

GENERAL CONDITIONS OF SALE AND SUPPLY

§ 1 Scope of application

1. Subject to mandatory provisions of the law, any transaction for the sale or supply ("sale/supply") of goods by SIA "KRONOSPAN Riga" with its registered office in Riga, Latvia ("KRONOSPAN") to entrepreneurs ("Purchaser") shall be governed exclusively by these General Conditions of Sale and Supply ("Conditions"), unless the parties agree otherwise in writing.

2. The Purchaser shall be deemed to have accepted these Conditions no later than on acceptance of the goods.

3. Where a contract has been concluded on the basis of these Conditions, they shall apply to all other sale/supply transactions with the Purchaser even if KRONOSPAN does not refer to them in future.

4. Only these Conditions apply to sale/supply transactions involving KRONOSPAN's goods. The Parties agree that the Purchaser's general conditions of purchase shall not apply to the extent they may conflict with or differ from the Conditions.

No purchase conditions stipulated by the Purchaser or comments the Purchaser may attach to the Conditions shall bind KRONOSPAN, even if they are not expressly rejected by KRONOSPAN. Where no copy of the Conditions is sent to the Purchaser, whether together with KRONOSPAN's offer or on some other occasion, the Conditions shall nevertheless apply as if the Purchaser already had or should have known them based on earlier commercial transactions with KRONOSPAN.

§ 2 Offers and conclusion of contract

1. KRONOSPAN's offer proposals are not binding as to prices and delivery dates. Any drawings, illustrations, dimensions, weights or other data are binding only if so expressly stipulated in writing.

2. An offer made by the Purchaser to KRONOSPAN shall be treated as binding. KRONOSPAN as the seller may accept such an offer within two weeks by sending an order confirmation to the Purchaser.

3. A contract of sale/supply must always be agreed in writing and in particular by KRONOSPAN issuing a written order confirmation. Contracts agreed verbally or over the telephone become valid only after they are confirmed in writing.

§ 3 Prices and terms of payment

1. Prices for KRONOSPAN goods are EX-WORKS (Incoterms 2010), unless otherwise agreed in writing. Prices exclude, without limitation, freight, customs duties, import duties, ancillary levies. The prices are stated net and any applicable goods and service taxes shall be added to them. A price increase shall apply to all sale/supply transactions as from a date indicated by KRONOSPAN.

2. Where, between conclusion of the contract and sale/supply of the goods, a change in raw material prices, wages or other obvious price drivers occurs that is adverse to KRONOSPAN, then KRONOSPAN shall be entitled to adjust its prices accordingly.

3. Unless otherwise agreed in writing, payments to KRONOSPAN shall be made in advance in EUR or in another pre-agreed currency.

4. If the price is based on other currency and EUR exchange rate applicable on the invoice issuance date, any increase of that rate between the due date and the date on which the final payment is made (the funds are credited to KRONOSPAN's bank account) shall be at the cost of the Purchaser and shall be treated as a price increase to be settled under an adjusting invoice. If the rate depreciates between the due date and the date on which the final payment is made (the funds are credited to KRONOSPAN's bank account), the price will not be reduced.

5. In the event of late payment, the Purchaser shall automatically forfeit any rebates, discounts, price reductions, turnover bonuses, freight refunds and similar price concessions that have been granted to him. Furthermore, the Purchaser's obligations shall become immediately enforceable and KRONOSPAN shall be entitled to demand their immediate settlement and to claim a reimbursement of any costs of debt enforcement and reminder letters, including without limitation lawyers' costs, and even if KRONOSPAN has granted extra time for payment, it shall be entitled to withdraw from all sale/supply transactions with respect to the Purchaser.

As part of its reimbursement claim for debt enforcement costs, KRONOSPAN may, without limitation, demand the sum of EUR 40 as compensation for debt recovery costs.

In the event of late payment, KRONOSPAN may also claim, at KRONOSPAN's discretion, either late payment interest at 0.05% per day of delay or statutory interest or interest under any other legislative act which may be enacted. A claim for payment of interest shall not restrict any further claims by KRONOSPAN.

6. If, after a contract of sale/supply has been concluded and trade credit has been granted, there arise reasonable doubts as to the solvency or creditworthiness of the Purchaser, or if this fact, while existing at the time of contract conclusion, does not become apparent until later on, then KRONOSPAN shall be entitled to claim early payment or demand that the Purchaser provides such security within a time period requested by KRONOSPAN. If the requested action is not taken within such a time period, KRONOSPAN shall be entitled to withdraw from the sale/supply transaction, claim damages for its loss, withdraw its consent for deferred payment terms and/or demand immediate payment of all liabilities, whether or not already enforceable.

