

GENERAL TERMS AND CONDITIONS

1. Introduction

1.1. Applicability of General Terms and Conditions

- 1.1.1. These General Terms and Conditions shall apply exclusively for all deliveries of Goods performed by the Seller.
- 1.1.2. Any attempt to alter, supplement or amend these General Terms and Conditions shall be null and void unless expressly agreed in written form and duly signed by the Seller.
- 1.1.3. These General Terms and Conditions shall prevail over any terms, conditions, or guarantees referred to in the Buyer's documents.

1.2. Seller

The Seller is AS Latvijas Finieris or any AS Latvijas Finieris related company. The Seller is a company engaged in the production and/or distribution of Goods.

1.3. Buyer

The Buyer is a company ordering Goods from the Seller. Hereby the Buyer confirms it is acting within its trade, business, or profession and is not subject to the consumer protection laws under the laws of the Republic of Latvia nor by virtue of any other applicable mandatory rules of law.

1.4. Goods

The Seller offers for sale plywood and plywood products produced and/or distributed by the Seller. Goods are not tested or sold for any particular purpose, and any term, warranty, or condition expressed or implied is excluded unless it is explicitly agreed within the Contract.

1.5. Specification of Goods

The Specification of Goods shall be referred to in the Contract. The Specification of Goods shall contain a reference to the products as described within the Seller's Plywood Handbook and product sheet available at the webpage: <https://www.finieris.com/en/products/certificates-and-brochures/brochures> or any other document included in the Contract. In case of conflicting information, the priority shall be determined in the following order: information provided in the Contract, product sheet, and the Seller's Plywood Handbook.

1.6. Contract

These General Terms of Conditions shall be considered an integral part of the Contract.

1.7. INCOTERMS

All deliveries of Goods are subject to the rule of INCOTERMS 2020 or other terms of international commercial practice that are explicitly agreed upon within the Contract.

2. Subject of the Contract

The Seller shall deliver the Goods to the Buyer in accordance with the Contract, and the Buyer shall pay the Seller the agreed Contract Price.

3. Conclusion of the Contract

3.1. Information about Goods

Samples of Goods, catalogues of Goods, leaflets, brochures, price lists, information on the webpage and other similar material of the Seller shall not be considered a valid offer or acceptance for the purposes of the conclusion of the Contract.

3.2. Buyer's Request for Quotation

The Buyer shall have the right to request a quote from the Seller. A Quotation shall contain the Specification of Goods, quantity, payment terms, production or delivery date, and the applicable INCOTERMS rule or any other delivery terms.

3.3. Seller's Quote

The provision of a quotation is at the full discretion of the Seller. Before providing a Quote, the Seller shall have a right to request additional information from the Buyer. The Seller's Quote shall be informative, but it shall not be considered a valid offer or acceptance for the purposes of concluding a Contract.

3.4. Order

- 3.4.1. The Buyer shall provide the Seller with the Order in any form of communication. Unless the relevant information is already at the disposal of the Seller, the Buyer shall provide to the Seller detailed information about the Buyer and its contact person; Specification of Goods; quantity; sizes; instalments of delivery; scheduled time of delivery in calendar weeks of the year; and the applicable rule of INCOTERMS or any other term of delivery.
- 3.4.2. Receipt of the Order shall not constitute any responsibilities on the Seller's part unless it is accepted by the Seller in accordance with the terms of the Contract.

3.5. Contract

- 3.5.1. Acceptance of the Order shall be at the full discretion of the Seller, and it shall be executed in the form of the Contract.

- 3.5.2. The Contract shall contain information about the Parties; Specification of Goods; quantity; size; marking; Contract Price; terms of payment; instalments of delivery; scheduled time of dispatch in calendar weeks of the year; warehouse of dispatch; mode of transport; INCOTERMS or any other term of delivery and other terms and conditions if such are agreed upon by the Parties;
- 3.5.3. The Contract shall become effective once it is duly signed by the Seller and its scanned copy is notified to the Buyer by e-mail. The Buyer shall be considered in agreement with the terms of the Contract without signing it unless the Buyer notifies their objections to the Seller no later than within three business days of Contract receipt by e-mail.
- 3.5.4. At the Seller's specific request, the Contract shall only become effective after the Buyer duly signs it and a scanned copy of the Contract is notified by e-mail to the Seller.

