

General Terms and Conditions for the Purchase of Wood

(hereinafter referred to as *GTC-W* for short))

Mercer Holz GmbH

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07366 Rosenthal am Rennsteig, Germany

registry: Jena HRB 514025

(hereinafter referred to as the Buyer for short)

(as of: April 2023)

1. Conclusion of contract

- 1.1. Sales contracts shall only come into being with the written confirmation from the Buyer and solely on the basis of the following *GTC-W*.
- 1.2. Purchase contracts are only effective after the written confirmation of the Buyer, based on the following *GTC-W*.
- 1.3. We hereby refuse to accept any terms and conditions of the Seller. These *GTC-W* shall be the sole content of the contract insofar as the Seller does not object to them in writing within eight days. Side agreements and deviating agreements are permitted within the scope of a specific contractual relationship, but must be in writing to be valid.
- 1.4. The application of the Tegernseer Gebräuche (practices applicable to German domestic trade involving roundwood, lumber, wood-based panels and other half-finished wood products) is excluded.

2. Conditions

- 2.1. The Seller confirms that the delivered roundwood has been felled in compliance with the statutory requirements and expresses its willingness to provide evidence of this in the form of documentation at the request of the Buyer.
- 2.2. The Seller confirms that all necessary official permits have been / will be granted and that the Seller is able to obtain all required certificates, permits (e.g. import permits) and, if necessary, shall procure these on its own expense. Costs incurred as a result of missing certificates, permits and approvals or border rejections shall be borne solely by the Seller.
- 2.3. The Seller guarantees that all sales items are in his full ownership and that no other rights of third parties (such as rights of pledges, other creditor positions from debt collection or other assignments of claim, purchase of accounts, hire purchase, conditional purchase, etc.) are contrary. At the request of the purchaser, the ownership shall be proved.
- 2.4. The delivery of the contractual quantity shall be made in accordance with the contractually agreed delivery schedule of the Buyer. The Buyer reserves the right for operational reasons (e.g. downtime due to malfunctions in the receiving plant as specified in the contract) to deviate from the delivery schedule and to decrease the total quantity by 10% or shift the monthly delivery quantity by 20% - without affecting the agreed prices. The seller will be informed about the changes in a timely manner. The seller does not qualify for compensation of possibly resulting additional expenses.



- 2.5. If the agreed volume that is supplied within a delivery period as specified is below the volume as specified in the delivery plan and thus the volume is not reduced by the Buyer in the sense of 2.3 the Buyer is regardless of the legal claims entitled a) to purchase the ordered delivery quantity from another seller and charge any additional costs to the original Seller (covering purchases) without grace period notification, b) to reduce the contract with regard to the contractual quantity without grace period notification or c) to extend the contractual period while maintaining the agreed prices without grace period notification.
- 2.6. Furthermore, the statutory and/or contractual provisions shall apply in the event of non-performance in accordance with the contract.

3. Types of acquisition

3.1. Acquisition of fiber in the mill

- 3.1.1. The dimensions, weights and qualities determined during the receipt of goods control at the receiving mill by a third party as specified in the contract are binding and form the basis for the settlement of the delivery, unless contractually agreed otherwise.
- 3.1.2. The Seller shall agree to process the deliveries immediately. The Seller shall receive the results of the measurements conducted by a third party in writing, together with a statement or notification of receipt for the timber, which shall also include any complaints if timber is found to be contrary to contract.
- 3.1.3. The Seller is obliged to check each supply before delivery for foreign bodies especially plastic and soot and to remove those and if necessary to remove the contaminated wood and to replace it with wood that comply with the quality requirements as specified in the contract.
- 3.1.4. If the cargo or parts of the cargo are not of the agreed quality, the *Buyer* shall be entitled to refuse to accept the cargo; any costs incurred as a result (e.g. in connection with the temporary storage of the goods at the *Buyer's* place, prior carriage and return freight etc.) shall be borne by the Seller.

3.2. Acquisition of fiber outside of the mill

Unless contractually agreed otherwise, the measurement, sorting and marking shall be carried out in accordance with the valid framework agreement of raw wood trade (in short: RVR, which can be viewed at <http://www.rvr-deutschland.de/>), the legal provisions and these additional relevant *GTC-W* of the *Buyer*.

