

Co-operation of Elof Hansson and ProBoreal

[Elof Hansson International](#) is a trading house active in the Pulp & Paper Industry since 1897.

The Head office is located in Gothenburg Sweden. Through subsidiaries, representation offices and agents, Elof Hansson International AB is capable of providing machinery and projects globally. Elof Hansson Group has more than 470 employees and an annual turnover exceeding 600 MEUR.

Marketing co-operation

Co-operation with Elof Hansson International opens a channel for our partners to worldwide markets in pulp, paper, timber, machinery and consumer products.

ProBoreal is the official representative of Elof Hansen International in Finland. Our partners have in their use the global sales and marketing network of Elof Hansson International regarding products Elof Hansson International have approved to their marketing portfolio. This, however, will not limit our partners to sell their products to international customers, if so agreed.

Co-operation outline:

- ProBoreal is the official representative of Elof Hansson International in Finland and Elof Hansson International is ProBoreal's official representative world-wide.
- Through Elof Hansson International it is possible to get marketing support to small and medium sized Finnish companies which are part of ProBoreal's network, in other words there is a signed co-operation contract between the company and ProBoreal.
- Our partner company gets world-wide marketing organization.
- Our partner company's product or services can be part of a larger quotation.

Marketing support is available according the following guidelines:

- Elof Hansson International has to approve our partner company's product and services to its marketing portfolio and the necessary documents like Non-Disclosure Agreement (NDA) is signed.
- Our partner company can sell also directly to its customer worldwide if so agreed.
- Contract with the customer is signed by our partner company or Elof Hansson International, if there is no Elof Hansson International's financial commitment involved.
- Supplier's responsibilities:
 - Our partner company pays agreed success fee to Elof Hansson International.
 - Our partner company is responsible to provide marketing material and technical and other related support.
 - Our partner company is responsible for its own travel etc. costs.

Financial co-operation

Small and medium sized Finnish companies in ProBoreal's network have an opportunity to benefit about financial arrangements provided by Elof Hansson International. The co-operation model will bring financial security to export trade.

Show less

Financing arrangements is available according the following guidelines:

- Contract with the customer is signed by Elof Hansson International.
- Arrangements are always based on case by case study.
- There are three types of financing arrangements:
 - Financing with deferred payment [Letter of Credit](#) (LC).
 - Financing utilising an Export Credit Agency.
 - Financing by Elof Hansson.

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1. Financing with deferred payment Letter of Credit

With the letter of credit, customer's bank and the bank used by Elof Hansson International agree, that the goods are not released to the control of the buyer until payment is received or secured. If the buyer is unable to make payment on the purchase, the seller may make a demand for payment on the bank. A deferral plan will be made defining payments and schedule.

Elof Hansson International will take care of payments to the company in ProBoreal's network.

