

GENERAL TERMS AND CONDITIONS

1 Scope of Validity

- 1.1 The provisions of the present General Terms and Conditions (hereinafter the GTAC) shall be applicable to all orders and deliveries of products and services effected by Kronospan CRO, Bjelovar, Slavonka street nr. 17, VAT nr. 011596313 (hereinafter the Seller), any changes or amendments to the GTAC shall always be in writing.
- 1.2 The Purchaser shall hereby accept the provisions of the GTAC by concluding a contract with the Seller.
- 1.3 The provisions of the GTAC shall be applied to all further deliveries affected by the Seller, even in case a contract does not contain these provisions.
- 1.4 All provisions of contracts which contravene the GTAC shall be applied to contractual relationships between the Seller and the Purchaser only if they are approved by a written consent from the Seller.
- 1.5 The Purchaser's terms of purchase shall not be binding on the Seller even if the Seller does not oppose them explicitly.

2 Offers and Conclusions of Contract, Documentation, Technical Standards

- 2.1 Unless stated otherwise in an offer, offers made by the Seller stating prices and delivery terms shall not be binding.
- 2.2 Documentation, including images, drawings, illustrations, weight and measurement data, deliveries' descriptions and characteristics, as well as other information about products and services, which is supplied as an integral part of an offer for informational purposes shall be binding only if it has been agreed explicitly.
- 2.3 The Purchaser's order placed shall be considered binding on its part. The order shall be binding on the Seller in case the Seller accepts the order and confirms it by sending an order confirmation in writing within 21 (twenty one) days of the order's receipt.

3 Delivery

- 3.1 Unless agreed otherwise in a contract, the goods delivery shall be from the Seller's warehouse.
- 3.2 Partial deliveries and business execution shall be allowed.
- 4 Delivery Terms, Delays, Return of Goods**
- 4.1 Delivery terms shall be specified individually with every purchaser.
- 4.2 KRONOSPAN may rescind the contract if the agreed payment securities are not available; in particular if no sufficient trade credit insurance coverage is given.
- 4.3 The Purchaser undertakes to take over the goods upon notification, no later than 28 (twenty eight) days of their production date; otherwise the goods shall be delivered to the Purchaser without prior notification.
- 4.4 In case the Purchaser refuses to take over the goods, the goods shall be publicly stored at the Purchaser's cost. The Purchaser shall bear all costs of storage, insurance, safety measures, etc. which have occurred due to delay in goods takeover.
- 4.5 In case the Purchaser is delayed taking over the goods, the Seller shall be entitled to charge a full purchase price as well as any damages incurred due to delay. The risk of goods damage or disappearance shall pass over to the Purchaser as of the date on which takeover deadline expires.
- 4.6 In the event of the Purchaser's delay in fulfilling his contractual obligations, the Seller shall be entitled to extend the delivery term by the delay period.

5 Transfer of Risk

- 5.1 Costs and the risk of goods delivery from the warehouse shall be born by the Purchaser. The responsibility for accidental damage or disappearance of the goods shall pass to the Purchaser as of the moment of conveyance to the shipper or as of the moment when the goods leave the warehouse.
- 5.2 If the goods delivery is not carried out by an agreed deadline for reasons that are not on the Seller's side, the risk of accidental damage or disappearance of the goods shall pass to the Purchaser as of the moment when a written notification about the inability to carry out the delivery is sent to the Purchaser.
- 5.3 The Purchaser undertakes to take over the goods on an agreed date. Upon the breach of this obligation, the Purchaser shall bear storage costs pursuant to Article 4 hereof.