4. Transfer of risk

- 4.1. Transfer of risk – when handing over goods at the forest road – shall take place with the *Buyer's* confirmed wood takeover.
- 4.2. In case of delivery free on railway wagon transfer of risk shall take place with the acceptance of the wagon by the vehicle inspector.
- 4.3. Unless contractually agreed otherwise, the risk shall be transferred in accordance with the statutory provisions.

5. Types of fibre / dimensions / quality

The Seller shall comply with the quality criteria of Mercer Holz GmbH in the most recent version



with regard to wood species, dimensions and qualities. The quality criteria are available on the homepage www.mercerint.com and can be handed over to the seller at any time.

6. Delivery conditions

6.1. Supply of roundwood in storage areas

The following conditions shall apply to the supply of roundwood, unless agreed otherwise contractually agreed:

6.1.1. Roundwood at the forest road, see Annex 1

6.1.2. Roundwood at the interim storage facility (train station / harbour), see Annex 2

6.2. Supply on a carrier

6.2.1. Truck

The loading and cargo securing requirements pursuant to Annex 3 shall apply when loading trucks with roundwood unless contractually agreed otherwise.

6.2.2. Railway wagon

The legal railway regulations and, if applicable, the conditions of the railway transport company responsible for the traction, in addition to the loading and cargo regulations pursuant to Annex 4 are to be adhered to when loading the railway wagons.

Foreign bodies especially soot and plastics are to be removed by the Seller before loading the railway wagon.

Empty/multiple/demurrage charges shall be borne by the Seller if the Seller is responsible for these charges.

Upon conclusion of all purchase contracts concluded on the basis of "free railway wagon loading", the Seller shall attach to the contract a list of all railway stations to be used to load the contractually agreed timber volumes during the contractual period.

If it is not possible to load roundwood volumes at the agreed railway station during the contractual period, the *Buyer* shall have the right to fully or partially withdraw from the contract at any time, without the *Seller* being able to make any claims for compensation or damages to the Buyer. The Buyer shall be released from the obligation to accept the goods with regard to the withdrawn section. If the Buyer notifies that he is withdrawing from the contract, any advance payments for volumes which have not yet been delivered shall be compensated to the Buyer in full.

6.2.3. Inland/ocean vessels

When loading inland and ocean vessels, the loading and cargo regulations pursuant to Annex 5 and Annex 6 shall apply unless contractually agreed otherwise.

6.3. Supply at the mill

Upon delivery by truck, the valid delivery times at the receiving mills shall be observed. The delivery takes place according to agreement with the Buyer.

The Highway Code (StVO) and traffic regulations (StVZO) shall be observed.



The Seller shall be responsible for compliance with the maximum total weight limits as stipulated in the traffic regulations.

Each delivery note for deliveries to Friesau mill has to be marked with estimated volumes, precise number of logs, origin and the distance from the mill.

Truck beds must be clean before loading wood chips or roundwood. The Seller shall be liable for damages caused by foreign bodies in wood chip or roundwood deliveries (refer to clause 8).

7. Shipping documents

The shipping documents must contain the following information as a minimum:

- Supplier
- Batch no.
- Origin of the fiber (if agreed)
- Carrier

- Dispatch dimensions for purchase ex road, free truck/railway wagon (forest wood)
- Proof of certification (PEFC™, FSC®)

8. Liability

The Seller shall be liable - irrespective of the legal grounds - for all damages incurred by the Buyer or its involved third party as a result of non-compliance with contractual agreements, including consequential damage and financial loss.

This shall in particular include damages which occur during processing at the receiving mill resulting from non-compliance with the requirements stipulated in 5.1 and 5.2. Included in the liability shall in particular be damage claims arising from damage e.g. to components, equipment and machinery of the Buyer, loss of production of the Buyer, recourse claims by customers of the Buyer, financial losses etc.

The Seller shall be liable - irrespective of the legal grounds - for the improper provision or storage of the fiber (see Clause 6), too.

9. Forest protection and calamity clause

Market influencing calamity entitles both parties to renegotiate volumes and prices in the contract.

