

HS TIMBER GROUP
General Procurement Terms Technical Purchasing
(Version dated March 9th, 2022)

1. Validity of the Terms and Conditions of Purchase

1.1 All deliveries and services in technical purchasing - also follow-up orders in an ongoing business relationship - to a company belonging to the HS Timber Group (hereinafter referred to as "Buyer") shall be exclusively based on these General Terms and Conditions of Purchase, the validity of which shall be acknowledged by the contractual partner (hereinafter referred to as "Seller"). These General Terms and Conditions of Purchase shall always apply unless otherwise expressly agreed in writing by the parties.

1.2 Any provisions deviating from these General Terms and Conditions of Purchase - such as in particular the Seller's general terms and conditions of business - as well as any amendments shall only become part of the contract if expressly confirmed by the Buyer in writing.

1.3 These General Terms and Conditions of Purchase are set by the HS timber Group for the purchase of any materials, parts, small parts, components, Software, etc. and any related services ("Goods") offered or provided by the counterparty. They are not valid for purchases of wood and/or lumber or any wood material.

2. Offer/Conclusion of Contract/Order

2.1 Offers, negotiation documents and cost estimates are always free of charge for the Buyer, regardless of the preparatory work involved. Any contrary agreements must be expressly confirmed in writing by the Buyer in advance.

2.2 The Seller's offers must be drawn up in writing.

2.3 The Seller shall be bound by its offers for at least 90 days unless a different time limit has been agreed in advance.

2.4 Deliveries and services must be in accordance with the generally accepted state of science and technology, the Buyer's purpose obvious to the Seller as well as the HS Timber Group guidelines for machines and plants and must be complete, otherwise the Seller is required to inform the Buyer immediately. The Seller shall be required to establish the purpose of a delivery or service for the Buyer in case of doubt by consulting the Buyer and to take this into account when specifying the delivery or service.

2.5 As long as the Buyer neither accepts nor rejects an offer in writing, it shall be considered as not accepted.

2.6 Orders shall only be legally binding if they are made in writing regardless of how they are transmitted (via email, electronical or hard copy). The written form shall also be considered fulfilled if the order is placed electronically. Electronically transmitted orders shall also be valid without the Buyer's signature.

2.7 The Seller undertakes to confirm the Buyer's orders without unreasonable delay in writing, for spare parts and consumables however within 2 working days at the latest, and for all other orders within 10 days at the latest. If the Buyer does not receive a written confirmation of their order within this period, their order shall be considered as tacitly accepted.

2.8 If the Seller's confirmation letter deviates from or amends the Buyer's purchase order, the contract shall be valid in accordance with the Buyer's original purchase order, unless the Buyer expressly agrees to such deviations/amendments in writing.

2.9 In accordance with customary practice in the industry, preliminary proofs, models, working drawings or similar shall be prepared free of charge prior to the start of production and shall be made available to the Buyer for information and approval. However, approval by the Buyer shall not release the Seller from their responsibility for conformity with the contract or confirmed order.

3. Confidentiality obligation

3.1 Documents (such as in particular plans or similar) provided by the Buyer to the Seller for the preparation or the performance of the order shall remain the sole property and copyright of the Buyer. They may be made available to third parties only with the prior explicit written consent of the Buyer, provided that such third parties also commit themselves in writing to the same confidentiality as the Seller, and they must be returned to the Buyer upon completion of the order.

3.2 The Seller hereby irrevocably commits itself to maintain absolute secrecy with regard to all trade and business secrets made accessible to them by the Buyer or which have become known to them and not to make them accessible to third parties in any way whatsoever without the prior explicit written consent of the Buyer.

3.3 The secrecy obligation shall remain in force for an unlimited period of time even after termination of the business relationship with the Buyer and the Seller shall guarantee secrecy to the same extent for its personnel, subcontractors and other auxiliary persons.

3.4 The Buyer commits to keep the price and other financial terms of the offer confidential.

4. Prices/ Payments

4.1 All prices are fixed prices and therefore binding. Agreements to the contrary must be made in writing in advance.

4.2 The agreed price for the object of purchase shall be stated as the net price. All additional services, ancillary services (e.g. assembly and functional testing of the subject matter of the contract) and ancillary costs (e.g. permits, customs fees, taxes (excl. VAT), insurance, packaging, transport, delivery, expenses) of the Seller must be stated separately.

