

## General Terms and Conditions – Softwood Contract 2015

(adopted by the Finnish Forest Industries Federation, the Swedish Forest Industries Federation and the Norwegian Wood Industry Federation, 2015)

### 1 Definitions

- 1.1 **“Approximate Invoice”** means the invoice to be issued by the Seller, as defined under Clause 13 below, in the event that the Buyer has not collected the Products as agreed.
- 1.2 **“Contract”** means the agreement regarding the supply and purchase of Products of which these General Conditions together with the Specification and any other written documentation attached to the agreement as an appendix constitute a part.
- 1.3 **“Dead Freight”** means the charge payable on space booked on a ship but not utilised by the charterer or the shipper. It is imposed at full freight rates, less loading and handling charges.
- 1.4 **“Demurrage”** means a penalty charge required as compensation for the delay of a ship beyond the allowed time for loading and/or discharging provided for in the charter-party.
- 1.5 **“First Safe Place of Rest after Discharging”** means when the Products are unloaded at the port/place of destination, as defined in the agreed upon C or D Incoterms, or when the Seller holds the Products ready for collection/delivery, as defined in the agreed upon F Incoterms.
- 1.6 **“Delivery Date”** means the date when the Seller shall hand over the Products to the main transporter or when the Buyer shall collect the Products in case of delivery on F Incoterms.
- 1.7 **“Drawing Date”** means the date when the Seller is entitled to issue an approximate invoice, i.e. thirty (30) calendar days after the Ready Date.
- 1.8 **“General Conditions”** means the general terms and conditions for the supply of wood products (2014).
- 1.9 **“Incoterms”** means the ICC Incoterms® 2010.
- 1.10 **“L/C”** means an unconditional undertaking from the importer/applicant's bank to effect payment to the beneficiary/Seller against the presentation of credit conform documents.
- 1.11 **“Nordic Grading Rules”** means the grading rules as defined in Clause 3.7.1 below.
- 1.12 **“Party”** means the Buyer or the Seller, whereas **“Parties”** refers to the Buyer and the Seller.
- 1.13 **“Products”** means the wood products sold and/or supplied under the General Conditions and as further agreed upon by the Parties.
- 1.14 **“Ready Date”** means the day agreed upon by the Parties, as stated in the Contract, when the Seller is obligated to hold the Products ready for collection/delivery at the Seller's premises.
- 1.15 **“Kiln Dry/Dried”** means Products that have gone through an artificial drying process.
- 1.16 **“Specification”** means the document in which the Parties have specified the supply of Products to be provided under the terms of the Contract.

### 2 General

- 2.1 These General Conditions shall apply to all quotations, confirmations of order, contracts and deliveries of wood products by the Seller to the Buyer.
- 2.2 Any amendments or deviations from these General Conditions must be agreed upon in writing.

### 3 Quality, Grading and applicable standards

- 3.1 The Products shall comply with the applicable statutory requirements of the country where the Products are produced, be supported by documentary or other evidence of compliance and be in accordance with the Seller's and or producer's normal quality and grading and the terms in Clause 3 of this document.
- 3.2 The nominal sizes are applicable at 20 per cent moisture content, as set out in EN 336 (*structural timber*) and EN 1313-1 (*round and sawn timber*).
- 3.3 If not otherwise agreed upon, the Products shall be well seasoned with a standard drying quality in accordance with EN 14298 (*assessment of drying quality*). In the case of Kiln Dried side boards, a target moisture content of 15 per cent to 18 per cent will be accepted. The Products must be sufficiently protected for normal transport to the Buyer's destination. The Products must be sufficiently seasoned to withstand normal professional storage at the Buyer's premises on the condition that the Products, whether during transport or during the subsequent transfer of the Products to the Buyer's premises, have not been exposed to moisture or other elements that may affect the state and condition of the Products. The Buyer's warehouse or storage spaces shall be suitable for proper storage of the Products.
- 3.4 Where special dried Products are required for the target moisture content, in accordance with EN 14298, this must be specified in writing between the Seller and the Buyer. However, if such dried parcels are

delayed by more than fourteen (14) calendar days from the agreed upon final date of delivery to the Buyer, due to circumstances involving the Buyer, the Seller is obliged to guarantee the moisture content in accordance with Clause 3.3 only.

