KARAYEL KAĞIT
PAPER TRADING

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INTERMEDIATION · FINANCING · PROCESS

How we work: intermediation and mill financing structures

Karayel Kağıt is an independent paper trading and brokerage house based in Istanbul; its team has been trading paper since 2022. It stands between mill and buyer in the sale and purchase of every grade of paper and board, and finances mills through trade. This document summarises our working model for the mill's finance and sales teams and the buyer's purchasing team.

1. Intermediation models

MODEL	CONTRACT AND INVOICE	PAYMENT FLOW	RISK	WHEN IT FITS
Trading as principal	Mill → Karayel Kağıt → buyer; two contracts, two invoices	To the mill on the contract calendar; from the buyer at maturity	Buyer credit risk and shipment responsibility with Karayel Kağıt	Financing structures, new buyers, export and import
Commission brokerage	The mill invoices the buyer directly; the commission is written into the contract	The buyer pays the mill; commission against invoice	Credit risk with the mill; offer, documents and claims handled by Karayel Kağıt	Established relationships, large volumes, buyers with their own credit line at the mill

In both models the specification table, tolerances, shipment month, payment calendar and claims procedure are set out in a written contract; nothing runs on a verbal confirmation.

2. Mill financing structures

Financing is provided against goods, through the payment terms of a sale and purchase contract. Structures can be combined; which one fits is decided together, from the mill's production schedule and cash flow.

STRUCTURE	HOW IT WORKS	WHAT THE MILL GAINS	DOCUMENTS AND SECURITY
Advance-payment order	Part or all of the value is paid at contract signature; the balance at shipment or against documents. Shipment month and tolerances in the same contract.	Cash before production; a run that is sold before the machine starts	Sales contract and pro-forma; performance bank guarantee or export credit insurance where required
Payment at shipment, credit-risk transfer	The mill sells to Karayel Kağıt and is paid at shipment or against documents; Karayel Kağıt sells to the buyer on terms.	Cash instead of a receivable on the balance sheet; no buyer risk, no collection follow-up	Sales contract, invoice, shipping documents; the cost of the term stated openly in the offer

Karayel Kağıt · This document is for information; binding terms are those of the signed contract and pro-forma. Karayel Kağıt is not a bank or finance company; financing is provided against goods through sale and purchase contracts. Contracting entity and registry details appear on the offer and pro-forma.

STRUCTURE	HOW IT WORKS	WHAT THE MILL GAINS	DOCUMENTS AND SECURITY
Raw material against finished paper	Karayel Kağıt supplies recovered paper, pulp or other raw material; the value is offset against deliveries of finished paper at the contract price.	No cash out for raw material; security of supply	Two-way sales contract; monthly account reconciliation
Long-term offtake	Six-to-twelve-month framework contract; monthly tonnage commitment and a price formula (index plus differential). Monthly order confirmations.	Capacity planning; a signed offtake commitment the mill can show its own bank	Framework contract, monthly order confirmations

Amount, tenor and security are assessed for each mill; there is no standard limit. Where the mill is paid early, the cost of the term is stated in the price; there are no hidden costs.

3. Process

1. **Introduction and exchange of company documents.** Trade-registry gazette, tax certificate and signatory authority documents are exchanged by both parties. From the mill: grade list, available tonnage and production schedule; from the buyer: grade, tonnage, delivery point and payment terms.
2. **Structure and offer.** Within one business day: price (USD or EUR), validity, shipment month, Incoterm; on the mill side the payment calendar, financing structure and cost of the term.
3. **Contract.** Specification table, tolerances, payment calendar, security, claims and dispute resolution in one contract. In English on request.
4. **Execution.** Order confirmation, payments, shipment and document check; arrival confirmation and, if needed, a claim notified within 14 days.
5. **Reconciliation.** Monthly account reconciliation; in offset structures raw-material and finished-paper movements appear on the same statement.

4. Payment and compliance principles

- All payments go through bank accounts in Türkiye, against invoice; no cash and no third-party accounts.
- The invoice is issued by the contracting entity named in the offer; payment goes only to the bank account stated on the invoice.
- USD or EUR for export and import; domestic business priced in foreign currency and invoiced in TRY at the central-bank rate on the invoice date.
- Mill names are not disclosed publicly for commercial confidentiality; the buyer receives the mill's name with the offer and its specification table.
- Shipping documents (invoice, packing list, reel or bale list, CoA, B/L or CMR, A.TR / EUR.1, Annex VII for recovered paper) are checked before issue; see the shipping document checklist.
- Personal data is processed under Türkiye's Law No. 6698 (KVKK) as set out in the privacy notice on our website.

What we are not. Karayel Kağıt is not a bank, factoring house or finance company; it does not lend, take deposits or provide investment services. The structures described here are the payment

terms of sale and purchase contracts and are applied against goods. Binding terms are those of the signed contract and pro-forma.