

## PROVENTIA GROUP LTD.'S GENERAL TERMS AND CONDITIONS OF PURCHASE

### 1. SCOPE OF THE TERMS AND CONDITIONS

**1.1.** These general terms shall apply to the purchasing of products and/or services as defined in each purchase order that may also include drawings and attached documents ("Products"), unless otherwise separately and in writing agreed upon between Proventia Group, including its wholly owned subsidiaries ("Proventia") and the Supplier (each referred to as a "Party" or jointly as the "Parties"). Should the Supplier present in his order confirmation a provision which conflicts with these general terms, these general terms shall prevail even in case the Supplier fails to object to such provision. The Supplier shall be deemed to accept General Terms by confirming and delivering any of the Products.

**1.2.** In case of discrepancies, the order of priority shall be: (1) Proventia's purchase order, (2) these general terms and conditions.

**1.3.** None of the Supplier's terms shall apply. Proventia reserves the right to alter these terms and conditions. The new terms and conditions shall come in force once they are published Proventia's Internet site.

### 2. PRODUCT(S), PRICES AND SPECIFICATION

**2.1.** The Product(s) purchased and sold in accordance with these general terms shall be defined in the respective technical and/or commercial documents (including purchase order(s)). Prices for the Product(s) shall also be set forth in said documents. The Supplier shall not be entitled to make invoicing charges or other additional charges not agreed upon by the Parties.

**2.2.** The Supplier agrees to take part in any possible customer projects with Proventia that may require the participation of the Supplier e.g. for installation and acceptance procedures. Further, the Supplier agrees to provide Proventia reasonable assistance in the customer projects to which the Supplier is supplying Products as Proventia's subcontractor.

**2.3.** No variation in the price and no extra charges will be applicable at any time without express acceptance in writing by a duly authorized representative of Proventia.

**2.4.** Each invoice shall include such supporting information as is required by Proventia to verify the accuracy of the invoice and shall quote the purchase order reference number (if any) of the Order to which it relates. Failure to provide any such purchase order reference number will entitle Proventia to reject that relevant invoice.

**2.5.** The Supplier and Proventia will jointly pursue cost reduction opportunities for the duration of the agreement and will reflect the achievements of such opportunities in price reductions to Proventia.

### 3. ORDER PROCESS AND DELIVERY

**3.1.** Proventia may place a purchase order ("PO") with the Supplier directed to the applicable order entry points by post, email, web, or any other means agreed. The Supplier shall promptly send its written confirmation of each PO, but in no case later than within one (1) business day after the date of the PO. If no confirmation is received by Proventia, the PO shall be deemed accepted as such one (1) business day after the date of such PO.

**3.2.** The Supplier's offer(s) shall be binding. The Supplier and Proventia have the right to correct obvious calculation and typing errors in the price and quantity information.

**3.3.** The Supplier shall ensure that each delivery is accompanied by a prominently displayed delivery note which shows, as a minimum, the PO number, date of PO, type of Product(s), number

of packages and contents, any special storage instructions and, in the case of part delivery, the outstanding balance remaining to be delivered.

**3.4.** Unless otherwise stipulated by Proventia in the PO, deliveries and/or performance shall only be accepted by Proventia within its usual business hours.

### 4. DELIVERY TERMS

The terms of delivery shall be DDP, Proventia's premises designated in the applicable PO (INCOTERMS 2010) unless otherwise agreed between the Parties.

### 5. RESCHEDULING AND ORDER CANCELLATION

**5.1.** Proventia has the right, without any liability for costs related thereto, to temporarily suspend the delivery of the Product(s), or any part thereof. Proventia shall specify which part of the delivery shall be suspended, the effective date of the suspension and the expected date for resumption.

**5.2.** Proventia has the right, at any time, to cancel a PO free of charge at its sole discretion, with the consequence that Supplier's obligation to perform the delivery of the Product(s) shall immediately cease.

**5.3.** Following such cancellation, Proventia shall as sole compensation pay (i) the unpaid balance due to Supplier for the Product(s) already delivered and (ii) the costs incurred by Supplier for Proventia specific materials and/or products ("Materials") purchased by Supplier for manufacturing or delivering the Product(s).

