



LUMBERMILL BALI

SALES AGREEMENT & TERMS OF SALE

Owned and operated by PT Lumbang Kayu Lestari

Headquarters:

Jl. Pantai Saba No.47509,

Saba, Kec. Blahbatuh,

Kabupaten Gianyar, Bali 80581 – Indonesia

Website: <https://www.lumbermillbali.com>

INTRODUCTION

Thank you for selecting Lumbermill Bali products for your project.

The following Terms & Conditions apply to all quotations, invoices, sales orders, and deliveries issued by PT Lumbang Kayu Lestari ("Lumbermill Bali").

By confirming an order, signing a quotation or invoice, issuing a purchase order, making a deposit, or accepting delivery, the buyer acknowledges and agrees to these Terms & Conditions.

Please contact us should you require clarification regarding any section of this agreement.

1. PRODUCT VARIABILITY

Wood is a natural material and may present variations that are considered part of its normal and acceptable character.

Depending on the product category, Lumbermill Bali products may include natural variations in:

- Color tone
- Grain pattern
- Mineral streaks
- Surface texture
- Knots
- Hairline checking
- Density variations
- Natural oxidation
- Small pinholes or traces related to the nature of hardwood

This applies in particular to:

- FSC hardwood products



- Bangkirai products
- Merbau products
- Quartercut teak decking
- Marine plywood
- Custom wood components
- Veneered products
- Exterior wood products

Product samples, showroom displays, photos, or digital renderings are intended to represent the general appearance and quality level of the product but may not reflect all natural variations present in the final delivered materials.

Natural variation shall not be considered a defect.

2. PRODUCT ACCEPTANCE

Standard Products – Conforming to Specifications

Clients have up to ten (10) calendar days from receipt of goods to notify Lumbermill Bali in writing should they wish to request a return.

Return requests must:

- Be submitted in writing via email
- Clearly state the reason for the request
- Include supporting photographs when relevant

Return requests are subject to approval by Lumbermill Bali management.

If approved:

- The buyer is responsible for all return shipping costs
- Returned goods must arrive in original condition and packaging
- Lumbermill Bali reserves the right to refuse damaged, installed, modified, or incomplete materials

Approved returns may be credited up to 85% of the original purchase value excluding shipping, handling, banking fees, taxes, duties, and custom-made processing costs.

Custom Products – Conforming to Specifications

Custom-made, specially milled, modified, fabricated, veneered, profiled, CNC-machined, cut-to-size, or made-to-order products cannot be returned if they conform to the agreed specifications.

This includes but is not limited to:

- Quartercut teak decking
- Marine plywood cut panels
- CNC products
- T&G profiles
- Custom dimensions
- Yacht components
- Custom furniture components
- Pre-finished products
- Special packaging requests

Non-Conforming Products

Any discrepancy between delivered goods and agreed specifications must be reported in writing within ten (10) calendar days after receipt.

The notice must clearly explain:

- The nature of the discrepancy
- Relevant dimensions/specifications
- Supporting photographs

If Lumbermill Bali determines that the delivered goods do not conform to the agreed specifications, Lumbermill Bali may, at its sole discretion:

- Replace the materials
- Repair or remill the materials
- Issue partial credit
- Issue full credit upon return of the goods

Hairline cracks, movement, slight warping, and natural wood reactions related to humidity, climate, transport, or storage are considered normal within industry tolerance standards and shall not automatically qualify as non-conforming goods.

3. PAYMENT TERMS

Unless otherwise agreed in writing:

- Standard payment terms are 50% deposit and balance prior to shipment or collection.
- Production scheduling starts once the deposit is received and confirmed by finance.
- Production lead times are estimates only and are expressed in working days excluding:
 - National holidays

- Religious ceremonies
- Force majeure events
- Logistic disruptions
- Material shortages

Production lead time is not a guaranteed delivery date.

Factory scheduling remains subject to:

- Material availability
- Existing production commitments
- Machine maintenance
- Operational constraints

INCOTERMS & PRODUCT ORIGIN

Unless otherwise agreed in writing, all sales are considered:

EX-WORKS / EX-FACTORY (EXW)

from the factory, warehouse, processing facility, or production site of product origin designated by Lumbermill Bali.

Depending on the product category, manufacturing process, sourcing, or stock availability, the ex-factory location may vary and can include facilities located in:

- Bali, Indonesia
- Java, Indonesia
- Other designated production or storage facilities operated by or partnered with PT Lumbung Kayu Lestari

The buyer acknowledges and accepts that:

- product origin may vary depending on the ordered goods,
- ex-factory location will be communicated during the quotation or order confirmation process,
- transportation, collection, freight coordination, export handling, and all logistics from the designated ex-factory point are the sole responsibility of the buyer unless otherwise agreed in writing.

It is the buyer's responsibility to:

- verify the designated ex-factory location,
- organize collection logistics,
- ensure compatibility with shipping schedules,
- coordinate transport access and loading requirements.



Any alternative Incoterm (FOB, CIF, CNF, DDP, etc.) must be specifically requested, quoted, and confirmed in writing before payment.

Storage fees, demurrage, export handling, documentation, fumigation, insurance, taxes, duties, freight, and port-related costs are excluded unless expressly stated otherwise.

Lumbermill Bali reserves the right to suspend production or shipment for overdue balances.

4. QUOTATION VALIDITY

Unless otherwise stated:

- Quotations are valid for thirty (30) calendar days.
- Material pricing may change after this period due to:
 - Currency fluctuations
 - Freight costs
 - Material availability
 - Fuel costs
 - Supplier adjustments

Deposits received after quotation validity may result in revised pricing.

5. DISCOUNTS

Discounts apply only to specifically identified products and quantities.

Unless explicitly stated otherwise, discounts do not apply to:

- Export documentation
- Freight
- Packaging
- Crating
- Marine plywood certification
- Quartercut veneer upgrades
- CNC work
- Finishing
- Oil or coating applications
- Hardware
- Installation
- Storage



- Special profiles
- Small quantity orders
- Samples

6. ORDER COMPLETION

Upon receipt of deposit, the order enters production scheduling.

Upon completion:

- Client will be notified
- Final balance becomes immediately due
- Shipment or collection may only occur after full payment clearance

Unless otherwise agreed in writing:

- Orders must be finalized within three (3) months from deposit confirmation
- Delays caused by the buyer may result in:
 - Storage fees
 - Re-pricing
 - Additional handling fees
 - Material deterioration responsibility transferring to the buyer

7. THIRD-PARTY SERVICES & RECOMMENDATIONS

Lumbermill Bali may recommend third-party service providers including:

- Installers
- Contractors
- Freight forwarders
- Export agents
- Applicators
- Shipping companies
- Customs brokers

Such recommendations are provided for convenience only.

Lumbermill Bali shall not be held responsible for:

- Installation quality
- Site conditions

- Freight damage after transfer
- Delays by third parties
- Customs issues
- Export taxes
- Misuse of products
- Incorrect installation methods

8. SHIPMENT TERMS

Unless otherwise agreed in writing:

All sales are EXW (Ex-Works) Lumbermill Bali factory.

Buyer assumes responsibility for:

- Freight booking
- Export clearance
- Insurance
- Container handling
- Customs procedures
- Taxes and duties
- Import permits
- Final delivery

Local Bali deliveries may be arranged separately.

Standard delivery includes transportation only unless expressly stated otherwise.

Unloading, crane services, manpower, site handling, and special access arrangements are excluded unless specifically quoted.

Risk transfers to the buyer upon:

- Collection
- Release to transporter
- Container handover
- Loading completion

9. INSTALLATION & PRODUCT USE

Lumbermill Bali is not responsible for:

- Installation defects

- Structural failures
- Improper application
- Incorrect maintenance
- Climate-related movement
- Moisture issues
- Site preparation issues

Buyer and installer are solely responsible for ensuring:

- Proper installation standards
- Proper ventilation
- Suitable substructure
- Moisture control
- Appropriate fasteners
- Compliance with marine or architectural standards

Failure to inspect products before installation automatically constitutes product acceptance.

Installed materials are deemed accepted.

10. STORAGE

Storage Fees

One (1) month of storage after completion is included free of charge unless otherwise agreed.

After this period:

- Storage fees may apply
- Fees are calculated based on occupied volume and storage duration

Lumbermill Bali reserves the right to revise storage fees at any time.

Ownership & Liability

Ownership transfers to the buyer once:

- Goods are fully paid
OR
- Goods enter paid storage

Stored materials remain at buyer's risk.

Lumbermill Bali shall not be liable for:

- Humidity effects

- Wood movement
- Mold
- Insect activity
- Theft
- Force majeure
- Fire
- Flood
- Natural disasters

unless caused by proven gross negligence.

Abandonment

Goods remaining unclaimed for over twelve (12) months may be considered abandoned.

Lumbermill Bali reserves the right to:

- Dispose of the goods
- Resell the goods
- Recover outstanding costs

without compensation.

11. CONSENT TO USE PROJECT REFERENCES

Unless expressly refused in writing before project completion, the client grants Lumbermill Bali the right to use:

- Project photos
- Company name
- Testimonials
- Quotes
- Visual references

for:

- Marketing
- Website publication
- Social media
- Exhibitions
- Printed materials

- Portfolio presentations

No confidential pricing or sensitive project information will be disclosed without consent.

Clients may request confidentiality in writing prior to project publication.

12. SVLK & LEGALITY

Where applicable, products may be supplied with SVLK legality documentation in accordance with Indonesian export regulations. Specific certification scope and applicability must be confirmed prior to order confirmation.

13. FSC DISCLAIMER

FSC-certified products are supplied subject to raw material availability and certification scope at the time of production. Unless explicitly stated in writing, products shall not automatically be considered FSC-certified.

14. BS1088 DISCLAIMER & TOLERANCES

Marine plywood products are manufactured according to the agreed specifications and applicable certification standards where stated. Natural wood veneer variations, color differences, and minor dimensional tolerances consistent with industry standards shall not be considered defects.

15. MOISTURE CONTENT & ACCLIMATIZATION

Wood products are natural materials subject to movement based on environmental conditions, humidity, and temperature variations.

Clients, installers, shipyards, contractors, and end users are responsible for ensuring proper storage, acclimatization, ventilation, and installation conditions prior to installation, particularly for marine, yacht, and interior applications.

16. FORCE MAJEURE

Lumbermill Bali shall not be held liable for delays, damages, or failure to perform caused by events beyond reasonable control, including but not limited to natural disasters, government restrictions, labor disruptions, supplier shortages, transportation issues, pandemics, war, civil unrest, or force majeure events.

17. INTEGRITY & COMPLIANCE

Lumbermill Bali strictly prohibits:

- Kickbacks



- Hidden commissions
- Unauthorized incentives
- Corruption-related payments

Any employee or representative requesting unauthorized payments must be reported immediately to management.

18. CONFIDENTIALITY & DATA PROTECTION

All quotations, invoices, technical drawings, specifications, pricing, certifications, and related documents remain confidential.

Unauthorized distribution, reproduction, or publication of such documents may result in legal action under applicable Indonesian law.

19. AUTHORIZED PAYMENT ACCOUNTS & FRAUD DISCLAIMER

All payments must be made exclusively to the official bank account stated on the invoice issued by PT Lumbang Kayu Lestari.

Lumbermill Bali shall not be held responsible for any payment made to:

- Personal accounts
- Unauthorized accounts
- Fraudulent third parties

Clients are responsible for independently verifying payment instructions before transferring funds.

Any suspicious payment request must be reported immediately to management.

20. GOVERNING LAW & JURISDICTION

This agreement shall be governed by the laws of the Republic of Indonesia.

Any dispute arising from these Terms & Conditions shall first be subject to amicable discussion before proceeding to the competent jurisdiction in Indonesia.