4. Contract Price

- 4.1. The agreed Contract Price shall be indicated within the Contract. The indicated prices exclude value-added tax. If value-added tax is applicable, it shall be added to the price.
- 4.2. The Contract Price shall include the costs for loading, carriage and cargo insurance, customs clearances, duties, taxes, licenses, and other due formalities, provided these duties are under the responsibility of the Seller in accordance with the agreed rule of INCOTERMS or any other agreed term of delivery.
- 4.3. If the dispatch of Goods is planned for more than three (3) months after the conclusion of the Contract, the Seller shall have the right to a reasonable Contract Price increase to compensate for inflation, raw material cost increase, increase in costs for loading, carriage and cargo insurance, customs clearances, duties, taxes, licenses, fluctuation of changes currency rates or other due costs or formalities. The Seller shall inform the Buyer of such Contract Price increases no later than one month prior to the Date of Dispatch. If the Buyer does not accept the price increase, the Seller shall have the right to terminate the Contract.

5. Terms of Payment

5.1. Payment

- 5.1.1. The Buyer shall pay for the Goods in accordance with the terms of the Contract.
- 5.1.2. Payments shall be made against the Seller's invoice(s). Delivery of invoice to the Buyer shall take place by e-mail, and it shall be considered received the business day following the sent email date.
- 5.1.3. The term of payment shall commence on the invoice date. If no payment term is indicated within the Contract or invoice, payment shall be made within thirty (30) days of the invoice date.
- 5.1.4. Any disagreement regarding invoices and/or quantity and/or non-conformity of Goods does not entitle the Buyer to postpone payment. The Buyer may not offset, reduce, or withhold any payments against the Seller without the Seller's prior written approval or an indisputable court decision.
- 5.1.5. All bank charges, duties, fees, and other charges related to the payment shall be borne and paid by the Buyer.
- 5.1.6. The payment shall be considered effected on the date the Seller's bank account, as specified in the invoice, is credited with the amount corresponding to the due invoice.

5.2. Credit Limit

The Seller shall have a right to set the Credit Limit for Deliveries to the Buyer. The value of all unpaid amounts of Contract Price for Goods dispatched to the Buyer shall not exceed the Credit Limit. The Seller is entitled to withhold any further dispatch of Goods until all outstanding amounts are duly paid.

5.3. Security of Payment

The Seller shall be entitled to require an acceptable Security of Payment (for example, letter of credit, bank guarantee; guarantee issued by the group company or other person) if it is agreed under the Contract or if it is requested by the Seller in accordance with Section 5.5. or Section 16.4.3 of these General Terms and Conditions.

5.4. Late Payment

- 5.4.1. In case of Late Payment, the Seller shall have the right, without prior notice, to increase the amount recoverable at an interest rate of 0.3% per day following the payment due date.
- 5.4.2. Payment of any interest incurred shall not release the Buyer from the responsibility to pay damages if such are caused due to the Buyer's failure to comply with the Contract.
- 5.4.3. In case of Late Payment, the Seller shall have a right to cancel the Contract or withhold any further deliveries due until all outstanding amounts have been paid. In such a situation, the Buyer loses the right to all granted discounts, rebates or bonuses if it has been agreed upon under the Contract.
- 5.4.4. In case of Late Payment, the Seller shall have the right to transfer the debt to any third person for recovery. The Buyer shall reimburse all damages and fees incurred in recovering late payment.

5.5. Changes in the due date for the payment

Contrary to the due date for the payment set within the Contract, the Seller shall be entitled to demand-prepayment, payment in full, change of Credit Limit or request Security of Payment any time the Seller finds it necessary due to doubts over the Buyer's ability to pay, its creditworthiness or due to any other reasons. Such payment request shall be delivered to the Buyer, and the Seller shall not be obliged to give any explanations regarding the reasons thereof.