7. If the agreed payment security is not provided, and in particular if insufficient trade credit insurance cover has been obtained, KRONOSPAN shall set an extra period of time for the Purchaser to provide such agreed security, following which KRONOSPAN

may withdraw from the contract. If sufficient insurance cover or agreed security is not provided, any delivery or price arrangements agreed earlier shall not apply.

8. Notwithstanding anything to the contrary raised by the Purchaser, KRONOSPAN shall be entitled to apply payments from the Purchaser firstly against the debt with the oldest due date. If any incidental claims (interests and costs) have already arisen, KRONOSPAN shall be entitled to apply such a payment firstly against costs, then interest, and lastly against the principal debt amount.

9. Even if the Purchaser has given KRONOSPAN a notice of defects or is seeking to make counterclaims, the Purchaser may offset, withhold or reduce payments only where the Purchaser's claims have been awarded under a final and definitive court judgement or are indisputable and enforceable.

§ 4 Delivery and delivery terms

1. Deliveries are EX-WORKS (Incoterms 2010), unless the parties agree otherwise in writing. Where the sale is EX-WORKS *KRONOSPAN warehouse*, the Purchaser or the person collecting the goods on his behalf must take notice of and comply with traffic rules applicable at KRONOSPAN's site. Where the sale is EX-WORKS *KRONOSPAN warehouse*, KRONOSPAN shall not be responsible for proper loading of the goods onto the means of transport.

2. KRONOSPAN shall have sole discretion as to the form, kind and scope of packaging, unless the parties agree otherwise in writing.

3. Any agreed delivery dates shall be set out in the order confirmation or otherwise agreed in writing, and KRONOSPAN shall exercise due care to comply with them.

If a delivery is late by more than two weeks, the Purchaser may give KRONOSPAN written notice setting an adequate extra time period for delivery. If the delivery is not completed within two weeks from the expiry of such extra time, then the Purchaser may withdraw from the contract. The notice of withdrawal from the contract must be given in writing. The right of withdrawal shall not apply if KRONOSPAN was unable to comply with the additional delivery deadline due to circumstances for which it is not responsible and the Purchaser could reasonably expect that the contract would be performed.

4. KRONOSPAN shall be discharged from performing its obligations for the duration of any circumstances beyond its control which prevent KRONOSPAN from performing them (Force Majeure), including without limitation: inability to supply raw materials or means of transportation, fires, explosions, earthquakes, storms, tempests, tidal bores and floods, wars, hostilities (whether declared or not), invasions, acts of external enemies, mobilization, confiscations or embargoes, rebellion, revolution, insurrection, military dictatorship, usurped power, civil war, any threat related to or event of radioactivity, toxicity or any other hazards or events, riots, disturbances, operation stoppages, strikes, blockades, or any other events or occurrences, whether or not expressly stated herein, which are beyond the control of KRONOSPAN and were

unforeseeable or, if foreseeable, were unavoidable. The agreed delivery times will be extended for as long as a Force Majeure event is present. The Purchaser may not refuse to collect the goods as a result of delay caused by Force Majeure.

5. KRONOSPAN shall have the right to execute sale/supply transactions in parts.

6. In the case of "call-off orders", the Purchaser shall collect the goods within the agreed time or, if no time has been agreed, no later than 28 calendar days from notice of order fulfilment. Otherwise the goods shall be shipped automatically and/or, if collection is refused, they shall, at KRONOSPAN's discretion, either be stored at KRONOSPAN's premises for a net charge of EUR 3 (or equivalent in a different currency), plus goods and services tax, per day for each cubic metre of the goods ready for dispatch, or be given to third parties for storage at the Purchaser's cost. In such cases, the sale/supply shall be deemed to have been fulfilled.

§ 5 Transfer of risk

1. The risk of accidental loss of the goods shall in each case pass to the Purchaser when the goods are handed over to the party dealing with the transportation or when the goods leave KRONOSPAN's warehouse for dispatch purposes; this in particular applies to "freight prepaid" deliveries (FOB, Incoterms 2010).

2. If the goods cannot be dispatched within the agreed time for reasons for which KRONOSPAN is not responsible, the risk of accidental loss of the goods shall pass to the Purchaser on receipt by him of a notice that the goods are ready for dispatch.

