

Finnish Fibreboard Ltd - General Terms and Conditions of Trade

Our General Terms and Conditions, mentioned below, apply to the contractual relationships with traders, under the structure of their business operations, and with legal entities under public law including Special Funds under public law.

INTERPRETATION

I In these Conditions the following words shall have the following meanings:

Word Meaning

“the Seller” Suomen Kuitulevy Oy, Finnish Fibreboard Ltd. or any wholly owned subsidiary limited Company thereof

“the Contract” the Order and the Seller’s acceptance of the Order

“the Goods” any goods agreed in the Contract to be purchased by the Buyer from the Seller (including any part or parts of them)

“the Order” the Buyer’s written instruction to supply the Goods, incorporating these Conditions

“the Buyer” the person, firm or company who places an order with and/or accepts an offer of the Seller for the purchase and/or supply of any goods

II In these Conditions references to any Statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to that Statute or provision as from time to time amended, consolidated, modified, extended, re-enacted or replaced.

III In the Conditions references to the masculine include the feminine and the neuter and to the singular include the plural and vice versa as the context admits or requires.

IV In these Conditions the headings will not affect the construction of these Conditions

1. Applicability of the General Terms and Conditions

1.1 The Seller’s deliveries, services and offers are exclusively rendered on the basis of these General Terms and Conditions. Consequently, they apply to all future business relations. Latest with the acceptance of the goods or services, these Terms and Conditions shall be considered acknowledged. The applicability of terms and conditions of the contractual partner is herewith denied. This also applies if the Buyer, by way of a counter-confirmation or in any other way, refers to these terms and/or purchase conditions.

1.2 Deviations from these General Terms and Conditions have effect only if they have been confirmed by the Seller in writing.

1.3 These General Terms and Conditions supersede all previous General Terms and Conditions.

2. Offer and contract-execution

2.1 The Seller’s offers are subject to confirmation and are not binding. Acceptance declarations and all orders require Seller’s written confirmation in order to be legally effective. The same applies to supplements, amendments or side agreements.

2.2 Drawings, illustrations, measures, weights or other specifications are only binding if this has been specifically agreed in writing.

2.3 Public statements of third persons, especially in advertising, regarding the characteristics of the product are in the absence of other express written agreements not content of the contract.

3. Prices

3.1 Prices are deemed to be not binding. All orders are accepted solely on the basis of the prices current at the time of order. The Seller’s prices do not include V.A.T, rebates, settlement discounts or any country specific levies and/or duties, unless confirmed in writing by the Seller.

3.2 All prices will be in euros and are ex-works prices, unless The Seller specifies that other Incoterms and/or currencies apply to Seller’s offer.

3.3 Discounts possibly agreed or granted as well as turnover rebates, freight refunds or any other discount are cancelled in case of settlement proceedings in court or out-of-court, insolvency and payment default in excess of one month.

3.4 With respect to apportioned contracts and to all call-off orders, The Seller invoice the prices current at the day of delivery. The same applies to all other orders if the delivery occurs later than two months after order placement.

3.5 If after the conclusion of the contract the price calculation basis is changed because of higher wage and material costs, an increase in any item not specifically included as mentioned in 3.1 above or other circumstances, in particular technically induced changes in the price calculation basis, we shall be entitled to raise the contract price reasonably in proportion to the change in the calculation basis. This shall also apply to call off orders.

4. Dispatch, Delivery and transfer of risk

4.1 All references to trade terms, Passing of Risk and Insurance shall be construed in accordance with INCOTERMS in force from time to time.

4.2 If collection has been agreed and the goods have not been collected within 8 days after the agreed date, the goods will be dispatched by the Seller, using a method of transport which seems favourable to the Seller, for the Buyer’s account.

4.3 In the case of sale ex works we place the goods on the collecting agent’s vehicle subject to the instructions of the driving crew. The collecting agent shall be responsible for loading the goods to make them secure for transport and operation, in accordance with the latest standards of cargo securing technology, and for deploying a correctly trained driving crew. The collecting agent shall also provide the necessary cargo securing equipment. The risk passes to the contractual partner as soon as the consignment has been turned over to the carrier and/or has left the Seller’s warehouse for transport

4.4 If dispatch is delayed at the Buyer’s request or if there is default on acceptance, the risk of the goods shall pass as of the notification of readiness for dispatch. The safekeeping of the contract goods shall then be in the name and at the expense of the Buyer.