The Buyer shall not assume any costs for measures incurred by the Seller for forest protection reasons. This shall be deemed to include e.g. protective spraying of log piles, removal of beetle-infested roundwood during interim storage, etc.

10. Biofuels

When delivering fuels, the quality requirements of the receiving plant must be complied with. A delivery of waste wood according to Waste Regulation (German Abfall Verordnung A1-A4) is not permitted. In the event of shortfalls in the performance of the recipient's power plant, the Purchaser shall be entitled to adjust the purchase quantities accordingly.



11. Origin of wood

The seller commits that the roundwood / the thereof produced wood chips are harvested and purchased in accordance with the applicable legislation and other regional provisions and instructions (e.g. by the forest owner or forest authorities). The seller confirms that – to his best knowledge – the delivered wood products do not origin from controversial sources (according to the PEFC Chain of Custody standard in the valid version and the FSC Controlled Wood standard FSC-STD-40-005 in the valid version). The buyer has the right to inspect personally or by third parties the origin of wood as stated by the seller and to verify systems in place for collecting and storing information about the origin of wood. The buyer cares together with the seller that those inspections carried out by the seller or by third parties will not lead to the disclosure of sensitive market data. The seller supports the buyer to the feasible extent to conduct the above mentioned controls at his sub-suppliers. The seller commits to make the certification documents / the proof of sustainable forestry available for the buyer upon request.

The buyer has the right to refuse supplies by the seller when the seller cannot proof that the roundwood / the thereof produced wood chips comply with the above mentioned FSC / PEFC requirements.

12. Force majeure

Delays, postponements and/or the inability of the contractual parties to deliver goods and provide services as a result of force majeure shall not be regarded as a breach of contract for the duration of the disruption and for a reasonable transition period after the disruption. Force majeure shall include all unforeseen events of a factual or legal nature which hinder or make impossible the settlement of the contract and which are not caused by one or the other contractual parties. Force majeure shall for example include war, the threat of war, strikes permissible under employment law, unforeseen natural disasters, fire damage, epidemics and pandemics and mechanical breakdowns on machinery/production facilities in the receiving mill. The contractual parties shall immediately inform each other of the occurrence of force majeure and of the expected duration of the disruption to services.

If only a partial delivery is hindered or prevented as a result of force majeure, the Seller shall be required to deliver and the Buyer obliged to accept the partial delivery not affected by the disruption.

If the force majeure hinders or prevents the settlement of the contract for an indefinite period or if the fulfillment of the contract is unreasonable for one of the parties due to the force majeure, either party may fully or partially withdraw from the contract in accordance with the legal regulations. In event of withdrawal, the contractual parties shall immediately return whatever they have received from the other contractual party.

13. Invoicing

Invoices must correspond to the contract and must be submitted after the effected delivery, stating the contract number. Possible additional or reduced performances respectively other deviations from the contract shall be positioned in the invoice separately. The legal Value Added Tax shall be positioned in the invoice separately.

Before commencing business relations the form for supplier data needs to be filled especially the value added tax identification number / tax number needs to be communicated.

In the cases that supplies and services of the seller are invoiced by credit note issued by the buyer the seller ensures that the buyer is informed immediately about all changes in address, bank data, value added tax identification number or tax number. The buyer has the right to request a proof of the



seller's entrepreneurial characteristics with the right to deduct input tax as well as a proof of the missing entrepreneurial characteristics through e.g. a statement by the tax authority. The seller is hereby informed that he has legally obliged to register and pay the value added tax as stated in the credit note issued to him.

14. Applicable law, place of jurisdiction and legal venue

The contractual language shall be German, which shall also apply to all other correspondence.

The place of performance for all mutual benefits shall be the headquarters of the Buyer, unless contractually agreed otherwise.

If the contractual partner is a merchant pursuant to the German Commercial Code (Handelsgesetzbuch), a legal entity under public law or a special fund under public law, the place of jurisdiction for all disputes directly and indirectly arising from the contractual relationship is the court having jurisdiction *ratione loci* and *ratione materiae* for the headquarters of the Buyer.