- 3.5 In the case of a disagreement regarding the measurements by electronic moisture meter, according to EN 13183-2 (*moisture content of a piece of sawn timber- estimation by electrical resistance method*), the oven dry method shall be applied in accordance with EN 13183-1 (determination by oven dry method).
- 3.6 When the Products fall under the scope of the EU Construction Products Regulation (305/2011/EC - CPR), the Seller and the Buyer will undertake to fulfil their obligations with regard to the CE-marking and related documentation.
- 3.7 The following shall apply concerning grading rules:
- 3.7.1 In the event that the Parties refer either to U/S, V, VI, A, B, C and/or D in the specification concerning the quality of the Products, the grading rules defined in EN 1611 shall apply and the specified quality will be considered to be the same as the quality stipulated in EN-1611 in accordance with the below table.

Guiding Principles for grading of timber (Green Book)	and/or	Guiding Principles for grading of timber (Nordic Timber/Blue Book)		Grading rules, EN 1611
U/S (I, II, III, IV)	and/or	A1 – A4	=	G4-0 – G4-1
V	and/or	B	=	G4-2
VI	and/or	C	=	G4-3
---		+D	=	G4-4

- 3.8 In the event that Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010, which lays down the obligations for operators who place timber and timber products on the market, applies to the Seller, then the Seller shall fulfil the obligations as set out in the above-mentioned regulation.

### 4 Payment

- 4.1 Payment shall be made in accordance with the payment method agreed upon by the Parties in writing.
- 4.2 In the absence of an agreement on payment method as stated in section 4.1, the parties are considered to have agreed upon payment to be effected within 30 days after the date of invoice to the Seller's bank account stated in the invoice.
- 4.3 In case payment is to be made by L/C, then the payment shall be made in exchange for shipping documents in cash by an L/C that is advised through and payable in and confirmed by a bank recommended by the Seller in his country. The said L/C must be in Seller's hands not later than two (2) weeks before the Delivery Date or the time of Delivery, and it must be in force for at least two (2) months (or longer, if agreed by the Parties in writing).
- 4.4 All bank charges in connection with the opening of the L/C, including reimbursement costs, are to be paid by the Buyer. The costs at the Seller's bank in connection with a payment by L/C shall be paid by the Seller.
- 4.5 If the Buyer has not opened the L/C, or if the L/C does not comply with all of the conditions in the signed Contract and/or the time periods stipulated therein, and if the Buyer has not, within seven (7) days from the Seller's notice of such non-compliance, instructed his bank to make the relevant amendments to the L/C, then the Seller is entitled to terminate the Contract and claim damages.
- 4.6 Transshipment and/or partial shipments under an L/C are to be allowed. The Seller's separate L/C opening instructions must be strictly followed by the Buyer.
- 4.7 Notwithstanding the above provisions for non-performance and the Sellers' right to terminate the Contract due to such non-performance, the Buyer is obligated to reimburse the Seller for any dead-freight costs occurred and any other costs related to the non-delivery, such as price differences due to covering purchases and/or termination of the Contract.

## General Terms and Conditions – Softwood Contract 2015

(adopted by the Finnish Forest Industries Federation, the Swedish Forest Industries Federation and the Norwegian Wood Industry Federation, 2015)

