

General Terms and Conditions

1. General

- 1.1. These General Terms and Conditions ("GTC") shall apply to all entities under VALASAHA Group, a. s. (included) – Silvader GmbH., Tarwinn d.o.o., Waltors Pty Ltd., Millwood, s.r.o., Tilian, s.r.o., VALASAHA Hong Kong Limited that conclude the contract as seller ("seller"). Seller and purchaser together hereinafter referred to as the „Parties“ and separately „Party“.
- 1.2. GTC as applicable from time to time shall apply to all business transactions between seller and purchasers, irrespective of whether seller makes deliveries or renders services. If a purchaser uses his own general terms and conditions they shall not become part of the contract. GTC shall apply to follow-up transactions even if no express reference is made thereto. Deviations from the GTC shall apply to only one transaction and shall be made in writing; otherwise they shall not be effective.
- 1.3. If the rights and obligations are regulated differently in the Sales Contract (hereinafter referred to as the sales contract), the provisions of the contract shall prevail.

2. Conclusion of Contract

- 2.1. Seller's offers shall be subject to change and non-binding. Information and statements on product properties in brochures, price lists, etc. shall be non-binding.
- 2.2. The contract shall be deemed concluded only after signature of contract by both Parties.
- 2.3. Good orders made orally or by phone shall require following conclusion of sales contract. Without previous signature of sales contract by both Parties seller is not obliged to supply any goods to purchaser. Silence on the part of seller shall not be considered as consent.
- 2.4. If after conclusion of the contract seller learns of facts and circumstances indicating that the purchase price claim is at risk for lack of ability to perform of the purchaser, seller shall be entitled to ask for payment on delivery or provision of appropriate security at the purchaser's option or, if the purchaser refuses to comply, to terminate the contract, in which case instalments that have already been delivered shall immediately become due and payable.

3. Delivery Periods and Terms of Payment

- 3.1. Delivery periods shall be non-binding unless expressly agreed as binding in writing.
- 3.2. If seller is hindered from fulfilling its obligations due to the occurrence of unforeseeable circumstances or circumstances for which seller is not responsible, such as disruption of operations, sovereign measures or interventions, energy supply difficulties, default of an upstream supplier who is difficult to replace, strike, obstruction of transport routes, delays caused by customs clearance or force majeure, the delivery period shall be extended by a reasonable period of time. If the seller is not able to perform his obligations during the new delivery period either, purchaser shall be entitled to terminate the contract in whole or in part. In this regard it is irrelevant whether such circumstances occur with seller or with any of seller's subcontractors.
- 3.3. Unless otherwise agreed, the delivery period shall commence as of the latest of the dates listed below:
 - (a) date of signature of sales contract by both Parties;
 - (b) date of fulfilment of all prerequisites to be fulfilled by the purchaser;
 - (c) date at which seller receives a down payment to be made prior to delivery of the goods and/or at which a Documentary Credit (hereinafter referred to as the L/C) is opened in acceptable L/C conditions to be approved in advance before its issuing by the Seller. The L/C will be subject of Uniform Customs and Practises for Documentary Credits (hereinafter „the UCP“) of International Chamber of Commerce, Paris (hereinafter „the ICC“) - latest version.
- 3.4. In case payment is to be made by L/C, then the payment shall be made against shipping documents under the L/C to be advised through and payable in and confirmed by a bank recommended by the seller. The said L/C must be in seller's hands not later than two (2) weeks before the delivery period and it have to be valid and in force at least two (2) months (or longer, if agreed by the Parties in writing). All bank charges in connection with the LC issuing, including reimbursement costs, and/or confirmation fee (if any) are to be paid by the purchaser. All charges and commission of the seller's bank in connection with L/C shall be paid by the seller. When supplier credit period is required under LC whether in form of deferred payment preiod or usance bill/draft then cost of financing (discount) are on account of purchaser or will be included to the total sales price.
- 3.5. In case that cash against documents (hereinafter „CAD“) or documents against payment (hereinafter „d/p“) or documentary collection (hereinafter „DC“) are agreed as payment term, then payment has to be made/settled as soon as the purchaser is advised/requested by collecting bank to settle the payment by receiveing shipping documents at counter of collecting bank, in any way not later then 5 banking days from receiving the documents and advise about receiving of documents by the collecting bank. Each payments agreed as CAD or d/p or DC will be subject to ICC Uniform rules for collections - last version.
- 3.6. In case that T/T payment is agreed, it means telegraph/wire transfer to be made within 14 days from the date of invoice (unless other document defined expressly not agreed diferrently in the underlying contract).
- 3.7. In a case that open account payment is agreed as payment term, it means telegraph/wire transfer with supplier credit i.e. deferred payment over 14 days from the date of invoice issuance or date of issue of transport document as agreed in underlying contract.