4.5 The Seller is not liable for damages or losses (occurring) during transport. If no special type of dispatch has been agreed, the dispatch is carried out at the Seller’s best discretion without any obligation for the cheapest carriage.

4.6 Excess or short-deliveries of up to 10% and usual tolerances in measurements are admissible and do not entitle the Buyer to raise complaints, and the Seller will invoice in accordance with the volumes that have been delivered. Part-deliveries are admissible to a reasonable extent and invoiced separately.

4.7 In case of call-off orders or similar, the Buyer is obligated to take delivery of the goods ordered within a reasonable grace period, at the latest within three months from the date of order, unless individually agreed otherwise in writing.

5. Obligations regarding deliveries and the taking of deliveries

5.1 The Seller is not bound by the delivery times stated in our offers. Delivery dates or deadlines, which may be bindingly agreed, require the written form. All dates quoted on the Seller’s documents, refer to the date of completion in the Seller’s plants.

5.2 The delivery dates are given by the Seller to the best of the Seller’s knowledge and are - unless explicit fix-dates have been agreed - approximately binding; they may diverge from the actual delivery. A delivery time of two weeks after the delivery date stated is still considered as having been made in time.

5.3 Delays in deliveries and performance owing to force majeure and to events which render deliveries more difficult or impossible for the Seller –

particularly included are strikes, lock-outs, governmental orders, etc., even if they occur at the Seller's pre-suppliers or their sub-suppliers – are not the Seller's responsibility, even if deadlines and dates have been bindingly agreed. They entitle the Seller to postpone the delivery and/or service by the duration of the hindrance plus a reasonable start-up time or to even withdraw from the contract, in total or in part, with respect to the contractual part not yet fulfilled. Should the hindrance exceed two months, the Buyer has the right, with respect to the contractual part not yet fulfilled, to withdraw from the contract after setting a reasonable subsequent deadline. If the delivery time extends or if the Seller is released from their obligation, the Buyer may not derive any damage compensation claims from these circumstances.

- 5.4 Claims for damage caused by delayed deliveries are excluded, unless the default is caused by at least gross negligence on the Seller's part.
- 5.5 The Buyer is obligated to accept the goods. This will not affect any claims arising out of defectiveness of the delivered goods. In so far as the delivered quantity exceeds the admissible variations (clause 4.6) there is no obligation to accept the delivery; the same applies in case of defective goods if this represents a fundamental breach of contract or if there is risk of damage to property or person resulting from the condition of the goods.
- 5.6 If the Buyer is in default of acceptance of the goods, we are entitled to claim compensation for the expenditure arising for us.
- 5.7 As far as we (the Seller) are obligated by a contract to make advance deliveries, we may refuse to deliver if circumstances become known to us that call into question the performance of the Buyer after the conclusion of the contract, especially if the credit sale insurer cancels the credit limit of the Buyer or essentially reduces the credit limit or if the credit limit has been reached which endangers our claim for payment. The right to refuse performance is not applicable if the counter-performance has been made or security has been rendered for this counter-performance.
- 5.8 The Seller shall be entitled to make part deliveries if the goods are divisible and provided this is acceptable to the Buyer. The Seller shall also be entitled, having given due notice thereof in advance, to deliver at an earlier date.

6. Payment terms

- 6.1 Unless agreed otherwise, our invoices are payable within 8 days of the date of invoice.
- 6.2 The Seller have the right, despite conflicting conditions on the side of the Buyer, to first set off payments against the Buyers oldest debts or the least secured liabilities, at Seller's choice; in this case, the Seller shall notify the Buyer about the nature of the set off made. If costs and interest have already accrued, The Seller is entitled to set off the payment first against the costs, then against the interest and, last, against the main claim.
- 6.3 A payment is only considered as having been made when the payment has cleared Seller's account. Payments by bill of exchange and cheque shall only be accepted following specific agreement. Discount and exchange expenses shall in any case be charged to the Buyer. If payment by bill of exchange is agreed, the term of the bill shall not exceed 30 days, starting from the date of the invoice. If payment by cheque has been agreed, payment is only deemed as having been made once the cheque has been irrevocably cashed.
- 6.4 If payment is delayed, the Seller reserves the right to charge interest for late payment according to the Finnish Interest Act for the delay period on the balance starting from the due date.
- 6.5 If the Seller become aware of circumstances which render doubtful the Buyer's credit worthiness, in particular if a cheque cannot be cashed or the Buyer discontinues his payments, or if other circumstances become known which question his credit worthiness, the Seller has the right to accelerate the maturity of the entire remaining debt. This also applies if the Seller has accepted cheques. In such an event, the Seller is further entitled to request advance payments or the rendering of security.
- 6.6 The Buyer is only entitled to set off, retention or reduction for complaints on defective products if the Seller has agreed to the claim in writing.
- 6.7 Part deliveries shall be invoiced immediately and shall each be due for payment, independent of the ending of the overall delivery. Advance payments upon conclusion shall be offset against the oldest part deliveries at the time in question if no agreement to the contrary has been made.
- 6.8 Offset with counterclaims shall only be admissible if it is a question of counterclaims which are legally effective or have been acknowledged by the Seller.

