

Pesmel Oy General Terms and conditions of purchasing R08/24.05.2018

1 SCOPE OF APPLICATION

1.1 Pesmel Oy General Terms and conditions of purchasing relate to purchases of Pesmel Oy materials and services

These General terms and conditions shall apply orders / contracts when terms are referred and Seller has delivered according order the order acknowledgement, goods/services according the order or the Seller has not disagreed about the terms within seven (7) days of order placement.

1.2 "Seller" means party delivering services and/or goods to Pesmel
 "Purchaser" means ordering party, in this case Pesmel Oy
 "Party" means either Seller or Purchaser.
 "Contract" means the contract signed by Seller and Purchaser, where the detailed delivery terms and content are defined, if that document does not exist, Order of the Purchaser which is confirmed by Seller by order acknowledgement or by delivering goods/service or has not disagreed about the order within seven (7) days

"Delivery" , "Product" or "Item" means Product / Service delivered by supplier
 "Offer request" means document provided by Purchaser to supplier requesting product prices, delivery time and specifications.
 "Offer" means binding document from supplier to purchased indication product prices, delivery time and specifications.
 "Order" means written order made by Purchaser to supplier.

2 OFFER

2.1 Offer presented by Seller should be binding and presented in EURO currency. If other currency is used, currency ratio and validity must be clearly indicated. Offer should be presented according the offer request; possible deviations must be presented.

3 PRICES

3.1 Prices are in EURO-currency without added value tax, including all fees related to contract. Seller has no right to additional fees. Currency must be clearly indicated.

3.2 VAT and other taxes will be invoiced by Seller from Purchaser according to the valid law.

3.3 Prices based on price lists shall be valid at least according the contract. If changes are proposed, those should be informed for Purchaser in written at least three (3) month in advance.

3.4 Transportation and handling cost of one "weekly delivery" should be bear by Seller.

3.5 Transportation insurance is Purchasers obligation unless otherwise defined in delivery term of the Contract.

Supplier is not entitled to charge insurance cost of the transportation.

3.6 Payment term is sixty (60) days from the date of invoice. Invoice can be issued only after delivery.

3.7 Unless otherwise agreed Seller can invoice delivery latest when point 8.2. Obligations are fulfilled.

3.8 If the Delivery includes installation, the installation cost should be included in the price of Offer.

4 DELIVERY TERM

4.1 The delivery term of the delivery is DAP (Delivered at Place) at named destination, Incoterms 2010

4.2 Beneficiary of transportation insurance is Purchaser, but the compensation will be addressed according the delivery term.

4.3 The delivery shall be properly packed taking in the consideration of freight method, duration and product. The package shall protect product against dirt, humidity and any other kind of damage.

4.4 The delivery shall be marked according the Purchaser instructions, but always include at least the order number of the delivery.

4.5 Packing list and other delivery documents shall be attached to the package

5 DOCUMENTS

5.1 The delivery shall include documentation in English, one set in electric and one set in paper version.

6 SELLERS COOPERATION

6.1 Parties are responsible about the correctness and the extend of the data handed for other party. Seller is anyhow obligated to ask more information from Purchaser if some issue is not exactly specified in contact.

6.2 Seller shall immediately inform Purchaser if there is any changes on circumstances that may effect to the Delivery.

7 INSPECTIONS AND TESTS

7.1 Purchaser and Purchaser's end customer have right to inspect delivery or follow-up manufacturing progress on Seller premises.

7.2 The tests and inspections performed by Purchases are not limiting the responsibility of the Seller.

8 DELIVERY TIME

8.1 The delivery shall be delivered at a time specified in the contract. Seller is obligated to make schedule for the delivery and follow the progress according it. Purchaser has right to get schedule and follow-up report on request.

