

Sawn timber trade - General Terms

1. Parties and product

In these General Terms of Sale, "Seller" refers to the organization that is selling the goods in question, and "Buyer" to the organisation, group or other contractual party with whom the Contract is made or to whom the offer is addressed. "Product(s)" refers to Seller's products intended for sale.

2. Offers and orders

2.1 The offer expires after 24 hours from the date of the offer, unless otherwise stipulated in the offer.

2.2 All quotations and orders are subject to these General Terms of Sale and shall be made in the form as set out herein. Anything which is not agreed in Contract, in accepted offer or in these General Terms will be settled according to international business law.

3. Contract

3.1. In these General Terms of Sale, "Contract" shall mean a sales contract, which in offer-based sales is entered into contract when the Buyer has accepted the Seller's offer. The Buyer is deemed to have accepted the Seller's offer in accordance with the order confirmation sent by the Seller, if the Buyer does not notify otherwise within 24 hours of receiving the order confirmation. Otherwise, the Contract comes into force between the Seller and the Buyer after it has been signed by both parties.

3.2 Should the Buyer's and the Seller's expressions of intent differ from each other by mistake, the sale shall be compliant with the terms of the Seller's order confirmation, unless otherwise agreed between the parties. If the mistake in the offer is obvious and significant, the Buyer has the right to cancel the offer even though it is already accepted. The cancellation of the offer has to be done within one week after Buyer accepted the offer.

3.3 The information presented in brochures and other announcements is indicative and does not bind the Seller. It is binding only when specifically referenced in a written Contract.

3.4 The Seller is responsible for the quality of the Product and for other attributes only in accordance with the information specified in the Contract or otherwise provided by the Seller in writing related to the specific sale. The Buyer is responsible for the accuracy of the information it provides to the Seller concerning product application. Unless otherwise agreed, the Products are always assessed based on the latest version of the Nordic Timber - Grading Rules for pine and spruce sawn timber published by Svenskt Träteknik Forum (Sweden), The Association of Finnish Sawmillmen (Finland) and treidustriens TekniskeForening (Norway).

3.5 If the parties have agreed, under one or multiple contracts, upon several deliveries or possible deliveries, each delivery will be deemed a separate sale. The Buyer is not entitled to cancel sales that have not yet been delivered on the basis that delays, errors or shortages occurred in previous deliveries, unless such delay, error or shortage may be regarded as substantial breach of the contract in question and for which the Seller is to blame.

4. Payment and price adjustment

4.1 The Buyer shall submit payment for every delivery by the due date noted on the invoice and only in the currency noted in the invoice. Each party shall pay their own bank fees originating from the payment transaction.

4.2 The Seller shall be entitled to recover the price, notwithstanding that the title to the Products has not passed to the Buyer. The Seller shall provide the invoice to the Buyer by email, by mail or as an e-invoice.

4.3 All possible agreed deductions shall be calculated on the net sales price of the invoice, if not otherwise agreed.

4.4 The Seller is entitled to demand an acceptable security (e.g. credit insurance or letter of credit) against every delivery in question.

4.5 In the event of late payment, the Seller is entitled to collect from the Buyer penal interest in the amount noted on the contract and/or on the invoice. If the Buyer has not paid within one month after the stipulated time of payment, the Seller is entitled to cancel any further deliveries to the Buyer. The Buyer is obligated to compensate any costs incurred by the collection of overdue receivables to the Seller or to the Seller's debt collector.

5. Licenses

5.1 The obligation to make application for and the cost of obtaining any export or import license and to pay any export or import duty, charges or taxes, which may be payable in respect of the export or import of the Products shall be upon the Seller and the Buyer respectively.

The Seller is not responsible for any of Buyer's costs (e.g. import duties, bank costs etc.) which are not agreed in the contract or in the accepted offer.

6. Deliveries

6.1 The delivery date specified is approximate and it can be changed by the Seller according to the Seller's production or delivery conditions. Upon receiving information of a delay, the Seller is obligated to immediately notify the delay to the Buyer along with the cause of the delay and the estimated new delivery date.

6.2 The Seller shall make its best efforts to meet the delivery date specified in the Seller's order confirmation. If the Buyer fails to open a letter of credit, provide the agreed security or submit the payment in advance according to the Contract, the delivery date to be observed by the Seller shall be postponed corresponding to the Buyer's delay. If agreed on FCA deliveries, the Buyer is responsible to collect products within two weeks calculated from the Sellers note for collect readiness.

6.3 The place at which responsibility for product damages shifts from the Seller to the Buyer is determined in accordance with the currently valid applicable trade term of International Chamber of Commerce's Incoterms specified in the Contract, current at the time of shipment.