6 Price and Payment Conditions

- 6.1 The price shall be net price, not including value added tax, packaging costs, transport costs, customs, import duties and other charges and payments. Price increases apply for all deliveries as from the date communicated by KRONOSPAN.
- 6.2 Shall the input (material, wages, etc.) or overall economic situation change during the period from the order confirmation to the delivery deadline to the Seller's disadvantage, the Seller shall be entitled to change the prices accordingly.
- 6.3 All payments shall be made in Euro or Kuna exclusively to the Seller's account. In case a currency clause for sales on the territory of the Republic of Croatia has been agreed, sales exchange rate for Euro of Zagrebacka Banka Inc. on the day of payment shall be apply.
- 6.4 If the Purchaser defaults with payment on due date, the Purchaser shall lose all claims to discounts, credit notes for sales volume and freight and deferrals of payment (apart from discounts / compensations that have been agreed expressly for the assumption of warranties and / or guarantees by the Purchaser
- 6.5 Any default in payment of the purchase price shall be penalized with penalty interest rate pursuant to the provisions of the Law on Obligatory Relations. In case the Purchaser does not pay due amounts within 8 (eight) days from the due date, the Seller shall be entitled to cancel the contract in writing and to demand payment of the incurred damages.
- 6.6 In the event of default in payment of the purchase price, the Purchaser shall cease to be entitled to the agreed discount.
- 6.7 In the event of late payment the Seller shall be entitled to stop further goods delivery and/or to provide services only with advance payment.
- 6.8 In the event the Buyer defaults payment, KRONOSPAN may claim default interest from the Buyer in the amount of 0.05 percent for each day of default. Further claims of KRONOSPAN shall remain unaffected thereby.
- 6.9 In case circumstances provide a reasonable suspicion about a Purchaser's credit worthiness or purchasing power, all accounts receivable by the Seller from the Purchaser shall become payable and the Seller shall be entitled to demand advance payment or guarantee before goods delivery or to terminate the contract before the expiry of termination period and to demand payment of damages as well as lost profit.
- 6.10 The Seller shall be entitled to transfer or sell any claims from its purchasers.
- 6.11 In case a bill of exchange and/or a debenture bond have been accepted as payment insurance, the Seller shall be entitled to fill out the bill of exchange and/or the debenture bond and to transfer them for payment, especially in cases of payment defaults, insolvency or credit unworthiness.
- 6.12 All claims which the Purchaser may have from third parties as a result of goods sale shall be transferred to the Seller in the amount of the purchasing price of the goods purchased from the Seller.

7 Defect Liability Pursuant to the Contract

- (Material and legal defects)
- 7.1 The Purchaser undertakes to inspect the goods at the moment of takeover in accordance with professional standards. The Purchaser's right to claim possible goods defects shall cease within 30 (thirty) days of the date of goods takeover. In order to exercise its right to claim goods defects, the Purchaser shall inform the Seller about goods defects in writing, describing them in detail.

- 7.2 In case the quality or the quantity of the delivered goods do not conform to the order, the Purchaser shall inform the Seller within 8 (eight) days but only if the goods are not damaged and are originally packed. After this deadline expires, the Purchaser's right to return the goods shall cease. The Purchaser shall confirm the acceptance of goods in quantity and state as stated in a delivery note by signing it.
- 7.3 The Purchaser shall be entitled to exercise its right to claim any material or legal defects if he pays the goods and acts in accordance with the provisions of the GTAC.
- 7.4 The Purchaser shall not be entitled to claim goods defects in the event of minor defects. In the event of minor defects the Seller shall be entitled to remove the defects or deliver new goods within a reasonable period. The Purchaser shall be entitled to remove the defects himself with the Seller's consent. The Purchaser undertakes to cooperate with the Seller in defect removal and to follow the Seller's instructions.
- 7.5 In case the Seller can not remove the defect by delivering new goods or removing the defect, the contractual parties shall agree to reduce the purchase price accordingly.
- 7.6 Unless agreed otherwise in the GTAC, the Seller shall not be held responsible for any damages due to defects, unless the damages are caused purposely or by simple negligence. This refers to all damages caused by defects, including production stop, lost profit or other indirect damages, i.e. damages which have not occurred during goods delivery.
- 7.7 The Purchaser undertakes to comply with the Seller's instructions on storage conditions or product use and to inform third parties thereof. The Purchaser shall confirm receiving the instructions and understanding them in full by signing the contract.

8 Plans, Sales Documentation, Confidentiality

- 8.1 The Seller shall be entitled to hold all titles for produced samples, devices, tools, blueprints, sketches and plans, as well as patents and copyrights for industrial ownership. All sales documentation, such as catalogues, sample books, price lists, etc., which has been made available to the Purchaser, shall remain the Seller's ownership and shall be returned upon request.
- 8.2 The contractual parties hereby agree that all economical and technical details of their business cooperation shall be considered confidential. This especially refers to items referred to in paragraph 8.1., which must not be copied, revealed or made available in any other way to third parties without a special written consent. The Seller shall retain all ownership rights and copyrights on all data deriving from it, including electronic data.
- 8.3 The Purchaser undertakes to oblige all subcontractors to the same confidentiality obligations as referred to in paragraph 8.2.

