

## ANNEXES TO THE GENERAL SALES CONDITIONS

**Annex No. 1.** Allowed deviations for flexographic print quality by printing self-adhesive labels

### GENERAL TECHNICAL DATA

Label type	Self-adhesive labels
Material	<ul style="list-style-type: none"> <li>• TermoTop;      • semi glossy paper (Coat);      • PP gloss clear;</li> <li>• TermoEco;      • matt paper (Vellum);      • PP gloss white;</li> <li>• PE gloss;      • PE gloss white;      • others.</li> </ul>
Printing type	Flexography, digital printing
Number of colors + postpress jobs	CMYK + Pantone + varnishing or CMYK + OGV + varnishing. Additionally – hot and cold foiling, screen printing, embossing, indentation.
Color standard for first volume and print proof confirmation	<p>Color standard could be:</p> <ul style="list-style-type: none"> <li>• color number in Pantone palette;</li> <li>• numerical value of color in the Lab coordinates;</li> <li>• printed sample provided by the customer.</li> </ul> <p>If the customer provides printed example as the original color standard, when minimal area of it should be not less than 5x5 mm. Such minimal area is necessary for spectrophotometric measurements.</p> <p>Customer 's sample should be printed on the same material as purchased self-adhesive label.</p> <p>If the package is manufactured according to the digitally printed proof:</p> <p>For CMYK colors – digitally printed proof agreed between customer and JSC Aurika.</p> <p>For Pantone colors – Pantone palette or Lab numerical value.</p> <p>Separately agreed with the customer, Pantone colors matching could be compared with the digital proof.</p> <p>If customer participates in the print confirmation then the original for repeated volumes is considered the print sheet signed by customer.</p>
Color standard for repeated volumes and print proof confirmation	<p>For CMYK colors – digitally printed proof agreed between customer and JSC Aurika.</p> <p>For Pantone colors – Pantone palette or Lab numerical value.</p> <p>If customer participates in the print confirmation then the original for repeated volumes is considered the print sheet signed by customer.</p>

### ALLOWED DEVIATIONS

Indicator name	Tolerance (limits)	Control method	Defect level* beyond tolerance limits
<b>1. Color rendering accuracy</b>	<p><b>For CMYK colors:</b> <math>\Delta E &lt; 3</math></p> <p><b>For Pantone colors (not gradient):</b> <math>\Delta E &lt; 3</math></p>	<p><b>For CMYK colors:</b> <i>Visually, under viewing conditions according to ISO 3664:2009 standard</i></p> <p><b>For CMYK colors:</b> <i>Measuring with spectrophotometer according to ISO 12647-7 and ISO 2846-5 (according to <math>\Delta E</math> 2000 equation)</i></p> <p><b>For Pantone colors:</b> <i>Measuring with spectrophotometer according to <math>\Delta E</math> 2000 equation. The label must be placed on a white paper sheet during the measurement</i></p>	Major
<b>2. Dots/dashes in the print</b>	<i>Dots greater than 0.5 mm diameter and dashes that area is greater than 0.3 mm<sup>2</sup> are not allowed if they damage general view of package or clarity of text.</i>	<i>Visually + magnifier with a 0.1 mm scale</i>	Major

<b>3. Color register accuracy</b>	<i>Max deviation <math>\pm 0.15</math> mm</i>	<i>Visually + magnifier with a 0.1 mm scale</i>	<i>Major</i>
<b>4. Ink offsetting and smutting</b>	<i>Not allowed</i>	<i>Visually</i>	<i>Critical</i>
<b>5. Ink adhesion</b>	<i>Min grade 2 (slight removal of ink, not more than 10% of the total area of self-adhesive label)</i>	<i>According to standard FINAT Test Method no. 21 (Ink adhesion basic)</i>	<i>Critical</i>
<b>6. Incomplete printing of image elements</b>	<i>Should not damage general view</i>	<i>Visually</i>	<i>Major</i>
<b>7. Incomplete printing of text elements</b>	<i>Should not damage text readability</i>	<i>Visually</i>	<i>Critical</i>
<b>8. Barcode readability</b>	<i>The barcode size, direction, color and place should match with approved softproof. The barcode verification could be carried out upon customers' request. In this case customer must indicate preferred grade of barcode readability.</i>	<i>Visually or with barcode verifier</i>	<i>Critical</i>
<b>9. Displacement of self-adhesive label image center during printing, slitting</b>	<i>General allowed tolerance of displacement of self-adhesive label image during printing, slitting - max 1.0 mm</i>	<i>Ruler and/or magnifier with a 0.1 mm scale</i>	<i>Major</i>
<b>10. Self-adhesive label size deviation during cutting/slitting</b>	<i>Possible deviation of approved self-adhesive label size during: cutting: <math>\pm 0.5</math> mm, slitting: <math>\pm 0.5</math> mm. The edges of self-adhesive label should be even, without tears or other defects. The quality of cutting is good if face and adhesive layers are cut and silicone and backing layers remain undamaged. After cutting, on backing layer remains a mark of die cutter. Such mark is not considered as a defect.</i>	<i>Ruler and/or magnifier with a 0.1 mm scale</i>	<i>Major</i>