- 3.8 Advance payment means payment made before shipping/loading date but in any way not later than 10 days from the signing of the underlying sales contract.
- 3.9 Mixed payment (combination of two above described payment terms as defined in Sub-clause 3.4, 3.5, 3.6, 3.7 and 3.8 above) is possible when agreed in the underlying contract.

4. Delivery

- 4.1. Delivery shall be done according to conditions of INCOTERMS 2020 (unless otherwise agreed) taking into account the situation in favour of the seller. If the purchaser selects no specific form of transport, seller is entitled to determine the route and mode of shipping and to select the forwarding agent and carrier at its equitable discretion. Seller is not obliged to choose the cheapest mode of shipping.
- 4.2. Seller is entitled to effect partial deliveries or early deliveries.
- 4.3. The purchaser shall notify any defects in writing and state the nature and scope of the same in detail immediately upon delivery of the goods and in any case at the earliest possible time at which such defects become obvious. In the case of goods shipped by truck the period for complaints shall be three (3) working days after receipt of good. In other cases period for complaints shall be 14 days from estimated time of arrival. If the purchaser notices defects nonetheless, he shall first take delivery of, properly unload and store the goods. If defects are not notified at all or not in time, the goods shall be deemed accepted. In that case any warranty claims or claims for damages as well as the right to avoid the contract on account of mistake shall be expressly excluded. This shall also apply in the case that failure to give notice of defects was not asserted in the past.
- 4.4. If the purchaser refuses to accept the shipment, seller is entitled to terminate the contract after having granted a grace period and to assert additional claims. Seller has also right to claim for contractual penalty in amount 2,000 EUR per each case.
- 4.5. The purchaser agrees and acknowledges that the seller is entitled to an immediate full or partial termination or suspension of the contract, if fulfillment of the seller's obligation thereunder could violate local and/or EU law or international sanctions binding on the seller.

5. Delay in Delivery

- 5.1. In all other cases the purchaser may either continue to demand performance or terminate the contract after having granted a reasonable grace period of at least three (3) weeks. In the case of items made to order the grace period shall be fixed by taking into account that parts processing of which has already started may not be used anymore. Claims for damages, if any, shall be regulated in Clause 11.
- 5.2. If there is no other agreement between Parties, seller shall not be liable for delays in delivery of seller's upstream suppliers for which seller is not responsible, for delays in delivery caused by machine breakdown, non-availability of raw materials due to weather conditions, a general shortage of raw materials, force majeure, strike or the like. In such cases the purchaser shall waive his right to terminate the contract and to claim damages on whatsoever grounds. However, in such cases seller is entitled to postpone performance for the duration of the event causing the delay or to terminate the contract in whole or in part.

6. Prices and Payment

- 6.1. Regarding to prices, conditions of INCOTERMS 2020 or INCOTERMS 2010 (as agreed in underlying contract) shall apply without any changes.
- 6.2. The prices are based on the costs at the time of the quote. If the costs have changed by the time of delivery, those changes shall either be for the benefit of the purchaser or borne by the same. If the purchaser refuses to bear the price increase, the seller has the right to terminate the contract.
- 6.3. Payments shall be made in accordance with the agreed terms of payment under the contract. Unless otherwise agreed in sales contract, half of the purchase price shall be paid by signing the sales contract, the rest upon notification of readiness for delivery or collection of goods.
- 6.4. If payment is to be made against copies of shipping documents, it is assumed that the transmission of the documents will be accomplished by sending a scan of copies of these documents via email to the purchaser's email address.

