



GENERAL TERMS OF PURCHASE, LOVAL OY 2016

1. APPLICABILITY

These General Terms of Purchase are applicable to any written agreement between the parties or when Loval Oy ("Loval") has referred to them in an order (the "Agreement"). These terms are also applicable when the Agreement is entered into, e.g., through the supplier ("Supplier") starting to execute a purchase order or otherwise expresses the approval of the order.

2. SPECIFICATIONS AND DRAWINGS

The Supplier undertakes to deliver the products or the components (collectively the "Products") in accordance with Loval's specifications, if any, or otherwise in accordance with the Agreement. All drawings and other technical documentation, that Loval has handed over to the Supplier are and will remain Loval's sole property. Such documents - which are considered confidential information - may only be used for the purpose for which the documents have been handed over. Without Loval's explicit consent the documents may neither be copied nor reproduced or disclosed to any third party or in any other way brought to their knowledge.

3. TOOLS, EQUIPMENT AND MATERIAL

Tools and equipment as well as other materials furnished by Loval are and will remain Loval's sole property and must be kept distinctly detached from other tools, equipment and materials and noticeably marked with the text "Property of Loval" and/or other marking notified by Loval.

4. INSPECTION

Loval is entitled to inspect the Supplier's production premises at any time during the Supplier's manufacture and delivery of the Products for Loval.

5. DELIVERY

If the parties have agreed on delivery conditions those shall be interpreted in accordance with the INCOTERMS in force at the time of delivery of the Products. Unless otherwise agreed the Products are delivered FCA, place of manufacture/the Supplier's warehouse (INCOTERMS).

6. PACKAGING AND TRANSPORT

Irrespective of the stipulations in INCOTERMS' condition of delivery, the Supplier shall carefully pack the Products taking into account the means and the distance of the transport and in conformity with the instructions in the specification or instructions that Loval later may have given. The package shall state Loval's order number, the article number and quantity.

7. TIME OF DELIVERY

The Supplier shall deliver the Products at the time stated in the Agreement. If the parties, instead of stating the agreed time of delivery, have agreed on a time period during which the delivery is to be made, this time period shall run from the date the Agreement entered into force. If the parties have not agreed on any specific time of delivery, the date of delivery is 14 days from the date the Agreement entered into force.

8. DELAY

Should the Supplier find itself not being able to delivery in due time, or if a delay on its part could be rendered probable, it shall without undue delay inform Loval hereof in writing stating the cause of the delay and, if possible, stating the anticipated date of delivery. If the Supplier has not delivered the Products on time (which also embraces Products that the Supplier delivers but which are impaired by defects, as provided for in Section 0) Loval is entitled to liquidated damages starting from the date on which the delivery should have been made. The liquidated damages shall, for each commencing week of delay, represent 2 % of the agreed price for those Products, which cannot be used for their intended purpose due to the delay. The liquidated damages shall, however, not exceed 15 % of the basis for the calculation of the liquidated damages. The liquidated damages become due for payment on Loval's demand.

If Loval should be entitled to the maximum liquidated damages stated above, and the Products still had not been delivered, Loval is entitled to -at its sole discretion - to terminate the entire Agreement or a part thereof with immediate effect. Moreover, Loval is entitled to cancel the Agreement if a delay, which would lead to Loval having the right to claim the above-mentioned maximum liquidated damages, would seem obvious to occur. Under such circumstances Loval will be entitled to claim maximum liquidated damages. In addition to the above, Loval is entitled to claim compensation for actual damaged to the extent those exceed the liquidated damages.

9. PRICE

Loval shall pay the price indicated in the Agreement. The price is fixed and covers all costs in connection with the delivery. The Supplier is thus not entitled to any invoicing or other additional charges.

10. PAYMENT TERMS

Unless otherwise stated in the Agreement, the payment term is 30 days from the date of the invoice, however, not less than 30 days from the date Loval received the Products. The Supplier's invoice shall be marked with Loval's order number. If Loval does not pay the invoice when due, the Supplier will be entitled to interest on the overdue amount until payment is made at the rate of 6 % per annum plus the Base Rate of the Bank of Finland.