6.4 The Buyer is not entitled to refuse to take the delivery of the Products on any grounds. If the Buyer fails to take the delivery of the Products or fails to give the Seller the written notification of specifications for making deliveries, the Seller shall be entitled, at its discretion, to annul the Contract or to issue an invoice against those specific Products that have not been accepted by the Buyer or that have been allocated to the Buyer. The invoice can be issued after 20 days from the agreed delivery date or from the agreed ready date. In case the Seller decides to issue an invoice, the payment shall be made against approximate invoice in accordance with the original payment terms. In both cases, the Seller is entitled to demand compensation for any costs or damages, such as costs from storage and insurance, incurred by it due to the Buyer's failure, for a period of four (4) months after the agreed delivery date or after the agreed ready date or, in case of non-delivery of the delivery specifications, from the date when the delivery specifications could have reasonably been expected to be delivered. After this period the Seller is entitled to deliver the Products to the Buyer at the Buyer's cost if it has not annulled the Contract.

6.5 When the price specified in the Contract includes transportation costs to be paid in part or in full by the Seller, the Seller is entitled to choose the mode and provider of transport.

6.6 Unless otherwise agreed, the Seller has the right to deliver 10 per cent more or less than the amount specified in the order or in the Contract.

6.7 The Seller shall be responsible for packaging the Products to withstand normal transportation. Lengthpackaged Products shall mean, unless otherwise agreed, Products in packages containing one single size and one single length but allowing combinations of lengths when the residue is insufficient for a complete package.

6.8 The agreed sizes of the Products refer to the minimum measures in the reference humidity of 20 per cent +/- 2 % unless otherwise agreed. Despite this, the Products shall correspond to the agreed measures in work humidity. The agreed applicable humidity is guaranteed at the time when the delivery takes place according to the agreed applicable trade term of International Chamber of Commerce's Incoterms specified in the Contract, current at the time of shipment. If the delivery is delayed due to the actions or omissions of the Buyer, the humidity is no longer guaranteed at the time of the delivery.

7. Ownership of Products

7.1 The Seller reserves the title to the Products it has supplied until full payment of all receivables arising from the business connection with the Buyer has been received, including future receivables arising out of contracts entered into at the same time or later than this Contract. This is also expressly applicable to the balance outstanding where all receivables are included in a total sum and the balance has been calculated and accepted.

7.2 The Buyer shall be entitled to dispose of the Products within the normal course of its business operations, but not to pledge or assign or charge them by way of security. The Buyer shall be under an obligation to dispose of the Products only subject to retention of title. The Buyer hereby assigns to the Seller in advance all amounts due to the Buyer from its customers in connection with or arising out of any sale of the Products.

7.3 Any treatment or processing of the Products subject to retention of title which may be undertaken by the Buyer is carried out on behalf of the Seller. Should the Products subject to retention of title be processed, mixed or blended with other products not belonging to the Seller, the Seller shall ac-

quire a share of the property in the newly resulting products in proportion to the relation between the value of the Products subject to retention of title and the value of the other products so processed at the moment of processing, mixing or blending. Should the Buyer acquire the sole property to the new products, the parties to this Contract agree that the Buyer grants the Seller joint ownership of the products, and he undertakes to protect these free of charge for the Seller."

7.4 In the event that the Products subject to retention of title are resold either unprocessed or following processing, mixing or blending with other products that are the property of the Buyer, the Buyer assigns to the Seller the entire proceeds of resale. Should the Products subject to retention of title be resold by the Buyer after processing, mixing or blending with products not belonging to the Buyer, the Buyer shall assign to the Seller the proceeds of resale up to the value of the Products subject to retention of title. The Buyer is empowered under the terms of the assignment to collect these receivables. The right of the Seller to collect these receivables itself is unaffected by this; however, the Seller undertakes not to collect the receivables itself as long as the Buyer meets its payment and other obligations in an orderly manner. The Seller may at any time require the Buyer to advise it of the assigned receivables and their respective debtors, to give it all information necessary for the collection of the receivables and to furnish it with all relevant documents, as well as to advise the debtors of the assignment.

7.5 If the Products in the Buyer's custody which are subject to retention of title in favour of the Seller are attached by any third party, the Buyer shall inform the officials concerned of the existence of the retention of title in favour of the Seller and inform the Seller of the attachment forthwith. If any Products which are subject to retention of title in the custody of the Buyer's customers are attached, the Buyer shall at his own expense take all measures necessary to secure release from such attachment.

7.6 In the event of suspension of payment or petition for the institution of insolvency proceedings, the Buyer shall separate the Products subject to retention of title from the rest of its inventory and retain custody over such Products.

8. Limitation of liability

8.1 When the Products are not in accordance with the agreed specification or the delivery is incomplete, the Products shall be exchanged for the correct ones or the delivery shall be completed if so desired by the other party, providing that the exchange or completion can be carried out without difficulty. The Seller's liability for inaccurate or incomplete deliveries is limited to the terms outlined in points 8.1-8.2. The Seller is not liable for any consequential or indirect damages or losses caused by the inaccurate Products or incomplete delivery. The Seller's overall liability shall be limited, in respect of each separate Contract, to the nett sales price (taxes and costs excluded).

8.2 The Seller expressly disclaims all other warranties, either express or implied, including implied warranties of merchantability or fitness for a particular purpose. The Seller is not liable for the application of the Products for specific purposes unless so warranted in writing.