**5.4.** Proventia's obligation to pay for such Materials is subject to the following conditions: a) the Materials were ordered by Supplier prior to receipt of the notice of cancellation, b) Supplier cannot use or sell the Materials otherwise, c) Supplier undertakes to use all reasonable efforts to cancel or reduce the current open purchase orders for Materials, d) Supplier has informed Proventia about the volumes and prices of the Materials in the confirmation of the PO, and e) such costs are not covered in (i) above. Product(s) and Materials paid for shall at Proventia's option be delivered to Proventia.

### 6. PACKING, MARKING AND RECORDS

**6.1.** The Supplier shall be responsible for the proper packing and protecting of the Product(s) for transportation. The Product(s) shall also be packed in accordance with any Proventia's instructions.

**6.2.** Prices in offers and agreements shall include the costs of packing and/or protection required to prevent damage to or deterioration of the Product(s) during transportation.

**6.3.** The Product(s) shall be marked with the globally harmonised system of classification and labelling symbol(s) if the Product(s) supplied, or parts thereof, are hazardous.

**6.4.** The Supplier shall have a system to enable Product(s) traceability back to the factory, including the date code and batch or serial number. Supplier shall also have a system to trace critical raw materials and components back to their source. Supplier shall keep the Product(s) traceability records for five (5) years unless otherwise agreed in writing between Proventia and Supplier.

### 7. DELAYED DELIVERIES

**7.1.** Time shall be of the essence in relation to all delivery deadlines. The Product(s) shall be delivered on the agreed date and time. Proventia is not obliged to take the Product(s) into its

possession before the agreed time of delivery. Partial deliveries are allowed, if mutually agreed between the Parties.

**7.2.** Should the Supplier find that the delivery date agreed cannot be met; the Supplier shall immediately notify Proventia in writing, stating the cause of the delay and an estimated delivery date. Such notification shall not limit the Supplier's liability according to the PO or applicable law.

**7.3.** If a delivery is delayed, Proventia is entitled to liquidated damages. The liquidated damages for a delayed delivery shall be one per cent (1 %) of the value of the Products in question per each beginning week of delay up to maximum of thirty percent (30%) of the value of the Products in question (where delay means the Products are not delivered and accepted by the delivery date as specified in the PO and other documents between the Parties). If Proventia is obligated to pay higher liquidated damages to its end customer due to the delay of the Supplier, the Supplier shall be liable to compensate such liquidated damages claimed from Proventia. The liquidated damages shall not limit Proventia's right to compensation for damage incurred as a result of the delay in delivery.

**7.4.** If the Supplier's delay is such that Proventia has become entitled to the maximum delay penalty under condition 7.3 and the PO is still not completed, Proventia may by notice in writing to the Supplier cancel the PO in whole or in part, without liability, with immediate effect.

## **8. TITLE AND PAYMENT TERMS**

Title to the Product(s) shall pass to Proventia either when the Product(s) are delivered into the possession of Proventia or progressively as the Product(s) are paid for by Proventia, whichever occurs first. The Supplier shall be entitled to invoice the Product(s) upon delivery. The payment term is sixty (60) days net from the date of invoice, unless otherwise agreed upon between the Parties. If an invoice or credit note is disputed, Proventia shall pay or credit the amount not in dispute. Proventia shall not be obliged to pay or credit the amount in dispute until the dispute is resolved. No late payment charges shall be applied with regard to the disputed portion of the payment/credit. The payment shall not constitute Proventia's acceptance of any Product(s).

## **9. ENVIRONMENTAL, ETHICAL ISSUES AND QUALITY REQUIREMENTS**

**9.1.** The Supplier shall be responsible for all environmental aspects of the Product(s). The Supplier shall not use materials, which are dangerous or harmful to health or the environment or cause other similar risks.

**9.2.** The Supplier shall at its own cost obtain all necessary authority type and other approvals for the Product(s) when such may be required to enable Proventia to sell the Product(s) or incorporate the Product(s) in any Proventia products.

**9.3.** The Supplier shall be committed to an ethical conduct and respect for human rights in the spirit of internationally recognized social and ethical principles such as the UN Declaration of Human Rights and ILO Conventions. The Supplier agrees to ensure that it and its sub-suppliers are knowledgeable regarding all applicable laws and regulations of the local country and of any other applicable country (including any country of export), including laws and regulations dealing with anti-corruption and bribery.