- 4.8 If not otherwise expressly agreed upon in writing, or if payment will be effected through use of an L/C, then the time for payment shall be thirty (30) days from the date of invoice.
- 4.9 In the event of a delay in payment, the Seller is entitled to charge interest for the delay corresponding to the reference interest rate determined by the European Central Bank applicable at any given time, with a supplement of ten (10) percentage units, plus a reminder charge.
- 4.10 In the event the Buyer has not paid within thirty (30) calendar days after the stipulated time of payment, the Seller is entitled to cancel any further deliveries under the same Contract.
- 5 Price and measure**
- 5.1 The price for the Products shall be agreed upon by the Parties in writing in the Agreement.
- 5.2 The prices are quoted per cubic metre (nominal measure), if not otherwise agreed upon in writing.
- 5.3 The price does not include value added tax, which will be added to the price when applicable.
- 5.4 The lengths, widths and thicknesses are measured using the metric decimal system. The lengths are to be 2.70 metres and up, with increments of 0.30 metres, unless expressly agreed upon otherwise in writing. The Seller is however entitled to deliver ends (1.8m, 2.1m and 2.4m) up to 5 % of the total quantity for every shipment to be made under the Contract.
- 5.5 The Seller's or the producer's usual specification (lengths, dimensions and distribution of lengths) shall apply for the total contract quantity and for each item, unless otherwise agreed.
- 6 Margins**
- 6.1 The Seller has the right to vary by more or less ten (10%) per cent on any or every item and for every shipment to be made under the Contract in order to optimise the full loading capacity of the means of transportation. This right to vary may not be used so that the invoice amount falls outside the limits given in an L/C, if applicable.
- 6.1.1 This right may furthermore not be used when the delivery specifies a number of containers instead of cubic meters.
- 6.2 In the event of over-shipment of any item or of the total written contract quantity, including margin, the Buyer shall not be entitled to reject the entire shipment, but shall have the option, to be exercised without delay, of taking up the shipment and paying for the whole quantity delivered or of taking up the shipment and paying only for the quantity of the contracted item(s), while rejecting the excess.
- 6.3 If the Buyer elects to take only the contracted quantity, which shall include the margin, the Seller shall pay all extra expenses incurred by the Buyer, if any, as a consequence of the over-shipment. The Seller shall furthermore be entitled to resell the rejected part of the Products.
- 6.4 The Contract is considered to be fully delivered when delivered within the margin stated under Clause 6.1 above.
- 7 Bills of Lading**
- 7.1 In the case of shipment by sea, the number of bills of lading shall not exceed twelve (12) per 500 cubic metres.
- 7.2 Goods ordered on one (1) bill of lading shall be shipped in one (1) vessel.
- 8 Demurrage and Dead Freight**
- 8.1 The Party responsible for loading and/or unloading shall be responsible for paying any demurrage cost occurred.
- 8.2 In the event of a dead-freight situation, under the F Incoterms and due to reasons solely caused by the Seller, the Seller shall reimburse the Buyer for the Dead Freight.
- 9 Delivery and Delay**
- 9.1 All references to trade terms, the passing of risk and insurance shall be construed in accordance with the Incoterms.
- 9.2 The Seller shall make delivery in such time as separately agreed upon between the Seller and the Buyer. In case no such time has been specified, delivery shall be made within the framework of the Seller's customary delivery schedule.
- 9.3 In the event that the delivery is not effected at the time agreed between the Parties or during any extension period granted, and such late delivery is due to causes attributable solely to the Seller for causes other than excusable causes referred to in Clause 10 and/or Clause 19 or reasons attributable to the Buyer, and any such delay continues for more than thirty (30) days, the Buyer is entitled to liquidated damages for each full week of delay at 0,5 per cent of the price of the Products.
- 9.4 The liquidated damages shall be payable for no more than ten (10) weeks of delay ("the liquidated damages period").
