CARRIERS OBLIGATIONS
Paper

1. Means of Transport and Driving Staff

(a) The Carrier agrees to utilise only equipment and loading units that are technically and visually suitable for the transport. The trailer floor must be clean, dry and undamaged. The operational safety of the tractor units and/or engine vehicles used by the Carrier must be guaranteed at all times.

(b) All of the Carrier's legal equipment inspection certifications, licences and concessions that are necessary for the transport, must be valid and shall be submitted to UPM upon request.

(c) The utilised tractor units and/or engine vehicles must be equipped with low-pollution engines and comply with the latest European standard. The minimum engine specification is Euro 6. The Carrier will also actively reduce CO_2 emissions in conjunction with environmentally friendly fuels.

(d) The equipment must meet the requirements for the transport of standing or lying paper rolls and palette-paper-shipments (e.g., Joloda-equipment and a sufficient amount of lashing points). The transport equipment must have 25 ton loading capacity. Lower payloads may occur due to possible equipment combinations and the equipment / weight restrictions of the respective countries of destination. UPM will advise the Carrier about the load in advance; the Carrier is obligated to inform UPM immediately if a violation occurs. The goods must be protected from all climatic conditions with an intact and undamaged tarpaulin.

(e) The trailer must be equipped with a sufficient amount of load securing materials (e.g., lashing belts, edge protectors and friction mats) to ensure cargo safety. Lashing belts with long arm ratchets and a standard tension force of 500 daN (deka Newton) are required for load securing. For Paper roll transports edge protectors must fulfill the criteria of the latest version of the UPM Mandatory tools for cargo securing / Cargo securing material document (UPM Mandatory tools for cargo securing). The contract parties shall collaborate prior to the transport if specialty cargo safety materials are required for a particular transport.

(f) The transport equipment floor must be strong enough to provide a floor load capacity according to DIN EN 283 with a forklift axle load ≥ 7000 kg. The loading ramp height is approx. 1200 mm.

(g) The Carrier shall only use qualified and trained personnel. The driving staff shall conduct themselves in a competent, courteous and service oriented manner upon receipt of the goods and up to delivery at the customer's destination.

(h) The Carrier agrees to integrate with UPM TMS systems and the Transporeon platform. The Carrier will provide suitable IT equipment and ancillaries in order to carry out the services to the required standard.

(i) The Carrier will provide key performance indicators, reports and information as agreed with UPM.

2. Use of shunting equipment

The following regulations apply if the Carrier utilises shunting equipment on UPM sites or UPM partner sites:

a) Based on mutual agreement the Carrier shall reserve a sufficient supply of shunting equipment (e.g., trailers, containers) for UPM to ensure continuous loading. The contract partner shall collaborate on the type and quantity of reserved shunting equipment needed and of vehicle equipment based on transport volume and of vehicle type.

b) Preliminary loading shall be organised by UPM or its vicarious agents. The Carrier shall be billed on monthly basis for the incurred shunting-costs based on the agreed rates.

c) The conditions and agreements outlined in Section 1 shall also apply to the transfer equipment supplied by the Carrier if applicable.

3. Loading and Unloading

a) The loading procedure shall be conducted by UPM's loading crew, its vicarious agent or a third party contracted by UPM. The Carrier shall be responsible and ensure the transport safety of the load. The Carrier is responsible for the proper load securing execution of the transport goods. In the event the goods have been pre-loaded, the Carrier must conduct an inspection prior to takeover of goods.

b) The Carrier's driver assists with the loading procedure if requested to ensure safe operations. The Carrier's driver load secures the transport goods to ensure a safe transport. The conduct requirement established by UPM or its vicarious agent shall apply and be followed by the Carrier.

c) The Carrier's driver has to inspect the load with regard to overloading, load distribution and, in particular, load safety. This also applies to pre-loaded transfer materials. The proper securing of the load has to be conducted in accordance with applicable national and international laws and technical regulations. The Carrier is responsible for briefing the drivers on cargo safety and accident prevention regulations.

d) The driver has to confirm the proper takeover of the shipment by rendering his signature on the waybill / delivery note or any other comparable transport document.