15. Group invoicing clause

The Buyer shall be entitled to offset claims which the Seller makes against the Buyer with claims that other companies in the group of the Buyer have against the Seller.

16. Severability clause

If individual provisions of these *GTC-W* are or become fully or partially invalid, this shall not affect the validity of the remaining provisions. The fully or partially ineffective provisions shall be replaced by a provision the economic sense and outcome of which most closely reflects that of the ineffective provision.



Annex 1

Roundwood at forest store	
Supply time	In accordance with the delivery schedule in the purchase contract
Storage location	<p>Log pile location as well as access and run-off roads must be accessible for trucks all year round and have appropriate clearance.</p> <p>The roundwood must not be stored under power and telephone lines or in bends and should be stored by the main roads where possible. It must be possible for trucks with trailers to turn around on roads with a dead end.</p> <p>The safety distance between the log pile and public road is 1.0 m to the edge of the road and 0.5 m to the edge of the road in all other cases. Short log piles are to be positioned at a 90° angle to the removal route. The storage location must be free from foreign bodies (especially plastic and soot).</p>
Delivery units	<p>Log piles max. 4.0 m of height and log pile volume min. 25 stacked cubic meters.</p> <p>Different assortments, lengths and tree species are to be stored in distinctly separate piles.</p> <p>Industrial roundwood with a diameter exceeding 30 cm at the thicker end is to be stacked separately.</p> <p>The roundwood is to be stored flush with the side of the road on one side and stacked approximately horizontally.</p> <p>Excess lengths at the back of the log pile are to be trimmed off.</p> <p>The piles must not contain loose branches or twigs.</p> <p>saw logs and pallet assortments are to be placed on underlays.</p>
Safety/ Risk avoidance	<p>The roundwood is to be secured at the beginning and end of the log pile to prevent rolling.</p> <p>The wood must be checked for foreign bodies before handing over. The wood must be free from foreign bodies (especially plastic and soot) when handed over.</p>

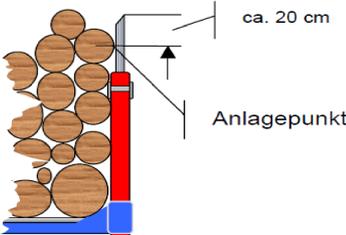


Annex 2

Roundwood at interim storage facility (train station / harbour)	
Supply time	In accordance with the delivery schedule in the purchase contract.
Storage location	<p>The Seller will be assigned the storage area location in a timely manner before the start of delivery. The Seller is required to use only its assigned storage area.</p> <p>The storage location must be free from foreign bodies (especially plastic and soot). The Seller must completely remove any foreign bodies before storing the wood.</p> <p>The roundwood is not to be stored under power and telephone lines.</p> <p>The allocated access roads to/from the interim storage area must be adhered to.</p> <p>On railway tracks, enough space should be left between the log pile and tracks for trucks to drive through.</p> <p>The distance between the log pile and edge of the pier at ports is 1.0 m.</p> <p>The local rules for the opening and rest periods must be adhered to.</p>
Delivery units	<p>The height and length of the log pile depends on the local provisions; at train stations, the maximum height of log piles is 4.0 m.</p> <p>Different assortments, lengths and tree species are to be stacked in clearly distinct piles, unless agreed otherwise.</p> <p>The roundwood is to be stored flush with the side of the road on one side and stacked approximately horizontally.</p> <p>Excess lengths are to be trimmed.</p> <p>The log piles must not contain loose branches, twigs or foreign bodies.</p>
Safety/ risk avoidance	<p>The roundwood is to be secured at the beginning and end of the log pile to prevent rolling.</p> <p>If wood falls into the port basin, the local water police is to be immediately notified and recovery arranged.</p> <p>The wood must be checked for foreign bodies before handing over. The wood must be free from foreign bodies (especially plastic and soot) when handed over to the Buyer.</p>



