

## CONDITIONS FOR EURO-PALLETS EXCHANGE

Applicable in case when THE EXECUTOR – Girteka Logistics UAB or Girteka Fleet UAB, Girteka cargo UAB

For the purposes of prompt settlement of the issues of pallet exchange in a manner acceptable to the Customer and the Executor, parties agreed of pallet exchange conditions as follows:

1. These terms are applied to the relationships between the Parties in cases, when services of dedicated transport are agreed with pallet exchange service.
2. Pallet exchange is the process whereby the sender of goods and the receiver of goods exchange EURO-pallets. The receiver of the goods returns (exchanges) empty EURO-pallets to the sender. In this manner, the EURO-pallets can be reused in the cycle. As such, the agreement to exchange EURO-pallets exists between the sender and receiver of the goods. As a transportation supplier, the Executor can only facilitate the exchange process.
3. If the services of dedicated transport are agreed with pallet exchange service, the Executor is obligated to exchange empty EURO-pallets for goods already packed on pallets by the sender of the goods at the loading place and the Executor shall receive back the same number and the same quality of empty EURO-pallets from the consignee when the Executor delivers the goods at the corresponding unloading place. However, the Parties agree that the Executor is obligated to provide pallet exchange service only in cases, where the customer indicates the need for such service in contract and/or order and the Executor signs such contract or accepts such order. Furthermore, if the Customer sends a transport order which requires pallet service, but it has not been indicated in Contract before, the Executor shall have no obligation to accept the request in order for exchange the pallets. The Executor commits to exchange a maximum of 33 EURO-pallets at the loading place, more quantity can be loaded only after additionally written consent of the Executor and by the Customer costs.
4. The fact of exchanging the pallets or not exchanging the pallets shall be indicated both at loading and unloading places in the consignment notes or in the separate pallet exchange sheets, signed by both driver and representative of sender / consignee. The obligation to document the fact of exchanging the pallets at the loading place lies on the Executor and the obligation to document the fact of exchanging the pallets at the unloading place lies on the Customer (consignee). If the fact, that pallets were exchanged at loading place, is not indicated in consignment note or pallet exchange sheet, it is presumed, unless proven contrary by the Executor, that pallets were not exchanged at the loading. If the fact, that pallets were exchanged at unloading place, is not indicated in consignment note or pallet exchange sheet, it is presumed, that pallets were not exchanged at unloading unless proven contrary by the Customer (consignee).
5. Any EURO-pallets that the consignee fails to exchange at unloading are deemed not-exchanged and the Executor will not return EURO-pallets to the Customer that have not been exchanged. In such case the not-exchanged EURO-pallets are credited to the Executor (debited to the Customer) by issuing separate invoice to the Customer for not returned Euro pallets. If the Customer can come to an agreement with consignee to retrieve the not-exchanged EURO-pallets at a later moment, then the Executor can collect these EURO-pallets with additional order of the Customer. For this postponed collection of not-exchanged pallets, extra costs indicated in the agreed order shall be applicable.
6. Parties confirm their understanding that EURO-pallets, though durable, do not have an unlimited life. Therefore, not all EURO-pallets exchanged upon unloading by consignees will be as perfect as new ones. So even if sender sends brand new ("white") EURO-pallets, the Executor may return used ("brown") EURO-pallets and the sender has to accept them, provided these used ("brown") EURO-pallets meet the basic quality norms (for example, are not broken, etc.), the EURO-pallets meet the quality not lower than class B (Quality Classification GS1).
7. These conditions constitute obligation of the Executor and the Customer. If at unloading place any situation regarding missing the pallets appears, the representative of the Executor shall immediately inform the Customer. The Customer is responsible for giving guidelines to the representative of the Executor within 1 hour after receiving information. On condition that time for providing information to the representative of the Executor exceed more than 1 hour, demurrages of 35 EUR/h will be applicable to the Customer and missing number of pallets would automatically be included in the pallet balance or an invoice would be issued.
8. The Customer will keep records about exchanged Euro-pallets according to consignment notes and / or pallet exchange sheets, provided by the Executor, in order to produce a monthly report of the EURO-pallet

account between the Customer and the Executor. This monthly report will be shared with the Executor by e-mail within 5 (five) working days after the end of month. The Executor shall have 5 (five) working days after receipt of the report for checking the data of the pallet account, providing confirmation of or contradictions to the report by e-mail. If based on the report, confirmed by the Executor, the Customer and the Executor will determine absence of Euro pallets for reasons dependent on the Executor and the Customer agrees with later return of this number of Euro pallets these pallets will be returned later as will be agreed with the Customer. Parties additionally agrees that return of EURO-pallets to the Customer will be performed when 500 units of EURO-pallets the Executor will accumulate. In this case the Executor will return these Euro pallets to the Customer within 10 working days. If parties will not agree for later return of Euro pallets, the Customer will issue an invoice for compensation of not returned Euro pallets. Parties agree that compensation cost of one EURO-pallet will be agreed in the Contract or order confirmation.

9. If the Parties do not agree for latter return of EURO-pallets or return of money as stated in p. 8 above the claim to the Executor for not returned EURO-pallets might be presented by the Customer within 1 (one) month after end of reporting month.

10. The Executor shall have the right to reject any claims for not returned EURO-pallets as unjustified, if: a) the claim is presented more than 1 (one) month after end of reporting month, or b) the claim is presented according to balance of the account, not confirmed by the Executor, or c) the claim is presented without any balance of the account.

11. These conditions of pallet exchange comes into effect when the Customer starting using services of the Executor and is valid within all validity period of the services of dedicated transport with the Customer contract or until will be changed or revoked.

12. The Customer agrees to refrain from making any deductions from the invoices payable to the Executor and will not withhold payments according to the invoices issued by the Executor until the parties reach an agreement for not returned EURO-pallets and/or the Customer's claims for not returned pallets will be resolved.