3. The Purchaser shall take the goods within the agreed time, otherwise KRONOSPAN may charge customary storage costs of no less than EUR 3 (or equivalent in a different currency), plus goods and services taxes, per day for each cubic metre of the goods ready for dispatch.

§ 6 Warranty

1. Any defects that become apparent on a proper inspection of the goods shall be reported by the Purchaser to KRONOSPAN in writing immediately on receipt of the goods. In such a case, the Purchaser must report the defects on the packing note or on the relevant shipping document, such as CMR/CIM waybill, and take photographs of the defects and these documents must also be sent by the Purchaser to KRONOSPAN. Any defects that cannot be detected even during a proper inspection of the goods shall be reported to KRONOSPAN immediately when discovered but in any case within 24 hours at the latest. The same shall apply to wrong delivery complaints and quantity complaints. Noncompliance with the complaints reporting procedure will invalidate any warranty claims.

2. Before the delivered goods are processed, the Purchaser shall be required to check their suitability for use, even if samples of the goods have already been delivered.

3. Minor deviations in dimensions or formats shall not give the Purchaser the right to raise complaints for defects. The Purchaser may not raise complaints by reason only

of possible potential deviations that are mentioned in relevant quality disclosures known to the Purchaser. Complaints shall not be raised in relation to items whose value is less than 4% of the value of goods sold in a single transaction, or in any case less than EUR 50 net (or equivalent in a different currency). In the case of cut-to-size orders, complaints shall not be raised when the only reason is quantity deviations of up to 10% against the quantity ordered. In the case of other orders, complaints shall not be raised by reason only of quantity deviations of +/- 8%.

4. Complaints may only be made in relation to first grade goods which have not been sold under a promotion and which may be inspected or returned.

5. Warranty remedies are granted on condition that full payment for the delivered goods has been made. Without prior written agreement the Purchaser shall not be entitled to return the goods to KRONOSPAN.

6. If a defect in the goods has been duly and timely reported according to sub-par. 1 above, KRONOSPAN shall resolve the complaint by, at its choice, either remedying the defect, supplying defect-free goods or reducing the price.

7. Warranty obligations shall expire if the KRONOSPAN goods have been changed, processed, improperly stored, or used contrary to their intended uses, technical features or KRONOSPAN's recommendations, or if the Purchaser has not checked their suitability before use.

8. KRONOSPAN shall not be liable for quality of the goods if they are used outside the territory of the European Union, unless the intended use and destination country have been notified to KRONOSPAN before the sale/supply and KRONOSPAN has given a written quality warranty for this use and destination.

9. Subject to the above provisions, KRONOSPAN's warranty liability shall last for one year.

10. Unless otherwise agreed by the parties in writing or provided by mandatory provisions of law, the above warranty clauses constitute the only obligations of KRONOSPAN in respect of liability for the quality of the goods. No other warranty obligations of KRONOSPAN exist.

§ 7 Retention of title

1. KRONOSPAN retains ownership title to the sold goods until full settlement of the price by the Purchaser.

2. The delivered goods may be subject to processing, combination or amalgamation only on condition that title to the goods is retained according to sub-par. 1 above and that security provided in favour of KRONOSPAN is maintained.

3. The Purchaser shall be entitled to sell KRONOSPAN goods in the ordinary course of business. Purchaser's claims in respect of the sale and other claims in lieu of the goods are immediately assigned for the full amount to KRONOSPAN as security along with all

incidental rights, whether the KRONOSPAN goods are supplied with or without processing, transformation, installation or combination and whether or not the KRONOSPAN goods are processed, transformed, installed or combined with goods from other suppliers. If another supplier lawfully retained ownership title to goods supplied by him, the Purchaser assigns his claims to KRONOSPAN to the extent they reflect the price of the goods to which title has been retained by KRONOSPAN.

4. When the Purchaser's bank account is credited with the sales price of the goods to which KRONOSPAN has retained ownership title or which are co-owned by KRONOSPAN, the Purchaser assigns the claim for payment to KRONOSPAN up to the credited balance reflecting the amount of KRONOSPAN's claims.

5. The Purchaser shall, until further notice, remain authorised to enforce any amounts due referred to in sub-par. 3 above. This authority may be withdrawn by KRONOSPAN for valid reasons, such as the Purchaser's delay or failure to pay, commencement of bankruptcy proceedings or some other threat to contract performance. In such cases, the Purchaser shall be required, without limitation, to make sure that all goods subject to retention of title are immediately marked as KRONOSPAN's property in an appropriate manner that is visible to any third party.