7. Warranty

- 7.1 The quality level the Seller agrees to adhere to for the contract goods shall arise exclusively from the contractual agreements with the Buyer and not from any promotional statements, brochures, advisory meetings and the like, for which the Seller therefore accept no liability. The Seller's commitment to a specific quality level shall not entail commitment to provide a specific feature or the assumption of a guarantee. Owing to the great variety of possible uses of our products the Seller accepts no liability for the actual possible uses and specific conditions of use at the Buyer's firm, except when we have made an express commitment thereto in writing and the specific conditions of use on site have been set out for us correctly, accurately and in written form. The Seller accepts in principle no liability for information or advice except where it has expressly been made an integral part of the contract in any individual case. Information and advice in connection with the initiation or execution of an order shall in principle not constitute a material contractual obligation and shall not be subject to liability except in case of gross negligence, such liability being limited to predictable damage or loss. With respect to the inspection and complaint obligations on the side of the Buyer, our deliveries are always subject to the provisions of clause 12.
- 7.2 If the seller's storage, installation or maintenance instructions are not complied with, if the products are modified, parts exchanged or consumables used which do not conform to the original specification or if our products are used improperly, the warranty is void. Any use that is contradictory to the technical specifications given in our product information services (on the homepage, finnishfibreboard.com / suomenkuitulevy.fi), which can be retrieved online, is also regarded as improper.
- 7.3 The Buyer shall grant to Seller the opportunity to inspect and rejected Goods at site within a reasonable and agreed time frame or upon seller's request the Buyer is obligated to return rejected goods in their delivered condition to the Seller's warehouse for inspection.
- 7.4 In case of justified and timely complaint, the Seller is obligated to subsequent fulfillment in the form of free-of-charge repair of the goods supplied and/or substitute delivery at our choice or refund of the purchase price. If the subsequent fulfillment is impossible or unreasonable, we are also entitled, at our discretion, to credit the reduced value and to take back the rejected goods against refund of the purchase price.
- 7.5 The Seller is entitled to make the rectification of defects dependent on payment by the Buyer of the purchase price due. The Buyer shall however be entitled to withhold a part of the purchase price that is commensurate with the degree of defect. The Buyer must allow us reasonable time and opportunity to remedy defects. If this is refused, no claims under warranty of any kind shall be admissible. Should attempts to remedy defects fail repeatedly, the Buyer shall also be entitled to withdraw from the contract or require a price reduction. Minor defects, however, shall not entail a right of withdrawal from the contract. Claims by the Buyer for damages or alternatively compensation for unavailing expenditure shall be limited to and governed by the provisions of section 8; no other claims shall be admissible.
- 7.6 If the repair and/or the substitute delivery fails after a reasonable period of time, the Buyer may, at his discretion, request the reduction of the remuneration or the rescission of the contract.
- 7.7 A warranty for normal wear and tear is excluded.
- 7.8 Warranty claims are only due to the pertinent, direct Buyer and may not be assigned to third parties.
- 7.9 The above mentioned paragraphs and clause 12 comprise the final warranty regulations for products and exclude other warranty claims of any kind, unless gross negligence or wilful conduct occurs on the Seller's side or on the side of our vicarious agents or employees. The liability arising from injury to life, body or health due to grossly negligent conduct on the Seller's side or grossly negligent or wilful conduct on the side of our vicarious agents and/or employees remains unaffected thereby. Claims arising from quality guarantees, which shall secure the Buyer against the risk of consequential damage caused by defects, also remain unaffected. In any case, possible claims are limited to damages foreseeable at the point in time of contract conclusion.
- 7.10 The production process for technically complex articles which incorporates natural raw materials can by its nature result in deviations of various parameters and properties, including the dimensions and materials of the product. Such variations of measurements and materials, which are standard for the sector and/or caused by the manufacturing technology used, do not constitute defects unless they impair or are detrimental to the functional capability and standard intended use of the Seller's products, and do not entitle the Buyer to object to the contract goods. The relevant European norms, where available, and the Seller's works standards apply for all tolerance margins.

