

The purchase of wood by Lenzing AG (hereinafter referred to as “Purchaser”) shall be carried out exclusively on the basis of the present conditions. The contractual partner/partners of the Purchaser (hereinafter referred to as “Seller”) expressly declares/declare that his/their terms and conditions, even if he/they, by way of a counter-confirmation or in any other way, refers/refer to his/their terms and conditions, are not effective and are considered to be excluded.

1. Contract conclusion:

Offers and cost suggestions on the part of the Seller are always free of charge unless otherwise agreed. Enquiries on the part of the Purchaser are always non-binding and free of charge. A contract is only binding for the Purchaser if the Seller receives an individual agreement signed by the Seller and countersigned by the Purchaser. Declarations, supplements, and amendments made verbally, by telephone, or by telex with respect to the agreements are only binding for the Purchaser if they are confirmed in writing by him.

2. Inspection, transfer, place of fulfillment, and wood trade practices:

The Purchaser is authorized to inspect the wood that is the contractual object at any time and to access operating locations, properties, or storage locations of the Seller if required to do so. Unless otherwise expressly agreed in writing, deliveries of the Seller shall be made DDP (in accordance with Incoterms 2010) at the location designated in the respective agreement. If by way of derogation from this a delivery “free forest road” in accordance with the Austrian wood trade standards (ÖHHU) is expressly agreed, the corresponding provisions of these standards shall apply in this matter.

The wood must meet the specifications and wood takeover directives of the Purchaser in the version valid at the conclusion of the contract (available at www.lenzing.com) and, supplementing these, the provisions of the Austrian wood trade standards (ÖHHU) in the version valid at the conclusion of the contract.

The shipping documents must always include the following: supplier, customer order, origin of the wood (region or postal code), freight carrier, recipient plant.

The Purchaser shall be entitled to specify the date of the performance of the contract and can agree to change this date in consultation with the Seller or to change it. Unless the Seller objects within five work days from the receipt of a notification from the Purchaser in this regard, this shall be deemed as acceptance of such agreement or amendment.

3. Force majeure / calamity clause

Should the Seller, for any reason (including force majeure), be unable to comply with binding delivery dates, the Purchaser shall be entitled to withdraw from the contract. The Seller must immediately notify the Purchaser in writing of any delays in delivery.

If, for reasons beyond his influence, the Purchaser is unable to accept agreed amounts of wood, the Purchaser shall be entitled to rescind the contract in whole or in part.

If biotic and abiotic calamities occur (windthrow, rupture, beetles, fungi, etc.) during the contractual period, a price and quantity agreement must be renegotiated for deliveries that are still open; if no agreement is reached, the price will be reduced according to the resulting reduction in market price. In this case, wood not yet provided by then will also be charged with a new price.

4. Dimension, quantity determination, billing

Acceptance of the contractual object is subject to examination for accuracy, suitability, and freedom from defects. All woods that are the contractual object are to be delivered without impurities (non-cookable plastic marks, contamination).

The invoiced dimension shall exclusively be the plant input dimension of the Purchaser unless other dimensions are agreed explicitly and in writing. These results shall be based solely on the settlement with the Seller. Invoicing shall be carried out by means of self-billing by the Purchaser.

5. Prices, payment

Every purchase contract requires a separate agreement. The payment period commences at the date of the correct credit note creation or the correct receipt of invoice and goods or with completed provision of performances, whichever date is the latest. The payment of acquired goods or performances shall be made, unless otherwise agreed in writing, within 60 days net. Payment shall be deemed effected in due time if the transfer order is issued to the bank on the last day of the deadline.

6. Compliance with legal regulations for logging

The Seller confirms and warrants that, in accordance with Regulation (EU) 995/2010, the wood has been harvested in accordance with applicable legal provisions regarding logging and that it is also authorized to sell under civil law. The Seller guarantees that the wood originates from uses which have demonstrably been placed on the market from legal harvesting in accordance with Regulation (EU) 995/2010. In addition, in order to facilitate the Purchaser's documentation obligations, the Seller is obligated to demonstrate, at the request of the Purchaser, the legality of the logging and to make available a description of the wood or wood product including the trade name and product type and the common or, if necessary, the scientific name of the tree species, information on the country and region of the logging, on the concession for the logging, on the quantity expressed in terms of volume, on the weight or number of the wood or wood products, on the name and address of the dealer from which the wood or wood products were delivered, and documents and other evidence that the wood or wood products comply with the applicable legislation. The entire supply chain must be identified and, in the case of risky deliveries, verified by independent third parties. The Seller must acquaint the Purchaser with modifications in the supply chain before the deliveries are to commence.