Other agreements must be made in writing in advance. The necessary documents for customs clearance (e.g. invoices, EUR1, etc.) will be provided by the Seller accordingly in order to guarantee a smooth process.

4.3 The Buyer shall only be bound to make a down payment if it has been agreed in writing and the Seller has provided in advance adequate security in the form of an irrevocable, absolute bank guarantee of the best credit rating, payable on first demand and without verification of the legal grounds, for the entire amount of the down payment.

4.4 The part of the purchase price withheld for guarantee or insurance claims, where applicable, or for the reduction of liability, if applicable, shall be transferred to the Seller without interest and other costs within 14 days of the uncontested expiry of the periods of guarantee and insurance.

4.5 Unless otherwise agreed, payments shall be made, at the purchaser's discretion, either within 14 days, with a reduction of 3% or within 45 days without reduction.

Payment periods (except for invoices for advances and rates) shall only start after full delivery (clause 8.1) or after full execution, including the corresponding acceptance (clause 8.2) and receipt of a corresponding invoice (clause 4.8).

On issue of the transfer order to the Buyer's bank, payment shall be deemed to have been made from that date.

4.6 Each party shall bear its own bank charges.

4.7 The Buyer is entitled to hold back due payments as long as he has open claims coming from incomplete or faulty deliveries or services against the Seller. An unconditional payment by the Buyer implies no recognition of completeness and absence of defect of delivery or service.

4.8 The Seller is obliged to issue a separate invoice to the Buyer for each order. The invoice must correspond to the statutory requirements of the country of destination – especially those concerning Value Added Tax Act.

The Buyer reserves the right not to process invoices that do not comply with these conditions. In this case, no receipt of a proper invoice within the meaning of clause 4.5 has been effected, which also means that the payment period will not commence.

4.9 Any retention of title by the Seller shall be ineffective without the prior written consent of the Buyer.

5. Delivery date/right of withdrawal/cession

5.1 Any agreed delivery date shall be binding. The Seller shall be liable for compliance with the binding delivery date irrespective of their fault.

5.2 The delivery date shall be deemed to have been complied with if the delivery or service has been handed over or provided at the agreed place or at the place specified by the Buyer by 4 p.m. local time on the agreed day or 4 p.m. local time on Friday of the agreed delivery week at the latest.

5.3 The Seller shall be obliged to notify the Buyer in writing without delay if circumstances occur or become evident which prevent compliance with the delivery- or performance date. The reasons and presumed duration of the delay shall be stated.

5.4 Even in such cases, the Seller shall not be entitled to withdraw from the contract or to increase prices at its own discretion.

5.5 Additional costs which are necessary to meet the delivery date - such as in particular costs for accelerated transport - shall therefore be borne exclusively by the Seller.

5.6 Partial performances shall be explicitly defined in the order confirmation and agreed with the Buyer in advance.

5.7 In the event of non-compliance with the delivery date (delay in delivery), the Buyer shall be entitled to demand a contractual penalty of 1% of the total order value for each commenced calendar week of the delay, but not more than a total of 7.5% of the total order value of the delayed goods or services, without providing evidence of the damage incurred, in addition to any further statutory claims. The Buyer shall be entitled to deduct the amount corresponding to the penalty from the purchase price.

5.8 After setting or expiration of a reasonable grace period, the Buyer shall be entitled to make a covering purchase, even without prior notice. In this case, the Seller/Supplier shall be liable in particular for the damage caused by a covering transaction (esp. additional costs).

5.9 If the Seller does not provide the delivery or service by the agreed delivery date, or if the Seller is in delay of delivery, the Buyer shall be entitled to withdraw from the contract and to claim damages instead of the contractual performance after the unsuccessful expiration of a reasonable period of time.

5.10 The Buyer may terminate the contractual relationship with immediate effect if a request for bankruptcy proceedings is filed against the Seller or its subcontractor, or if the Seller becomes insolvent or over indebted, or if the Buyer cannot reasonably be expected to maintain the contractual relationship for other reasons. The termination of the contractual relationship shall have no effect on obligations between the parties already due.