8. Liability restriction

- 8.1 Claims for damage caused by default in performance of the contract, breach of duty prior to contract (culpa in contrahendo) and from tort as well as from all other legal bases are excluded, both against us and against our vicarious agents and/or employees, unless there is intent or gross negligent. In particular, this also applies to claims for damage instead of performance, however, only to the extent that substitution is sought for indirect or consequential damages resulting from defects, unless the liability is based on a quality warranty which shall secure the Buyer against the risk of such damages. The liability for damages arising from injury to life, body or health due to gross or wilful negligence on the Seller's side or on the side of the Seller's vicarious agents and/or employees remains unaffected. Each liability is limited to the damage foreseeable at contract conclusion.
- 8.2 the Seller is not liable for damages to our products when not used as intended, unless the Buyer can rebut an appropriate substantiated statement that improper use has caused the damage. Any use that is contradictory to the technical specifications given in The Seller's product information services (on the homepage www.finnishfibreboards.com/ www.kuitulevy.fi/fi, item "Products"), which can be retrieved online, is also regarded as improper.
- 8.3 The Seller is not liable for advertising statements made by third parties (e.g. manufacturers and panel processors, or their vicarious agents) with respect to the quality of the merchandise or, in case of labelling, with respect to certain characteristics of the merchandise, unless the ignorance of these advertising statements is based on intent or gross negligence on our part, or insofar as the advertising statements were corrected in an equivalent manner at the point in time of contract conclusion, or if the advertising statements could not influence the purchase decision.

9. Reservation of title, securities

Until the time all claims (including all balances from current accounts), which are due to the Seller for any legal reason against the contractual partner, now or in future, have been fulfilled, the following securities will be granted to us, which the Seller will release at the Seller's discretion, provided the value of the securities exceeds the claims by more than 20% in the long-term:

- 9.1 The contract goods shall remain the Seller's property until such time as all our claims against the buyer, including future claims due to the Seller, have been paid in full. This also applies to the payment of specially designated claims until such time as any current account balances have been settled.
- 9.2 The goods to which title is reserved must, at the Buyer's expense, be stored correctly and separately from other goods and must, at the Seller's request, be specially labelled and insured against damage, destruction and loss. The Buyer must, on the Seller's request, submit the corresponding insurance policy to the Seller. The Buyer herewith transfers to the Seller in advance all claims under any such insurance policies to the full value of the reserved-title goods and consents to insurance payments being made to the Seller.
- In the event of breach of contractual obligations by the Buyer, in particular default on payment, the Seller shall be entitled to require the surrender to the Seller of the contract goods and/or to withdraw from the contract and, where necessary, to arrange for persons authorised by the Seller to enter the Buyer's business premises; the Buyer shall be obliged to surrender the goods. A demand for the surrender of the contract goods shall not entail a withdrawal from the contract on the Seller's part unless such withdrawal is expressly stated.
- 9.3 Provided the Buyer firm fulfils its contractual obligations towards the Seller, the Buyer is entitled to sell the reserved-title goods through standard trade channels. However this clause may be revoked at any time. In such cases, or where the reserved-title goods are delivered to a third party, irrespective of the value or condition thereof, or are assembled, the Buyer now hereby transfers all claims against the purchaser arising from the sale, delivery or assembly of the goods, together with all related rights and including any claims for damages which may result therefrom, to the Seller until such time as all of the Seller's claims arising from these deliveries have been met, up to the invoice amount for said deliveries.
- 9.4 Where the reserved-title goods are reprocessed, combined with other goods or remodelled, this work shall be carried out for the Seller, but no warranty shall be provided. In all such cases, the Seller's co-ownership of the new product shall be proportionate to the value of the reserved goods in comparison to the value of the new product at the time it was produced.
- 9.5 Where assignment is prohibited in cases of onward sale, assembly or late payment, the Buyer shall be obliged to inform the third-party purchaser of the advanced assignment. Where the reserved-title goods delivered by us are sold to a third party together with other goods, the share of the total price asked which corresponds to the invoice value of the Seller's delivery shall be assigned to us. In the event of default on payment by the Buyer, the Seller

shall be entitled to collect the assigned claim directly from the third-party debtor.

