

PESMEL GENERAL TERMS AND CONDITIONS FOR PURCHASE OF GOODS AND SERVICES (16.03.2021)

1. FOUNDING PRINCIPLES

1.1 Definitions

In these General Terms and Conditions, the following terms shall have the meanings defined below:

“Company” and “Purchaser” mean Pesimal Oy Ltd.

“Seller” means the person or the company who agrees to sell Goods or Services to Company.

“Party” means either Purchaser or Seller and “Parties” means them jointly.

“Goods” means any and all goods of whatever nature to be delivered to Company by Seller under Contract and in accordance with these General Terms and Conditions.

“Services” means any services defined in Contract to be provided by Seller to Purchaser under Contract and in accordance with these General Terms and Conditions.

“Price” means the compensation agreed in Contract to be paid by Purchaser to Seller for supplying Goods and/or Services.

“Contract” means a specific written contract signed by Purchaser and Seller and/or a contract formed by Company's purchase order, including appendices and Seller's written acceptance thereof in accordance with these General Terms and Conditions.

1.2 Formation and content of Contract

Company’s purchase order constitutes Company’s offer to purchase the Goods or Services described therein at the price indicated, subject to the General Terms and Conditions set forth below.

Seller’s acknowledgement of Company’s purchase order or Seller’s performance in response thereto shall constitute Seller’s acceptance of Company’s purchase order and shall create a binding contract subject to these General Terms and Conditions.

All sales to Company will be subject to these General Terms and Conditions and the provisions set out in Company's written purchase order. No other items, representations, warranties or statements shall be binding on Company, and oral orders or offers shall not be binding unless confirmed in writing by Company. Accordingly, Seller’s acknowledgment of Company’s purchase order must be binding and in line with the purchase order.

Seller’s acceptance of Company’s purchase order shall be limited to the terms of Company’s purchase order, including these General Terms and Conditions. Company objects to inclusion of any terms or conditions proposed by Seller that are different from or additional to the terms and conditions of Company’s purchase order. No such alterations shall be binding unless separately and expressly confirmed in writing by the Company.

Without prejudice to any prior acceptance, express or implied, delivery of the Goods or Services to Company shall constitute acceptance of these General Terms and Conditions by Seller. Company’s acceptance of Goods or Services shall not constitute acceptance of any such terms and conditions that Seller may propose.

If Company wishes to make any changes to the specifications of the Goods prior to delivery, Parties shall

undertake to negotiate in good faith in order to agree on such changes in the specifications and the related changes in other terms and conditions of Contract.

2. BASIC RESPONSIBILITIES OF THE PARTIES

Seller shall sell and Purchaser shall buy Goods and Services in accordance with the terms and conditions of Contract and these General Terms and Conditions.

Seller’s relationship with Company is solely that of an independent contractor. In no event shall Company’s purchase order, Contract or these General Terms and Conditions be construed as creating a partnership, joint venture, agency, or fiduciary relationship. No exclusivity or similar rights of any kind are granted to Seller, and Company is entitled to freely purchase goods and services from other sellers as well.

3. DELIVERY OF GOODS

Seller represents and warrants the following:

- The Goods are of first-class quality and fit the purpose for which similar goods are ordinarily used.
- The Goods will be subject to inspection and testing by Company. The representatives of Company and its client shall have the right to participate in inspections and tests in Seller’s or its subcontractor’s workshop as agreed by Parties.
- Any Goods that do not comply with the requirements of Contract in all respects may be rejected.
- The Goods shall be delivered in accordance with Contract and with the terms indicated in Contract according to the delivery term DAP (Delivered at place), Incoterms 2020.
- The Goods shall be received by Company on the specified date as agreed in Contract. Partial deliveries of ordered Goods shall not be permitted unless otherwise agreed in writing by Parties. Seller understands that time is of the essence for Company’s purchases.
- The Goods shall comply with the regulations in force both locally and in the European Union.
- The Goods shall be labelled and packed in compliance with the regulations in force in the European Union and in any other country to which the Goods are supplied. The purchase order number and applicable other marks and instructions must be clearly indicated on each package.
- The Goods shall be suitably packed in non-returnable packaging so as to avoid damage, destruction or theft in transit. No charges will be allowed for packing or delivery unless otherwise stated in Company’s purchase order.