e) The transport goods shall be unloaded by the recipient listed on the waybill / delivery note. If the Carrier's driver assists with the unloading procedure upon request by the recipient, the carrier's driver acts as person whom the recipient uses to perform his obligation.

f) In the event of partial unloading or load transfer as authorised subject to section 6 the Carrier's driver shall conduct an additional safety check of the transport goods prior to continuation of the journey. The safety of the load as well as stowage and proper securing of the transport goods must be ensured as well.

g) Both contracting parties shall collaborate and agree to an adequate loading- and unloading time as well as possible payment of demurrage.

h) The Carrier's driver has to ensure that the recipient signs and stamps the transport document with a company stamp to serve as confirmation for the receipt of goods; it must be ascertainable which person accepted the goods. The Carrier must retain the delivery receipt for a minimum of eight years and shall submit the stated receipt to UPM within 24 hours upon request. If a delivery receipt cannot be produced, or the Carrier is unable to substantiate the delivery of goods by any other means, the Carrier is liable for any damage claims brought forward by the recipient.

i) In the event recipient has documented incurred damages, missing items or any other notations on the transport document upon delivery, UPM must be notified as soon as possible, but no later than one day after the delivery of the goods. In addition, the delivery receipt must be submitted. The scope and the cause of damages shall be documented on the transport document to the best of knowledge, and the transport document must be signed by the driver and the recipient.

j) If the recipient refuses acceptance of the transport goods, the driver must document the circumstances here fore in writing and shall inform UPM immediately.

4 Custom Clearance

If the transport requires crossing a border, the Carrier is required to conduct the custom clearance of the destination country based on the guidelines issued by UPM.

5 Delivery Deadlines

a) The Carrier shall deliver the transport goods to the recipient within the delivery times agreed and documented on the waybill. If no delivery time is agreed, the Carrier shall deliver these goods within such time which would be reasonably granted to an accurate Carrier when considering the circumstances.

b) In the event a delivery becomes subject to delay, UPM must be notified immediately, stating the reason for the delay. Further action resulting from the delay shall be collaborated and agreed upon between the contractual partners.

6 Prohibition of Intermediate Reloading

a) In general, all transport contracts awarded by UPM are subject to prohibition of intermediate reloading by the Carrier upon takeover of the transport goods.

b) Any exception to the prohibition of reloading of the transported goods requires the express approval of UPM.

7 Other Liabilities / Prevention of illegal Employment

a) The contactor agrees to comply with any and all applicable legal provisions with regard to his drivers, in particular compliance with the provisions of Immigration Law and the Foreign Citizen Employment Law and to obtain the necessary licenses' in accordance with the relevant statutory provisions.

b) The Carrier further agrees to only employ drivers who are in receipt of a valid work permit. Employed drivers that are native to another state must be in receipt of a valid work permit as required by the EU / EWR state in which the Carrier's company headquarters is located.

c) If the EU / EWR state in which the Carrier's company headquarters is located does not require a permit as outlined in (b) the third country native driver must be in possession of valid official certification along with a notarised translation, also referred to as negative attestation.

d) The driver must carry the relevant official certifications and the notarised translation as outlined in cases (b) and (c) and must be able to show the above-mentioned documents in the event of spot controls conducted for UPM personnel. The Carrier must advise his staff accordingly.

e) The Carrier's driving staff must comply with the applicable operational safety and accident prevention regulations while at the facilities of UPM or its vicarious agents. This includes compliance with the accident prevention regulations of the responsible Employer's Liability Insurance Association, company directives and the fire prevention regulations. All drivers must take account of and comply with specific site safety requirements e.g. required personal protection equipment, speed limits, wearing of safety harness and parking restrictions.

f) Especially safety shoes and reflective vests must be worn on mandatory basis while at the UPM facility. All verbal and written directives of UPM must be adhered to while at the UPM facility.

g) The Carrier further agrees to discuss the mandatory disclosure obligation and all other previously outlined obligations with his Carriers and to utilize only Carriers that will presumably adhere to these prerequisites. The Carrier shall monitor the compliance of his Carriers.

h) Any observation by the Carrier of unsafe practices whilst undertaking UPM deliveries must be reported.

i) Sub contracting:
   1. Only sub-contractors approved by UPM are to be used
   2. Sub-contractors must comply with the standards and procedures contained in this contract
   3. A list of sub-contractors will be supplied by the Carrier

8 Damage Reports

UPM must be notified immediately regarding all interruptions in the transport process, in particular delivery delays, damage to goods and accidents involving transport equipment.