9. Complaints

9.1 Upon receiving the Products, the Buyer shall immediately, and not later than seven (7) days following the receipt of the Products, notify the Seller in writing of any inaccuracies or shortages the Buyer has or should have noticed if practicing adequate carefulness. During the same time limit the Buyer has to make a written claim of these inaccuracies or shortages. If the Buyer shall fail to provide such notice to the Seller within this prescribed period, the Products shall be conclusively deemed to have been received by the Buyer without defect in quantity. If the damage has occurred during transport, a corresponding entry must be made in the freight documents immediately upon acceptance of the Products, and it must be reported in writing to the Seller. If the Buyer neglects these obligations, it forfeits its right to claim any inaccuracy or shortcoming.

9.2 The Buyer shall give a written notification to the Seller of any defect in the Product, which cannot be observed during an adequate inspection upon receipt of the Products, within one (1) month of receiving the Products. However, in order to retain its rights, the Buyer must prove the origin of the Products (packaging list or the like).

9.3 The Buyer shall store in a covered storage area any Products for which a complaint has been submitted for at least four (4) weeks after providing a written notification to the Seller so that the Seller can, if desired, inspect said products at the Buyer's facilities. The Buyer shall send a specification of the complaint including the identification of the Product, package and instalment, as well as the specific defects complained of and the total amount claimed to the Seller by e-mail immediately after the written notification of formal complaint.

9.4 Claims will only be considered up to the value of the replacement material unless otherwise agreed. The Buyer is not

entitled to any compensation for damage which is related to Products taken into use by the Buyer.

9.5 No complaint or claim entitles the Buyer to refrain from the payment of the Products in agreed time. No complaint or claim will be recognised by the Seller if the Buyer has failed to comply with any provision of the Contract, including without limitation the provisions of the payment clauses.

10. Product liability

10.1 For damage caused by attributes of the Product, or incorrect or insufficient information, instruction or advice related to the Product, the Seller is liable for personal damages, damage caused to real property, damage to products that contain the sold Products, or damage to movable property, however, only providing that the Buyer can prove the damage was caused by the intentional or gross negligence of the Seller. The Seller is not liable in any case for production stoppages, lost profit or other indirect damages.

10.2 The Buyer shall indemnify and hold the Seller harmless against any third party claims on the basis of product liability, unless it can be demonstrated that the Seller or its Agent has caused the damage intentionally or through gross negligence.

11. Force majeure

11.1. Force majeure shall mean any supervening unforeseeable circumstances beyond the control of either party, for example actions taken by Finnish or foreign authorities, war, labour disputes, extensive military drafts or other impediments to maintain a workforce, shortage of transportation, raw materials, electricity or other energy, subcontractor delays, fire, production facility disruptions or other production facility mishaps, shipwrecks, ice or other impediments for which the party liable to perform is not answerable and as a result of which production, shipment, acceptance or use are reduced, delayed, prevented or cannot reasonably be expected from either party. Force majeure event shall relieve the Seller of its obligation to deliver and the Buyer of its obligation to take delivery as long as, and to the extent that, the disturbance continues. If this time exceeds two (2) months, either party shall have the right to wholly or in part withdraw from the deliveries which were supposed to be delivered during the period in question.

11.2. If some delivery instalment must be postponed due to the before-mentioned impediments, the remaining part of the Contract is not affected.

The party exercising the above-mentioned rights shall give the other party written notification of such without delay.

11.3. The party is not liable to the other party for damages or losses arising from the delivery postponement or cancellation based on force majeure.

12. Disputes

12.1 Disputes arising from the interpretation and application of the Contract shall be resolved by one arbitrator in accordance with the Arbitration Rules of the Finnish Central Chamber of Commerce. The place of arbitration shall be in Helsinki, Finland. The language of the arbitration shall be English.

12.2 Notwithstanding the above, the Seller, whenever initiating proceedings, is entitled to bring a dispute to the District Court of Helsinki if it so wishes. Once the dispute has been brought to either the Arbitral Tribunal or the District Court of Helsinki, the Seller is not entitled to change the venue.

13. Applicable law

The applicable law shall be the Finnish law, notwithstanding that the choice-of-law rules might otherwise lead to the application of some other law. The parties hereto agree that the United Nations Convention on Contracts for the International Sale of Goods does not apply and is strictly excluded. The Finnish Sale of Goods Act (27.3.1987/355) applies only to the extent certain issues have not been agreed upon in the Contract or in these General Terms of Sale.

14. Termination

Each Party may terminate this Contract with immediate effect by a written notice in case of bankruptcy, moratorium, receivership, liquidation or any kind of arrangement between debtor and creditors, or any other proven circumstances which are likely to affect substantially other party's ability to carry out its obligations under this Contract. The Buyer is obligated to inform the Seller in case of the risk for bankruptcy, moratorium, receivership, liquidation, payment problems or company ownership (real control) changes.

15. Confidentiality

All the information including trade secrets or related to those in the contract or attachments is confidential and cannot be transferred the any third party without the written permission of the other contractual party.