The Goods shall remain the property of Seller until the Goods have been paid for in full, provided that such retention of title is permissible under the relevant applicable law. The change of ownership shall not affect the passing of risk under the delivery term agreed above.

Seller shall provide Company with the technical documentation, data, and other results necessary for getting the Goods in running order and, in addition,

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adequate information (including material safety data sheet) about the purpose for which the Goods are ordered. Company may copy these documents and attach them to its own and the end customer's documentation.

Seller undertakes to provide the spare parts or replacement units for a period of at least ten (10) years from the beginning of the guarantee period (Clause 7 below). Seller shall also provide Company with the drawings and documentation required for normal maintenance of the Goods.

4. DELIVERY OF SERVICES

Everything that is stated in Contract and/or these General Terms and Conditions regarding Goods shall apply to Services, mutatis mutandis. Seller shall be responsible for its personnel/subcontractors carrying out the Services. Unless otherwise agreed in writing between Parties, Seller is responsible for the supervision of the work.

Company shall ensure that Seller and its personnel/subcontractors have received appropriate information about order, safety and security at the workplace. Accordingly, Seller shall acquaint itself with the working conditions at the place where the Services are provided and ensure that its personnel/subcontractors are informed of and comply with any safety regulations and instructions of Company in force at the place where the Services are carried out. Seller shall comply with all applicable laws and warrant that its subcontractors will do the same.

Seller shall have and maintain, at its own expense and for the duration of Contract, adequate insurance cover relating to its activities under the Contract. As a minimum requirement, Seller shall have and maintain any applicable statutory insurance and a third-party liability insurance against Seller's legal liability for any loss, damage, death or bodily injury that may arise out of Seller's performance or Products delivered under Contract.

5. DELAY IN DELIVERY

If Seller fails to deliver the Goods at the agreed time and such a delay is not due to a Force Majeure event as defined in Clause 15 below or to reasons attributable to Company, Seller shall be obliged to pay Company liquidated damages as follows:

- For each week or fraction of a week that the delivery or part of it is delayed beyond the date specified in Contract, the liquidated damages shall be two point five (2.5) per cent of the total Price of the delivery.
- Total liquidated damages for a delayed delivery or part of it shall be twenty (20) per cent of the total Price of the delivery at the maximum.

If the actual costs and damage incurred by Company due to Seller's delay exceed the maximum amount of liquidated damages, Company shall have the right to claim damages from Seller for such exceeding costs or damage.

If Seller fails to deliver the Goods within a reasonable time after having received a written notice from the Company, the Company is entitled to purchase the delayed Goods from a third party and Seller shall compensate for all additional costs due to this purchase.

6. DEFECTS

If the Goods do not conform with the terms and conditions of Contract and/or these General Terms and Conditions, Company shall inform Seller thereof in writing within a reasonable time after having become aware of such a defect.

Company reserves the right to accept or reject all or any part of the defected Goods and, if rejecting, to return the Goods to Seller at Seller's risk and expense.

Inspections and tests made by representatives of Company or its client, failure to make such inspections or tests, or payment for the Goods shall not affect Company's right to reject any Goods that are subject to defects or make any other claims under Contract and these General Terms and Conditions.

7. GUARANTEE

For a period of twenty-four (24) months, Seller guarantees the proper design, construction and quality of the Goods delivered under the Contract and these General Terms and Conditions.

The guarantee period shall be calculated to start on the completion date of the delivery of the Goods. For the Goods delivered to be stored by the Company, however, the guarantee period shall start when such Goods are put to use or after a six-month storing period at the latest.