6. Packaging and Marking

Unless otherwise agreed within the Contract, the packaging and marking of Goods shall be made at the full discretion of the Seller and is included in the Contract Price. The Seller shall not be responsible for the suitability of Packing and Marking for carriage that the Buyer arranges.

7. Delivery

7.1. Place of Delivery

Place of Delivery is specified within the Contract in accordance with the agreed rule of INCOTERMS or any other agreed term of delivery. The Agreed rule of INCOTERMS shall be followed by a precise address unless carriage of Goods is performed by sea and neither party has doubts as to the exact-place of delivery in the respective city/port of shipment.

7.2. Date of Dispatch

7.2.1. Date of Dispatch shall be considered the date of dispatching Goods from the Seller's warehouse.

7.2.2. Date(s) of Dispatch shall be indicated within the Contract in calendar weeks of the year or duly notified to the Buyer.

7.2.3. Where prepayment has been agreed, the Date of Dispatch is set on the assumption that the Buyer will make the prepayment within the agreed Contract terms. If the Buyer delays the prepayment, the Date of Dispatch shall be extended.

7.2.4. The Seller shall follow the agreed Dates of Dispatch. In case of delayed dispatch, no sanctions may be applied to the Seller, provided the Seller has notified the Buyer about the expected delay and provided a new Date of Dispatch as soon as it has become obvious that the originally agreed Dates of Dispatch cannot be achieved.

7.2.5. Should the Seller fail to meet the new Date of Dispatch, then the Buyer shall have a right to terminate the Contract. All other claims against the Seller based on Seller's delay shall be excluded.

7.3. Acceptance of Delivery

7.3.1. Delivery shall be accepted by the Buyer when the Seller has completed obligations to deliver Goods according to the agreed rule of INCOTERMS or any other agreed term of delivery.

7.3.2. The Buyer shall check the quantity and packaging of Goods upon Acceptance of Delivery. In case of any objections, the Buyer, where it is possible before Acceptance of Delivery, shall enter their objections within the transportation document and notify them together with the supporting evidence to the Seller. If the Buyer has accepted delivery without raising any objections, the Goods shall be deemed to have been received in the agreed quantity, without damage or defect to the packaging, and the Buyer's rights to notify non-conformity of Goods with respect to the quantity and packaging shall be considered waived.

7.3.3. Should the Buyer not take over the Goods in accordance with the agreed rule of INCOTERMS or any other agreed term of delivery, the Seller shall be entitled to cancel the Contract with respect to these Goods, and the Buyer shall pay compensation for the costs incurred to the Seller due to the delayed or failed Acceptance of Delivery.

7.4. Delivery Tolerance

If for any reason, the quantity of delivered Goods varies with that set out in the Contract, then the Buyer shall only pay for the quantity actually delivered.

8. Transfer of Risks

Transfer of Risks shall be regulated in accordance with the agreed rules of INCOTERMS or any other agreed term of delivery.

Should the Buyer not accept the Goods in accordance with the agreed rule of INCOTERMS or any other agreed term of delivery, the risk shall be considered transferred to the Buyer at the date when Acceptance of Delivery should have been performed.

9. Carriage of Goods

The Party shall arrange carriage of Goods per the agreed rule of INCOTERMS or any other agreed delivery term.

The Party arranging the carriage shall ensure that the carriage by sea shall be performed by a vessel that is not older than 30 (thirty) years, and carriage by road shall be performed by road-worthy, technically well-equipped, curtain-sided trucks for side loading/unloading.

The choice of carrier and the mode of transport shall be at the Seller's discretion when responsibility for carriage is theirs.

10. Insurance

10.1. Insurance

Insurance shall be applicable if it is provided under the agreed rule of INCOTERMS or if it is agreed within the Contract. If it is the Seller's responsibility to arrange insurance, the choice of an insurer shall be at the Seller's discretion.

10.2. Copy of Insurance Certificate

Upon request, the Seller shall provide the Buyer with a PDF copy of the insurance certificate.