9 Service Warranty

a) The Carrier warrants to UPM that the services shall:

   (i) be performed in a professional, timely and prudent manner;

   (ii) conform with the service scope and descriptions, service level agreements and key performance indicators, as specified in this contract or otherwise agreed between the parties;

   (iii) conform with the instructions specified in UPM's Cargo Handling Manual

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   (iv) be safe and conform with all legal, technical, environmental and other standards applicable to such services. The Carrier especially warrants to comply with the legal regulations relating to the transport of goods and to be in possession of all permits and authorisations necessary for such transport, such as Euro-licence or CEMT – authorisation in compliance with the relevant statutory provisions.

b) If any services do not meet the warranties, UPM may, without prejudice to other remedies available to UPM under this contract, at its discretion:

   (i) demand the Carrier to repair such services or to supply replacement services to conform with the service warranties at the Carrier’s sole risk and expense within a time period specified by UPM;

   (ii) demand price reduction for the services; or

   (iii) cancel the delivery and all other undelivered binding orders given by UPM in whole or in part and demand the Carrier to reimburse to UPM the freight of all such services which has already been paid.

In addition, UPM shall be entitled to compensation from the Carrier for any damages, losses, costs and expenses (including without limitation attorneys' fees) incurred by UPM as a result of the Carrier's failure to deliver the services which meet the warranties.

10 Delay of the Services

a) The Carrier shall inform UPM immediately of any accidents, disturbances or other events which cause or may cause delays in the delivery of the services. This duty does not exclude or limit the Carrier's liabilities resulting from late delivery. The Carrier shall use its best efforts, including overtime work at its own cost, to prevent possible delay

and to minimise the negative impact of the delay to UPM. If a delivery is delayed due to reasons other than force majeure, UPM may, without prejudice to other remedies available to UPM under this contract, at its discretion:

a. demand the Carrier to deliver the services within a time period specified by UPM at the Carrier's sole risk and expense and, if necessary, by using alternative transport equipment;

b. demand price reduction for the services; or

c. cancel the delivery and all other undelivered binding orders given by UPM in whole or in part and demand the Carrier to reimburse to UPM the freight of all such services which has already been paid.

In addition, UPM shall be entitled to compensation from the Carrier for any damages, losses, costs and expenses (including without limitation attorneys' fees) incurred by UPM as a result of the Carrier's delay in performing the services. In any case this liability shall be limited according to section 11 (d)

11 Damage to the Goods, personal Injuries and Damage to other Property

a) When acting as Carrier or freight forwarder using the right to do the carriage by himself, the Carrier is liable for losses of, and damages to the transport goods, if those damages occurred between the takeover and the delivery of goods, for transgression of the delivery time or other asset damages due to agreement violations.

b) When acting as a freight forwarder, the Carrier is liable for loss of and damage to the goods in his custody and for other asset damages due to agreement violations.

c) The maximum amount for liability is applicable in accordance with the commercial trade law Handelsgesetzbuch (HGB) and Convention on the Contact for the International Carriage of Goods Wholly or Partly by road (CMR). When acting as a freight forwarder Carrier's liability for other damages are unlimited.

d) In the event damages have occurred, the Carrier must also reimburse the freight cost, custom fees and other costs incurred by the transportation of goods.

e) Deviating from the commercial trade law (HGB) and the transport document CMR, and independently of the actual freight, the Carrier is liable for the full amount of the incurred damage in the event of a delivery time violation. The possible extended liability thereof, however, is limited to a maximum amount of 5.000, - Euro.

f) The Carrier's liability for personal injuries or damage to property (other than the transported goods) shall be determined in accordance with applicable legislation