11. LIABILITY FOR DEFECTS

If a defect is discovered within one year from the date Loval delivered the Product to its customer, the Supplier shall replace the defective Product. Notwithstanding this, the Supplier's liability expires two years from the date the Supplier delivered the Product to Loval. "Defect" means that the Product fails to have the functionality stated in the specification, otherwise deviates from the requirements or dimensioning set out in the specification or that the products are defective pursuant to the Finnish Trade Law (in Finnish *Kauppalaki* 355/1987, as amended); or that the Product in some other respect is defective due to faults in design, materials or workmanship. The Supplier shall compensate Loval for all reasonable costs associated with the replacement of the defective Product such as freight and labour costs. Moreover, Loval has the right to charge the Supplier EUR 50.00 to cover Loval's internal costs for compensation claims for each lodged complaint resulting in a replacement.

On Loval's demand the Supplier shall assist Loval with the investigation concerning suspected defects in delivered Products. Should the investigation not reveal any defects in the Product, Loval shall compensate the Supplier for reasonable costs and expenses incurred in order to perform the investigation. In the event that the Product is found defective, the Supplier shall bear its own costs and expenses for the investigation as well compensate Loval for its reasonable costs and expenses incurred in order to perform the investigation.

12. MODIFICATIONS

The Products must fully conform to the applicable specification, if any, or failing that, what otherwise has been stated in the Agreement.

13. CONFIDENTIALITY

The Supplier shall, without limitation as to time, not disclose to any third party any confidential information concerning Loval or its business activities. Nor may the Supplier, neither directly nor indirectly, in its own operations make use of such Confidential Information, without Loval's prior written approval thereto.

For the purposes of this provision "Confidential Information" means any and all information – including but not limited to practical, technical and commercial information – regardless of whether such information has been documented or not, save for information which is or becomes common knowledge or which has come or will come to the public domain otherwise than through the Supplier's breach of this provision.

Should the Supplier fail to observe the above-mentioned confidentiality obligation it shall on Loval's demand pay liquidated damages of EUR 50,000 for each breach of the confidentiality obligation. Notwithstanding the above, Loval has the right to claim actual damages to the extent those exceed said liquidated damages.

14. INTELLECTUAL PROPERTY RIGHTS

Loval holds the title to all information - including but not limited to - drawings, other information that Loval has provided to the Supplier as well as to all results emerging from the Supplier's work for Loval.

All copyright as well as possible patent rights and other intellectual property rights relating to the above-mentioned information or results are or will become Loval's sole property. The Supplier's right is restricted to the usage of information or results to the extent necessary for the fulfilment of its obligations under the Agreement.

15. PRODUCT LIABILITY AND INFRINGEMENT

If the Supplier has manufactured and delivered the Product to Loval and this manufacture has not been made fully in accordance with Loval's specification, the Supplier shall indemnify Loval to the extent an obligation to indemnify is imposed on Loval towards a third party for product liability or infringement of a third party's rights.

16. FORCE MAJEURE

The parties shall be relieved from liability for a failure to perform any obligation under the Agreement due to circumstances ("discharging circumstances") beyond a party's control which impedes the fulfilment thereof. As soon as the impediment is removed the obligation shall be fulfilled in accordance with the Agreement. Discharging circumstances are, including but not limited to, war, acts of war, acts or omissions of the authorities, new or amended legislation, labour disputes or other circumstances of similar nature. The party desiring to invoke an event of force majeure shall without undue delay give notice to the other party thereof.

Regardless of the above-mentioned provision regarding the discharge from liability, each party may immediately terminate any specific delivery as well as the whole Agreement, should the fulfilment of a certain obligation be delayed for more than 30 days.

17. SUBCONTRACTORS, ETC.

The Supplier may not engage subcontractors or the equivalent without Loval's prior written approval. If, after the approval is granted, a subcontractor is engaged, the Supplier is responsible for the subcontractor's performance as for its own.

18. OTHER CONDITIONS

Should an order confirmation or an invoice contain terms or conditions that deviate from the Agreement, such conditions are only valid if Loval has approved those in writing.

19. APPLICABLE LAW AND DISPUTES

The Agreement is construed in accordance with the laws of Finland excluding its choice of law provisions and the UN Convention on Contracts for the International Sale of Goods. All disputes arising out of the Agreement shall be finally settled by one arbitrator in accordance with the Rules of the Arbitration Institute of the Finland Chamber of Commerce. The place of arbitration is Helsinki, Finland.