

General Quality Agreement

General Quality Agreement

Provide from: Quality Department

Number:

BETWEEN

Plant
Duropack-Tespack d.o.o.
Cesta prvih borcev 51
SI-8280 Brestanica

AND

.....
Name and address from supplier

DUROPACK - TESPACK d.o.o.

Date: _____

Responsible person/Name and position
General Manager
Majda Androjna

(signature)

SUPPLIER

Date _____

Responsible person/Name and position

(signature)

valid from 01.01.2010 on

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In addition to our general purchasing conditions, the parties to this agreement would like to agree the following terms and conditions. The terms and conditions contained herein will not affect the validity of the general purchasing conditions.

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1 AIM OF THIS QUALITY AGREEMENT

The high standard of quality of DUROPACK products requires a correspondingly high standard of quality from our paper suppliers. The term “quality” in this sense does not merely refer to the quality of the product, it also refers to the quality of the processability of the raw paper, the observance of delivery deadlines and the quality of service. As far as DUROPACK is concerned, the level of quality of the paper suppliers is the most important factor in the choice of paper supplier.

This quality agreement governs the quality criteria that, in conjunction with our paper specifications, form the basis of our orders.

2 PERIOD OF VALIDITY

This quality agreement will remain valid until terminated in writing by one of the two parties to the Agreement or until it is replaced by a new version of the agreement.

3 QUALITY MANAGEMENT SYSTEM OF THE SUPPLIER

The supplier is obliged to introduce and maintain a quality assurance system that corresponds with the guidelines of the ISO 9001 series of norms. Furthermore, the supplier herewith agrees that DUROPACK will be entitled to carry out supplier audits after prior agreement with the supplier.

The supplier will also be responsible for the quality of all products and/or services obtained by him from sub-suppliers to the same extent as for his own products and services. This will apply in particular in the case of shipping.

The supplier will prepare trend records showing all relevant specific parameters every six months (May/November) and forward a copy of these records to the address / fax / mail:

Address: Duropack-Tespack d.o.o.
Alenka Jevšnik
Cesta prvih borcev 51
SI- 8280 Brestanica

Fax: +386 7 480 15 40

E-mail: alenka.jevsnik@duropack.si

4 ORDERS

The Duropack mark will be used as a clear order designation.

5 GENERAL REQUIREMENTS

The upper surface of the paper must be such that a sufficient level of adhesion is achieved with normal self-adhesive tape, dispersion, hot melt as well as with starch glue.

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Liner paper must be supplied with faultless peel strength, ply bond strength and crease strength durability.

Paper specifications have to meet EC Directive 94/62 (<100 ppm), EC Directive 2004/12 and the requirements of the regulation EC 1935/2004. Paper specifications: guarantee the EC Directive 94/62 (<100 ppm), EC Directive 2004/12 and the requirements of the regulation EC 1935/2004, EC 2023/2006, EC 282/2008, EC 1895/2005, EC 450/2009, EC 372/2007, EC 597/2008

As proof of the observance of all threshold limits that are set out in the legally applicable regulations, guidelines and specifications (e.g. Sony Technical Standard SS-00259), the supplier is obliged to make an chemical analysis every 24 months and to submit a certificate containing at least the 4 heavy metals (Pb, Cd, Hg, Cr6+) to the address defined in article 3.

The supplier herewith guarantees the right to inspect the process supervision data for product quality after prior agreement.

6 CONDITIONS AND EQUIPPING OF ROLLS

- Constant thickness, moisture and volume over entire working width.
- No contraction strain that leads to folds or creases or bad flatness.
- Not dish-shaped, i.e. no dents that do not lead to an adhesive connection with the wave crest.
- No foreign inclusions (sand, glass, tar, paraffin or similar).
- Proper adhesion points (max. 2 per roll) marked on the end.
- Resonant and even over the entire width of the roll, not out of round.
- Preferably no hooping insofar as sufficient adhesion of the final width will guarantee flawless handling.
- Roll edges flush and cleanly cut.
- Roll width ideal dimensions +/- 3 mm.
- Roll diameter maximum 145 cm (+30mm,-10mm); roll weight maximum 3000 kg.

The paper supplier should attempt to achieve an optimum utilisation of these parameters.

- Roll tube:
 - Tube external diameter 120.00 mm ± 1 mm
 - Tube internal diameter 100.50 mm ± 0.20 mm - 0.80 mm
 - Flat crush resistance min 13.5 kN/m in accordance with DIN 54530 part 9
 - End flush, if necessary tube end seal
 - Connection between paper and tube must be guaranteed.

7 MARKING AND IDENTIFICATION OF ROLLS (MINIMUM REQUIREMENTS)

- Roll label:
 - Manufacturer - factory identification
 - Paper type
 - Grammage in g/m²
 - Roll number
 - Roll width in cm
 - Roll weight in kg

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- Yardage (in metres)
- Machine direction arrow
- Customer name or symbol

• **End marking:**

- Manufacturer
- Paper type
- Grammage in g/m²
- Roll number
- Roll width in cm
- Machine direction arrow

These markings should preferably be printed as near as possible to the tube.

Due to the danger of damaging of the paper, no labels should be used as marking on the face side of the reel.

