

**UPM-KYMMENE WOOD OY  
GENERAL CONDITIONS FOR THE SUPPLY OF PLYWOOD AND VENEER PRODUCTS**

**1. Preamble**

These General conditions shall apply to all quotations, confirmations of order, contracts and deliveries of plywood, veneer and related products by UPM-Kymmene Oy, Finland, and by any sales Companies or sales representatives controlled and appointed by UPM-Kymmene Wood Oy. The plywood, the veneer and the related products quoted, sold or supplied under these General conditions are hereinafter referred to as 'the Products'. The companies from which the title to the Products is transferred to the customer are hereinafter referred to as 'Seller'. Seller's quotations are hereinafter referred to as 'the Contract'. References thereto shall be deemed to be to the document which has the latest date.

**2. Product information: variations**

Unless incorporated in the Quotation or contract by express reference, Seller shall have no responsibility of compliance of the Products with any other or further requirements or standards than the seller's established quality for the Products in question. (The information and data contained in Product brochures, price lists or similar documents are binding only to the extent that they are by reference expressly included in the quotation or contract.)

The Products shall comply with the laws and regulations of Finland applicable to the manufacture, packing, sale and delivery of such Products as of the date of the Quotation or Contract and at the date when the Products departed from seller's premises (hereinafter 'the Delivery Date').

Unless expressly otherwise specified in the contract, Seller may deliver five (5) per cent more or less of Products in number than agreed. Buyer shall pay for the quantity actually delivered. All modifications to the specifications shall be mutually agreed with the parties in writing. Due to the character of the wood, the technologies and the coating materials used, the Products may show variations. Such variations are beyond Seller's control and shall be allowed.

**3. Packing; marking; small deliveries; special deliveries**

Unless expressly otherwise agreed, Seller shall cause the Products to be packed and marked in accordance with Seller's customary methods, meaning that each package shall be suitably protected and adequately bound to ensure safety and stability in transit and compliance with applicable regulations, whether statutory or otherwise. Special packing or marking arrangements as well as small deliveries or other special deliveries are subject to a surcharge in accordance with Seller's customary practice.

**4. Inspection; returns**

Upon receipt of the Products Buyer shall, without delay, using due diligence, examine the products both as to their quality and quantity.

Unless Buyer notifies Seller in writing to the contrary within a period of two (2) weeks from the receipt of the Products, the Products shall be deemed to have been duly received in agreed quantity and free of any apparent or visible quality defects. No return shall be accepted without Seller's prior written authorisation.

**5. Payment**

Payment for the Products shall be made by Buyer to Seller in such amount, currency, time and manner as are provided for in the Quotation or contract. In case no such provision is included therein, payment shall be made in euros (€) after the receipt of the invoice on its due date. A payment shall be considered effected when it is wholly and freely at Seller's disposal. Failure by Buyer to comply with the terms of payment shall be regarded as a fundamental breach of contract. Further, Seller shall be entitled to claim interest on overdue payments from the due date until the actual payment date at the rate specified on the invoice or, if such interest rate is not permissible under the laws of Buyer's country, at the applicable delay interest rate in Buyer's country.

When deferred payment has been specifically granted by Seller, the time for payment shall, unless expressly otherwise stated, be calculated from the date of Seller's invoice.

## **6. Delivery, passing of risk, insurance and retention of title**

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

Seller may refuse to make deliveries if Buyer has any unpaid amounts that are due, or if Seller has reason to doubt Buyer's ability or readiness to pay. Seller expressly reserves the right to stop any shipment in transit for a reasonable cause.

The full legal title and ownership to the Products shall remain with Seller to the extent permitted under the laws of Buyer's country until Buyer has paid to Seller all sums due under the delivery of the Products. Buyer shall give Seller every assistance in taking any measures required to protect Seller's title to the Products or such other right in respect thereof as the law of the country in which the Products are situated permits Seller to retain.

## **7. Time for delivery; delay**

Seller shall make delivery in such time as is specified in the Quotation or contract. In case no such time is so specified, delivery shall be made in the framework of Seller's customary delivery schedule. If Seller anticipates that it will not be possible to deliver the Products at the agreed time, Seller shall forthwith notify Buyer thereof, stating the reason for such delay, and if possible, the time when delivery can be expected.

In the event that delivery is not effected at the time originally agreed or during any extension period granted, for causes other than excusable causes referred to in Clause 8 below or an act or omission on part of Buyer, and such delay continues for more than two (2) weeks and causes actual damage to Buyer, Buyer is entitled to terminate the contract, if the production has not started. All other claims against Seller based on Seller's delay shall be excluded.

## **8. Excusable delays; force majeure**

Seller shall not be liable for delays in delivery or failure to perform, due, whether directly or indirectly, to (1)

causes beyond Seller's reasonable control; (2) acts of God, act (including failure to act) of any governmental authority, wars, (declared or undeclared), governmental priorities, port congestion, riots, revolutions, strikes, lock-outs or other labour disputes, fires, floods, sabotage, storms, epidemics; (3) inability due to causes beyond Seller's reasonable control timely to obtain either necessary and proper labour, materials, components, facilities, energy, fuel, transportation or governmental authorisations, or instructions, material or information required from Buyer or parties acting on Buyer's behalf; or (4) delays or failures in deliveries by subcontractors due to similar causes as referred to in this Clause.