- 9.6 The Buyer shall not be permitted to conduct non-standard transactions, such as the pledging, assignment by way of security and transfer of the reserved-title goods. The Buyer is obliged to inform the Seller without delay should third parties gain access to goods and claims belonging to the Seller, for example through seizures and any form of impairment of the Seller's property. Where the Buyer is responsible for such circumstances it shall meet the costs of any resulting third-party legal proceedings.
- 9.7 Should the total realisable value of the surety provided to the Seller for the purposes of the business relationship exceed the value of the Seller's claims by more than 10%, the Seller shall, at the Buyer's request, release sureties of the Seller's own choice.
- 9.8 If the Buyer acts in breach of contract – in particular in case of payment default – the Seller are entitled to take back the retained goods or, if applicable, to request the assignment of the claim for return on the side of the Buyer against third parties. If the Seller take back or pledge the conditional goods – unless the Consumer Credit Act applies, this does not constitute a rescission of the contract.
- 9.9 Upon the Seller's request, the Buyer is obligated to give us an exact listing of all claims transferred to us under the regulations of this provision, together with the Buyer's name and address, and to disclose to us all information needed to assert the claims assigned to us.
- 9.10 All costs incurred by re-possessing the delivery-object shall be borne by the Buyer. The Seller have the right to discretionary sale of the delivery-object taken back.

10. Specification changes

The Seller reserve the right to carry out product specification changes at any time. The Seller's are not obligated, however, to carry out such changes on the Goods already delivered.

11. Secrecy

Unless otherwise expressly agreed in writing, the information given to us in connection with orders shall not be considered as confidential.

12. Third parties' rights

- 12.1 Pursuant to the other provisions of this contract the Seller are only liable for third party rights (industrial property rights, patents, copyrights, brands, etc.) if the industrial property right is based on the law of the country of the Buyers billing address. The Seller are only liable for freedom of rights of third parties according to the law of other countries upon express and written agreement.
- 12.2 The liability according to paragraph 12.1 does not apply insofar as delivery items are produced in accordance with drawings, sketches, models or other equal descriptions or specifications provided by the Buyer. In this case the Buyer has to indemnify and hold us harmless in respect of all claims of third parties resulting from an asserted or actual infringement of a right.
- 13.3 The Buyer is obligated to inform us immediately in writing about claims stated or put forth by a third party. The Buyer is not entitled, without the Seller's agreement, to accept a violation of third party rights and he will reserve all legal action and conciliation procedures to us. If the Buyer ceases to use the products, he is obligated to point out to the third party that the cessation of usage is not connected with an acceptance of an infringement of an industrial property right. The Buyer will give us all information necessary and grant other adequate support.
- 13.4 Furthermore, clauses 7 and 8 of these General Terms and Conditions apply. The Buyer has to reprimand the rights of third parties with analogous use of the provisions of clause 7.1.

14. Taking back goods

If goods are taken back on common consent or for reason of insolvency, the Seller shall credit the present value of the Goods under consideration of the Goods' condition, insofar as other utilisation is possible. A return of goods by mutual agreement is only possible with the Seller's explicit written consent.

15. Applicable law, place of performance, jurisdiction, severability

- 15.1 Finnish law is applicable to these General Terms and Conditions and to the entire legal relations between the Seller and the Buyer, under exclusion of the applicability of laws regulating the international sale of goods and the execution of international sale agreements covering movable goods. The Finnish version of these Terms and Conditions are binding in content.
- 15.2 The place of performance for the reciprocal obligations is the place of the Seller's delivering plant.
- 15.3 Insofar as the Buyer is a registered businessman within the meaning of the Finnish Commercial Code, a legal entity under public law or a Special Fund under public law, the exclusive place of jurisdiction - for all disputes arising directly or indirectly from the contractual relationship - is Helsinki.
- 15.4 In the event that a condition in these General Terms and Conditions or a provision under the structure of other agreements is or will become invalid, this does not affect the validity of all other conditions or agreements.
- 15.5 There are no supplementary oral agreements. Arrangements deviating from these terms and conditions in individual cases and alterations or additions to a contract are carried out by the management or by persons specifically authorised to do so. Oral agreements or declarations by other persons shall only be effective if confirmed in writing by the Seller's management or by persons specifically authorised for the purpose by said management.