7. No Set-off

- 7.1. The purchaser is not entitled to withhold payments on account of warranty claims or other counterclaims which are not recognised by seller. Any set-off of counterclaims whatsoever against seller's claims shall be excluded. In case of breaching duties stated in this Sub-Clause seller has right to claim for contractual penalty in amount 2,000 EUR per each case.
- 7.2. Payments made by purchaser must be effected without any deduction or retention.

8. Late Payment

- 8.1. In the case of late payment on the part of the purchaser seller may either:
 - (a) demand performance of the contract and postpone fulfilment of seller's obligations until payment of the arrears or rendering of other performance and/or call for immediate payment of the total purchase price outstanding (including instalment deliveries which may not have been effected yet); or
 - (b) terminate the contract after having granted a reasonable grace period. At seller's request the purchaser shall immediately return goods which have already been delivered, compensate seller for the impairment in the value of the goods that has occurred and reimburse seller all reasonable expenses incurred by seller as a result thereof. In this case seller has also right to resale the goods to another purchaser with all the expenses on account of previous

pruchaser. With regard to goods which have not yet been delivered seller is entitled to make available to the purchaser the finished parts or the parts processing of which has already started and claim the pro-rata portion of the selling price.

- 8.2. In the case of late payment for which seller is not responsible, seller is entitled to demand default interest at a rate of 9% p.a. from the original due date plus reimbursement of all court and/or out-of-court costs incurred in connection with collection of the payment from the purchaser (including but not limited to dunning and collection charges, if any, court fees and the costs of a lawyer retained by seller for this purpose). Seller expressly reserves the right to claim higher damages on account of late payment.

9. Retention of Title

- 9.1. When FOB delivery term (INCOTERMS 2020 unless otherwise agreed) with ocean/sea transport is agreed, the purchaser is obliged to carefully transport and store the goods until delivery and to sufficiently insure the goods against damage. If the goods are destroyed, the purchaser shall assign the insurance benefit regarding the relevant insured event to seller.
- 9.2. In the case of attachment or other seizure of the goods the purchaser is obliged to claim seller's title and to notify seller immediately. If registration of our title is to be made in accordance with any local law, the purchaser undertakes to register our rights and to bear all costs in connection therewith upon receipt of our first written demand to do so.
- 9.3. To the extent allowed by applicable law, the goods shall be resold subject to retention of title. No resale shall be permitted unless seller is informed thereof in writing in advance and the name/company name and address of the purchaser and the amount of the account receivable from the same is stated and seller agrees. Already at this point the purchaser assigns his account receivable under the resale to seller. Upon conclusion of the resale contract, the purchaser is obliged to inform his purchasers about the fact that the account receivable has been assigned. Seller is entitled to make use of the assignment at any time. Such goods shall not be transferred by way of security or pledged.
- 9.4. Any legal transaction fees and costs incurred in connection with enforcing seller's claims shall be reimbursed by the purchaser upon receipt of our first written demand.
- 9.5. Seller's title shall continue to exist also in the case of treatment or processing of the goods to which title is retained; the purchaser shall be a pro-rata co-owner.

10. Characteristics of wooden products

- 10.1. Wood is a natural product; when using it, its natural qualities and variances must be observed and considered at all times. The natural variations in colour or structure and other differences within the same type of wood constitute no grounds for complaints or liability.