- 9.5 If only part of the Products is delayed, the liquidated damages shall be calculated on the portion of the purchase price attributable to the part of the Products that cannot, as a consequence of the delay, be used as intended by the Parties.
- 9.6 If delivery has not occurred during the liquidated damages period, the Buyer shall be entitled to rescind this Contract by sending the Seller a written notice within ten (10) calendar days from the end of such period.
- 9.7 Liquidated damages under this Clause 9 and termination of the contract are the only remedies available to the Buyer in case of delay on the part of the Seller. All other claims against the Supplier based on such delay shall be excluded, except where the Supplier has been guilty of gross negligence.
- 9.8 The liquidated damages become due at the Buyer's demand in writing but not before delivery has been completed or the contract is terminated under this Clause 9.
- 9.9 The Buyer shall forfeit his right to liquidated damages if he has not lodged a claim in writing for such damages within six (6) months after the time when delivery should have taken place.
- 10 Shipment and loading**
- 10.1 Transportation of the Products can take place by sea, land and/or rail.
- 10.2 In the case of the C and D Incoterms, a suitable transport vehicle shall be secured in due time by the Seller.
- 10.3 In the case of the F Incoterms, the Buyer shall, after chartering, give adequate notice to the Seller. The said notice must be in the Seller's hands no later than fourteen (14) calendar days before the arrival of the vehicle/vessel.
- 10.4 The Buyer undertakes to ensure that the full loading instructions be in the Seller's hands no later than fourteen (14) calendar days before the Ready Date agreed upon between the Seller and the Buyer.
- 10.5 The Buyer is responsible for storage costs and other charges at the port/terminal/place of loading due to inadequate notice or failure to deliver a notice.
- 10.6 The Seller undertakes to deliver the Products as quickly as they can be loaded during a normal working day, taking into account normal practice at the port/terminal/place of loading in question.
- 10.7 In the case of shipment by sea, deck cargo shall be properly secured and protected by tarpaulins. The Products may not be loaded or unloaded if the Products are likely to be damaged by the prevailing weather conditions. This condition must be reflected in the charter party.
- 10.8 Under the C Incoterms, the Seller shall notify the Buyer about the booking of ship space and the expected date of loading. Under the D Incoterms, the Seller shall notify the Buyer about the expected time of arrival. For both the C and D Incoterms, the Seller shall notify the Buyer of the arrival to and departure from the port/place of loading of the transport vehicle by email or otherwise in writing. The Buyer undertakes to ensure that full loading orders/dispatch orders are in the Seller's hands no later than fourteen (14) calendar days before the Delivery Date.
- 10.9 The Seller shall not be liable for a delay caused by a temporary and proven shortage of transport vehicles, provided that immediate written notice is given to the Buyer.
- 10.10 In the case of break-bulk shipment by sea, the Parties shall separately agree upon under-deck cargo, and the freight shall be booked accordingly. Unless otherwise agreed, a maximum of 1/3 of the cargo can be stowed on the deck.
- 10.11 If the Seller arranges for the main transportation, the Buyer shall notify the Seller in writing about the exact delivery address before loading the Products on the main transport vehicle.
- 11 Packaging**
- 11.1 Unless expressly agreed upon otherwise in writing, the Seller shall cause the Products to be packed and marked in accordance with the 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. The Seller shall insert sufficient stickers of an adequate dimension into each package to ensure stability of the package throughout its total shipment and thereon to the agreed upon destination, including reasonable multiple re-handling in the course of the Buyer's business.
- 11.2 Truck-bundled Products shall mean Products in packages containing one single size, but mixed lengths. Length-packaged Products shall mean Products in packages containing one single size and one single length, but allowing combinations of lengths when the residue of the different lengths is insufficient for a complete package. In all cases,