11. Title in Goods

11.1. Passing of Title in Pre-paid Goods

If the Contract Price has been paid in full before the dispatch of Goods, the title of Goods shall pass to the Buyer at the time of the transfer of risks.

11.2. Retention of Title in Unpaid Goods

Goods shall remain the Seller's property until the Contract price, any interest for late payment, damages, and any other payments due by the Buyer are paid to the Seller in full.

If the Goods are further processed and combined with other items, the Seller shall be awarded co-ownership in the new object at an amount not less than the Buyer's total debt to the Seller for respective Goods.

The Buyer shall inform the Seller regarding any obligation to register retention of title in an official register or to comply with any other formal obligation necessary to be valid in the country where the Goods are located. At the first request of the Seller, the Buyer shall apply all possible efforts at the sole expense of the Buyer to register at appropriate official registers the processed or altered Goods to secure Buyer's debt to the Seller.

In case of an insolvency proceeding or confiscation of assets, the Buyer shall separate the Goods subject to the title retention clause from other assets and keep those Goods in its own possession.

The Buyer shall have no rights to sell, pledge or otherwise encumber the Goods to which the Seller retains the title.

The Buyer shall treat the Goods to which Seller retains title with care. The Buyer shall arrange insurance of such Goods at its own expense against loss, damage, and destruction by any means at a value not less than the total debt of the Buyer to the Seller. The Buyer herewith assigns its claims under the insurance to Seller, and Seller hereby accepts the assignment.

If the Buyer fails to pay the Contract Price in full, plus interest for late payment, damages, and any other payments due, the Seller shall have the right to demand the return of Goods to which the Seller retains the title.

12. Seller's Liability

12.1. Conformity of Goods

The Seller shall be responsible for delivery of Goods that conform with the Specification of Goods.

12.2. Notification on non-conformity

The Buyer, not later than within twelve (12) months after Acceptance of Delivery, shall notify the Seller in writing of any non-conformity in the Goods that could not have been observed in the inspection performed upon Acceptance of Delivery. Notification of non-conformity shall be accompanied by supporting evidence, pictures, video recordings and/or samples of non-confirming Goods to the Seller. The Buyer shall grant the Seller a chance to inspect the non-confirming Goods.

The fact that the Buyer has submitted a notification on non-conformity of Goods does not relieve the Buyer of the obligation to pay for respective Goods.

Should the Buyer fail to observe the terms and conditions set under these General Terms and Conditions, the Buyer's rights to notify non-conformity of Goods shall be considered waived.

12.3. Investigation of Non-conformity

The Seller shall have a duty to investigate notification of non-conformity, provided such notification is duly formed and notified to the Seller within the term provided under these General Terms and Conditions.

The Seller's reply to the notification of non-conformity shall be provided within fourteen (14) days from the date of receipt of the Notification of non-conformity. This term shall be extended upon request of the Seller.

Deviations from the Contract and technical improvements which are not material do not constitute non-conformity of the Goods within the Contract.

The Seller shall not be responsible for 1) any non-conformity caused by an accident, overload, installation, storage and use which do not comply with the storage, carriage and use rules set within the Seller's Plywood Handbook, available at <https://www.finieris.lv>, 2) defects due to causes outside the control of the Seller, 3) defects arising out of materials or techniques employed by the Buyer.

12.4. Correction of Non-conformity

Provided that the Seller acknowledges non-conformity, it is at the complete discretion of the Seller either to replace non-conforming Goods or reduce the Contract Price. Non-conforming Goods that are replaced upon request of the Seller shall be either resold or returned to the Seller. Unless there is no other agreement, the Seller shall organise the return of the non-conforming Goods.

12.5. Limits of Liability

12.5.1. If the Seller is held liable for damages incurred by the Buyer, the damages shall be limited to any proven direct damages and the Seller shall, in no event, be liable for any loss of profit, loss of revenue, interest, cost of capital, loss of business, business or progress interruption, loss of production, additional production costs, downtime costs, or any indirect, consequential, special, ancillary or incidental loss or damages, or any claims of Buyer's clients or other third parties against Buyer for such losses or damages, including claims for penalties and liquidated damages, irrespective whether based on the Contract, tort (including but not limited to negligence) or otherwise.