Seller shall rectify and/or replace, without delay and at its own cost, any defective Goods and fully compensate Company for the costs and losses caused by such defects. The rectified or replaced Goods shall have a new guarantee period of twenty-four (24) months, extending, however, for a maximum of forty-eight (48) months from the commencement date of the original guarantee period as defined above.

After the expiry of the guarantee period, Seller shall still be liable for latent defects, which existed on the date of expiry of the guarantee period but which Company could not reasonably be expected to have noticed during the guarantee period, and for defects arising as a result of Seller's gross negligence.

Seller shall not be liable for any defects attributable to deficient maintenance of the Goods by Company or their improper use, handling and storage in breach of the written information provided by Seller under Clause 3 above. This guarantee does not cover normal wear and tear.

8. PRICE AND INVOICING

The prices and the payments must be in euros. On completion +of the delivery of the Goods, Company shall pay the Price to Seller against an invoice, which shall indicate, inter alia, the purchase order number. Payments shall be made within 60 days from the date of the invoice.

Unless otherwise agreed in writing, Price for the Goods shall be fixed for the entire term of Contract and shall not be subject to revision.

Price shall be the total compensation payable by Company for the Goods delivered. No other costs may be charged to Company unless otherwise specifically agreed in Contract. Applicable value-added tax or other such statutory tax

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payments shall be added to Price in accordance with the laws and regulations applicable at the time.

Company reserves the right to withhold payment of any Seller invoice if the Goods have not been delivered in accordance with the terms and conditions of Contract and these General Terms and Conditions. The withheld payment shall correspond to the value of the defective delivery. Unless otherwise agreed in Contract, penalty interest is charged according to applicable laws.

9. SUBCONTRACTING

Seller shall not delegate or subcontract any of its obligations under Company's purchase order and these General Terms and Conditions without Company's prior written consent. At the request of Company, Seller shall provide information on its subcontractors and, upon a reasonable request of Company, withdraw and/or replace any subcontractor.

Seller shall be responsible for the actions of its subcontractors as it is for its own.

10. INTELLECTUAL PROPERTY RIGHTS

All rights to the documents and other materials (e.g., plans, drawings, technical documents, software) made available by Company to Seller for supplying Goods and/or Services shall remain the property of Company.

Seller shall have the right to use the information, materials, data and intellectual property rights defined in this Clause only to the extent necessary for supplying Goods or Services to Company.

Seller shall be responsible for making sure that no third-party rights be infringed on in conjunction with supplying the Goods and/or Services.

11. LIABILITY

If Seller fails to supply the Goods in accordance with Contract and/or these Terms and Conditions and/or there is a defect in the Goods, Seller shall remedy the breach or defect without delay and at its own cost.

Seller shall not be liable to remedy breaches or defects that have been caused by actions of Company or incorrect information provided by Company about the purposes of the Goods supplied.

If Seller fails to remedy the breach or defect in the Goods within a reasonable time after having received a written notice from Company, Company is entitled to remedy the breach or defect on its own or have it repaired by a third party at the cost of Seller. Alternatively, Company shall be entitled to a reduction of the Price, reflecting the difference between defect-free Goods and the defective Goods.

Company shall notify Seller on the defects in the Goods supplied within a reasonable period after having become aware of such defects. If Company fails to give such a notification within a reasonable period of time, Company shall lose its right to present claims towards Seller, except for apparent defects that should have been known to Seller and defects that had been caused by Seller's gross negligence, willful acts, or omission.

On Company's demand, Seller shall pay all costs, damages and expenses that Seller is liable for, and Company may deduct them from any invoice of Seller's that has fallen or is falling due.

The Parties are liable for damage caused to third parties in accordance with the applicable laws.

12. LIMITATIONS OF LIABILITY

Neither Party shall be liable for any indirect or consequential damage, including but not limited to loss of income or interruption of production or services. This limitation of liability does not apply to breaches of confidentiality obligations, damage caused by a Party's gross negligence, willful acts/omission or any damage caused to Company property.