## General Terms and Conditions – Softwood Contract 2015

(adopted by the Finnish Forest Industries Federation, the Swedish Forest Industries Federation and the Norwegian Wood Industry Federation, 2015)

unless expressly agreed upon otherwise, a specification for each package must be provided, with documents, and attached to the fair end of each package.

- 11.3 All packages shall be clearly marked on the side with a pack number, a bill of lading/waybill/lot number, the maximum weight of the package and other information as agreed upon by the Parties.

### 12 Insurance

- 12.1 The Products shall be insured either by the Seller or by the Buyer in accordance with the applicable Incoterm.
- 12.2 Upon transfer of risk and when the goods have been placed for the Buyers collection at the place of destination or at the Buyer's premises, the Buyer shall, at its own cost, be obliged to insure the Products against usual risks with a recognised insurance company until the Buyer has paid the Seller in full for the Products.

### 13 Delayed Collection and Approximate Invoice

- 13.1 In the event that the Products are to be collected by the Buyer, the Seller is obliged to hold the Products ready for collection/delivery at the Seller's premises on the Ready Date.
- 13.2 The Seller shall notify the Buyer in writing if any of the Products have not been removed from the Seller's place within thirty (30) calendar days after the Ready Date (hereinafter called the "Drawing Date"). The Seller is entitled to issue an approximate invoice against Products not removed by the above-mentioned Drawing Date, and the payment shall be made against the said invoice as a net payment. At the Drawing Date, the Products are placed for the Buyer's expense and risk, but at the Seller's attention.
- 13.3 At the Drawing Date, the Seller shall insure the Products against fire. Such insurance is for the account of the Buyer and at the expense of the Buyer.
- 13.4 As of the Ready Date, the Buyer shall pay a rent of one (1%) per cent of the value per month, or part of a month, for the overlying Products.
- 13.5 The Seller is entitled to charge storage costs arising from the delayed collection. The Seller shall not be responsible for deterioration of the Products caused by the delayed removal unless this deterioration exceeds what would constitute normal deterioration of the Products being protected, as is customary, during the time in question.
- 13.6 If the Products have not been removed within sixty (60) calendar days after the Ready Date, the Seller is entitled to terminate the Contract and seek compensation for damages. In the event of such termination, the Seller has no responsibility towards the Buyer to insure or protect the Products. The Seller is furthermore entitled to resell the Products in the case of a termination, in accordance with this Clause.

### 14 Consecutive Deliveries

- 14.1 In the event of consecutive deliveries, where the Buyer has not paid for an already made delivery within ten (10) calendar days after the stipulated time of payment, the Seller is entitled to cancel any further deliveries under the same Contract.

### 15 Claims

- 15.1 In the event of a dispute and/or claim regarding the delivered Products, the Buyer has no right to reject the Products or to refuse to pay in accordance with the stipulations of the Contract.
- 15.2 Upon receipt of the Products, the Buyer shall, without delay and by using due diligence, examine the Products both as to their quality and quantity.
- 15.3 No claims regarding quality and/or condition will be recognised by the Seller for any delivered Products unless the Buyer has sent the Seller a written statement as to whether the claim is for quality and/or condition together with a statement, as defined under Clause 15.4 below, and within the below-specified number of calendar days from the date of the First Safe Place of Rest after Discharging:
- 15.3.1 if the Parties have agreed upon the delivery of specially dried goods, the Buyer shall have made the complaint within fourteen (14) calendar days from the First Safe Place of Rest after Discharging;
- 15.3.2 if the Parties have agreed upon the delivery of goods dried in accordance with Clause 3.3, the Buyer shall have made the complaint within thirty (30) calendar days from the First Safe Place of Rest after Discharging; and
- 15.3.3 if the complaint is related to manufacturing defects, the Buyer shall have made the complaint within ninety (90) calendar days from the First Safe Place of Rest after Discharging.
- 15.4 The statement of claim (i) shall contain the contract number, bill of lading/waybill number(s) and date(s) of arrival thereof, a description of the Products, including their sizes and pack number(s), if possible, and a bill of lading/waybill number in the case of break bulk, (ii) shall identify

the specific defects that are the subject of complaint and (iii) shall set out the percentage depreciation and the total amount being claimed for each size.

- 15.5 It is upon the Buyer's responsibility to keep the Products in safe custody until the final settlement of the claim, i.e. the delivered Products that have been dried in accordance with Clause 3.3 are to be stored in a dry place, and the specially dried Products are to be stored in a place where the Buyer can guarantee an unaltered moisture content.
- 15.6 No claim for quality shall be recognised on any delivered item or part item that has been broken into. An item or part item shall be considered intact if it can be produced in its entirety as delivered. In the event of a claim for quality on any single item or part item for which the Buyer has made complaint, the said Products shall be available in total to the person(s) who will inspect the Products.
- 15.7 In the event of a claim for condition including discoloration, the Buyer is at liberty to deal with any portion of the Products for which there is no claim. The claim for condition including discoloration being limited to the quantities that the Buyer can present for inspection.
- 15.8 An item shall mean all Products of the same dimension, quality and description. A part item is an item divided on different bills of lading/waybills.
- 15.9 Where the Products are discovered to be defective, the Seller shall, at its sole discretion, (i) replace the Products with conforming Products, without any additional expense to the Buyer, or (ii) reimburse to the Buyer the price paid for the defective Products and thereby terminate the Contract as regards the Products in question. Alternatively, the Buyer shall, at the Seller's sole discretion, be entitled to a reduction of the price, one which reflects the difference between the defect-free Products and the defective Products.
- 15.10 No claim for quantity (under-shipment or over-shipment) or non-shipment will be recognised by the Seller unless a written notice of claim is sent to the Seller within thirty (30) calendar days from date of delivery. With respect to such claims for which the Seller is liable and for which the Seller can establish that the under-shipment, over-shipment or non-shipment did not arise from a deliberate act on its part, the damages shall, as concern under-shipment or non-shipment, be considered equal to ten (10%) per cent of the Contract price of the Products that is the subject matter of the claim, and as concerns over-shipment, the Buyer is entitled to reject the excess as further described in Clause 6 above. The Seller shall pay amount due to the Buyer within thirty (30) calendar days being the full and final settlement of such claim.
- 15.11 Any claim and settlement for non-delivery of complete items or of the whole Contract quantity shall be based on the contracted quantity without regard to the margins under Clause 6.
- 15.12 If, on the expiry of thirty (30) calendar days from the receipt by the Seller of the Buyer's statement in accordance with Clause 15.4 and the notice of readiness for inspection, an amicable settlement of the claim has not been reached, then the claim can be submitted to arbitration in accordance with the provisions of Clause 24. All claims to be presented within the claims period mentioned above.