8.2 Delivery is completed as the delivery has be handed over for Purchaser according the delivery term, all

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| | technical and other documents are delivered and the delivery is received at the destination according to the delivery term. | | in any case maximum twenty-four (24) months from delivery. |
| 8.3 | The Seller shall reserve products according to the yearly contract for the Purchaser based on the earlier delivery quantities or the quantities estimated together by Seller and Purchaser. These products shall be available for Purchaser according to the contract. | 11.3 | The repaired and/or replaced parts will have new twelve (12) months guarantee period starting from the approval of the repair by Purchaser. |
| | | 11.4 | According to guarantee obligations, Seller shall immediately to repair and/or replace parts fully on his own cost. |
| 9 | DELAYED DELIVERY | 12 | INSTALLATION |
| 9.1 | The delivery shall be regarded as delayed as schedule is not followed and clause 8.2 is breached. Possible new schedule agreed by Seller and Purchaser is not releasing Seller from his obligations, if now otherwise specified. Partial shipments are only accepted by approval of the Seller and in such a case, the extra transportation cost shall be bear by Seller only. | 12.1 | If the delivery include installation, the same terms in the contract shall be followed as for the items. |
| | | 12.2 | Seller according to the clause 9 shall carry out the obligations caused by the delay in the installation. |
| 9.2 | If the Seller finds that he will not be able to complete delivery in time, he shall without undue to inform Purchaser the time when the Delivery is expected to be ready to deliver. | 13 | PATENTS AND OTHER IMMATERIAL RIGHTS |
| | | 13.1 | The Seller is obligated to ensure that the parts and/or documents in delivery are not breaching third party patent, trademark, model or other immaterial rights. |
| 9.3 | The Seller is obligated to take all necessary actions to minimize the delay in delivery. Seller is not entitled to charge such additional costs from Purchaser. | 13.2 | Purchaser has right to copy the documents of the delivery for own and end-customers documentation use. |
| 9.4 | If the delivery is delayed for a reason of Seller, Purchaser shall be entitled to liquidated damages as follow: 2,5% from each starting week of delay. Maximum 20% of the total sum of the contract without VAT. | 14 | TECHNICAL RENEWALS AND REVISIONS |
| | | 14.1 | Seller must grant that the parts sold for Purchaser are available as a spare part for reasonable time. |
| 9.5 | Purchaser is entitled to hold liquidated damages of any payment for Seller. | 14.2 | Seller shall use the state of art tested technique. Anyhow, the product cannot differ from the Purchasers specification of order without the written approval. Seller shall actively inform Purchaser about the product development of his product portfolio, so that Purchaser have sufficient information on his use. |
| 9.6 | The Seller has right to terminate contract if the obligations on clause 9.1 and 9.4 are not fulfilled. | | |
| 10 | DELIVERY DEFECTS | 15 | FORCE MAJOR |
| 10.1 | The delivery shall be according to the contract specification. The Purchaser has right not to overtake delivery that have defects. | 15.1 | Either party shall be entitled to suspend performance of his obligations under the contract to the extent that such performance is impeded or made unreasonably onerous by any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties such as fire, war, extensive military mobilization, insurrection, requisition, seizure, and embargo. Restrictions in the use of power and defects or delays in deliveries by sub-contractors caused by any such circumstance referred to in this Clause. |
| 10.2 | The Seller shall repair or replacement any defect in Delivery on his own cost. Purchaser can settle reasonable additional time for repair and/or replacement | | |
| 10.3 | If the delivery cannot be repaired and/or replaced within the schedule settled by Purchaser, Purchaser is entitled to Liquidated damages according to clause 9 or to Terminate Contract. | 15.2 | Seller cannot refer for Force Major, if he cannot prove that he has taken all necessary actions to prevent the consequences of such circumstances. Force Major is applied for Sellers sub-contractors if the subcontracting work cannot be reasonably provided from some other sub-contractor. |
| 10.4 | Purchaser has right to return Product for Seller, if the Product has not been used and still in sales package. The Seller shall compensate Purchaser according to the contract value. Purchaser is responsible about the transportations costs. | 15.3 | Seller cannot refer for Force Major, if he has failed to inform immediately Purchaser of such a circumstances and/or has failed to written report about the consequences within 7 days. |
| 11 | QUARANTEE | 15.4 | Force Major informed after 14 days of the occurrence is not valid for the period before notice. The party referring to Force Major is always obligated to inform |
| 11.1 | The guarantee period cannot start before fulfillment of clause 8.2. Guarantee period starts when the product is commissioned at end-customer. | | |
| 11.2 | The guarantee period is twelve (12) months from the start of the guarantee period according to clause 11.1, but | | |

when circumstances has normalized and prove the consequences for the contract fulfillment.

- 15.5 If the fulfillment of the contract will be delayed more than four (4) months cause of the Force Majour, both parties can terminate the contract on written notice,

16 CONFIDENTALY

- 16.1 Any confidential information given to the other party shall kept strictest confidence by the recipient. The parties are not entitled to use confidential information out of scope of the contract.

- 16.2 Purchaser is entitled to use Sellers drawings and other documents for the purpose of sales, manufacturing, installation, operation, service and documentation.

- 16.3 Clause 16 shall remain valid after fulfillment of the contract

17 GOVERNING LAW AND SETTLEMET OF DISPUTES

- 17.1 The execution and performance of this Contract is governed by the laws of Finland

- 17.2 Any dispute arising from the execution of, or in connection with, this Contract shall be settled through amicable negotiations between the Parties. In the event a settlement cannot be reached through negotiations, the disputes shall be submitted to the arbitration court held by the Central Chamber of Commerce of Finland in Helsinki for arbitration