5.11 The contracting parties shall not be liable for non-performance of the contractual obligations due to events of force majeure. "Force majeure" shall mean non-foreseeable circumstances beyond the

control of the contracting parties, which did not exist at the time of the conclusion of the contract and/or confirmed order

5.12 In the event that one of the contracting parties invokes force majeure, it shall immediately notify the other party of the occurrence of the same, as well as of the expected duration.

5.13 The Buyer shall be entitled to transfer the rights and obligations arising from the business relationship with the Seller in whole or in part to another legal entity with debt-discharging effect and shall notify the Seller thereof. The transfer of rights and obligations arising from the business relationship by the Seller shall require the explicit written consent of the Buyer and shall not affect the Seller's further liability for present and future contractual obligations.

6. Place of delivery/ Delivery conditions

6.1 In principle, the agreed INCOTERMS in the latest version shall apply to deliveries and services; unless otherwise agreed, the Incoterms DDP shall apply at the location of the relevant branch office of the Buyer, including assembly and initial commissioning, if applicable.

6.2 Delivery or performance shall be made at the respective clause agreed in the Purchase Order or the Contract. The place of unloading specified in the purchase order shall be considered the place of performance for delivery or assembly. All specifications of Buyer with respect to mode of transportation and carrier as well as all other shipping instructions shall be observed.

6.3 The Seller shall ensure proper packaging so that safe transport and delivery is guaranteed. Should certain care be required for the removal of packaging or auxiliary constructions, the Seller must explicitly point this out to the Buyer. If Seller fails to do so, he shall be liable for all damages incurred.

7. Subsuppliers

7.1 The Buyer shall be notified in case sub-suppliers are involved in the performance of the contract. The Buyer may demand that certain sub-suppliers be involved in the performance of the contract or that they be excluded.

7.2 The Seller shall be liable for the performance of the sub-suppliers to the same extent as if they had made the delivery themselves; this shall also apply to sub-suppliers proposed by the Buyer. The Seller guarantees and shall include in the subcontract all provisions necessary to protect the Buyer's interests.

8. Delivery of the object of purchase/transfer of risk/acceptance

8.1 In the case of deliveries without installation and/or assembly, the risk shall pass upon receipt at the agreed place of receipt or at the place of receipt specified by the Buyer.

8.2 In the case of supplies with installation and/or assembly/erection and in the case of services, the risk shall pass only upon proper acceptance by Buyer, which shall take place within a reasonable time after delivery or after Seller has notified the Buyer that the erection work and commissioning have been completed. The Seller shall notify the Buyer of the completion of the installation work without delay. For this purpose, the Buyer shall check whether assembly, commissioning and the object of purchase are in conformity with the contract. A proper acceptance shall only be deemed to have been made if it is made in writing and signed by the Buyer in this regard.

If components are used which do not comply with the HS Timber Group guidelines for machines and plants, these shall be replaced at the Seller's expense, unless the use of these parts had been explicitly agreed to in advance by the Buyer.

8.3 The Seller shall provide the Buyer free of charge with all documentation relating to the object of purchase, in particular CE declarations, declarations of conformity, manufacturer's declarations,

execution plans and storage media, as well as all maintenance and operating instructions. The documents must be written in the language(s) specified by the Buyer, in any case also in the national language of the country of destination as well as in English and must be provided in the required number of copies, at least in duplicate for each language. These shall become the property of the Buyer.

8.4 Furthermore, the Seller shall hand over to the Buyer the spare parts and consumables usually required or expressly ordered. He shall also inform the Buyer about the stocking of critical or necessary spare parts and consumables and the possibility of obtaining them prior to the conclusion of the contract.

8.5 In case of default of acceptance by the Buyer or impossibility of shipment due to reasons which do not only occur on the side of the Seller and its subcontractors, the delivery shall be stored at the Buyer's expense and risk after consultation with the Buyer. In this regard, after consultation with the Buyer, the Seller provides for adequate insurance at Buyer's expense.

8.6 Advance deliveries must be agreed with the Buyer. In this case, the Buyer reserves the right to charge the Seller for any costs incurred for internal transport, interim storage and insurance.