### 16 Confidentiality

- 16.1 The Parties undertake not to make any unauthorised disclosure of any confidential information regarding the Products or the production or sales thereof.
- 16.2 Confidential information shall mean any information, technical, commercial or otherwise, whether written or oral, except such information which is or will be publicly known or which has come to or will come to public knowledge in any way other than through a Party's breach of this secrecy undertaking.
- 16.3 The obligations set forth above are not limited in time.

### 17 Limitation of liability

- 17.1 The Party's liability with respect to the claims for damages or any other form of relief shall be limited to the direct damages that on the date of conclusion of the Contract could reasonably be foreseen by the other Party.
- 17.2 The total liability on any and all claims shall not exceed the invoice price of the Products giving rise to the claim.
- 17.3 In no event shall the Party be liable for any special, consequential, incidental or indirect damages, including, but not limited to, the loss of profit or revenues, the loss of production, the loss of contract, the loss of an increase expense for use of the Products, the damage caused by the Products, downtime costs or other increased expenses of operation, or claims by the Buyers' customers.

## General Terms and Conditions – Softwood Contract 2015

(adopted by the Finnish Forest Industries Federation, the Swedish Forest Industries Federation and the Norwegian Wood Industry Federation, 2015)

17.4 Under no circumstances shall the Seller be liable for any damages arising as a result of the improper or special use of the Products in any (structural) application, poor maintenance/storage of the Products or any other acts that are not in line with the user instructions relating to the Products.

17.5 Nothing in this Clause 17 shall apply so as to exclude or limit any liability of the Party (i) where the Party has acted with gross negligence, or (ii) where and to the extent that the exclusion or limitation of the Party's liability is prohibited by applicable law.

### 18 Retention of title

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

18.2 If the Buyer fails to make any payment to the Seller when it is due, or compounds with its creditors or executes an assignment for the benefit of its creditors or enters into voluntary or compulsory liquidation or has an administrator or administrative receiver appointed over all or part of its assets or takes or suffers any similar action as a consequence of debt or becomes insolvent, the Seller shall have the right without prejudice to any remedies: (i) to enter without prior notice any premises where the Products owned by it may be restored and to repossess and dispose of any Products owned by it so as to discharge any sums owed to it by the Buyer and (ii) to withhold delivery of any undelivered Products and stop any Products in transit to the Buyer and recover them.

18.3 If the Buyer resells the retained Products, then the Buyer shall relinquish forthwith to the Seller any future claims from the resale to its customers, together with all accessory rights – including any payment balance requests – without the requirement to issue any further declarations. If the retained Products are resold together with other items without a single price being agreed upon for the retained Products, then the Buyer shall relinquish to the Seller that part of the total requested price that corresponds to the reserved product price invoiced by the Seller.

18.4 If the Products are further processed and combined or mixed with other objects that do not belong to the Seller, then the Seller shall be awarded co-ownership of the new object at the proportionate amount resulting from the ratio of the value of the combined or mixed Products to the value of the remaining goods at the date when any processing activities were performed. The new item shall thus be deemed as retained products.

