

GENERAL TERMS AND CONDITIONS FOR WOOD PROCUREMENT (GTC Wood Procurement)

1. Validity:

Every delivery of wood materials, whether ordered or not, is subject to these terms and conditions (GTC Wood Procurement) of the company Kaindl Boards GmbH, Kaindlstrasse 2, A-5071 Wals, hereinafter referred to as Kaindl. Secondary agreements or amendments to the GTC Wood Procurement require the written form to be effective. Supplier sales conditions to the contrary are herewith explicitly rejected. If the general terms and conditions of the supplier and those of Kaindl are mutually exclusive in whole or in part, any delivery made by the supplier will express his acceptance of Kaindl's GTC Wood Procurement.

2. Delivery:

Wood deliveries made by the supplier without an order from Kaindl occur at his own sole risk and sole expense. Kaindl is not obliged to accept goods it has not ordered. In these cases, Kaindl shall determine the purchasing price as it sees fit. Except for supplies "ex forest", Supplier shall pay costs of weighing, as far as they are necessary for the acceptance of the delivered wood (i.e. at take over).

3. Conditions:

Each contractual agreement occurs on the explicit condition that the wood supplied stems entirely from operations that follow current legal requirements. The supplier confirms that every wood delivery stems from controlled sources. This means that wood deliveries shall not stem from illegal felling, high conservation value forests, areas in which there are clear indications of breaches of customary and civil rights or from genetically modified trees. Furthermore, the supplier confirms that all legally required authorisations will be granted and that he is able to obtain all the required certificates, approvals (such as import, export, transit approvals, certificates, etc.) and will do so at his own expense if necessary. The supplier also assures that the wood does not come from the conversion of natural forests into plantations or from non-forest uses. The supplier also confirms that all necessary official permits have been issued and that the mandatory logging and timber trade-specific taxes and duties have been paid and that the supplier has received all necessary documents, permits (such as logging permits, tax confirmations, import, export and implementation permits, certificates, etc.) are available and if requested by Kaindl, he shall provide them to Kaindl at his own expense. Costs arising from missing certificates, approvals or rejections by customs shall be borne exclusively by the supplier.

4. Quality/Acceptance/Dimensions:

The supplier acknowledges Kaindl's current quality guidelines known to him. The classification and determination of quantities are performed by a Kaindl employee in accordance with the quality guidelines at the Kaindl facility, Kaindlstraße 2, 5071 Wals. The supplier is free to be present for the acceptance of his delivery. Both the quantities and quality established by the Kaindl employee are exclusively decisive for the corresponding dimensions/billing. All costs resulting from rejection by the Kaindl employee due to quality deficiencies shall be borne by the supplier. The goods inspection shall be performed by Kaindl within 30 days of delivery. Hidden or concealed deficiencies must be reprehended within 30 days of discovery. A deficiency complaint is deemed as timely if dispatched to the supplier in writing within this notice period. Any form of confirmation or other certification issued by Kaindl upon acceptance of the goods shall not be misconstrued as an approval or confirmation that the goods are free of defects.

A specific quality or source of origin defined by Kaindl in the order represents an essential part of the contractual basis. Kaindl shall be at liberty to withdraw from the contract or demand improvement or additional delivery or an appropriate price reduction if the goods delivered do not possess the ordered properties.

The supplier is obliged to inspect the wood for foreign matter as far as is reasonable and shall be held liable for any damage occurring during processing. The supplier shall also be held liable for any inappropriate preparation or storage of the wood.

5. Delivery time and acceptance date:

If the supplier fails to deliver at the allocated time Kaindl shall be entitled to withdraw from the contract in whole or in part with immediate effect, or to refuse acceptance of the goods, or to procure the ordered goods from another supplier and to charge any additional costs and loss of profit to the original supplier.

6. Freight, transfer of risk:

Unless stipulated otherwise in a special agreement, deliveries shall be made freight prepaid to Kaindl's facility in Wals by truck. The supplier shall conclude in his own name and at his own expense a freight contract for the goods with a carrier or freight forwarder approved by Kaindl. The transportation of the goods occurs at the supplier's risk. Risk of price variation and title shall not transfer to Kaindl until after unloading and acceptance of the goods by Kaindl at its facility in Wals.

Deliveries shall be made by self-unloading truck. Goods must be unloaded by the supplier or his agent at the allocated storage location. Unloading by Kaindl can be arranged by separate agreement. Kaindl shall only be held liable for damage sustained by the supplier's vehicle during unloading by Kaindl if caused by gross negligence or with intent.

With the exception of possible costs for an import licence and associated processing by customs, all costs, charges, fees and taxes relating to the loading and unloading of the goods shall be borne by the supplier.

If supplier performs the loading by himself or through third parties he is bound to comply with all respective applicable security regulations and has to indemnify Kaindl against all claims arising out of his failure.