**9.4.** The Product(s) shall meet the regulatory requirements imposed by law of any governmental entity, having jurisdiction over the production, transport and/or sale of the Product(s). The Product(s) shall also meet the technical standards and the environmental and special market requirements stated in the PO and the demands of commercial or good technical practice. Proventia or its customers shall be entitled to inspect all facilities

of the Supplier, the Product(s) and the production thereof, including the quality assurance system, at the premises of the Supplier or of the Supplier's subcontractor. At Proventia's request, the Supplier shall furnish a certificate for delivered Product(s) stating that the Product(s) conform to the requirements mentioned above.

## **10. WARRANTY AND FAULTY PRODUCT(S)**

**10.1.** Upon delivery of the Product(s) or within a reasonable period thereafter, Proventia may verify whether the Product(s) comply with the ordered quantity and type and whether there is any apparent damage resulting from their transport or any other visible defect. The Supplier acknowledges and approves those Proventia's incoming inspection of Product(s) shall not limit the Supplier's liability or Proventia's rights in any way.

**10.2.** The Supplier hereby warrants all Product(s) to be free of defects in design, materials and workmanship for a period of twelve (12) months from the date of delivery to Proventia. The warranty provided by the Supplier to Proventia shall include that the Product(s) supplied shall: (i) be new, unused, in good working condition, merchantable and free from all defects, including but not limited to, defects arising out of design, materials, packaging and/or workmanship; (ii) be of the highest quality and fit for the purpose for which they are intended, and in this respect Proventia relies on the Supplier's skill and judgment; (iii) strictly conform to their description and the applicable the specification(s), the samples approved by Proventia (if any) and the quality requirements or any other requirements stated in these general terms or the PO or issued by Proventia, or its customer, in writing (including email); (iv) comply with all applicable statutory and regulatory requirements including relating to the manufacture, labelling, packaging, storage, handling, carriage and delivery of the Product(s), including requirements for hazardous Product(s).

**10.3.** If Proventia, or its customer, finds any Product(s) not to meet the warranties given by the Supplier, Proventia may at its sole option and upon notice to the Supplier: (i) require Supplier to supply replacement Product(s) to fully satisfy the given warranties at the Supplier's sole risk and expense within such period of time as Proventia may specify; (ii) require the Supplier to reimburse to Proventia the price of all Product(s) not meeting the warranties given by the Supplier; (iii) require the Supplier to repair the Product(s) at the Supplier's sole risk and expense within such period of time as Proventia may specify; (iv) repair the Product(s) or cause the Product(s) to be repaired by any third party at the Supplier's sole risk and expense within such time period as Proventia may specify.

**10.4.** The Supplier shall compensate Proventia for any loss or damage arising out of or relating to a defective part or Product(s) including but not limited to costs (including reasonable attorney's and expert's fees) for any field actions, labor, replacement, assembly and disassembly, detection and analyze, scrapping and transportation to Proventia and/or its end-users.

**10.5.** Proventia shall be entitled to full compensation for any and all losses, damage, costs, expenses and other similar amounts suffered or incurred. The foregoing warranties and remedies are in addition to all other warranties and remedies at law or in equity that Proventia may have and shall not be considered exclusive. All warranties shall run from Supplier's possible subcontractors or sub-suppliers to Proventia and its direct and indirect customers.

## **11. INTELLECTUAL PROPERTY RIGHTS AND PROVENTIA MATERIALS**

**11.1.** The Supplier understands that the Supplier is not the exclusive supplier of the Product(s) to Proventia.

**11.2.** Proventia shall obtain and have the exclusive rights in all aspects (including but not limited to all intellectual property rights



with the rights to amend and assign) to any and all Proventia customized Product(s) and to their specification(s).

**11.3.** Proventia shall have the exclusive rights in all aspects (including but not limited to all intellectual property rights with the rights to amend and assign) to any tooling, and any drawings and other documentation or specification(s) relating to the tooling, when such tooling is designed, produced, and/or procured for the manufacturing of Proventia customized Product(s). Proventia shall have the exclusive rights in all aspects to all drawings and documentation for Product(s) that are specifically made or designed for Proventia, or that Proventia has paid for.

