

1. Application, binding agreement and invoicing

These General Conditions of Purchase shall be applied on all purchases of Fastems Oy Ab (*“the Purchaser”*) by which the Products are purchased or offered by supplier (*“the Supplier”*) unless otherwise separately agreed. Binding agreement is established when 1) the Purchaser sends the Supplier an order according to Supplier’s offer; 2) the Supplier confirms the Purchaser’s order; or 3) it is under prevailing circumstances evident that the Supplier has accepted the order. The Supplier shall provide Fastems with a written confirmation of order within three (3) working days from acceptance thereof, or in the event of event of immediate delivery, immediately. Fastems has right to cancel the order until reception of order confirmation. The above mentioned shall also apply to any change made to any order. In the event there are any controversies in the contractual documents, the order of application is as follows: 1) main contract/order documents; 2) appendices of main contract/order documents in numerical order; 3) General Conditions of Purchase. The Supplier shall deliver invoices in electronic form. All invoices shall state at least the Supplier’s basic information, the Purchaser’s order or reference number and the name and contact details of the contact person. Payments shall be made within sixty (60) days from the date of completion of the delivery or the date of the Supplier’s invoice, whichever is the latest. The Purchaser has a right to set off possible counterclaims from the Supplier.

2. Contents of the delivery, time of delivery and quality

The delivery of the Products shall include all necessary technical and other documentation relating to the Products, such as operating and maintenance manuals, training manuals, drawings, technical data sheets, product safety instructions, certificates of conformity and any other supporting documentation. If the delivery includes software, source codes and object codes must be included in the delivery. Any technical documentation shall be delivered to the Purchaser without any additional costs to the Purchaser. The technical documentation delivered by the Supplier to the Purchaser shall be the property of the Purchaser and the Purchaser shall be free to transfer such material to any third parties. Unless otherwise specified in the Purchase Order, the language of the documentation shall be English or Finnish. The Supplier confirms that the delivery shall not infringe any patent, copyright, trademark or other proprietary right of a third party.

If the Supplier cannot meet the delivery time or it is apparent that the Supplier shall be in delay and this delay is not due to Force Majeure or due to a reason solely attributable to the Purchaser, the Supplier shall on its own expense start all necessary corrective measures (including but not limited to over work, shift work, subcontracting) in order to taking to minimize the effect of such delay. The Supplier must also notify the Purchaser of the reason for the delay, actions taken, as well as the new estimated delivery time of the Products. The Supplier’s notification shall not discharge it from the payment of liquidated damages for delay or other consequences of the delay. Should the delivery of the Products or part thereof be delayed for any other reason than Force Majeure or a reason solely attributable to the Purchaser, the Supplier shall be liable to pay liquidated damages for delay at two and half (2,5) percent of the total value of the Agreement (without value added tax) for each commencing week of delay, however, not exceeding ten (10) percent of the total value of the Purchase Order. The Purchaser reserves a right to refuse partial or early deliveries of the Products. In the event the delivery or part of it is delayed more than four (4) weeks, the Purchaser has right to cancel the order.

The Supplier warrants and shall be liable to ensure that the Products conform to the general quality requirements of the branch of industry other requirements agreed and that the delivery has been free from defects. The Supplier is liable to compensate any and all damages in the delivery. The warranty period shall be twenty four (24) months from the acceptance of the delivery. The Purchaser shall notify the Supplier without delay of any defects detected in the Products. The Supplier shall, upon request of the Purchaser, repair or replace any defective Product without any additional expenses to the Purchaser and within the reasonable time period specified by the Purchaser. The repair or replacement of the defective Product shall be carried out with all the necessary professional skill and expertise. The Supplier shall bear all the expenses relating to the repair or replacement of the defective Product, including but not limited to any manufacturing, transportation, dismantling and installation costs as well as any costs incurred by the Purchaser or its subcontractor. The Supplier is also liable to compensate the costs arising out of notification of the defect, at least EUR 50 per notification. If the Supplier fails to fulfill its obligation to repair or replace the defective Product without undue delay, the Supplier may repair or replace the Product on the Supplier’s expense.

If the delivery consist of several identical Products and at least five (5) percent of the delivery is found defective, the Purchaser may cancel the entire order and on the Supplier’s expense return Products delivered, or, alternatively claim reduction of the purchase price. If the amount of defective Products is less than five (5) percent, the Purchaser may claim reduction of the purchase price.

Neither Party shall be liable for any failure to perform any of its obligations under the Agreement if the failure is due to a Force Majeure. Force majeure impediment is taken to mean unforeseen events, which occur after binding agreement and which are beyond the reasonable control of the parties and prevents the party from fulfilling his obligations, without the party being able to prevent with reasonable efforts. In order to effectively invoke Force Majeure a Party shall notify the other Party without delay in writing of the beginning of any impediment constituting Force Majeure and its cause as well as of the cessation thereof. All time limits of the agreement shall be extended accordingly.

3. Liability of risk

The Supplier shall bear the liability of risk until Products are delivered to the Purchaser as agreed. If not otherwise agreed, the Supplier shall bear all insurance liabilities until the liability of risk is passed to the Purchaser.

4. Liability of the Supplier

The Supplier’s liability, in addition to the above mentioned, is defined by the Finnish Commercial Code (Kauppalaki) and Product Liability Act (Tuotevastuulaki) in force at the time in question. The Supplier warrants that it has and it maintains product liability insurance to extent necessary in order to cover possible product liabilities. The Supplier furthermore warrants that it in its business operation at all times conforms with environmental and employment regulations, generally accepted business practices and ethical principles thereto.

5. Governing law, disputes and confidentiality

This Agreement or any other purchase contract between the parties shall be governed by and construed in accordance with the laws of Finland, without reference to its conflict of laws principles.

Any dispute, controversy or claim arising out of or relating to this Agreement or any sales contract between the parties, or the breach, termination or validity thereof shall be finally settled by arbitration in accordance with the Arbitration Rules of the Central Chamber of Commerce of Finland. The arbitral tribunal shall consist of a sole arbitrator. If the parties fail to agree on the appointment of the arbitrator within thirty (30) days after the receipt by either party of a written request for arbitration, the arbitrator shall be appointed by the Arbitration Institute of the Central Chamber of Commerce of Finland. The arbitration shall be held in Tampere and the arbitration proceedings shall be conducted in Finnish language.

Neither party is entitled to disclose or misuse any classified information received during cooperation between the parties. In addition, the parties are not, without prior written consent of the other party, entitled to disclose any information regarding the possible arbitration proceedings if not required by law or other order of authorities.