As per the risk assessment procedure according to Regulation (EU) 995/2010, criteria for a significant risk include:

- Corruptions Perceptions Index from Transparency International < 50
- Armed conflicts are widespread in the country/region

- The country/region is known for its low level of forestry legislation and control
- The tree species being traded are commonly associated with controversial activities
- The country/region where the wood was traded prior to the first system evaluation (FSC[®], PEFC[™]) is unknown
- There is proof of illegal practices attributable to a company in the processing chain

The Seller shall indemnify and hold the Purchaser completely harmless from or in connection with any breach of these obligations.

Irrespective of this, the Purchaser shall be entitled to carry out inspections of the wood origins and logging locations himself or by third parties. The Seller also undertakes to support the Purchaser in the best possible manner in the event of inspections (audits, visual inspections, certification reviews, etc.) from third parties, in particular by providing the Purchaser with the necessary documents at his own expense. If the Seller is himself subject to a third-party inspection, he is obligated to inform the Purchaser immediately and to provide information about the Purchaser with his consent only.

7. Material defects

If the Purchaser establishes that a delivery or performance is defective (in particular with regard to the Purchaser's wood takeover directives), the Purchaser can require the Seller to either replace or improve the defective delivery or performance within a grace period of 14 days – this choice is to be made by the Purchaser. If no replacement or complete improvement takes place within this period, the Purchaser may either withdraw from the contract or claim a price reduction. Defects can be asserted against the Seller not only by judicial action, but also by a written notice. Warranty claims that have not been asserted in writing within the warranty period can thus be asserted by judicial action even after expiry of the warranty period.

The provisions of Paragraphs 377 and 378 of the Austrian Corporate Code (UGB) do not apply.

In addition, the Seller shall guarantee that deliveries and performances are free of rights of third parties and shall indemnify and hold the Purchaser harmless against claims asserted on such grounds (including legal costs).

8. Certification

The Seller shall agree to participate in a certification system (FSC[®], PEFC[™], ISO[®], etc.) specified in the contract, to accept the relevant provisions in the valid version, and to implement them. The Seller guarantees the Purchaser that the certification is proper. In the event of a subsequent revocation of the certification, untruthful or incompletely disclosed wood origins or comparable circumstances leading to a loss of certification, the Seller shall be liable and directly compensate the Purchaser for any resulting disadvantage, including loss of profit. This also applies if the Seller has not caused and/or is not responsible for the lack of certification. The Purchaser shall be notified without delay of any modifications to or loss of existing certifications. The Seller shall retain the right of recourse against the perpetrator.

For sawmills and the wood trade, the truthfully and fully completed "supplier declaration" is an integral part of the purchase contract. If the Supplier intends to provide wood to the Purchaser, which originates from a country that is not included in the annual supplier declaration, this must be communicated to the Purchaser in written form prior to delivery. Should deliveries nonetheless be made from countries that are not included in the supplier declaration, then the Purchaser reserves the right not to accept these deliveries or to discontinue the Supplier.

Non-FSC-certified wood from a country of origin for which there is no risk analysis planned or already recognized by the FSC at the time of intended delivery (currently Croatia, Serbia, Bosnia and Herzegovina, see www.ic.fsc.org/cnra-and-nra-database), may generally not be delivered to the Purchaser, or the Purchaser can refuse the wood takeover. The Purchaser shall be entitled, independently of any participation of the Seller in certification systems, to carry out its own inspections of the wood origins and logging locations himself or by third parties. The Seller expressly agrees to an on-site assessment. The data required to carry out audits may be passed on by the Purchaser to the respective certification company that collaborates with the

Purchaser and to independent third parties if necessary. Details can be found in the Purchaser's privacy statement sent in January 2019.

9. Interpretation, severability clause, written form

The General Terms and Conditions of Wood Purchasing and Delivery are available in several languages. The German version is authoritative in questions of interpretation. Modifications and/or additions to these General Terms and Conditions of Wood Purchasing and Delivery must be made in writing. If one or more provisions of these General Terms and Conditions of Wood Purchasing and Delivery becomes invalid or ineffective, it must be replaced with a valid and effective provision; the other provisions shall remain unchanged. The same applies for regulatory gaps.

10. Intellectual property

The Seller is prohibited from using the brands or trade names of the Purchaser in any way whatsoever without his express written consent, including naming the Purchaser as a reference customer.

11. Place of jurisdiction, applicable law

The legally responsible court at the Purchaser's principal office shall be exclusively responsible for all disputes arising out of or in connection with these conditions. However, the Purchaser shall be entitled to use a general place of jurisdiction of the Seller.

The law which is valid at the Purchaser's location shall be applied.