11. Warranty

- 11.1. Seller warrants that seller's deliveries will be in the agreed quality. Seller shall only be liable for special properties if they have been promised in writing. Seller shall assume no warranty for deviations that are due to manufacturing or material.
- 11.2. Seller reserves the right to fulfil any warranty claim at seller's option either by improvement, replacement or price reduction, apart from those cases where the right to cancel the contract is provided for by law. The entitlement to replacement shall neither include removing of the defective item nor installation of the item which is free from defects.
- 11.3. The purchaser shall always have to prove that the defect existed already at the time of delivery.
- 11.4. Seller is only obliged to bear the costs of repair of defects carried out by the purchaser himself, in particular the costs of any covering purchases, if seller has agreed thereto in writing in advance.
- 11.5. For those parts of the goods which seller purchased from upstream suppliers seller assumes warranty only to the extent of seller's warranty claims vis-à-vis the upstream suppliers.
- 11.6. Seller is under no obligations arising from manufacturers' guarantees.
- 11.7. Warranty claims, if any, shall be fulfilled at the registered office of the branch concluding the contract.
- 11.8. Even if a certain quality has been promised that cannot be verified immediately, warranty claims will become time-barred two years after the item was delivered.
- 11.9. With regard to other rights and obligations, the Parties shall proceed according to the terms of INCOTERMS 2020 (unless otherwise agreed) taking into account the situation in favour of the seller.
- 11.10. In case of any claim from purchaser following steps need to be respected:
 - a/ claim of measurement – submitting video + photo documentation and calculation for total claimed volume; in case of claim in amount 2,000 EUR or more inspection by third party is required;
 - b/ claim of quality – submitting video + photo documentation and calculation for total claimed volume; in case of claim in amount 2,000 EUR or more inspection by third party is required;
 - c/ claim related to demurrage/detention – submitting time line docs, reason specification and invoice issued by carrier;
 - d/ claim related to container damage – submitting photo documentation and invoice issued by carrier;
 - e/ claim related to goods damage through transport – submitting photo documentation, description of damage and invoice of repair; in case of claim in amount 2,000 EUR or more inspection by third party is required.

12. Damages

- 12.1. Any liability of seller shall be limited to damage caused by gross negligence or wilful intent and, in addition, to the value of the shipment. Compensation for consequential damage, indirect damage or lost profit shall be excluded. In

addition, any liability for damage resulting from improper processing or inappropriate use of the delivered goods by the purchaser shall be excluded.

- 12.2. Any liability for accuracy of information about treatment or processing, laying or installation shall be excluded if such data originates from brochures of the original manufacturer or general importer. Seller is under no obligation to provide any information about storage, installation or other handling of the goods.

13. Settlement of Disputes; Place of Jurisdiction; Applicable Law

- 13.1. All disputes or claims arising out of or in connection with contract and/or GTC, including disputes relating to its validity, breach, termination or nullity, shall be finally settled under the Rules of Arbitration (Vienna Rules) of the Vienna International Arbitral Centre (VIAC) of the Austrian Federal Economic Chamber by three arbitrators appointed in accordance with the said Rules. Place of Arbitration shall be Vienna, Austria, language of arbitration shall be English.
- 13.2. The contract and these GTC 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.

14. Miscellaneous

If any provisions of these GTC are invalid or void, the validity of the remaining provisions shall not be affected. The void or ineffective provisions shall be replaced by a provision which comes as close as possible to the intentions of the void or ineffective provisions.

15. Confidentiality

- 15.1. The Parties undertake not to make any unauthorised disclosure of any confidential information regarding the products or the production or sales thereof.
- 15.2. 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.
- 15.3. The obligations set forth above are not limited in time. For breaching of above obligation any Party has right to claim for contractual penalty 10,000 EUR and also to claim for additional damages.

16. Limitation liability

- 16.1. 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.
- 16.2. Nothing in this Clause 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.

17. Force Majeure

- 17.1. Circumstances beyond the control of the seller, which are of such nature that it would be unreasonable to demand performance or further performance on the part of the seller, such as consequences and/or limitations caused by pandemic situation, 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 purchaser.

18. Termination

- 18.1. If either Party is in material breach of the contract and/or these GTC 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.
- 18.2. 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.

Dated on 01/11/2021