

APPENDIX 10: CARRIERS OBLIGATIONS **CE RCP and FRA RCP and Biomass**

10.1 Means of Carriage and Driving Staff

a) The Carrier agrees to utilise only trailers/loading units that are technically and visually suitable for the transport. The trailer/loading units 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 carriage inspection certifications, licenses and concessions that are necessary for the material transportation, 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 specification is Euro 5 but the Carrier will work towards a minimum Euro 6 engine specification. The Carrier will also actively reduce Co2 emissions in conjunction with improved fuel consumption and/or the use of dual fuel engines.

d) The carriages must meet all requirements for forest products I.E. PFR (Paper For Recycling), Pulp, TMP (Thermo-Mechanical Pulp) chips, biomass and (RCW) Re-Cycled wood. The carriages should have a 25 ton loading capacity. Lower payloads may occur due to possible equipment combinations and the equipment/weight restrictions of the respective countries of loading or destination. The goods must be protected from all climatic conditions with an intact and undamaged tarpaulin to avoid moisture. The Carrier should avoid littering/flying around of PFR.

e) 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 to the final destination.

f) The Carrier will honour the pick-up and delivery dates/times as agreed with UPM.

g) The Carrier will provide key performance indicators, reports and information as per UPM requests.

10.2 Loading and Unloading

a) The carrier must familiarize and adhere to all site safety & operational rules established at any loading or unloading site they are contracted to service by UPM.

b) The carriage loading procedure shall be conducted by UPM's Material Suppliers or UPM's loading crew, it's vicarious agent or a third party contracted by UPM.

c) The Carrier shall be responsible and ensure the transport safety of the load as well as stowage and proper securing of the transport goods. In the event the goods have been pre-loaded, the Carrier shall conduct an inspection prior to takeover of goods.



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- d) The Carrier's driver shall assist with the loading procedure if necessary and secure the transport goods with the required diligence to ensure safe transport and operational conditions. The conduct requirement established by UPM Material Suppliers, UPM or its vicarious agent shall apply and be followed by the Carrier.
- e) For biomass, the Carrier's driver will make sure before arriving that there are no contaminants (metal parts, plastics, stones...) left in the truck. The driver will open its doors for inspection by the platform before loading.
- f) The Carrier's driver shall 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 shall be conducted in accordance with the provisions and regulation established by UPM's Material Suppliers or UPM.
- g) The Carrier shall be responsible for briefing their drivers on cargo safety and accident prevention regulations.
- h) The driver shall confirm the proper takeover of the shipment by rendering his signature on the waybill/delivery ticket or any other comparable transport document.
- i) The transport goods shall be unloaded by the recipient listed on the waybill/delivery ticket or any other comparable transport document.
- j) The Carrier's driver shall assist with the unloading procedure if necessary or upon request by the recipient. In these cases, the Carrier's driver acts as person whom the recipient uses to perform his obligation.
- k) In the event of partial unloading or load transfer as authorized subject to section 10.5 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.
- l) Both contracting parties shall collaborate and agree to an adequate loading- and unloading time as well as possible payment of demurrage.
- m) The Carrier's driver shall ensure that the recipient signs and stamps the waybill/delivery ticket or any other comparable 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 five 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 shall be liable for any damage claims brought forward by the recipient.
- n) In the event the recipient has documented incurred damages, missing items or any other notations on the waybill 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 waybill to the best of knowledge and the waybill must be signed by the driver and the recipient.
- o) If the recipient refuses acceptance of the transport goods, the driver must document the circumstances here fore in writing and shall inform UPM immediately.

10.3 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. Unless UPM have otherwise cleared customs due to EOA certificate.

10.4 Delivery Deadlines

(a) The Carrier shall deliver the transport goods to the recipient within the delivery date/times agreed and documented on the order document.

(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.

10.5 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.

10.6 Other Liabilities / Prevention of illegal Employment

(a) The carrier 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 are located.

(c) If the EU/EWR state in which the Carrier's company headquarters are 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 notarized translation, also referred to as negative attestation.

(d) The driver must carry the relevant official certifications and the notarized 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 PPE (personal protective equipment), smoking policy, 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 agreed subcontractors and to utilise only sub-contractors that will adhere to these prerequisites. The Carrier shall monitor the compliance of their subcontractors.

(h) Any observation by the Carrier of unsafe practices whilst undertaking UPM deliveries must be reported and may be subject to penalty (50 Euros fixed amount per truck).

10.7 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.

10.8 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.
<http://cargohandling.upm.com/en/Pages/default.aspx>
- (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 authorizations necessary for such transport, such as Euro-license or CEMT – authorization 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 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.

10.9 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:

- (i) 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;
- (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 delay in performing the Services. In any case this liability shall be limited according to section 10.10 (d)

10.10 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. 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.

(b) The maximum amount for liability is applicable in accordance with the commercial trade law confirmed in the contract. When acting as a freight forwarder Carrier's liability for other damages is unlimited.

(c) 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.

(d) Deviating from the commercial trade law, 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.

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

10.11 Specifics requirements for UPM PFR operations:

- (i) Cross border transportation ANNEX VII document:
 - a. Maintain loading weight (3), truck register (5a) and date of shipment (4)
 - b. Sign the document (5a)
 - c. add subcontractors at (5b) (5c)
 - d. Have the document on board for the whole transport
- (ii) Cross border transportation CMR-document
 - a. To be created by the haulier

- (iii) Abnormal Low Payload
 - a. Inform UPM about low payload before leaving the loading side (supplier)
 - b. Wait for UPM's confirmation and information about next steps

- (iv) Refusal of loads
 - a. Due to material quality
 - b. Inform UPM immediately
 - c. UPM decides about next steps. Possible options are:
 - i. Return goods to loading place/supplier
 - ii. Transfer to other unloading places with faster destination
 - iii. Transfer to other unloading close to unloading destination
 - iv. Unload at the same place

- (v) Loading/Unloading Dates
 - a. Observe the Loading/Unloading Dates ordered by UPM
 - b. Time window management in place for some locations. Time windows has to be agreed with UPM

10.12 Specifics requirements for UPM Central Europe PFR operations:

- (i) Truck register notification
 - a. For every shipment with reference to the shipment number
 - b. To be delivered till 14:00 at the day before loading to
RCP.SC.Planning.CE@upm.com
 - c. Changes if the truck register should be delivered immediately, but before loading
- (ii) Transport documentation
 - c. Transport documentation has to be delivered to UPM for automatic archiving
 - a. As tif.file (maximum 100 pixel) by mail to rpl.transportbelege@upm.com .
 - b. Following documents should be scanned and delivered (in this sequence)
 - i. UPM receiving confirmation must be the first one, the UPM barcode must be undamaged and no other barcodes allowed on the paper
 - ii. Annexe VII
 - iii. CMR Document
 - iv. Weight ticket from sender
 - v. Delivery ticket from sender