\*The description of defects significance levels is given in Annex No. 2

**Annex No. 2.** Description of defects significance levels**DEFECTS SIGNIFICANCE LEVELS**

Defect is a discrepancy that exceed the tolerance limits determined in technical requirements. Defects are divided into **critical**, **major** and **minor**:

- **critical** defects include defects that prevent the product for being used for intended purpose. Also defects that may lead to a damage in the functionality of the products being packed by customer (unacceptable view of the product in the shelf, there is a serious risk to the image of the brand that represent the self-adhesive label)
- **major** defects – such defects that significantly damage the view of the self-adhesive label and cause certain difficulties using the products but do not affect their functionality and do not cause serious risk to the image of the brand
- **minor** defects are those that do not affect the functional properties packed products of customer and do not cause problems using products.

The level of defect for the package is assigned according to the level of the most complicated defect found in it.

For determination of defect level, customer must to answer the following questions (by marking „x“ appropriate box):

Visual assessment		Functionality assessment	
<input type="checkbox"/>	Do not cause problems using product	<input type="checkbox"/>	Do not cause the functional properties of packed products
<input type="checkbox"/>	Significantly worsen the view of self-adhesive label	<input type="checkbox"/>	Cause difficulties using products but do not damage their functionality
<input type="checkbox"/>	Self-adhesive label could not be used for its purpose	<input type="checkbox"/>	Damage the functionality of packed products

-  - minor defect  
 - major defect  
 - critical defect

If its determined that defect is minor, JSC Aurika accept the note from customer.

If its determined that defect is major, the negotiations between JSC Aurika and customer are carried out.

If its determined that defect is critical, JSC Aurika compensates the losses of customer according the conditions of the agreement.

In case of major and critical defects, the customer must provide to JSC Aurika all necessary documentation and/or factual information that would allow to solve the claim.

**Annex No. 3.** Qualitative requirements for conditions of packaging, labelling, storing and transportation procedures of self-adhesive labels**1. Packaging procedure**

- 1.1. The packaging procedure of production is carried out according to the requirements provided by customer. If the customer does not provide any special requirements, the packaging procedure is carried out according to the below described internal standard.
- 1.2. Ready-made rolls of self-adhesive labels are wrapped with a thermal film and placed in a corrugated paperboard boxes (boxes). The spaces between rolls are filled with the air cushion films. The size of box depends on the size and quantity of self-adhesive labels rolls.
- 1.3. The boxes with self-adhesive labels are placed on wooden palette. The edges of formed palette are reinforced with paperboard corners. The top of the palette is covered with a plastic film. The palette is wrapped with a stretch film.

**2. Products labeling procedure**

- 2.1. If the customer has special requirements for production labeling, they should be provided during purchase. If the customer does not provide any special requirements, the production labeling procedure is carried out according to the below described internal standard.
- 2.2. On each box with self-adhesive labels is placed a special label with all necessary information and the example of the printed self-adhesive label.
- 2.3. Special label is placed on side of the box and provides the following information: product name, batch number, purchase number, general weight, date of manufacturing, type of material, quantity of labels.

**3. Recommendations, storage and validity**

- 3.1. Self-adhesive labels must be kept in original closed packaging on wooden pallets (the stretch film must be removed before storing).
- 3.2. The self-adhesive labels can be held in 15 - 25 °C temperature and 35 - 65% relative humidity.
- 3.3. If the self-adhesive label was stored below +15 °C temperature, it must be kept in working environment for not less than 24 hours before use.
- 3.4. If the self-adhesive labels are held in higher temperature or relative humidity it may shorten the shelf-life of the product.
- 3.5. Avoid storing the self-adhesive labels near heating appliances or in direct sunlight.
- 3.6. Continuous exposure to an assortment of chemicals or continuous wet immersion will eventually cause image fading.
- 3.7. It is advised to rotate the inventory according to the FIFO method (first in – first out).
- 3.8. Self-adhesive label is suitable for use up to 24 months (for thermal label 12 months) from the date of manufacturing if kept in original packaging.

**4. Transportation procedure**

- 4.1. The delivery is carried out with covered vehicles. The pallets with products are additional covered with a plastic film to protect against humidity.
- 4.2. The vehicle must meet the requirements of hygiene for self-adhesive labels transportation. There cannot be any outside odors that can affect the production, excessive dust and humidity, pests, molds.
- 4.3. The self-adhesive labels cannot be loaded in the vehicles with cargo that are dangerous to ensure the protection of transported labels rolls against cross-contamination (examples of prohibited cargo: any smell emitting products, hazardous chemical materials, waste).
- 4.4. When loading, transporting, unloading and storing it is prohibited to repack the products from original packaging.
- 4.5. Before loading the production into a vehicle, it is mandatory to check that the cargo is safely packed, reinforced, not tilted, undamaged and protected against damages.
- 4.6. The cargo must be loaded into a vehicle in such way that it will not be mechanically affected (for example: crushed, damaged package) get dirty or wet.