8 DELIVERIES

8.1 FORM OF DELIVERY: the following minimum details must be printed on the delivery documents:

- Order number / item number (also to be placed on the invoice)
- List of individual rolls stating roll numbers, type, gsm substance, roll width, roll weight, yardage (in metres) or square metres.
- Domestic: consignment note, delivery notice or invoice.
- Abroad: customs invoice, customs permit, consignment note, delivery notice or invoice, declaration of origin.

Information's of the delivery are the base for the quantitative acceptance of the goods.

8.2 INSPECTION CERTIFICATE / QUALITY CERTIFICATE / DECLARATION OF CONFORMITY

Important: has to be enclosed by each delivery together with goods

a.) **INSPECTION CERTIFICATE / QUALITY CERTIFICATE including:**

- Name of the supplier
- Information of the contract and the date of production (serial,etc.)
- Name of quality parameter and units
- Agreed values and measured values including min and max values
- Date of the measurement
- Name of responsible person and signature

OR

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b.) DECLARATION OF CONFORMITY with text

The supplier _____ declares that the quality of the consignment after delivery note No _____ Comply with a Quality Agreement No _____.

In case of Declaration of conformity, the supplier is responsible to send monthly statistical report for the deliveries made to Duropack-Tespack (latest on the 5th working day of the month for the previous month).

Inspection certificate, quality certificate or declaration of conformity are the basis for the quality acceptance of the goods.

8.3 QUATERLY INFORMATION:

The supplier has to send quarterly report on quantity of packaging materials in kg, separately for packaging paper, plastic, wood, metal (latest on the 10th working day of the month for the previous quarter). This data will be used for waste management quarterly reports of Duropack-Tespack.

8.4 COMMENTS:

For good run ability the tolerances of moisture, basis weight and TSO have to be kept as narrow as possible in both direction (CD and MD).

9 MEANS OF TRANSPORT

9.1 DELIVERY BY TRUCK

- Delivery of rolls standing (vertical), end must be protected from damage (underlay). In exceptional cases the delivery of rolls laid down (horizontal) can be agreed.
- The rolls must be secured and loaded so that no damage can occur during transport. When securing the rolls with straps, a layer of protective material must be placed between the strap and the top end of the roll to protect it from damage.
- Load area plan, no unevenness or protruding screws or nails.
- Protection from weather conditions via undamaged tarpaulins or covers, also from below.
- Side unloading with our unloading ramp (height 95 cm) must be guaranteed.
- DDP unloading ramp of the factory (unless otherwise contractually agreed).
- The supplier will be responsible for the observance of these conditions by the freight carrier, i.e. ensuring that the freight carrier is aware of these conditions.
- The freight carrier is responsible for each load reaching the delivery bay, the principal is responsible for the load once unloaded onto the unloading ramp.
- The throughways of the lorry must be at least 10 cm larger than the width of the roll.

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9.2 DELIVERY BY RAIL WAGON

- Wagons must be fully closed able in order to ensure protection from the weather.
- Rolls must be loaded and secured so that no damage can occur during transport.
- Delivery of rolls standing (vertical), end must be protected from damage (underlay). In exceptional cases the delivery of rolls laid down (horizontal) can be agreed.
- Unproblematic unloading must be guaranteed.
- Delivery by rail must be agreed separately.

10 ACCEPTANCES OF GOODS

Monday to Friday from 06:00 to 14:00
Trucks arriving at the latest at 13:00

Deliveries outside the aforementioned delivery times must be agreed separately. Notification of any deviations from the aforementioned delivery times must be submitted immediately in writing.

11 DEFECTIVE DELIVERIES

we reserve the right to complain in the event of:

- Deviations from this quality agreement
- Deviations from our specifications
- Problems in processing caused by the quality of the paper
- Latent defects.

In the event that it is established that the nominal average grammage has been exceeded, we reserve the right the corresponding deficit are to be placed on the invoice according to batch size.

All costs incurred (standstill, peel waste etc.) and/or consequential costs will be charged to the supplier on the basis of the provable amount. Rejected goods will be returned to the supplier after prior consultation.

The demarcation of defective goods will be determined in accordance with batch size (individual items on delivery notice).

Furthermore, a written report on the complaint and rejected goods, as well as on the steps introduced in order to prevent such problems in the future, must be submitted to Duropack within 5 working days of the receipt of the complaint.

The costs of machine standstills caused by paper defects due to a paper supplier will be calculated as follows:

1) Tear-off of paper web

- Time costs € 16, 67 / min (variable hourly rates)

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- Waste (only paper + adhesive) will be calculated individually in accordance with the type of corrugated cardboard being produced
- Processing costs € 100 per case of damages

2) All other quality defects

- Time costs € 16, 67 / min for standstills (variable hourly rates)
- Material costs (= paper + adhesive + manufacturing costs (machinery costs e.g. printing or die cutting) will be calculated individually in accordance with the type of corrugated cardboard being produced
- Sorting cost € 30 per hour and person
- Processing costs € 100 per case of damages
- Complaint costs will be deducted by Duropack after review with the paper suppliers, but at the latest after 10 working days, during the next transfer.

12 QUALITY REQUIREMENTS:

See the enclosure :