8.7 All the delivery risks remain with the Seller until the Buyer officially receives the goods or services.

8.8 Ownership of the goods will be transferred to the Buyer upon full payment.

8.9 In the event of a partial or total refusal of the acceptance/receipt of goods and/or services by the Buyer, the risks are entirely of the Seller. The Buyer reserves the right not to pay for the goods and/or services until the situation has been corrected.

8.10 In the event of a partial or total refusal of acceptance, the goods in question will be stored and returned by the Buyer at the expense and risk of the Seller.

9. Warranty / Guarantee / Liability

9.1 The Seller shall be liable to the Buyer for the contractual conformity of the delivery or service, i.e. - unless expressly agreed otherwise in writing - for the integrity, the fulfilment of the state of the art in science and technology, the agreed or recognizable purpose for the Buyer and any applicable legal provisions, as well as for the fact that no third-party claims exist with respect to the object of purchase, in particular due to industrial property rights and licensing rights.

9.2 The Seller shall be liable for the complete freedom from defects and functionality as well as for any approval eligibility of the delivery or service provided.

9.3 The delivery shall comply with the HS Timber Group - Guidelines for Machines and Plants in its current version as well as with the guaranteed properties and specifications, and with the relevant statutory provisions in the country of destination. This applies in general, also in all aspects of environmental law as well as safety and occupational health aspects. In case of doubt, the Seller shall ask the Buyer about the requirements of the delivery or service.

9.4 All claims under warranty or guarantee shall also extend to any services provided by sub-suppliers, for which the Seller shall be liable as for its own deliveries and services.

9.5 The Seller warrants that it will use only high-quality and appropriate materials for the delivery or service that correspond to the current state of science and technology at the time of performance.

The Seller warrants that the delivery or service conforms to the samples, specimens and descriptions supplied to the Buyer and fully complies with the specifications including plans issued by the Buyer.

9.6 The values determined by the Buyer during the incoming inspection shall be decisive for quantities, dimensions and weights.

9.7 Positive statutory provisions concerning an inspection and defect notification obligation of the Buyer shall not apply.

9.8 Identified defects and omissions shall be notified by the Buyer to the Seller in writing without delay as soon as they are identified or discovered in the ordinary course of business. This may also be the case only in the course of further use by the Buyer.

9.9 In the event of warranty or guarantee claims and in the event of defective delivery or performance, the Buyer shall be entitled to demand free improvement or free replacement (exchange) at the agreed place of delivery. Additional expenses caused by this shall be borne by the Seller regardless of fault (this also refers to the costs of return transport of parts). Instead of improvement or replacement delivery, the Buyer shall also be entitled to demand rescission or price reduction, even if replacement delivery or repair are agreed first, but these do not or cannot result in success.

9.10 In the event of repair, replacement delivery, rescission or price reduction, the Buyer shall be entitled to demand compensation for further damage in addition to compensation for the direct damage, without the Seller having to be at fault.

9.11 The Seller undertakes to propose a satisfactory remedy for the Buyer within 5 working days in response to defects or incompleteness notified by the Buyer.

If the Seller is unable or unwilling to comply with this obligation, the Buyer shall be entitled to carry out remedial measures himself or to commission third parties to remedy the defects at the Seller's expense.

9.12 The warranty period shall generally be three years, for construction work five years, from the date of delivery to the Buyer or from the date of proper acceptance of the performance by the Buyer; for hidden defects the warranty period shall continue to be at least six months from the date of their detection.

9.13 The warranty period shall be suspended by any justified notice of defect specified in terms of content (clause 9.8) until the defect has been rectified, but at least for a period of six months.

9.14 For parts which are exchanged under the title of warranty, guarantee or compensation, the warranty period shall start anew after each exchange.

9.15 The Seller shall otherwise be liable to the Buyer in accordance with the statutory provisions.

10. Secondary obligations

10.1 The Seller undertakes to ensure that the delivery item contains the type plate specified by the Buyer (including the designation of the end customer in the specified language and script) and that the serial number of the delivered equipment is indicated in all delivery documents.