Following special conditions may be applicable;

EX WORKS SUPPLIER LOADED ON TRUCK

Transportation contract:

Kaindl shall conclude the necessary transportation contract for dispatching the goods with a carrier or freight forwarder. The transportation of the goods occurs at the supplier's risk. Risk of price variation and title shall not transfer to Kaindl until after unloading and acceptance of the goods by Kaindl at its facility in Wals.

Transport costs:

With the exception of the costs detailed under Clause 3. and the costs of loading, all transport costs shall be borne by Kaindl. If the supplier loads goods incorrectly or contrary to loading instructions issued by Kaindl, resulting in subsequent reloading or causing other or higher costs, these costs shall be borne by the supplier. Deliveries shall be made by self-unloading truck. If Kaindl's unloading service is utilized supplier or freight forwarder will be charged with the actual prices for the service either by direct invoice or by deduction of the costs from the credit note to be issued.

EX WORKS SUPPLIER LOADED ON RAIL

Transportation contract:

The supplier shall conclude a freight forwarding contract with a railroad company approved by Kaindl on behalf and for account of Kaindl. The supplier shall issue or let issue the waybill in strict compliance with the instructions given out by Kaindl. Higher costs resulting from non-compliance with these instructions shall be borne exclusively by the supplier. The transportation of the goods occurs at the supplier's risk. Risk of price variation and title shall not transfer to Kaindl until after unloading and acceptance of the goods by Kaindl at its facility in Wals.

Transport costs:

Kaindl shall bear all rail transport costs including ancillary costs at the site of receipt, such as siding and shunting charges. Kaindl shall only be liable to pay demurrage if delivery was not suspended in good time, the supplier adheres to the agreed delivery quantity and deliveries are regular.

The supplier shall pay the cost of loading as well as ancillary costs arising at the point of dispatch, such as demurrage, shunting charges at the dispatch station, station cleaning, tarpaulins, straps, etc. If the supplier loads goods incorrectly or contrary to loading instructions issued by Kaindl or the according railway company, resulting in subsequent reloading or causing other costs, these costs shall be borne by the supplier.

Delivery:

The goods shall be loaded on to the agreed wagon type at the agreed station and at the agreed time. Care shall be taken to ensure proper loading in accordance with the loading instructions issued by Kaindl and also to ensure compliance with the minimum load as stipulated by Kaindl. The supplier is obliged to comply with the regulations of the railway company.

EX WORKS KAINDL WALS

Transportation contract:

The supplier shall conclude the transport contract with a company approved by Kaindl in his own name and for his own account. If loaded on rail the deliveries shall be performed with the wagon types agreed by Kaindl. If unloading shall be performed by Kaindl the used vehicles need to be approved by Kaindl with regard to their unloading capabilities. Supplier is obliged to load the goods in a manner that facilitates efficient and fast unloading.

Transport costs:

In the case of "loaded on rail" Kaindl shall only bear costs of connecting siding, shunting or any demurrage for which Kaindl responsible. However, it shall only pay the latter if delivery was not suspended in good time, the supplier adheres to the agreed delivery quantity and deliveries are regular. Any other costs, in particular all costs caused by supplier's failure which are connected to the transport (i.e. overloading charges, reloading costs) shall be borne by supplier.

Transport Insurance:

The supplier is obliged to obtain sufficient insurance cover for the goods at his own expense.

7. Billing/Payment:

Kaindl settles accepted deliveries twice per month, whereby "chip wood credit notes" are issued and sent to the supplier. Kaindl neither accepts nor acknowledges invoices sent by suppliers Settlement will only follow after the quality inspection according to clause 4 and is based exclusively on the quality and dimensions as determined by Kaindl.

8. Flat rates:

Unless stipulated otherwise in a special agreement, the agreed purchase price is considered a flat rate that includes all costs, taxes, charges and fees, such as demurrage, the cost of phytosanitary inspection, freight, insurance premiums, etc., whether foreseeable or not.

9. Exclusion of the transfer of rights:

The transfer of rights from a concluded contract to a third party without written agreement from Kaindl is excluded.

10. Exemption from the fulfilment of contractual obligations:

In cases of force majeure, reduced production or in case of a full production stop Kaindl is entitled to withdraw from an unfulfilled contract in whole or in part, or to impose a one-sided delay of acceptance until the cause of delay is removed without giving rise to any claims by the supplier.

11. Invalidity of individual stipulations:

Should a provision of these general procurement terms be invalid or ineffective, the legal effect of the other provisions shall not be affected. Invalid provisions shall be changed by mutual agreement to fulfil the intended purpose as closely as possible.

12. Place of fulfilment and jurisdiction:

The place of fulfilment for both parties is the Kaindl facility in Wals. It is herewith agreed that the competent court in Salzburg shall have exclusive responsibility for any disputes arising from the contractual/supplier relationship. However, Kaindl is also entitled to take action against the supplier at his general place of jurisdiction.

13. Applicable law:

The contract/supplier relationship shall be subject exclusively to Austrian law; the United Nations agreement on contracts concerning international goods purchases ("UN Commercial Law") shall not apply.