The Purchaser shall provide KRONOSPAN with a detailed list of all goods subject to retention of title, including processed goods, and a list of amounts due referred to in sub-par. 3 along with the debtors' names. Notwithstanding the foregoing, KRONOSPAN's representatives shall be authorised to hold inspections at the Purchaser's premises and inspect documents during normal business hours within the scope defined above.

6. The Purchaser shall be responsible for KRONOSPAN goods. The Purchaser shall diligently store the goods and duly insure them against ordinary risks, such as damage, loss, theft, fire etc., on normal terms and within the customary scope. The Purchaser hereby assigns to KRONOSPAN all claims against the insurers which may arise in the event of damage to the goods, up to the amount of the price due for the goods to which title has been retained by KRONOSPAN, with the highest possible priority. Where the insurer does not indemnify the loss in full, the Purchaser shall pay KRONOSPAN the difference between the sales price (the invoiced amount including goods and services taxes) and the amount of the indemnity received.

7. The Purchaser shall not be entitled to encumber the goods or transfer title to them as security. The Purchaser must notify KRONOSPAN without undue delay of any events relating to KRONOSPAN's title to the goods and must take all steps, including legal action in relation to KRONOSPAN and third parties, to maintain the effectiveness and validity of the retained title and of the assignments. The Purchaser shall bear the costs of such actions, whether in or out of court.

§ 8 Limitations of liability

1. KRONOSPAN shall be fully liable for losses arising from breach of warranty, danger to life, injuries or harm to health, provided that KRONOSPAN shall be liable solely for losses caused by intentional misconduct or gross negligence. KRONOSPAN's liability shall be limited to losses ordinarily expected in connection with conclusion of the contract, and in particular shall not cover indirect or consequential losses.

Any exclusions and limitations of KRONOSPAN's liability shall likewise apply to personal liability of employees, management, sales representatives, authorised representatives and subcontractors.

2. The Purchaser shall bear exclusive liability for dangerous products where the causes of the loss are attributable to him, and in particular where the loss is a result of structural defects of the final product or inappropriate or improper advice. The Purchaser shall also be exclusively liable where KRONOSPAN goods are sold to consumers. The Purchaser shall indemnify KRONOSPAN for all costs and expenses (including legal costs) incurred by KRONOSPAN as a result of claims, demands or court actions related to such liability.

Where KRONOSPAN is required to recall the goods from the market or publish a defect notice, the Purchaser shall support KRONOSPAN and become involved in any action which KRONOSPAN considers desirable or proper or which is required by relevant public authorities, and in particular the Purchaser shall be required to provide details of those consumers who purchased the defective goods.

The Purchaser must promptly notify KRONOSPAN in writing of any risks relating to use of goods manufactured by KRONOSPAN, if such risks have come to his notice, and of any defects in such goods.

§ 9 Governing law and jurisdiction

1. All contractual and extra-contractual relations between the parties shall be governed by the laws of the Republic of Latvia. The application of the United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 shall be excluded to the maximum extent permitted by law.

2. The appropriate court to hear any disputes arising out of a contract of sale/supply of KRONOSPAN goods, including disputes as to its execution, shall be the court of jurisdiction at the location of KRONOSPAN's registered office or in Riga. KRONOSPAN may sue the Purchaser also before a court of jurisdiction at the location of his registered office. The foregoing does not apply where a different court has exclusive jurisdiction according to mandatory provisions of law.

§ 10 Other provisions

1. The Purchaser may not use any names, trademarks or other trade names used by KRONOSPAN without KRONOSPAN's written consent.

2. Should any clause of the Conditions be or become invalid, this shall not prejudice the validity of the other clauses. The parties to the contract shall agree a new clause that will achieve in the best way possible the purposes of the invalidated clause. The same shall apply in the case of a legal loophole in the contract.

3. Any amendments or variations of the Conditions must be in writing to be valid. This applies also to amendments to the clause that contains this requirement of writing.

4. Where the Conditions differ from any specific contract that has been concluded, the provisions of such contract shall prevail.

5. The Conditions shall become effective as of 1 April 2021 and shall apply to all sale/supply transactions made by KRONOSPAN after that date. A sale/supply transaction shall also include a transaction confirmed only by an invoice issued by KRONOSPAN and received by the Purchaser, stating the type, quantity and price of the goods.

6. The Conditions are published at www.kronospan-express.com (select Latvia).