



General Terms and Conditions of LABE WOOD s.r.o.

Version: 1/2024

These General Terms and Conditions ("**GTC**") are an integral part of the Contract concluded between LABE WOOD s.r.o., Litoměřická 272, 41108 Štětí, ID No.: 227 93 895, registered under No. C 31586 in the Commercial Register kept by the Regional Court in Ústí nad Labem, as the Seller ("**LW**") and the Buyer, as defined below, and specify the mutual rights and obligations of the Parties, unless otherwise agreed in the Contract.

1. Definitions

"**Buyer**": an entrepreneur pursuant to Section 420 et seq. of Act No. 89/2012 Coll., as amended ("**Civil Code**").

"**Contract**": the Framework Purchase Agreement concluded between LW and the Buyer, including all annexes and amendments, as well as partial purchase contracts (orders) executed based on the Framework Purchase Agreement or separate purchase contracts (orders) if no Framework Purchase Agreement has been concluded between the parties.

"**Goods**": means softwood lumber and by-products arising from the production of lumber (woodchips, sawdust, bark, milled wood waste) as offered by LW according to its actual pricelist, specified individually or as specified in the Contract (quantity, sort).

2. Order

Based on the Buyer's non-binding enquiry, LW shall send the Buyer an offer with an indication of the validity period of such offer, and after its approval by the Buyer, LW shall send the Buyer a proposal for the conclusion of a contract, which shall be then firstly signed by the Buyer and then sent to LW. The contract is concluded only after LW signs the contract. LW shall immediately inform the Buyer of the conclusion of the contract.

3. Price. Payment and delivery terms

The price is without VAT; VAT shall be added at the rate specified in the relevant legislation.

Unless otherwise agreed in the Contract, the Goods shall be delivered on the date agreed in the Contract after the proper and full payment of the price, including VAT, impregnation costs (if required), freight, packing, etc. ("**Price**") has been credited to LW's account as indicated on the invoice or crediting the first advance payment if payment of the Price in advance has been agreed between the parties. LW is entitled to perform even before the agreed performance date.

The obligation to pay Price or any other monetary obligation is due within 14 days following the date of issuance of the tax document (invoice), unless otherwise agreed between the parties.

The Buyer agrees that the tax document (invoice) shall be issued in electronic form.

In the event of the Buyer's late payment of the Price and/or delay in any other monetary obligation, i.e., after the agreed term, LW shall be entitled to require the Buyer to pay a contractual penalty of 0.5% of the due amount and for each day of delay. This shall be without prejudice to LW's right to damages in full in respect to damage / injuries caused by the Buyer's breach of obligation. LW shall be entitled to request reimbursement of all costs regarding reminding and claiming the debt payment.

Goods are delivered properly and on time even if delivered with minor defects not preventing their use.

4. Transfer of the risk of damage to property and reservation of title

The risk of damage to Goods, including the risk of loss, shall pass to the Buyer at the latest upon delivery of the Goods to the first carrier or according to the agreed delivery parity under Incoterms 2020.

The title to Goods shall pass to the Buyer upon full payment of the Price.

5. Rights arising from defective performance and liability for damages

Permissible deviation by lumber (agreed vs. delivered quantity): 4%. The Price is charged according to the quantity actually delivered. A deviation not exceeding 4 % of the quantity agreed in the Contract shall not be considered as a defect. In case of by-products arising from the production of lumber (woodchips, sawdust, bark,



milled wood waste) a quantity deviation of 5% is not considered a defect. Natural changes and changes in its properties such as drying, wetting, the formation of desiccation cracks, color changes, etc. are not considered to be defects of the Goods.

The Buyer shall be obliged to inspect delivered Goods (type, quantity, and quality, etc.) immediately upon their receipt from the carrier and to confirm on the proof of delivery that Goods have been duly and completely delivered and received. The Buyer shall be obliged to immediately notify LW of apparent defects of Goods as well as defects in quantity, not later than within 3 days of receipt of Goods, by e-mail to prodej@labewood.cz, including a description of the defect. The Buyer shall be obliged to notify LW of any other defects of Goods without undue delay after finding them by email to prodej@labewood.cz, including a description of how the defect manifests itself and shall attach a copy of the invoice and the proof of delivery. Complaints submitted by other means, by an unauthorised party or submitted belatedly will not be considered.