18.5 The provision concerning the relinquishing of claims, in accordance with Clause 18.3, shall also apply to the new item defined under Clause 18.4.

18.6 Unless the Seller expressly elects otherwise, any Contract between the Seller and the Buyer for the supply of the Products shall remain in existence, notwithstanding any exercise of the Seller's rights under this Clause 18.

### 19 Force Majeure

19.1 Circumstances beyond the control of the sellers, which are of such nature that it would be unreasonable to demand performance or further performance on the part of the seller, such as ice conditions, exceptional weather circumstances, strike, government measures, delay in supply (including also unexpected changes to time schedules presented by a transport company), export prohibitions, war, mobilization, transport impediments, export impediments, import impediments, machinery break-downs, shortage of raw materials, poor timber harvesting conditions and all other circumstances which could seriously impede the performance of the contract are deemed a force majeure event and the Seller shall not be responsible for any damages arising therefrom, provided immediate written notice is given to the Buyer..

19.2 In this event, the Seller has the right within sixty (60) calendar days from the time of shipment/Ready Date to complete the Contract. Should the Seller be unable to deliver within such an extended period of time, it must give immediate notice hereof to the Buyer. Within seven (7) calendar days of receiving such notice, the Buyer shall have the option either to terminate the delivery in question or to postpone the delivery until an agreed upon date, which can be no later than ninety (90) calendar days from the above-mentioned time of dispatch.

19.3 In case the manufacture and/or dispatch of the Products is prevented as a result of the destruction of the Seller's mill and/or timber yard/terminal, the Seller has the option, by giving written notice to the

Buyer, to terminate the delivery without being responsible for any damages arising therefrom. If the Seller does not exercise its right to cancel, then the Buyer can exercise its option according to the previous paragraph of this Clause.

### 20 Cancellation and Assignment

20.1 A Party is not entitled to cancel the sale of the Products.

20.2 The Seller may assign the right to receive payment under the Contract without the consent of the Buyer.

20.3 A Party may not assign the Contract or the rights and obligations under the Contract without the written consent of the other Party, except as provided above.

### 21 Termination

21.1 If either Party is in material breach of the Contract and/or these General Terms and Conditions and fails to remedy such breach within a reasonable period of time after having received a written notice thereof from the non-breaching Party, then the non-breaching Party is entitled to terminate the Contract with immediate effect and without any liability towards the breaching Party.

21.2 Each Party may terminate the delivery in question/the Contract with immediate effect via a notice given in writing in the case of bankruptcy, moratorium, receivership, liquidation or any kind of arrangement between debtor and creditors, or any other proven circumstances that are likely to substantially affect that Party's ability to carry out its obligations under the Contract.

### 22 Notices and Language

22.1 Any notice, request, consent and other communication to be given by a Party under this Contract (hereinafter called a "Notice") shall be in the English language, unless otherwise agreed upon in writing, and considered to be valid and effective if made by courier, by facsimile or by e-mail to the addresses presented in the preamble.

22.2 A Notice shall be considered to have been given;  
a. in the event that it is sent by courier: at the time of service;  
b. in the event that it is sent by facsimile: on the date the facsimile is sent, provided receipt is confirmed by the other Party; and  
c. in the event that it is sent by e-mail: on the date that a receipt-acknowledged e-mail is sent.

22.3 A Party must notify the other Party of any changes of address, as set out in this provision.

### 23 Applicable law

23.1 The Contract and these General Conditions shall be governed by and construed in accordance with the laws of the domicile country of the Seller, without reference to the conflict of law rules.

### 24 Dispute resolution

24.1 In the event of a dispute arising out of or relating to the Contract, including any question regarding its existence, validity or termination, the Buyer shall not reject the goods, or any part thereof, nor refuse acceptance or payment in terms of the Contract but all questions in dispute shall be settled as stated below.