In the event of any delay or failure excused by this Clause Seller shall as soon as practicable notify Buyer and at the same time or at the earliest practical date after such notification specify the revised delivery date. In the event of such delay, the time of delivery shall be extended by a period equal to the time lost by Seller by reason of such delay.

If a delay excused by this Clause continues for more than three (3) months and the parties have not agreed upon a revised basis for continuing the delivery at the end of the delay, including adjustment of the price, then either party (except where delay is caused by Buyer, in which event only Seller) may, upon thirty (30) days' written notice, terminate the contract with respect to the unexecuted portion of the delivery.

## **9. Defective Products**

The Products shall at the delivery Date be of the kind and quality specified by Seller and comply with the requirements and standards referred to in Clause 2 above. In respect of Products manufactured by Seller, Seller further confirms that the same shall meet Seller's standard with regard to gluing, materials or workmanship.

If any Product or part thereof is deemed to be defective, Seller shall, at its option, either replace the defective goods or refund to Buyer such part of the purchase price which corresponds to the decrease of the Products' value caused directly by the defect.

Buyer shall be obliged to notify Seller in writing of any defects of the Products without delay and no later than fourteen (14) days after the date when Buyer noticed or reasonably should have noticed the defect. No claim for quality and/or manufacture and/or condition will be recognized by seller upon any delivered items unless a detailed and final statement of claim in written form has been handed to the seller, and a notice that the goods are ready for inspection at one or more sites.

Buyer shall grant to Seller a chance to inspect the defective Products. Seller's liability in respect of defective Products shall in any event expire after 12 months from the Delivery Date. Seller shall have no liability for any defects which appear after 12 months from the Delivery date or for which Buyer makes the claim after the expiry of 12 months from the Delivery Date. If seller has delivered to buyer replacing Products Buyer's claim period for defects shall be 12 months from the Delivery Date of the replacing Products.

Seller's obligations as set forth above shall not apply to defects of the Products arising out of normal wear and tear or deterioration of quality, improper storage, installation, use, maintenance or repair, modifications made not in conformity with Seller's instructions or approval, misuse, wilful or negligent handling by Buyer or any third party or any detrimental exposure or accident. Seller is not liable for defects arising out of materials provided or a design stipulated or specified by or on behalf of Buyer.

This Clause sets forth the exclusive remedies for claims based upon defects or failures in or nonconformity of the Products, whether the claim is in contract, warranty, tort (including negligence) or otherwise. The foregoing provisions are in lieu of all other warranties, whether oral, written, express, implies or statutory. No implied or statutory warranties of merchantability or fitness for particular purpose shall apply.

#### **10. Limitation of liability**

If circumstances occur which may give rise to claims for damages or the right to any other form of relief based on contract, warranty, tort, negligence or otherwise, the claiming party shall take all necessary measures to mitigate the damages or loss.

Notwithstanding any other provision contained herein or in the Quotation or Contract: (1) such claims or relief shall be limited to direct damages which on the date of the Quotation or Contract could reasonably be foreseen by Seller; (2) the total liability of Seller on any and all claims shall not exceed the purchase price allocated to the Product which gives rise to the claim; (3) any such liability shall terminate upon the expiration of the warranty period specified in Clause 9 above. In no event shall seller be liable for any special, consequential, incidental or indirect damages, including but not limited to loss of profit or revenues, loss of production, loss of contract, loss of or increased expense of use of the Products or any associated goods, damage caused by the Products, such as damage to or impairment of other goods, modifications to or substitutions for Products or other goods, downtime costs or other increased expense of operation, or claims of Buyer's customers.

Subject to the foregoing, Buyer's exclusive remedies and Seller's sole obligations with respect to delays, defects, failures or nonconformities in or damage to or resulting from the Product shall be those respectively provided in Clauses 7 and 9 above.

#### **11. Governing law and settlement of disputes**

These General conditions as well as all Quotations and contracts shall be governed by and construed in accordance with the laws of Finland, (without reference to the conflict of law rules)

Any disputes arising out of or related to these General conditions which Buyer and seller are unable to resolve through mutual negotiation shall be finally settled by arbitration in accordance with the arbitration rules of the Central Chamber of commerce Finland. Notwithstanding the aforesaid, any dispute regarding moneys due by Buyer to Seller or Seller's need to protect or enforce any patent, trademark, copyright or other intellectual property right, confidential information or trade secrets, or proceedings commenced by a third party, shall allow Seller to undertake legal proceedings in the Court of Buyer's domicile, main place of business or other appropriate court.



## 12. Other terms

No modification, amendment, rescission, waiver or other change of the Quotation or contract shall be binding on Seller unless assented to in writing by Seller. Any representation, warranty, course of dealing or trade usage not specifically contained or referenced in writing in the Quotation, Contract or these General Conditions shall not be binding on Seller.

Buyer shall not be entitled to assign the Contract or any of its rights or obligations thereunder without the prior written consent of Seller. Seller shall be entitled to assign the Contract or any of its rights or obligations thereunder to any companies belonging to the same group of companies with Seller.

Unless expressly otherwise agreed, notices and other communications between the parties shall be in the English language and shall be deemed to be validly given if transmitted in written or by e-mail, telex or telefax to the other party at the address indicated by such party. Either party may change its address by giving notice in writing thereof to the other party.

UPM-Kymmene Wood Oy reserves the sole right at any appropriate time to amend the terms of this document and the supplements thereto.