

General Trade Rules for the supply of plywood and related products

1 Preamble

These General Trade Rules shall apply to all order confirmations, contracts and deliveries of plywood and related products sold by Ekman & Co AB ("Ekman") and by any sales companies or sales representatives controlled and appointed by Ekman ("the Seller") to the buyer ("the Buyer"). The plywood and the related products sold or supplied under these General Trade Rules are hereinafter referred to as "the Products". The confirmations and contracts are hereinafter referred to as "the Contract". References thereto shall be deemed to be to the document which has the latest date.

2 Product Information, variations

Unless incorporated in the Contract by express reference, the Seller shall have no responsibility of compliance of the Products with any other or further requirements or standards than the Seller's established quality for the Products in question.

The Products shall comply with the laws and regulations of Sweden applicable to the manufacture, packing, sale and delivery of such Products as of the date of the Contract and the date when the Products departed from the Seller's premises (hereinafter "the Delivery Date").

Unless expressly otherwise specified in the Contract, the Seller may deliver five (5) per cent more or less of the Products in number than agreed. The Buyer shall pay for the quantity actually delivered. All modifications to the specifications shall be mutually agreed with the parties in writing. Due to the character of the wood, the technologies and the coating materials used, the Products may show variations. Such variations are beyond the Seller's control and shall be allowed.

3 Packing, marking, small deliveries, special deliveries

Unless expressly otherwise agreed, the Seller shall see to it that the Products are 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 in compliance with applicable regulations, whether statutory or otherwise. Special packing or marking arrangements as well as small deliveries or other special deliveries are subject to a surcharge in accordance with the Seller's customary practice.

4 Inspection, returns

Upon receipt of the Products the Buyer shall, without delay, using due diligence, examine the Products both as to their quality and quantity.

Unless the Buyer notifies the Seller in writing to the contrary within a period of two (2) weeks from the receipt of the Products, the Products shall be deemed to have been duly received in agreed quantity and free of any apparent or visible quality defects. No return shall be accepted without the Seller's prior written authorization.

5 Payment

Payment for the Products shall be made by the Buyer to the Seller in such amount, currency, time and manner as provided for in the Contract. In case no such provision is included therein, payment shall be made in euros (€) after the receipt of the invoice on its due date. A payment shall be considered effected when it is wholly and freely at the Seller's disposal. Failure by the Buyer to comply with the terms of the payment shall be regarded as a fundamental breach of contract. Further, the Seller shall be entitled to claim interest on overdue payments from the due date until the actual payment date at the rate specified on the invoice or, if such interest rate is not permissible under the laws of the Buyer's country, at the applicable delay interest rate in the Buyer's country.

When deferred payment has been specifically granted by the Seller, the time for payment shall, unless expressly otherwise stated, be calculated from the date of the Seller's invoice.

6 Delivery, passing of risk, insurance and retention of title

All references to trade terms, passing of risk and insurance shall be construed in accordance with INCOTERMS currently in force.

The Seller may refuse to make deliveries if the Buyer has any unpaid amounts that are due, or if the Seller has reason to doubt the Buyer's ability or readiness to pay. The Seller expressly reserves the right to stop any shipment in transit for a reasonable cause.

The full legal title and ownership to 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 under the 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 in respect thereof as the law of the country in which the Products are situated permits the Seller to retain.

7 Time for delivery, delay

The Seller shall make delivery in such time as is specified in the Contract. In case no such time is so specified, delivery shall be made in the framework of the Seller's customary delivery schedule. If the Seller anticipates that it will not be possible to deliver the Products at the agreed time, the Seller shall without delay notify the Buyer thereof, stating the reason for such delay, and if possible, the time when delivery can be expected.

In the event that delivery is not effected at the time originally agreed or during any extension period granted, for causes other than excusable causes referred to in Clause 8 below or an act or omission on part of the Buyer, and such delay continues for more than two (2) weeks and causes actual damage to the Buyer, the Buyer is entitled to terminate the Contract, if the production has not started. All other claims against the Seller based on the Seller's delay shall be excluded.

8 Excusable delays, Force Majeure

The Seller shall not be liable for delays in delivery or failure to perform due to (1) causes beyond the Seller's reasonable control; (2) acts of God, act (including failure to act) of any governmental authority, wars (declared or undeclared), governmental priorities, port congestion, riots, revolutions, strikes, lock-outs or other labour disputes, fires, floods, sabotage, storms, epidemics; (3) inability due to causes beyond the Seller's reasonable control timely to obtain either necessary and proper labour, materials, components, facilities, energy, fuel, transportation or governmental authorisations, or instructions, material or information required from the Buyer or parties acting on the Buyer's behalf; or (4) delays or failures in deliveries by subcontractors due to similar causes as referred to in this Clause.

In the event of any delay or failure excused by this Clause the Seller shall as soon as practicable notify the Buyer and at the same time or at the earliest practical date after such notification specify the revised delivery date. In the event of such delay, the time of delivery shall be extended by a period equal to the time lost by the Seller by reason of such delay.