#### 24.2 Negotiation period

Before resorting to arbitration as per the Clause 24.3, the Parties shall negotiate with each other in an effort to find a just and equitable resolution that serves their respective and mutual interests. The complaining Party must give the other Party written notice of any dispute and, the responding Party shall have fifteen (15) calendar days after receipt of such notice to submit a written response to the complaining Party. If the Parties are unable to completely resolve the dispute through negotiation within thirty (30) calendar days of their receipt of the complaining Party's notice, or if the responding Party fails to respond to the complaining Party's notice within fifteen (15) calendar days of its receipt, the dispute may be referred to arbitration as per Clause 24.4.

#### 24.3 Mediation

24.3.1 If the Parties so agree in writing, they may during the negotiation period (Clause 24.2) commence a mediation process as per this Clause 24.3.

24.3.2 If the Parties agree to commence mediation process, each Party shall nominate one mediator. The mediators shall be independent, neutral and qualified persons. In the event of a mediation regarding the quality and/or the condition of the Products, or any other claim where it is considered necessary to have certain Nordic timber specialist skills, the mediators elected shall be considered to specialize in Nordic timber with good knowledge of the timber trade practice.

## General Terms and Conditions – Softwood Contract 2015

(adopted by the Finnish Forest Industries Federation, the Swedish Forest Industries Federation and the Norwegian Wood Industry Federation, 2015)

- 24.3.3 If not otherwise agreed in writing, the mediation process may not last longer than forty-five (45) calendar days from the date of start of the mediation process.
- 24.3.4 The place of the mediation shall be the domicile country of the Seller. However, the mediation may take place also in another country to carry out the necessary inspection of the Products.
- 24.3.5 The mediation process shall be confidential and without prejudice and no information or documents disclosed during the mediation process may be revealed to any third party or a court.
- 24.3.6 The language to be used in the mediation process shall be English.
- 24.3.7 Each party shall bear its own cost related to the mediation including all cost for its mediator, regardless of the outcome of the dispute.
- 24.4 Arbitration**
- 24.5 If the Parties fail to agree upon a settlement of the dispute in accordance with Clause 24.2 and/or Clause 24.3, the dispute shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce.
- 24.5.1 Arbitration Institute of the Stockholm Chamber of Commerce shall decide whether the arbitral tribunal shall be composed of one or three arbitrators, taking into account the complexity of the case, the amount in dispute and other circumstances.
- 24.5.2 In the event of an arbitration regarding the quality and/or the condition of the Products, or any other claim where it is considered necessary to have certain Nordic timber specialist skills, the arbitrator(s) elected shall appoint an expert specializing in Nordic timber with good knowledge of the timber trade practice.
- 24.5.3 The place of the arbitration shall be the domicile country of the Seller. However, the arbitral tribunal may meet also in another country to carry out the necessary inspection of the Products.
- 24.5.4 The language to be used in the arbitral proceedings shall be English.

- 24.5.5 Notwithstanding the above, the Parties agree that the National Courts of the Seller's country or a competent public authority shall have jurisdiction over disputes relating to undisputed payments.
- 24.5.6 Any dispute regarding moneys due by the Buyer to the Seller or the 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 the Seller to undertake legal proceedings in the court of the Buyer's domicile or main place of business or another appropriate court.

## 25 References

- 25.1 The following standards, terms and regulations are referred to in the Contract:
- EN 336: Structural timber. Sizes, permitted deviations
  - EN 1313-1: Round and sawn timber. Permitted deviations and preferred sizes. Part 1: Softwood sawn timber
  - EN 13183-1 + AC: Moisture content of a piece of sawn timber. Part 1: Determination by oven dry method
  - EN 13183-2 + AC: Moisture content of a piece of sawn timber. Part 2: Estimation by electrical resistance method
  - EN 14298: Sawn timber. Assessment of drying quality
  - Construction Products Regulation 305/2011/EC - CPR. The list of harmonised standards belonging to the scope of the Regulation is available at the following website: <http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=cpd.hs>
  - ICC Incoterms 2010

## 26 Miscellaneous

- 26.1 In the event of a translation of these General Conditions, and in the case of discrepancies between the translated language version and this English master version, this English language version shall prevail.

©Swedish Forest Industries Federation 2015. ©Finnish Forest Industries Federation 2015. © Norwegian Wood Industry Federation 2015.

All rights reserved. Any unauthorized reprint or use of this agreement is prohibited. This copy has been received through one of the above federations download service.