**11.4.** The Supplier hereby grants to Proventia a non-exclusive, perpetual, royalty-free, sub- licensable and transferable (only together with the Products) license to use the Supplier's (and its licensors' if applicable) software necessary for the installation, maintenance and operation of the Products.

**11.5.** The Supplier agrees to indemnify Proventia against and to hold Proventia harmless from any and all claims, suits, actions or demands asserted against Proventia or asserted against any of Proventia's direct or indirect customers, and against all liabilities, costs and expenses incurred by Proventia in connection therewith (including but not limited to attorneys' fees) arising directly or indirectly from any claim by third parties of infringement of any patent, right of patent, trademarks, copyrights or designs or other industrial and/or intellectual property right which may be attributable to incorporation by Proventia of any Product(s) to any Proventia's products or any products sold or otherwise used by Proventia or any of Proventia's direct or indirect customers or which may be attributable to the use of sale of Product(s) by Proventia or by any of Proventia's direct or indirect customers.

**11.6.** The Supplier shall hold all materials, equipment, tools, drawings, specifications and data supplied by Proventia to the Supplier ("Proventia Materials") in safe custody at its own risk, maintain the Proventia Materials in good condition until returned to Proventia (which the Supplier shall do on the written instruction of Proventia) and not dispose of or use the Proventia Materials other than in accordance with Proventia's written instructions or authorization.

**11.7.** The Supplier acknowledges that the Proventia Materials are the exclusive property of Proventia.

## **12. INSURANCE**

The Supplier shall at all times maintain in force, and upon request give evidence of fully adequate and comprehensive insurance policy and coverage.

## **13. PRODUCT LIABILITY AND SPARE PARTS**

**13.1.** The Supplier agrees to indemnify Proventia against and hold Proventia harmless from any and all consequences of any and all claims, suits, actions or demands asserted against Proventia directly or indirectly from any product liability claim made by third persons, which claims, suits, actions or demands are attributable to Product(s).

**13.2.** The Supplier shall at commercially reasonable prices, supply Product(s) to such an extent that Proventia can offer its customers spare parts for fifteen (15) years after Proventia's purchases of the Product(s) for serial production from the Supplier have ceased. Should Proventia require supply of Product(s) longer than the said fifteen (15) years, the Parties shall agree on an all time buy, at commercially reasonable prices.

## **14. EXPORT RESTRICTIONS**

**14.1.** The Supplier is responsible for any export or import licenses and permits unless otherwise agreed between the Parties.

**14.2.** The Supplier shall not supply import or export the Product(s) contrary to: (a) United Nations, European Community, United States, or other sanctions; or (b) International Traffic in Arms Regulations; or (c) Export Administration Regulations; or (d) UK Strategic Export Control Lists; or (e) other applicable export or import restrictions.

## **15. CONFIDENTIALITY**

**15.1.** Each Party shall keep confidential any technical, commercial, business related, financial or company information received in connection with this business relationship from the other Party. Each Party shall use its best efforts to protect all such information from improper, unauthorized, negligent, or other inadvertent transfer to any third party.

**15.2.** All drawings and technical documents or tooling needed for manufacturing the Product(s) or any part of them, which have been disclosed by Proventia to the Supplier prior, during, and after this business relationship, remain the property of Proventia (except as otherwise provided in Section 11 Industrial and Intellectual Property Rights) and/or unless otherwise agreed between the Parties in writing. The Supplier is not allowed without Proventia's consent to use, copy, reproduce, hand over or in any other way give information about them to a third party.

**15.3.** The Parties may have entered into a separate confidentiality or non-disclosure agreement pertaining to the transactions contemplated by this Agreement. If a non-disclosure agreement exists, the terms of such agreement shall supersede.

## **16. ASSIGNMENTS**

Neither Party shall have the right to assign its rights or obligations under this agreement without the prior written consent of the other Party. However, Proventia retains the right to assign its rights and/or obligations in whole or in part to a company belonging to Proventia Group.

## **17. APPLICABLE LAW AND DISPUTES**

This agreement shall be governed by the laws of Finland excluding its choice of law provisions. Disputes arising from this agreement shall finally be settled by arbitration in accordance with the Arbitration Rules of the Finnish Central Chamber of Commerce. The arbitration proceedings shall take place in Helsinki, Finland in the English language.