10.2 Unless otherwise explicitly agreed with the Seller, the agreed price shall include the cost of providing the appropriately qualified installation personnel as well as their travel and accommodation expenses until proper acceptance by the Buyer.

10.3 All Products shall be equipped with the mandatory safety devices and comply with the safety regulations applicable at the agreed place of installation or known to Seller. Installations, systems and products shall be provided with CE and other markings in accordance with EU directives and applicable laws.

10.4 Each delivery shall contain corresponding declarations of conformity with brief descriptions and, if applicable, assembly instructions and installation instructions in the language specified by the Buyer, at least in English and in the language of the country of destination.

10.5 The Seller shall immediately inform the Buyer in writing of any changes in materials, manufacturing processes and vendor parts as well as in declarations of conformity.

10.6 The Seller shall inform the Buyer, if necessary, also prior to the conclusion of the contract, about any improvements and innovations that may become evident.

10.7 The Buyer shall have the right to be informed at any time about the status of the performance of the contract/confirmed order; this shall in no way release the Seller from its contractual obligations. The Buyer reserves the right to verify the status and proper execution of the order and to carry out any quality checks and tests he deems necessary. The Seller will give the Buyer and its representative's free access at any time to the Seller's premises.

10.8 The Seller shall immediately notify the Buyer of all circumstances affecting the interests of the Buyer (e.g. changes in structure, name, address, as well as changes in the quality system).

10.9 The Seller shall adequately insure themselves against the consequences of any liability. The Buyer may at any time request the Seller to provide proof of the relevant insurance coverage (business liability insurance with sufficient coverage for property damage and personal injury, also valid for any damage caused by subcontractors). For equipment deliveries, the Seller is furthermore recommended to take out fire, tap water and theft insurance; Buyer shall not assume any liability for these risks.

11. Safety provisions

11.1 The Seller is obliged to carry out the installation professionally and in compliance with all necessary safety measures. He shall be responsible for the safety of its personnel, the Buyer's personnel and the personnel of third parties and shall comply with the relevant safety, health and environmental protection regulations. He shall comply with the safety and protection regulations prescribed by the Buyer at the respective location. This shall also apply to subcontractors or other auxiliary persons involved.

11.2 The Buyer shall have the right to check the compliance with all required safety measures at any time. This right, as well as any inspections, shall not result in any joint responsibility on the part of the Buyer and shall in no way relieve the Seller of its responsibility for compliance with all required safety measures.

11.3 The Seller guarantees that all products and/or services provided meet applicable regulatory, documentation and safety requirements.

12. Applicable Law/Dispute Resolution

12.1 Unless otherwise agreed, the business relationship between the Seller and the Buyer shall be governed by the law of the state of the joint statutory seat, otherwise by Austrian law if the parties have their respective statutory seats in different states; the application of the UN Convention on Contracts for the International Sale of Goods is explicitly excluded. The place of performance for all mutual claims shall be the relevant registered office of the Buyer.

12.2 The parties involved shall endeavor to settle any disputes arising from the interpretation of these terms and conditions or a purchase agreement amicably.

12.3 The place of jurisdiction for all disputes arising directly or indirectly from the business relationship between the Seller and the Buyer which cannot be settled amicably shall be the court with factual and local jurisdiction at the statutory seat of the Buyer.

12.4 The Buyer shall also be entitled, at its own discretion, to bring any disputes before a court with factual and local jurisdiction at the Seller's registered office or to call upon a court of arbitration. In the latter case, disputes arising out of or in connection with the business relationship between the Seller and the Buyer, including its breach, dissolution or nullity, shall be finally settled under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Austrian Federal Economic Chamber (Vienna Rules) in Vienna by one or more arbitrators appointed in accordance with these Rules; the language of the proceedings shall be English.

13. Amendments and Additions

13.1 These Terms and Conditions may only be amended or completed in writing and by mutual agreement of both parties.

14. Severability Clause

If individual provisions of these Terms and Conditions of Purchase are or become invalid or void under the agreed or any other applicable law, the remaining provisions shall remain in effect. The invalid or void provision shall be considered to be replaced by a valid and effective provision which comes as close as possible to the economic purpose of the invalid or void provision, be it also by partial choice of law of the Seller's or the Buyer's country.