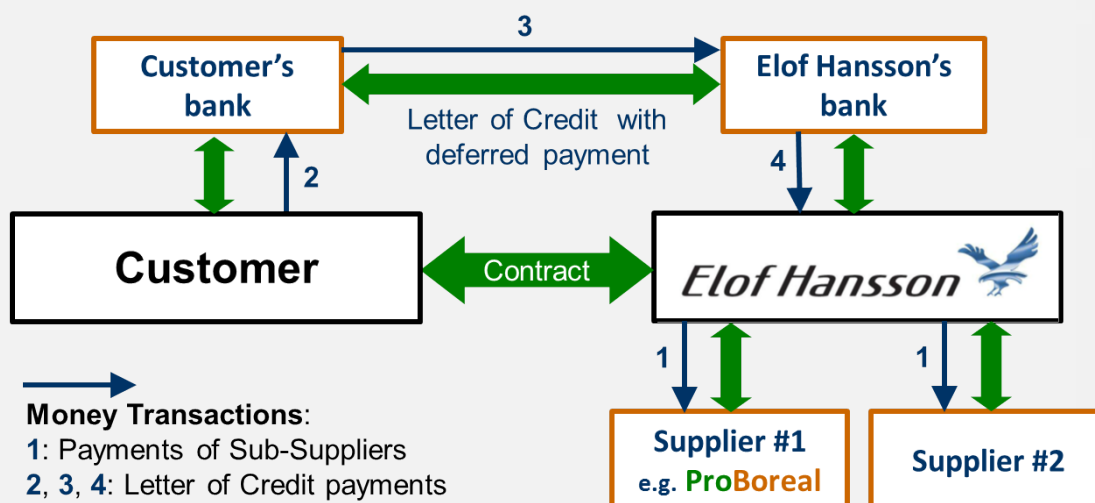


FIG 1: FINANCING WITH DEFERRED PAYMENT LETTER OF CREDIT

Example of deferred payments

- Payment every 6 months for 36 months

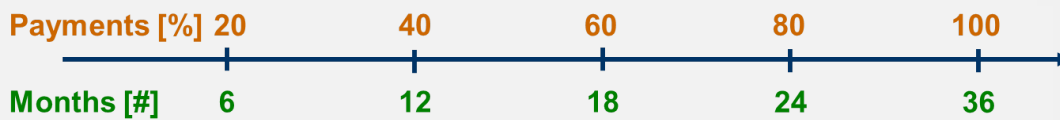


FIG 2: AN EXAMPLE: PAYMENT EVERY 6 MONTHS FOR 36 MONTHS.

2. Financing utilising an Export Credit Agency

An export credit agency, in Finland [Finvera](#) or in Sweden [EKN](#), can give guarantee for a loan covering 85% of contract value. The loan contract is made between the banks of the buyer and Elof Hansson International. Rest of the amount 15% is covered by a prepayment.

Elof Hansson International will take care of payments to the company in ProBoreal's network.

