the buyer.

(e) Should the buyer be in default in making a payment due under the contract, the seller shall have the right upon giving notice to the buyer in writing to withhold deliveries due to the buyer under the particular contract and under all other contracts made between them until such payment is received by the seller.

(f) Should the buyer or the seller become insolvent or go into liquidation or have a receiver appointed or otherwise be found to be in such a financial position that it may reasonably be assumed that he will not be able to perform his obligations, the other party shall have the right to cancel the contract if the first party has not within ten (10) days after given notice furnished a satisfactory guarantee for his fulfillment of the contract.

9. LIMITATION OF DAMAGES

(a) Failure to deliver a defective or defective delivery of a quantity less than the seller contracted to deliver, the seller accepts that the buyer rejects the goods delivered, or rejection is awarded by arbitrators, the seller shall without delay replace the defective goods or make good the short delivery, and the seller shall reimburse any additional expenses incurred by the buyer in connection with the replacement or credit that may not otherwise be liable to the buyer for compensation or damages of any kind whatsoever because of the defect or short delivery.

Where there is a defect of quality that does not result in rejection of the goods, the buyer shall pay the reduced value of the faulty goods and shall not be entitled to recover other compensation or damages. Should a lack in quantity be acceptable to the buyer or constitute no real reason for rejection, payment shall be made only for the exact quantity delivered.

Where the seller has given an express warranty regarding specific properties of the goods for a particular purpose for which the goods have been bought, this purpose having been made known to the seller by the buyer, the measure of damages for breach of warranty shall be those provided by subclause (b) of this clause.

(b) When either party is liable for damages to the other, these shall not exceed the loss, which the party in fault could reasonably have foreseen at the time of the conclusion of the contract or include consequential damages. Damages shall in no case exceed the invoiced value of the delivery concerned.

(c) If one party alleges a breach of contract by the other party, he must take all reasonable measures to mitigate the loss resulting from the breach, provided that and in so far as he can do so without unreasonable inconvenience or cost. If he fails to take such measures, the party in breach may claim a reduction in the damages.

10. GROUNDS OF DISCHARGE FROM LIABILITY (FORCE MAJEURE)

(a) The following shall be considered as grounds of discharge from liability 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 production in which the buyer (or if the buyer is a wholesale dealer his customer provided named in the contract) intends to use the goods or the buyer's acceptance of the goods or the seller's production or delivery by agreed means, viz.:

— war; war risk; insurrection: blockade; requisition; embargo; calling up of personnel for military service; currency restrictions; export or import prohibitions or restrictions; restriction of the use of labour or establishment of labour disputes; general shortage of labour, transport and materials; water shortage; fire; flood; storm; obstruction of railways; obstruction of navigation by ice at port of shipment; loss or detention at sea; non-delivery, faulty or delayed delivery by the seller's suppliers of raw material and other commodities for industrial production and any other circumstances beyond the control of the parties.

(b) The buyer or the seller, as the case may be, may suspend performance under this contract on the grounds of discharge from liability, neither party being responsible to the other for handling, storing and insuring the defective goods but shall take all necessary measures to mitigate the loss resulting from the fault of the party in fault.

(c) Should the buyer become insolvent or go into liquidation, the seller is also entitled to compensation if the rate of exchange due under the contract shall entitle the seller to receive interest on the sum outstanding at the rate of 5 per cent units above the bank rate or in the course of manufacture or in transit from the seller's mill costs, however, always be accepted by the buyer.

(d) In the event of suspension of performance for less than ten (10) consecutive days, deliveries shall be resumed as soon as practicable for the full contract quantity. When such suspension shall have continued for a period of ten (10) consecutive days or more, the delivery or deliveries omitted during the period of suspension can be cancelled without liability to either party, and subsequent deliveries shall be resumed thereafter according to contract.

(e) The party wishing to claim relief by reason of any of the said circumstances shall notify the other party in writing, by telex or by cable without delay on the occurrence of the intervention and on the cessation of the force majeure event. If the claim is not notified within ten (10) days after its receipt, the other party shall not be entitled to the claim notified.

11. INCREASED COSTS

Should there after the conclusion of the contract occur a substantial increase in the cost of the goods or of the transportation of the goods, the seller shall have the right to demand a renegotiation of the contract as well as in causes 3 to 12 as above in this clause, the claim will not be effective against the seller and the buyer will lose all right to compensation.

The buyer shall, irrespective of whether he has lodged or is going to lodge claims, pay the invoice when due. Final adjustment shall be made when agreement is reached or the decision of the arbitrators is given.

12. DELIVERIES

Each delivery under this contract shall be considered as a separate contract and default on one or more deliveries shall not invalidate the balance of the contract except as herein otherwise provided. The present clause does not, however, affect the applicability of the clause 11 above.

13. SPECIAL PROVISIONS

These General Trade Rules shall apply in their entirety unless otherwise expressly agreed upon in writing by the seller and the buyer.

14. ARBITRATION

All disputes arising in connection with the present contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules.

15. APPLICABLE LAW

All claims must be made in writing, by telex or by cable. Claims shall be made within thirty (30) days of the discharge of the goods at the place of destination except in clauses 4 and 7 above stated cases and claims for payment of the invoice. Non-approval of the invoice shall be made within ten (10) days of its receipt.

The buyer does not observe the provisions and time limits stipulated in clauses 4 and 7 as well as above in this clause, the claim will not be effective against the seller and the buyer will lose all right to compensation.

The buyer shall, irrespective of whether he has lodged or is going to lodge claims, pay the invoice when due. Final adjustment shall be made when agreement is reached or the decision of the arbitrators is given.

16. ARBITRATION

All disputes arising in connection with the present contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules.