

## 1. PREAMBLE

1.1. These General Conditions for Purchase, in their respective current version, shall exclusively govern all purchases of Flender Oy or any of its subsidiaries or affiliates (hereinafter "Purchaser") from any entity of the Supplier including any of its subsidiaries or affiliates (hereinafter "Supplier"). The Purchaser and the Supplier together and independently also referred as the "Parties" or the "Party".

1.2. Any amendment or modification of the General Conditions for Purchase shall not become binding unless agreed in writing and signed by the Parties.

1.3. In no event shall any trade practice, delivery condition, general conditions or other terms, even if they form the basis of a tender and the Purchaser has not objected to their content, shall become binding unless otherwise agreed in a separate written agreement signed between the Parties.

## 2. DEFINITIONS

2.1. "General Conditions" shall mean these General Conditions for Purchase.

2.2. "Order" shall mean an Order issued by the Purchaser to the Supplier to deliver the Products which shall be deemed to include at all times these General Conditions and any drawings, specifications and schedules attached thereto.

2.3. "Price" shall mean the Price of the Products as stated in the Order.

2.4. "Products" shall mean the Products to be supplied and any work or service to be performed by the Supplier.

## 3. ACCEPTANCE OF ORDER AND GENERAL CONDITIONS

3.1. Any purchase by the Purchaser requires a written Order.

3.2. Order shall bind the Supplier. Any changes, readjustments or alterations by the Supplier to the Order shall be sent to the Purchaser within seven (7) days from the date of Order. No such changes shall be deemed to

be accepted unless and until confirmed in writing by the Purchaser.

3.3. Any acknowledge receipt or similar send by the Purchaser contrary to General Conditions shall only serve as an acknowledgement of receipt and shall not be deemed to include any acceptance of terms contained therein.

## 4. DOCUMENTATION AND TOOLS

4.1. Any commercial or technical documentation, whether written or oral, provided to the Supplier by the Purchaser before or after the date of Order, including but not limited to, drawings, calculations, illustrations, specifications remains the property of the Purchaser. Any such information shall be used exclusively for the purpose of the Order and may not be distributed to any third Parties by the Supplier without the prior written approval of the Purchaser. Any such information shall be returned or destroyed on Purchaser's request.

4.2. Any documentation delivered by the Supplier to the Purchaser shall be the property of the Purchaser and shall be free from any third party rights and the Purchaser shall be free to transfer such material to its customers or end-users or other third parties.

4.3. Any technical documentation as well as design, manufacture, testing and inspection of the Products specified in the Order shall apply to deliveries. Should the Order fail to specify applicable technical standards or quality requirements, the standards and requirements commonly used in the Supplier's branch of industry shall apply.

4.4. Any tools used for delivery of products but originated from the Purchaser shall be Purchaser's sole property. Supplier must use and store such tools with care and shall be responsible for any damage to such tools. All such tools shall be returned to the Purchaser at Supplier's cost immediately upon request.

## 5. PACKAGING

5.1. The Price of the Products includes all costs of packaging.

5.2. All Products shall be packed according to Purchaser's Order or other instructions. Packaging shall always prevent Products from

any damage, deterioration or corrosion during transportation, unloading and storing of the Products. Supplier shall be responsible for all damages resulting from inadequate packaging.

5.3.All packages and containers shall be pro-environmental and any recycling costs shall be paid by the Supplier.

5.4.All packages and containers are non-refundable and any return of the packaging shall require a separate written agreement.

5.5.Each packing slip, bill of lading, invoice, container, tag and correspondence shall bear the applicable Order number, product number, amount of Products, Supplier's name and address, Purchaser's name and address and the location to which Products are to be shipped.

## **6. PRODUCTS AND QUALITY**

6.1.All product information in the Supplier's commercial or technical quotations shall bind the Supplier and no changes for the specification, production locations, sub-contractors, manufacturing processes nor any raw material changes or any part thereof are deemed to be accepted without prior written consent from the Purchaser.

6.2.The Supplier agrees to measure the quality level of the delivered Products and the Supplier is prepared to submit any such reports upon the request of the Purchaser. The Supplier agrees to inform the Purchaser without any delay on any relevant quality or design issues.

6.3.The Purchaser shall have the right to supervise any testing or manufacture of the Products with seven (7) days prior notice to the Supplier. The Purchaser shall have right to access to the Supplier's premises on this purpose. The Supplier shall inform the Purchaser in good time on any testing to be performed.

6.4.Should testing reveal that Products are not as agreed or do not correspond with the quality standards normally accepted within the line of industry in question, then the Supplier agrees to immediately improve the Products to reach the required standard. The Supplier shall then carry out new testing for the improved Products.

6.5.The Supplier shall bear all costs related to testing of Products.

6.6.The Supplier agrees to deliver product analysis certificates with the Products.

6.7.The Purchaser is not liable to conduct incoming inspections to the Products.

6.8.If any part of the Product is to be manufactured or performed by using any materials or assistance provided by the Purchaser, the Supplier shall be liable to inspect the correctness of such materials, assistance or similar. The Supplier shall be liable on all results unless the Supplier has notified the Purchaser in writing on any defects within the materials, assistance or similar.

6.9.The Supplier agrees that the Products delivered meet all requirements of applicable laws and regulations relating to the materials, procedures, manufacture, sale, handling, storage and transportation of the Products.

6.10.The Supplier agrees that its actions are not in contradictory to Purchaser's Code of Conduct. The Supplier also agrees to comply with all other applicable laws, regulations, international agreements and treaties, including but not limited to those related to the use of child labour, environmental issues and human rights.

## **7. VARIATIONS**

7.1.The Purchaser shall have a right to require changes to the Products and delivery times until the Products have been delivered to the Purchaser.

7.2.The Supplier shall, as soon as possible after receipt of the Purchaser's request, inform the Purchaser in writing whether such modification is possible and what is the impact in the price, timetable and other possible terms, after which the Purchaser may decide whether to carry out the variations or not.

7.3.The Supplier shall be responsible to carry out all variations which are results of the governing laws or regulations or their readjustments.

## **8. DELIVERY, DELAYED DELIVERY**

8.1.The delivery period stated in the Order shall be binding. If no time of delivery is specified in the Order, then delivery shall be made without delay upon receipt of the Order.

8.2.The Purchaser is not obliged to take Products into possession before the agreed delivery period. Partial deliveries are not accepted and the Purchaser is not obliged to take such deliveries into possession.

8.3.The Supplier guarantees the availability of the Products as long as the Purchaser wishes to purchase them. The Supplier agrees to deliver to the Purchaser at least the agreed minimum volumes of Products during the agreed periods. The Purchaser has no obligation to order any other volumes of Products.

8.4.The Supplier agrees to use the Purchaser's forecasts to determine manufacturing capacity for Products to be delivered to the Purchaser. The Supplier agrees to confirm without delay in writing to what extent it agrees to meet such forecasts. The Supplier understands that any forecasts shall not be considered as obligations to purchase to the Purchaser and shall not therefore be binding on the Purchaser.

8.5.In case of a potential or possible delay, the Supplier agrees to inform the Purchaser in writing without delay of the reason and length of delay and propose a new time of delivery, subject to the Purchaser's acceptance. The Purchaser is not obliged to accept Supplier's proposal. Supplier's notification shall not have influence on late delivery penalties or other possible compensation. Possible late delivery penalties shall always be calculated from original delivery date, even if Purchaser has accepted Supplier's proposal for new delivery date.

8.6.If any delivery is delayed or likely to be delayed due to reasons other than force majeure or an act or omission by the Purchaser, the Purchaser shall have a right to terminate the respective Order without any liability towards the Supplier, or alternatively, to demand immediate delivery of the delayed quantity at the Supplier's expense. The Purchaser is entitled to demand compensation instead of specific performance.

8.7.The Supplier shall, without any additional costs to the Purchaser, use its other potential delivery locations to avoid any delay. In case of a potential or possible delay or late delivery, the Supplier shall be obliged to deliver the Products with to quickest door-to-door transport with no extra cost to the Purchaser.

8.8.Should delivery of the Products be delayed, the Supplier shall pay the Purchaser a penalty amounting one (1) % of the value of the late deliveries for each day of delay. Any amount of penalty shall become due on demand of the Purchaser. Late delivery penalties payable shall not have effect for other possible compensations claimed.

8.9.The Purchaser shall have a right to postpone deliveries.

## **9. TRANSFER OF TITLE AND RISK OF PRODUCTS**

9.1.The risk of the Products shall pass to the Purchaser upon receipt of the Products. In case of service, the risk shall pass upon Purchaser's written approval of the service in question.

9.2.The title to the Products shall pass to the Purchaser upon delivery.

## **10. DELIVERY TERMS**

10.1.Any agreed trade term shall be construed in accordance with the INCOTERMS valid at the time of the Order.

10.2.The version to be applied shall be the version in force at the time of the sending of the Order.

10.3.Unless otherwise agreed in writing, the term of delivery shall be DAP Purchaser's premises stated in the Order.

## **11. PRICES AND PAYMENT**

11.1.The Parties shall aim to develop Supplier's production so that the cost of development of the Products is downward. Any such deduction shall be divided equally between the Parties.

11.2.The Price of the Products shall be the Price stated in the Order.

11.3.The Price shall include all costs including packaging, documentation, IT costs, possible raw material and labour cost changes, full costs of carriage and all of the Supplier's obligations in accordance with the General Conditions. No extra charges of any kind are accepted.

11.4.Any changes in Prices shall be valid only if agreed mutually in writing.

11.5.The Supplier warrants that the Prices are no less favourable to the Purchaser than to those other customer's with similar products in equal or lesser quantities.

11.6.As a result of significant decrease in the costs of labour, materials or other costs of manufacture the Parties are obliged at request of the Purchaser to negotiate for a corresponding decrease in the price of the products. Should the result of such negotiations fail to reflect the decrease of the costs, the Purchaser has a right to terminate any Orders without further liability to the Supplier.

11.7.Payments shall be made by the Purchaser within sixty (60) days from the accepted receipt of the Product.

11.8.No payment shall be made by the Purchaser to the Supplier unless the Supplier has requested the Purchaser to make such payment and provided that the Purchaser has received and examined the Products and all relevant technical and other documents in the agreed quantities and condition and that the Supplier has otherwise delivered and performed in due time and in accordance with the General Conditions and his other duties agreed between the Parties.

11.9.If the Purchaser has made a claim against the Supplier under the General Conditions, the Purchaser may withhold any payment until such claim has been finally settled. The Purchaser is entitled to set-off any claims, which it may have against the Supplier.

11.10.Payment of an invoice by the Purchaser shall not be considered as an acceptance of delivery.

11.11.The Purchaser shall only be in delay upon receipt of a reminder after the due date of the payment obligation.

## 12. FORCE MAJEURE

12.1.Neither Party shall be responsible to the other for any delay or failure to fulfil any obligation for any damage caused by cases of force majeure.

12.2.To effectively invoke force majeure a Party shall immediately notify the other Party in writing of the commencement and reason of any circumstances constituting force majeure and the presumed duration of such circumstance.

12.3.The Parties shall have right to terminate the Order should the case of force majeure last more than six (6) months.

## 13. WARRANTY

13.1.The Supplier represents and warrants that the Products supplied are free from defects in material and workmanship and that they strictly conform to the specifications or quality requirements or other descriptions issued by the Purchaser, and that they strictly conform to all technical and commercial information issued by the Supplier and that they are fit for their purpose and transport, and that the Products meet all applicable statutory requirements, and that the Supplier has acquired all licenses and permits required to perform its obligations under the General Conditions.

13.2.In the event that the Products delivered do not conform with the warranty, the Purchaser shall notify the Supplier of the non-conformity of the Product.

13.3.Following the notification of the Purchaser, the Supplier agrees without delay to rectify the Product or replace the Product with such Product that fully satisfy the given warranty at no cost or expense to the Purchaser. If the Purchaser deems that the non-conformity is such that it does not completely prevent the utilization of the Product, the Purchaser may rectify or replace the parts or use third party for such work. In such case the Supplier agrees to compensate all Purchaser's reasonable costs. The Purchaser is not liable to return replaced Products or parts to the Supplier. The Purchaser may cancel Orders for similar products from the Supplier.

13.4.If the Supplier has delivered Products deemed to have similar non-conformities, the Supplier shall hold harmless the Purchaser to any third Party claims and shall, at the Purchaser request, examine, and if necessary, replace those products without delay.

13.5.The warranty period shall be thirty six (36) months from the implementation of the end-user. In case of repairs or replacements of parts within the scope of warranty, the warranty period for the cured parts shall be thirty six (36) months from the repair or replacement.

13.6.The Supplier shall effect and maintain sufficient insurance protection including but not limited to transport insurance, insurance of property, liability insurance and protection of his personnel in case of injury. The Supplier shall, at the request of the Purchaser, either present or within fourteen (14) days deliver to the Purchaser copies of insurance policies or other proof of existence of adequate insurance. The conditions above concerning insurances do not have effect on liabilities or compensation responsibilities stated in the Order or elsewhere in the General Conditions.

13.7.In case of similar defects arising in similar Products the Parties shall as soon as possible start internal investigation for the root cause of the defect causing such serial damage. In case the internal investigations have not revealed the root cause within thirty (39) days either Party has a right to nominate independent third party to investigate the root cause. Both parties shall assist the third party in its investigation. The Supplier agrees to investigate and rectify all similar Products delivered for the sake of the serial damage with no cost to Purchaser.

## **14. CANCELLATION**

14.1.Either Party may cancel the Order in the event that the other Party enters into liquidation or an arrangement with its creditors or becomes insolvent.

14.2.Either Party is entitled to cancel the Order or part of it if the other Party is in essential breach of the Order and fails to remedy such breach within thirty (30) days from the written notice of the other Party.

14.3.The Purchaser is always entitled to cancel the Order in case of late deliveries or continuous material defects in Products.

## **15. LIMITATION OF LIABILITY**

15.1. THE PARTIES SHALL NOT BE LIABLE FOR ANY INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE, SUCH AS, INCLUDING AND NOT LIMITED TO, LOSS OF PRODUCTION, LOSS OF TURNOVER, LOSS OF USE OR ANY OTHER ECONOMICAL LOSS.

15.2.IN ANY CASE THE OBLIGATIONS OF THE PURCHASER ARE LIMITED TO THE AMOUNT PAID TO THE SUPPLIER BY THE PURCHASER FOR THE GOODS OR SERVICES WITH RESPECT OF THE PRODUCTS DELIVERED IN QUESTION.

## **16. INTELLECTUAL PROPERTY RIGHTS**

16.1.If any claim is made against the Purchaser that the Product infringes industrial or intellectual property rights of any third person, the Supplier shall defend and hold harmless the Purchaser against all loss, damages, costs and expenses incurred by Supplier in connection with the claim.

16.2.The Supplier grants the Purchaser an irrevocable, non-exclusive, transferrable, sublicenseable and worldwide license to use, copy, manufacture, modify and upgrade any intellectual property attached to the Product or any tools used for the delivery.

## **17. AUDITS**

17.1.Subject to Supplier's rights to keep proprietary information confidential, the Purchaser, the purchaser's customers, customer representatives and/or type approving/certifying authorities are, together with a representative from the Purchaser, entitled to carry out quality audits of Supplier within relevant areas. This entitlement is subject to such third parties not being competitors of the Supplier, and that such third parties, to the extent required by the Supplier, undertakes reasonable confidentiality obligations towards the Supplier.

## **18. WORK SAFETY**

18.1.The Supplier shall be fully liable for the safety of its employees or its sub-suppliers. In case the delivery of Products requires work to be made outside the Supplier's premises, the Supplier shall be fully liable for its employees or sub-suppliers with respect to work safety and shall hold the Purchaser harmless for any work safety issues or claims.

## **19. PRODUCT LIABILITY**

19.1.The Supplier agrees to indemnify and hold harmless and defend the Purchaser (including its agents and/or distributors) from any and all claims, damages, costs and liabilities arising from loss of damage to property, product liability, product safety, personal injury or death, which may be attributed to Products delivered by the Supplier, or were used as incorporated into the Purchaser's products.

## **20. APPLICABLE LAW AND DISPUTES**

20.1.Terms and Conditions shall in all respect be governed and interpreted in accordance with the substantive law of the country of ordering entity of the Purchaser.

20.2.Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the International Chamber of Commerce

## **21. CONFIDENTIALITY**

21.1.The Supplier shall keep confidential and not to use for any other purpose or disclose to any third party any technical, business related, financial or company information of the Purchaser, provided however that this restriction does not apply to any confidential information that is or becomes generally known to the public, except as a result of any fraudulent activities by the Supplier or any of its representatives.

21.2.If Parties have signed a separate confidentiality agreement, such an agreement shall apply in addition to this paragraph.