For the avoidance of doubt, LW states that it does not provide a guarantee of quality (in Czech: záruka za jakost) for Goods.

In the case of a legitimate claim, LW shall be obliged to remedy the defect within 30 days following the receipt of the Buyer's claim, or within 30 days following the date of delivery of the claimed Goods to LW if this is necessary to inspect the defect. Pursuant to LW's discretion, defects will be remedied either by delivery of new or missing part of Goods or by issuing a credit note to the Buyer.

In case of an unjustified claim, the Buyer shall reimburse LW for all costs incurred in this regard, in particular the costs connected to the transport of Goods.

LW shall not be liable for any defects or damages arising during the transport of Goods to the place determined by the Buyer (unless the agreed Incoterms 2020 delivery parity implies otherwise), unprofessional or improper use of Goods or their further processing, including construction and assembly works, improper storage, improper or insufficient maintenance, force majeure, non-compliance with legal regulations by the Buyer or third parties or arising from other causes without LW's fault.

The total extent of LW's liability for damages, including contractual penalties and other claims arising in connection with LW's breach of duty/duties, is limited to 10% of the contractual Price (excluding VAT) for all damages as aggregated. LW shall not be liable for indirect and consequential damages resulting therefrom (lost profits, capital costs, damages resulting from delayed delivery of Goods, failure to achieve full compliance with the Contract, etc.). If the damage is caused intentionally by or by gross negligence of LW, the above principle of limitation does not apply.

6. Force majeure

LW is entitled to suspend the performance of its obligations under the Contract for the period of time during which circumstances of force majeure within the meaning of Section 2913(1) of the Civil Code persist, in particular a strike, natural disaster, epidemic, export/import bans imposed by a governmental authority, regulation (interruption/restriction) of energy consumption not caused by LW, terrorist attack, uprising, mobilization, war, etc., including obstacles caused by actions/omissions of public authorities. LW shall be obliged to immediately inform the Buyer of these circumstances of force majeure.

7. Withdrawal from the contract

LW shall be entitled to withdraw from the Contract in cases as agreed between parties and/or as laid down by law, as well as in the event of a material breach of contractual obligation/s by the Buyer, in particular in the event of:

- (a) the Buyer's late payment of the total Price or delay in performance of other monetary obligation lasting more than 30 days,
- b) violation of any contractual obligation by the Buyer, where the defective performance is not remedied even within 30 days following the date on which LW notified the Buyer in writing of this defect,
- (c) a decision to dissolve the Buyer and to wind it up; or
- (d) insolvency proceedings that are commenced against the Buyer (except where insolvency proceedings are commenced, based on a manifestly unfounded or bullying insolvency petition by a third party).

LW's claim for damages arising in this connection shall not be affected thereby.

8. Final and common provisions



All contractual relations between LW and the Buyer arising under the Contract shall be governed by the law of the Czech Republic and the rights and obligations not provided for in the Contract / these GTC shall be governed by the relevant provisions of the Civil Code.

The parties explicitly exclude that, beyond the explicit provisions of the Contract and the GTC, any rights and obligations may be inferred from past or future practice established between them or from general/industrial commercial practices relating to the subject matter the Contract, unless otherwise expressly agreed.

In case of any changes to the GTC, LW shall inform the Buyer of such changes no later than 15 days before the effective date of such changes. LW shall publish a notice regarding the change to the GTC on its website and inform the Buyer by email.

In case of a dispute, the parties agree to resolve it amicably as a matter of priority. If the dispute is not resolved after their mutual negotiations, it shall be submitted to the competent Czech court, which is the court with the territorial jurisdiction according to the registered office of LW. In accordance with Article 6 of the United Nations Convention on Contracts for the International Sale of Goods, this Convention shall not apply to the legal relationship established by the Contract.

LW is entitled to assign any claim arising under the Contract without the consent of the Buyer. The Buyer is entitled to assign any claim in connection with the Contract only with the prior written consent of LW. LW is entitled to set off unilateral claims against the Buyer.

By way of derogation from the relevant provisions of the Civil Code, the parties agree that the limitation period shall be 5 years.

These GTC shall come into force and effect on 1.11.2024.