

**PRILOG 10**

**MEMO OF UNDERSTANDING  
(hereinafter: MoU)**

**Dated:** \_\_\_\_\_

**Between:**

**Erste & Steiermärkische bank d.d.**, Jadranski trg 3a, 51000 Rijeka, Croatia, PIN: 23057039320 (hereinafter: Erste)

**CEDAR d.o.o.**, Istarska cesta 1, Kastav, Croatia, PIN: 17113221373 (hereinafter: Cedar)

**Simon Möhringer Anlagenbau GmbH** in Wiesentheid, Germany (hereinafter: Möhringer)

**Regarding:**

I. Fulfillment of Contract No. 01/2017 on Sale and Purchase of Equipment for Sawmill Manufacturing Plant dated 12<sup>th</sup> October 2017, Contract No. 02/2017 on Sale and Purchase of Equipment for Manufacturing Plant dated 12<sup>th</sup> October 2017 and Contract No. 03/2017 on Sale and Purchase of Equipment for Manufacturing Plant dated 12<sup>th</sup> October 2017 concluded between Möhringer as provider and Cedar as buyer (hereinafter jointly: **Project contracts**);

II. Transfer of title by way of security from Cedar to Erste to all assets including all assets which (i) are located at the two areas of Simon-Möhringer-Str. 4, 97353 Wiesentheid and Industriestrasse 1, 97353 Wiesentheid (hereinafter: **Security Areas**) as marked on the site maps attached to this MoU as **Schedule 1** (*Marked Site Maps of Security Area*) and/or (ii) are assets for which the purchase price has already been paid to Möhringer in full or will be paid with the first EUR =922.000,00 payment from Cedar to Möhringer as of the date of this MoU, listed in the list attached to this MoU as **Schedule 2** (hereinafter: **Positive List I**); and/or (iii) which are labelled with "CEDAR", "Cedar" or "cedar" or which (a) will be located at the Security Areas and/or (b) will be listed on the (updated) Positive List I from time to time in the future and/or (c) which will be labelled with "CEDAR", "Cedar" or "cedar", as it is specified in Security Transfer Agreement that is to be concluded between Cedar as Transferor and Erste as Transferee;

III. Payment of the purchase price from Cedar to Möhringer according to this MoU, in the amount of EUR =922.000,00 against signing of all of the loan and security documentation including the Transfer of title by way of security and registration of a pledge on assets listed in the Positive List I and Security documentation for assets listed in the Positive List IV and Positive List V as described below;

III. Payment of the purchase price from Cedar to Möhringer according to this MoU, in the amount of EUR =922.000,00 against duly presented shipping and insurance documents domiciled to Cedar's Vrbovsko site

for the assets listed in the list attached to this MoU as Schedule 3 (hereinafter: **Positive List II**);

IV. Assets listed in the list attached to this MoU as Schedule 4 (hereinafter: **Positive List III**); to be installed at Cedar's site in Vrbovsko, where the payment of EUR =1.310.000,00 from Cedar to Möhringer will be made after the installation, execution and acceptance of all assets and/or works from the Project contracts;

V. Security (pledge) on assets which are located on sites in (i) Nedelišće, Croatia and are listed on the list attached to this MoU as Schedule 5 (hereinafter: **Positive List IV**) and (ii) Vrbovsko, Croatia listed on the list attached to this MoU as Schedule 6 (hereinafter: **Positive List V**);

(hereinafter **Positive list I**, **Positive List II**, **Positive List III**; **Positive List IV**, **Positive list V** jointly: **Positive lists**)

VI. Storage, insurance, costs, transport and liabilities off/for assets listed in **Positive Lists**;

V. Functionality of the product line under the Project Contracts in its full capacity consisting of assets listed in the **Positive Lists**

## I.

Considering the following:

- assets listed in **Positive List I**, **Positive List II** and **Positive List III** are located on Möhringer's sites in Germany as stipulated above and those assets shall be transported to Cedar's site in Croatia;
- assets listed in **Positive List IV** that are located on site in Nedelišće shall be transported to Cedar's site in Vrbovsko;
- assets listed in the **Positive lists** must be installed on Cedar's site in Vrbovsko in order to represent a production line fully operational in its full capacity;
- an establishment and registration of a pledge in favor of Erste as one of Cedar's banking partners is needed on assets listed in the **Positive Lists**;

by this Memo of Understanding, Cedar and Möhringer confirm as follows:

- Assets listed in the **Positive Lists** together make a complete and fully operational sawmill manufacturing plant according to Project Contracts that contains all parts required for its function and operation in full capacity;
- Besides the **Positive lists**, there are no other assets, parts, works, know-how or other procedures/processes that will be needed for the completion of the sawmill manufacturing plant according to Project Contracts
- Möhringer can ensure construction and/or procurement and/or shipment and/or availability of all assets/or works listed in the **Positive Lists** without delay
- Möhringer will ensure that all of the assets listed in the **Positive list I**, **Positive list II** and **Positive list III** located in the Security Areas will be labelled with "CEDAR", "Cedar" or "cedar"

- There will be no storage costs, manipulation costs or other fees and costs for storage and manipulation of assets listed in Positive List I, Positive List II, Positive List III;
- Other than listed in the Positive lists, there will be no further interest costs, fees or any other costs in relation to the storage, ownership transfer, installation, start up, testing, etc, of the assets at Cedar's site in up to full completion of sawmill manufacturing plant to its functionality in full capacity Vrbovsko, Croatia; same for transport and insurance costs as described below;
- Cedar will procure that all of the assets listed within the Positive lists are duly covered by an all-risk insurance policy and will procure that the assets within transport have been duly insured
- Mohringer and Cedar procure that Erste will not be held responsible by Mohringer or Cedar, their officers, directors, employees and any other party for any damages and/or other claims including any personal losses and/or injuries that could occur in relation to the storage, handling, manipulation and/or transport of the assets listed in the Positive lists
- Mohringer and Cedar shall indemnify and keep Erste indemnified against any and all losses, actions, claims, expenses, demands and liabilities which may be incurred by or made against Erste (or by any attorney, director, proxy holder, manager, agent or any other person) for any claims that could occur in relation to the storage, handling, manipulation and/or transport of the assets listed in the Positive lists
- Cedar confirms it has sufficient own funds to cover by its own any transport, manipulation, handling and insurance costs or fees that are in relation to the assets listed in the Positive lists
- Möhringer has no retention rights whatsoever or other interests on assets listed in Positive List I, Positive List II, Positive List IV and Positive List V;
- Möhringer and Cedar will transfer and accept receipt of assets or any part of the assets thereof listed in the Positive List I, Positive List II and Positive List III that require transport, only upon presentation of shipping and insurance documents to Erste and receipt of a prior written consent of Erste on the shipment.

## II.

This Memo of Understanding represents mutual understanding of parties regarding its subject.

Erste: [Signature] ERSTE & STEIERMÄRKISCHE  
BANK D.D.  
173 RIJEKA 903

Cedar: [Signature] CEDAR d.o.o.  
za trgovinu i preradu drva  
KASTAV, Istarska cesta 1

Möhringer: [Signature] 13.10.20 Simon Möhringer  
Anlagenbau GmbH  
Industriestraße 1  
D-97353 Wiesentheid