## **22. COMPLIANCE OF SANCTIONS**

22.1.The Parties acknowledge and agree that the sale, purchase, export, re-export or release

of the technology or Products acquired under these Terms and Conditions may be restricted or prohibited under the export control laws, regulations and/or sanction regimes of the United Kingdom, European Union and/or United States of America applicable from time to time (collectively "the Sanctions Laws").

22.2.Parties confirm that they will comply with the Sanctions Laws applicable from time to time. Should either Party fail to comply with the Sanctions Laws the other Party may terminate, cancel or otherwise be excused from performing any obligations it may have under Terms and Conditions. Parties agree to indemnify each other against any costs, claims, actions, demands or expenses incurred or suffered in connection with failure to comply with the Sanction Laws

## **23. ANTI-CORRUPTION**

23.1.THE SUPPLIER DECLARES AND UNDERTAKES THAT IN RELATION TO THE PERFORMANCE OF THESE TERMS AND CONDITIONS:

23.2.it has not offered or given, and will not offer or give, directly or indirectly, any bribe or other improper benefit or advantage, financial or otherwise, including gifts and hospitality (other than gifts and hospitality which are reasonable and proportionate), to any individual or organization for the purpose of influencing or rewarding the improper performance of any function or activity by such individual or organization or, without limitation to the foregoing, otherwise has not bribed and will not bribe another person in connection with the performance or proposed performance of any function or activity; or

23.3.it has not demanded or accepted, and will not demand or accept, directly or indirectly, any bribe or other improper benefit or advantage, financial or otherwise, including gifts and hospitality (other than gifts and hospitality which are reasonable and proportionate), for itself or any individual or organization intending as a consequence to perform or procure the performance improperly of any function or activity or, without limitation to the foregoing, otherwise has not been and will not be bribed in connection with the performance or proposed performance of any function or activity; or



23.4. it has not offered or given and will not offer or give any financial or other advantage, including excessive gifts and hospitality (other than gifts and hospitality which are reasonable and proportionate) to any public official wherever located (including, without limitation, any person who holds a legislative, administrative or judicial position in any country or territory or who exercises any public function on behalf of either that country or territory or any public agency or enterprise of that country or territory) with the intention of obtaining or retaining business or an advantage in the conduct of business, or;

23.5. The Supplier shall inform the Purchaser in advance of any sub-contractor, sub-agent, sub-representative, sub-consultant or any similar third party which the Supplier intends to use to perform or assist in the performance of these Terms and Conditions.

23.6. The Supplier shall put in place and maintain adequate procedures to ensure that no person associated with The Supplier, being any person (including for these purposes any employee, sub-contractor, sub-agent, sub-representative, sub-consultant or subsidiary) who performs services for the Supplier, ("associated person") commits a prohibited act. The Purchaser shall be entitled to audit the Supplier during normal working hours to ensure that this clause is being complied with. The Supplier will co-operate in any anti-corruption investigation undertaken by or on behalf of the Purchaser.

23.7. If the Supplier (or any associated person) commits any prohibited act or fails to comply with these clauses under section 23, then the Purchaser shall be entitled to terminate this agreement with immediate effect by way of written notice.

23.8. Any termination of these Terms and Conditions shall be without prejudice to any right or remedy which has already accrued, or subsequently accrues, to the Purchaser. The Supplier shall not be entitled to payment of any compensation of any damages or nature whatsoever in the event the Purchaser terminates this agreement pursuant to breach of these obligations and shall forfeit any amounts otherwise owed to it pursuant to the agreement, at the time of termination.

23.9. The Supplier shall at all times, during and after the term of these Terms and Conditions, on written demand indemnify the Purchaser and keep the Purchaser indemnified against all losses, damages, costs or expenses and other liabilities (including legal fees) incurred by, awarded against or agreed to be paid by the Purchaser as a consequence of the Supplier or an associated person committing a prohibited act or failure by the Supplier to comply with these clauses under heading 23.

## **24. GENERAL**

24.1. The Supplier shall obtain a prior acceptance of the Purchaser for the use of any sub-contractors. The Purchaser shall have the right to decline the use of sub-contractors provided that it may be assumed, that such sub-contractors are unable to fulfill the quality or any standards required by the Purchaser. The Supplier shall bear full responsibility for any delivery or performance of its sub-contractors.

24.2. If any provision of the General Conditions shall be held to be invalid, illegal or unenforceable, that provision shall be enforced to the fullest extent permitted by applicable law, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.