

PALLET TERMS OF AGREEMENT:

For wooden and plastic pallets. Unless otherwise provided, “plastic pallet” is understood to mean all types of plastic pallet, whole, half and 1/3 NLP plastic pallet.

1. More about NLP

NLP was established by the industry organizations DLF and DMF in order to develop and manage the best possible, in terms of cost-effectiveness and environmental soundness, return systems for reusable load carriers for the Norwegian grocery industry. The current Terms of Agreement apply to NLP’s hire and return scheme for plastic and wooden pallets. All documents and information related to this agreement are available on the NLP website, www.nlpool.no

2. The NLP Rules – pallet

In addition to the present Terms of Agreement, detailed rules have been prepared for the NLP hire and return scheme for plastic and wooden pallets, hereafter referred to as the NLP Pallet Scheme or The Scheme. The NLP Rules for plastic and wooden pallets, hereafter referred to as the NLP Pallet Rules or the NLP Rules, are part of the present Terms of Agreement and binding on NLP and the Customer.

3. The NLP Pallet Scheme

The NLP Pallet Scheme is a hire and return scheme for plastic pallets and a return system for wooden pallets used in the Norwegian grocery industry. Companies that are affiliates of the Scheme are referred to as Customers; please see the NLP Rules. The Scheme is a little different for plastic pallets and wooden pallets. Please refer to the below provisions and the NLP Rules.

NLP will be the owner of the plastic pallets that are part of the Scheme, hire them out, deliver empty plastic pallets to the Customer and thus continuously provide the return system with the sufficient number of plastic pallets of the right quality; please refer to the NLP Rules.

Affiliation with the Scheme for wooden pallets will not change the Customer’s ownership of the pallets.

NLP will not own wooden pallets and will only manage the pallets on behalf of the Customer. In the case of purchases and sales of wooden pallets between the Customer and NLP, and when settling balances, see the NLP Rules, NLP will strive for competitive prices, and the prices used will at all times be those posted on the NLP website.

For both kinds of pallet, NLP will:

- Collect the pallets at agreed locations; see the NLP Rules.
- Ensure the phasing out and repair of pallets that are not in compliance with the NLP pallet standard; see the NLP Rules.
- Make available for its customers accounting systems for both kinds of pallet, which will form the basis for computing compensation and controlling the flow of pallets; please see the NLP Rules.
- Calculate and collect compensation that reflects the correct pro rata cost coverage distribution for transportation throughout the system, the administration, sorting, repair and recovery of pallets, as well as the financing of NLP’s pallet purchases; see the NLP Rules.

4. Authorization

Before plastic pallets may be delivered pursuant to the present agreement, the Customer must receive authorization, see the NLP Rules.

5. Customer’s obligations

The Customer undertakes the following:

- To store and sort pallets according to NLP’s guidelines; see the NLP Rules.
- To handle the pallets according to NLP’s guidelines; see the NLP Rules.
- To report empty pallets to NLP for collection; see the NLP Rules.
- To sort and separate dirty or destroyed pallets against payment of compensation, see the NLP Rules and the price list.
- To record the movement of pallets in the accounting systems; see the NLP Rules.

- To pay the considerations established in the system; see the NLP Rules and article 6 below.
- To physically count the pallet inventory, or have an auditor confirm the inventory, or let NLP perform such an inventory review; see the NLP Rules.
- To be affiliated with the EAN/GS1 Registry have a valid a location number for the duration of the agreement.

Special rules for wooden pallets:

- The Customer will have NLP as its preferred supplier of empty pallets; see the NLP Rules.
- The Customer will have NLP as its preferred seller of empty pallets.

6. Consideration

A fee is calculated for the receipt and dispatch of pallets, as well as a rate for day hire of plastic pallets. Please refer to the NLP Rules and the NLP Price List for more information about fee and hire rate calculation for the different kinds and types of pallets.

Terms of payment for fees and day hire rates are 30 days from the date of invoice.

7. Amendments of the Terms of Agreement and the NLP Pallet Rules

Amendments of fee or day hire rates, material changes to the current Terms of Agreement or the NLP Rules may be made by NLP with 2 months' written notice to the end of one calendar month. For this purpose, written notice is deemed to include, in addition to regular mail, e-mail sent to the contact person noted on the Agreement Form. Minor changes to the Terms of Agreement or the NLP Rules may be made at any time without special notice to the Customers. Updated Terms of Agreement, the NLP Rules and the NLP Price List will at all times be available on the NLP website, www.nlpool.no

8. Agreement period – termination

The agreement may not be terminated during the first 12 months after its effective date. Thereafter, the agreement may be terminated with 6 months written notice to the end of a calendar month.

If the NLP has made an amendment that requires notification pursuant to article 7 above, the Customer may terminate the agreement for it to expire concurrently with the effective date of the amendment, if the Customer provides notice of termination within 1 month of the issue of the notice of amendment.

Such particular termination, see article 2 above, however, may not be used if the changes to the fee or day hire rates are within the limits included in article 3 i.f. above, or if the changes are due to changes in public regulations.

9. Default

In case of non-compliance of the obligations of the present agreement, and the issue is not rectified within 14 days after the party has received written notice of default by registered letter, the other party may terminate the agreement with 14 days' written notice.

10. Compensation for damages

NLP is not liable for any consequential damages from the use of the pallets.

11. Venue

The proper venue for legal disputes regarding the present agreement, is the Ski district court in Norway.