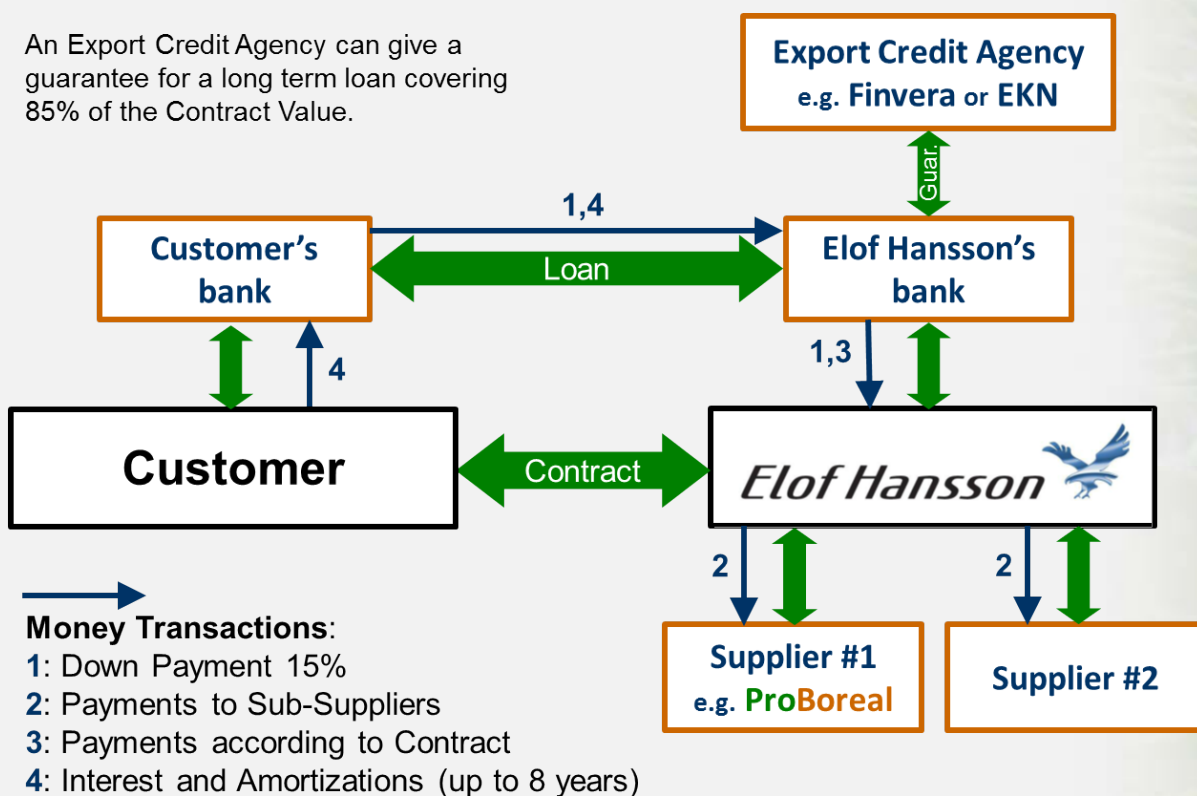


FIG 3: FINANCING UTILISING AN EXPORT CREDIT AGENCY

3. Financing by Elof Hansson International

In this financing model the banks of the buyer and Elof Hansson International agree with a letter of credit that the goods are not released to the control of the buyer until payment is received or secured. If the buyer is unable to make payment on the purchase, the seller may make a demand for payment on the bank.

Elof Hansson International will take care of payments to the company in ProBoreal's network.

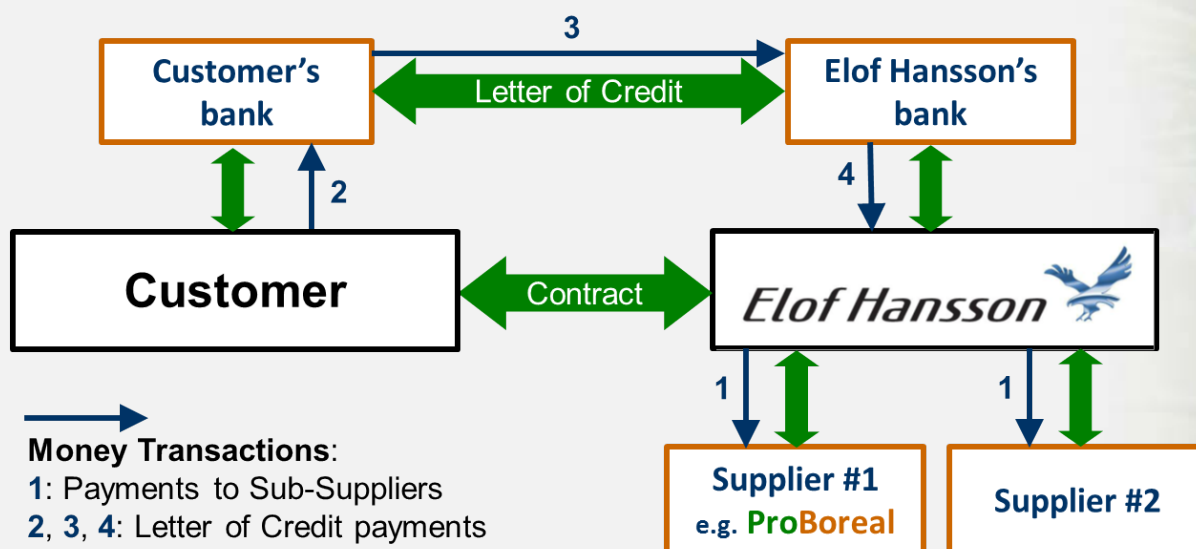


FIG 4: FINANCING BY ELOF HANSSON

Worldwide marketing and distribution of pulp, paper, timber, machinery and consumer products.

Updated on 13.6.2017 by Risto Talja