If a delay excused by this Clause continues for more than three (3) months the parties have not agreed upon a revised basis for continuing the delivery at the end of the delay, including adjustment of the price, then either party (except where delay is caused by the Buyer, in which only the Seller) may, upon thirty (30) days' written notice, terminate the Contract with respect to the unexecuted portion of the delivery.

9 Defective products

The Products shall at the Delivery Date be of the kind and quality specified by the Seller and comply with the requirements and standards referred to in Clause 2 above.

If any Product or part thereof is deemed to be defective, the Seller shall, at its option, either replace the defective good or refund to the Buyer such part of the purchase price which corresponds to the decrease of the Products' value caused directly by the defect.

The Buyer shall be obliged to notify the Seller in writing of any defects of the Products without delay and no later than fourteen (14) days after the date when the Buyer noticed or reasonably should have noticed the defect. No claim for quality and/or manufacture and/or condition will be recognized by the Seller upon any delivered items unless a detailed and final statement of claim in written form has been handed to the Seller, and a notice that the goods are ready for inspection at one or more sites.

The Buyer shall grant to the Seller a chance to inspect the defective Products. The Seller's liability in respect of defective Products shall in any event expire after twelve (12) months from Delivery Date. The Seller shall have no liability for any defects which appear after twelve (12) months from Delivery Date. If the Seller has delivered to the Buyer replacing products the Buyer's claim period for defects shall be twelve (12) months from the delivery date of the replacing products.

The Seller's obligations as set forth above shall not apply to defects of the Products arising out of normal wear and tear or deterioration of quality, improper storage, installation, use, maintenance or repair, modifications made not in conformity with the Seller's instructions or approval, misuse, wilful or negligent handling by the Buyer or any third party or any detrimental exposure or accident. The Seller is not liable for defects arising out of materials provided or a design stipulated or specified by or on behalf of the Buyer.

This Clause sets forth the exclusive remedies for claims based upon defects or failures in or nonconformity of the Products, whether the claim is in contract, warranty, tort (including negligence) or otherwise. The foregoing provisions are in lieu of all other warranties, whether oral, written, express, implies or statutory. No implied or statutory warranties of merchantability or fitness for particular purpose shall apply.

10 Limitation of liability

If circumstances occur which may give rise to claims for damages or the right to any other form of relief based on contract, warranty, tort, negligence or otherwise, the claiming party shall take all necessary measures to mitigate the damages or loss.

Notwithstanding any other provision contained herein or in the Contract; (1) such claims or relief shall be limited to direct damages which on the date of the Contract could reasonably be foreseen by the Seller; (2) the total liability of the Seller on any and all claims shall not exceed the purchase price allocated to the Product which gives rise to the claim; (3) any such liability shall terminate upon the expiration of the warranty period specified in Clause 9 above. In no event shall the Seller be liable for any special, consequential, incidental or indirect damages, including but not limited to loss of profit or revenues, loss of production, loss of contract, loss of or increased expense of use of the Products or any associated goods, damage caused by the Products, such as damage to or impairment of other goods, downtime costs or other increased expense of operation, or claims of the Buyer's customers.

Subject to the foregoing, the Buyer's exclusive remedies and the Seller's sole obligations with respect to delays, defects, failures or nonconformities in or damage to or resulting from the Product shall be those respectively provided in Clause 7 and 9 above.

11 Governing law and settlement of disputes

These General Trade Rules as well as all Contracts shall be governed by and construed in accordance with the laws of Sweden (without reference to the conflict of law rules).

Any disputes arising out of or related to these General Trade Rules which the Buyer and the Seller are unable to resolve through mutual negotiation shall be finally settled by arbitration in accordance with the arbitration rules of the West Sweden Chamber of Commerce in Sweden. Notwithstanding the aforesaid, 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, main place of business or other appropriate court.

12 Other terms

No modification, amendment, rescission, waiver or other change of the Contract shall be binding on the Seller unless agreed to in writing by the Seller. Any representation, warranty, course of dealing or trade usage not specifically contained or referenced in writing in the Contract or these General Trade Rules shall not be binding on the Seller.

The Buyer shall not be entitled to assign the Contract or any of its rights or obligations thereunder without the prior written consent of the Seller. The Seller shall be entitled to assign the Contract or any of its rights or obligations thereunder to any companies belonging to the same group of companies as the Seller. The Seller shall be entitled to assign its receivables under the Contract to any third party.

Unless expressly otherwise agreed, notices and other communications between the parties shall be in the English language and shall be deemed to be validly given if transmitted in writing by regular mail, e-mail, telex or telefax to the other party at the address indicated by such party. Either party may change its address by giving notice in writing thereof to the other party.

Ekman reserves the sole right at any appropriate time to amend the terms of this document and the supplements thereto.