Annex 3

Loading and load securing requirements for trucks		
	Round wood	Wood chips
Loading	<p>Vehicles must be loaded in compliance with the permissible total weight and the permissible loads per axle The Seller must check truck beds for cleanliness and remove foreign bodies (especially plastic and soot) before loading.</p>	
	<p>The "Loading recommendations for roundwood loaded lengthways for secured loading for road transport" of the working group 'Arbeitsgemeinschaft Rohholzverbraucher e.V.' must be followed, in particular: All roundwood is to be loaded longitudinal to the direction of travel. It should be loaded level at the front between two pairs of stanchions when possible. The loading is to start at the stanchions to prevent the formation of voids. The load must be placed on the stanchion stool with approximately the same overhang length. The logs must significantly overhang the stanchions in longitudinal direction. The side rave must overhang the roundwood located directly next to the side rave by at least 20 cm when measured from its position against the side rave (see graphic).</p>  <p>Thick and thin roundwood ends should be loaded alternately. The individual layers of roundwood should be compressed using the gripper. Gaps by the stanchions in the upper positions and in the pile of wood are to be avoided in all cases. Upper logs have to be loaded in a round bow and the upper layer of wood should be evened so that the belt fits closely around the logs.</p>	



	Sufficient gaps must be available between the loaded piles.	
Load securing	<p>The load is to be secured by and is the responsibility of the driver.</p> <p>The cargo must be secured so that, under normal driving conditions, neither the entire cargo nor individual parts of the cargo can incorrectly slip, roll away or fall. Normal driving conditions include braking completely, evasive manoeuvres and bumps on the roadway.</p>	
	<p>The "Loading recommendations for raw timber loaded lengthways for secured loading during road transport" of the 'Arbeitsgemeinschaft Rohholzverbraucher e.V.' are applicable to the load securing process, in particular:</p> <p>When securing form-locked piles at least one hand-tightened tie-down per roundwood pile is to be used; when securing force-fit piles at least two tie-down are to be used per roundwood pile (minimum number of tie-down - see loading recommendations).</p> <p>The tie-downs should run across the shortest path over the load, should not be twisted and should be distributed fairly evenly over the timber pile.</p> <p>If more than two tie-downs are used per roundwood pile, the clamping elements used with the tie-downs are to be used alternately on the right and left side of the load.</p> <p>The tension of the tie-downs should be checked and retightened if necessary.</p> <p>A cargo crane positioned on the load must not be clamped.</p>	<p>Wood chips are to be covered for transportation.</p>



Annex 4

Loading and load securing requirements train		
	Round wood	Wood chips
Loading time	Loading should generally be completed within 24 hours. The exact loading times for each train will be reported by the Buyer/client in a timely manner in writing.	
Loading	<p>The preliminary storage of roundwood/wood chips in the loading railway station requires prior consultation with the Buyer/client as a matter of principle.</p> <p>Wagons are to be checked visually before loading. Any damage is to be immediately recorded in writing and immediately reported to the Buyer/client. The seller must remove any foreign bodies (especially plastic and soot) from the load floor.</p> <p>Damage to wagons during loading are to be recorded in writing and immediately reported to the station staff and the Buyer/client. Those can be invoiced to the seller.</p> <p>Depending on the roundwood/ wood chips weight and load capacity of the wagon, the maximum loading height is to be exhausted as a matter of principle.</p>	
	<p>Without exception, roundwood must be loaded lengthways in the direction of the wagon.</p> <p>Logs are to be loaded horizontally to the car floor and shall not be crooked in the stack. Stacks are to be loaded evenly with gaps in between the stacks. .</p> <p>The logs overhang the middle of the stanchion by at least 20 cm.</p> <p>Trunks adjacent to the stanchions must be secured with at least half as high as their diameter; trunks with a diameter below 20 cm must be secured to the side rive by at least 10 cm.</p> <p>Trunks with a diameter below 10 cm are only loaded below the highest layer adjacent to the stanchions.</p> <p>Trunks loaded above the stanchions must be saddled evenly. The arch height of the saddle above the side raves must not exceed one third of the loading width of the wagon.</p> <p>The diameter of the saddled trunks is at maximum the diameter of the trunks that form the saddle.</p>	<p>Wood chips should be loaded to the maximum possible filling depth. This means for open wagons 10 cm below the upper edge. Wood chips that fall in between the containers have to be removed.</p>