13. TERMINATION

If either Party is in material breach or a series of breaches of the Contract and/or these General Terms and Conditions and does not remedy such breaches within a reasonable period after having received a written notice thereof from the non-breaching Party, the non-breaching Party is entitled to terminate the Contract with immediate effect and without any liability towards the breaching Party.

If Contract is terminated on the grounds of the above Clause, the breaching Party shall compensate the non-breaching Party for the damages and costs incurred by the non-breaching Party as a result of the termination of Contract.

If Company has become entitled to receive the maximum amount of liquidated damages pursuant to Clause 5 of these Terms and Conditions, Company is entitled to terminate the Contract with immediate effect.

Either Party may terminate Contract with immediate effect in the event that the other Party becomes subject to bankruptcy or insolvency proceedings.

Company shall be entitled to terminate Contract for convenience on three (3) months' prior written notice. In the event of the aforesaid premature termination by Company, Seller shall be entitled, as the sole and exclusive compensation and remedy, to the Price (or portion of the Price) accrued for the Goods and/or Services approved prior to the effective date of termination. Material produced by Seller by the time of the termination shall be left in Company's possession.

14. CONFIDENTIALITY

Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives of a confidential nature disclosed to Seller by Company; Seller shall also restrict the disclosure of such confidential material to those of its employees, agents or sub-contractors who need to know the same for the purpose of discharging Seller's obligations to Company and ensure that such employees, agents or sub-contractors also comply with the provisions of this Clause.

15. FORCE MAJEURE

Neither Party shall be liable for any failure or delay in performing an obligation under Contract and/or these General Terms and Conditions because of any of the

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following causes (also referred to as "Force Majeure") beyond Party's reasonable control. These include acts of God, accident, riots, war, terrorist act, epidemic, pandemic, quarantine, civil commotion, breakdown of communication facilities, breakdown of web host, breakdown of internet service provider, natural catastrophes, governmental acts or omissions, changes in laws or regulations, national strikes, fire, explosion, generalized lack of availability of raw materials or energy. However, the new coronavirus Covid-19 pandemic, which is ongoing on the signing date of these General Terms and Conditions, shall not be regarded as a Force Majeure.

For the avoidance of doubt it is stated that Force Majeure shall not include financial distress nor the inability of either Party to make a profit or avoid a financial loss, changes in the market prices or conditions, or a Party's financial inability to perform its obligations as agreed in the Contract and in these General Terms and Conditions.

The Party affected by a Force Majeure shall immediately notify the other Party about it and its expected duration. If either Party is unable to fulfill its obligation due to a Force Majeure for a period exceeding thirty (30) days, either Party is entitled to terminate Contract by a written notice of termination with immediate effect and no liability towards the other Party.

16. ASSIGNMENT OF CONTRACT

Neither Party is entitled to assign or otherwise transfer the Contract in whole or in part to any third party without a prior written consent of the other Party.

17. APPLICABLE LAW AND DISPUTE RESOLUTION

Contract and these Terms and Conditions are governed by and construed and interpreted in accordance with the substantive laws of Finland, thus excluding the choice of law provisions and the United Nations' Convention on Contracts for the International Sale of Goods.

Any dispute, controversy or claim arising out of or relating to Contract and/or these General Terms and Conditions or a breach, termination or validity thereof, shall be solved by the Parties through joint negotiations in the first place. If the Parties are not able to find an amicable solution within three (3) months from the first written notice, then the dispute shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Central Chamber of Commerce.

The Parties shall jointly appoint one (1) arbitrator. Should the Parties fail to appoint an arbitrator, then an arbitrator shall be appointed by the Arbitration Board of the Central Chamber of Commerce of Finland. The arbitration shall take place in Helsinki, Finland.

The language to be used in the arbitration procedure shall be English or Finnish.