12.5.2. The total liability of the Seller on any and all claims, irrespective of whether arising out of or connected with the Contract, tort (including but not limited to negligence) or otherwise, performance or non-performance of the Contract or from the manufacture, sale, delivery or use of any goods or the furnishing of any services, shall not exceed in the aggregate 100% of the Contract Price of Goods that serve for the cause of liability.

13. Buyer's Liability

The Buyer shall indemnify and keep indemnified the Seller against any costs, claims, damages, demands or loss whatsoever caused wholly or partly by any breach of the Buyer's obligations under the Contract or any defect in the Goods caused by any act or omission by third parties or by the Buyer or its employees or agents.

14. Force Majeure

Neither party is liable to the other for any damages or losses caused due to force majeure. Events of Force Majeure mean the occurrence of an event or circumstance that prevents or impedes a party from performing one or more of its contractual obligations and such impediment is beyond its reasonable control and it could not reasonably have been foreseen at the time of the conclusion of the contract, for example,: 1) war (whether declared or not), hostilities, invasion, act of foreign enemies, extensive military mobilisation; 2) civil war, riot, rebellion and revolution, military or usurped power, insurrection, act of terrorism, sabotage or piracy; 3) currency and trade restriction, embargo, sanction; 4) act of authority whether lawful or unlawful, compliance with any law or governmental order, expropriation, seizure of works, requisition, nationalisation; 5) plague, epidemic, natural disaster or extreme natural event; 6) explosion, fire, destruction of equipment, prolonged break-down of transport, telecommunication, information system or energy; 7) general labour disturbance such as sickness, boycott, strike and lock-out, go-slow, occupation of factories and premises; 8) shortages of raw materials; 9) extraordinary weather conditions preventing or delaying supplies of raw materials to the Seller.

In the event of Force Majeure, the party claiming such Force Majeure shall notify the other party promptly and shall indicate the cause of force majeure.

Parties shall continue performing their obligations as soon as the Force Majeure circumstances cease to exist. Should Force Majeure circumstances persist for more than three (3) months, either Party shall have the right to terminate the Contract.

15. Hardship clause

Where a Party proves that: 1) the continued performance of its contractual duties has become excessively onerous due to an event beyond its reasonable control which it could not reasonably have been expected to have taken into account at the time of the conclusion of the Contract; and that 2) it could not reasonably have avoided or overcome the event or its consequences, the Parties are bound, within a reasonable time of the invocation of this clause, to negotiate alternative contractual terms which reasonably overcome the consequences of the event and where the Parties have been unable to agree on alternative contractual terms, either Party shall be entitled to terminate the Contract.

16. Final clauses

16.1. Data Protection

The Seller shall be entitled to keep, aggregate and publish personal data (such as name, surname, personal identity code, and e-mail) provided by the Buyer for the marketing, accounting, business development, execution of this agreement, as well as other purposes as a personal data controller. The Seller shall be entitled to process personal data based on legal requirements and its legitimate interests stipulated above.

The Seller shall retain such personal data for as long as necessary for the fulfilment of the Contract and after that for the statute of limitations period to protect its interests against possible claims or proceedings. If the data retention term is stipulated in regulatory enactments (such as Law on Accounting), the Seller shall delete the unnecessary data as soon as permissible. In other instances, personal data are deleted after the purpose for which they have been retained no longer requires retention of such data.

Each Party shall be entitled to transfer the personal data of a natural person to the other party only for the purposes of conclusion and fulfilment of the Contract unless there is another legal basis for such transfer provided for by the mentioned regulatory enactment. Either Party, which transfers personal data to the other party, shall ensure (and thus is fully liable) that there is a proper and due legal basis for such personal data transfer to take place (for instance, the data subject has given his/her consent, transfer of personal data is necessary for conclusion and fulfilment of the Contract or there is

another legal basis for such personal data processing). The receiving party shall ensure that further processing of the received personal data is performed only to conclude and fulfil the Contract. When processing the received personal data, each party shall ensure: 1) full compliance with the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 or other respective regulatory enactments in force at the time; 2) in particular, compliance with data protection principles defined by relevant competent authorities; 3) reliability of all its employees, who may be involved in the processing of personal data.