9 Liability for Additional Obligations

- The provisions of these GTAC shall be valid for the fulfillment of all contractual and pre-contractual obligations adequately.

10 Inability

- In case the Seller is not able to fulfill its obligations, legal provisions regarding cancellation rights and possible damage reimbursement shall apply.

11 Force Majeure

- The contractual parties shall not be held responsible for defaults in fulfilling their obligations if the defaults have been caused by obstacles which could not be prevented, removed or avoided, and especially if the defaults have been caused by one of the following reasons: fire, natural disaster, war, seizure, lack of raw materials, limitations of energy consumption or strike. Agreed deadlines shall be expanded by the period of existence thereof.

12 Additional Liabilities of the Seller

- Unless explicitly defined by these GTAC and apart from the Seller's intention and simple negligence, all other contractual or legal obligations of the Seller shall be excluded, especially regarding the cancellation or termination of the contract, reducing or reimbursement of damages of any kind, especially damages which have not occurred on the delivered goods.

13 Retaining Ownership Rights

- 13.1 The Seller shall retain full ownership rights until the purchase price is paid in full.
- 13.2 The Purchaser shall support the Seller in undertaking measures to protect its ownership. The Purchaser undertakes to ensure the Seller's ownership rights especially in the event of bankruptcy and/or detrain. The Purchaser undertakes to immediately inform the Seller about possible threats for the Seller's ownership rights protection and to supply all documentation and goods, i.e. to enable the Seller to inspect and access the goods. This especially refers to third parties' actions or to official measures such as seizures, detrain, etc.
- 13.3 The Purchaser shall be completely liable for the preservation of goods and shall provide insurance against theft, damages caused by fire and water, as well as other risks at its own cost for the period until the purchase price has been paid in full. The Purchaser undertakes to transfer the reimbursement for damages caused by an adverse event to the Seller in the amount of the purchase price, with respecting the ownership rights of the goods. In case the reimbursement does not cover complete damages, the Purchaser shall not be entitled to claim the difference between the two amounts from the Seller. The Purchaser shall supply evidence of the insurance contract to the Seller upon request.
- 13.4 In case the Purchaser is in breach of the provisions of this contract, especially in case of late payments, the Seller shall be entitled to withdraw goods for which the ownership right has been retained at any time and regardless of the place, and the Purchaser shall be obliged to hand them over to the Seller. In case of return, the Purchaser shall bear all incurred costs as well as a legal penalty interest rate.
- 13.5 In case goods for which the ownership right has been retained have been sold to third parties, the contractual parties hereby agree that the Purchaser shall transfer all its main and additional rights towards those third parties to the Seller until the Seller's liabilities towards the Purchaser have been paid in full.

14 Miscellaneous

- 14.1 Any amendments to these GTAC or contracts which have been concluded on the bases of the GTAC shall always be in writing.
- 14.2 The Purchaser shall be entitled to offset liabilities only in case of non-disputable liabilities which have been explicitly confirmed by the Seller or liabilities set out by a final verdict.
- 14.3 The Purchaser shall be entitled to use trademarks, brand names and other marks and producer's copyrights only with the Seller's prior written consent.
- 14.4 The Purchaser shall ensure that third parties' rights are protected in its instructions on shapes, measures, colors, weight, etc. The Purchaser shall reimburse all costs incurred on the basis of third parties' claims to the Seller, including all court and other costs, as well as all attorney fees.
- 14.5 In case one or more of the provisions of these GTAC become invalid, the parties shall undertake to replace invalid or unenforceable provisions with other provisions immediately, taking into account the accomplishment of the same purpose and/or intent of invalid or unenforceable provisions in a legal and legitimate manner, taking into consideration expressed intentions and interests of the parties.

15 Place of Performance, Court Jurisdiction, Governing Law

- 15.1 The place of performance is the Seller's warehouse, unless defined otherwise by the nature of a debt relationship.
- 15.2 Addresses referred to in the contract shall govern all disputes and deliveries.
- 15.3 The court jurisdiction shall be the one of a court in Bjelovar. The governing law shall be the one of the Republic of Croatia, excluding the provisions of the international private law, as well as the UN Convention on Contracts for the International Sale of Goods (the Vienna Convention on International Sale of Goods).

16 Data processing

- The Seller and its related companies shall be entitled to gather process and use the data received from purchasers in accordance with valid legal provisions.