<p>Load securing</p>	<p>One tie-down is required per log pile. The distance of the tie-down to the log ends must be at least 50 cm.</p> <p>Tie-downs are to be pulled taught, must not be twisted and should be straight.</p> <p>Each trunk in the saddle must be secured by the tie-down.</p> <p>Unused excess lengths of tie-down material are to be firmly knotted to the tie-down in use and must not be attached to the wagon:</p> <p>Branches and roots which extend into the profile of the wagon are to be trimmed off.</p> <p>Branches and loose bark should be removed from the cargo and the wagon.</p>	

Annex 5

Loading and load securing requirements for river vessels		
	Round wood	Wood chips
Loading times	The loading times are specified in the avis and are to be followed.	
Loading	<p>The preliminary storage of roundwood/wood chips at the loading port must always be arranged with the Buyer/client in advance.</p> <p>The hold of the vessel is to be visually checked before loading. Damage or other circumstances that prevent loading such as freshly painted and not yet dry ship's hold are to be recorded immediately in writing and reported to the client without delay. The Seller must remove any foreign bodies (especially plastic and soot) from the load floor.</p> <p>During the loading of the vessel, the instructions of the vessel's master for filling the hold in the vessel must always be followed in order to avoid damage or listing as a result of uneven stowing.</p> <p>Damage to the vessel during loading are to be recorded in writing and immediately reported to the vessel's master and the <i>Buyer/client</i>.</p> <p>In consultation with the vessel's master, the maximum possible loading height is always to be exhausted.</p>	
		<p>Roundwood is to be loaded inside the vessel's hold intermittently and flush.</p> <p>Roundwood within the vessel's hold is to be loaded longitudinally to the direction of travel.</p> <p>Above the hold, a deck cargo is to be positioned at right angles to the travelling direction of the vessel.</p>
Load securing	Roundwood above the hold is to be loaded in such a way that lateral slippage is impossible.	



Annex 6

Loading and load securing requirements for ocean-going vessels		
	Roundwood	Wood chips
Loading times	Loading and unloading is to take place daily between 00:00 and 24:00 (Saturday, Sunday, public holidays included), unless other arrangements have been agreed. Costs incurred for additional time at the port are to be covered by the shipper at the loading port and by the <i>Buyer/unloader</i> at the unloading port.	
Loading	<p>Preliminary storage of roundwood / wood chips at the loading port always requires prior coordination with the <i>Buyer/client</i>.</p> <p>The hold of the vessel is to be visually checked before loading. Damage or other circumstances that prevent loading such as freshly painted and not yet dry ship's hold are to be recorded immediately in writing and reported to the client. The Seller must remove any foreign bodies (especially plastic and soot) from the load floor.</p> <p>During the loading of the vessel, the instructions of the vessel's master for filling the hold must be followed in order to prevent damage or listing due to uneven stowing. Damage to the vessel during loading is to be recorded in writing and reported to the vessel's master and the <i>Buyer/client</i> without delay.</p>	
	<p>Loading roundwood within the vessel's hold must be intermittent and flush</p> <p>Roundwood is to be stowed within the ship's hold in such a way that the maximum loading capacity is achieved and it is possible to unload the cargo at the destination port using a land-based hydraulic crane without any hindrances.</p>	<p>Wood chips are to be loaded up to the maximum possible loading height and compacted using suitable equipment.</p> <p>If the vessel type and the weight of the cargo allow it, a deck cargo is to be loaded with roundwood.</p> <p>-In coordination with the vessel's master the maximum possible loading height on deck is to be exhausted.</p>
Loading securing	Roundwood is to be loaded above the hold so that lateral slipping is impossible. Stanchions and any required lashing materials are to be provided by the shipper.	The deck cargo is to be loaded with roundwood in such a way that lateral slipping is impossible.
Unloading	Damage to the vessel during unloading is to be immediately reported to the vessel's master and the charterers and recorded in writing.	



	<p>When unloading at the port of destination, a distance of at least 1 metre from the quay wall is to be maintained. The maximum stack height is 6.00 m and is to be confirmed with the client in advance. Roundwood is to be positioned flush and must be secured to prevent lateral slipping.</p>	
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