Each Party, as a data controller, shall ensure that natural persons as data subjects are informed regarding their rights (rights of access, rights to rectification, rights to erasure, rights to restriction of processing, rights to data portability, rights to object, rights to withdraw consent and rights to submit a complaint with the supervisory authority).

16.2. Intellectual Property Rights

Without the other Party's prior written consent, none of the Parties shall be entitled to use the other Party's trademarks, trade names, business names, technical details, patents, designs, or any elements thereof.

Parties shall refrain from any activities which would disrepute the other Party's trade name, trademark or other intellectual property.

Should the Buyer request the Seller to process Goods according to its technical designs or other instructions, the Buyer shall take all responsibility that these technical designs or instructions do not infringe the intellectual property rights of third persons.

16.3. Communication

Communication regarding the execution of the Contract shall be exchanged by e-mail. It is the responsibility of each Party to verify e-mail communication.

Communication delivered by e-mail shall be considered received by the addressee within the next business day following the day of the sent e-mail.

16.4. Rights to Terminate the Contract

16.4.1. If either Party fails to perform any of the duties under these General Terms and Conditions, the other Party shall have the right to terminate the Contract. Termination of the Contract does not relieve Parties from fulfilling its commitments and the Seller is not deprived to exercise the rights provided in the General Terms and Conditions to satisfy its claim.

16.4.2. The Buyer shall not be entitled to terminate the Contract due to non-conformity of Goods, delayed delivery or damage unless such rights of the Buyer are specifically agreed under these General Terms and Conditions.

16.4.3. Should the Buyer become insolvent, go into liquidation, has a receiver appointed or is declared bankrupt, or otherwise is found to be in such a financial position that it may reasonably be assumed that they will not be able to fulfil their obligations, the Seller shall have the right to cancel the Contract if the Buyer has not, within ten (10) days after giving notice, submitted an acceptable Security of Payment for his fulfilment of the Contract.

16.4.4. The Seller shall have the right to terminate the Contract immediately by notice to the Buyer if further performance of the Contract is not possible under international or national sanctions.

16.5. Transfer of rights and duties

The Buyer's rights and duties under the Contract shall be neither transferable nor assignable to other persons unless explicitly approved by the Seller.

16.6. Confidentiality

Both Parties undertake to keep secret and confidential all commercial and technical information disclosed by the other Party, such as – samples, technical drawings, plans, and details about the sale, unless disclosure is necessary to fulfil the contractual obligations.

16.7. Applicable Law

16.7.1. These General Terms and Conditions are governed and shall be interpreted in accordance with the laws of the Republic of Latvia.

16.7.2. Any disputes which may arise between the Buyer and the Seller arising out of a contractual or non-contractual relationship shall be settled in accordance with the laws of the Republic of Latvia. Application of the United Nations Convention on Contracts for the International Sale of Goods is hereby expressly excluded.

16.7.3. If a part of these General Terms and Conditions is held invalid, void or unenforceable under any particular mandatory provisions of law, it shall not affect the remaining parts of these General Terms and Conditions.

16.7.4. The Buyer hereby confirms that there are no mandatory provisions of the law of his place of business or the place where Goods shall be transferred that would invalidate any provision of these General Terms and Conditions.

16.8. Jurisdiction

16.8.1. Should the Buyer's place of domicile be located within the European Union, any dispute, controversy, or claim arising between the Buyer and the Seller arising out of a contractual or non-contractual relationship, the breach,

termination, or invalidity thereof shall be under the jurisdiction of the state court of the Republic of Latvia Riga City Court in Pardaugava.

- 16.8.2. Should the Buyer's place of domicile be located outside the European Union, any dispute, controversy or claim arising out of or relating to this Contract, or the breach, termination or invalidity thereof shall be settled in the Latvian Chamber of Commerce and Industry Court of Arbitration in Riga in accordance with its Rules of Arbitration. The language of proceedings shall be English.