

# PATRIA'S GENERAL TERMS OF SUPPLY 2019

## APPLICATION OF GENERAL TERMS OF SUPPLY

1. These General Terms of Supply shall apply to orders and order agreements (hereinafter "Order") pertaining to goods, labour or services (hereinafter jointly referred to as "Product") of Patria Oyj and all other companies belonging to the same Group (hereinafter "Patria" or "Patria Company"). Unless otherwise agreed in writing, no other terms of agreement shall be applied to an Order. Any changes to these General Terms of Supply shall be agreed upon in writing between the Parties.

## PRODUCTS AND PRODUCT INFORMATION

2. All terms and information contained in the Parties' product documentation and price lists are binding solely to the extent that they are expressly referred to in the Order concluded on the basis of the order documents.
3. Patria's ownership includes all intellectual property rights (including the right to modify and redistribute) to the Product insofar as the Product is based on (i) the specifications Patria has provided to the Supplier or (ii) product development the Supplier has carried out for Patria.
4. By the time of delivery at the latest, the Supplier shall provide, without separate compensation, the documents Patria needs for the assembly, implementation, use and maintenance of the Product.
5. The Supplier declares that the Product and all the components used therein are new and original. If there is reason to suspect that some components are unapproved, counterfeit, non-compliant with requirements or if the origin of components cannot be determined, such components must not be included in the Product.
6. If the Supplier becomes aware of a risk that the product is about to become obsolete or that the manufacturing of the product is about to be discontinued, the Supplier undertakes to notify Patria of this, and Patria is in this case entitled to make last time buy to cover Patria's needs until Patria is reasonably able to start purchasing a replacement product.
7. If the Supplier discovers that there is reason to suspect that the product delivered to Patria by the Supplier has a defect (e.g. a defective component or wrong material), the Supplier shall immediately notify Patria of its above-mentioned suspicion. This obligation shall remain in force after the end of the warranty period.
8. The Supplier undertakes to comply with the supplier requirements provided to the Supplier by Patria.

## CONFIDENTIALITY

9. All information and material supplied by Patria to the Supplier (hereinafter "Confidential Information") shall be confidential and the property of Patria, excluding Confidential information proven to have been public knowledge or information published by a third party without any breach of contract against the Parties.
10. Without Patria's prior written consent, the Supplier has no right to use the Confidential Information it receives from Patria for any purpose other than that for which the Confidential Information was originally delivered. Without Patria's consent, Confidential Information may not be copied, reproduced, forwarded or communicated to third parties.
11. The Supplier is required to destroy the Confidential Information disclosed by Patria to the Supplier (i) if so requested by Patria or (ii) in any event no later than when the information is no longer necessary in view of complying with the Order.

## PRODUCT INSPECTION

12. The Supplier shall bear all costs incurred due to acceptance tests. Patria is responsible for the costs of the Patria representatives it has sent to an acceptance test.
13. The Supplier is obliged to inspect the Product prior to delivery to ensure that the Product is free of defects and complies with the terms of the Order. Unless otherwise agreed, the inspection shall be conducted observing the due care and attention prevalent in the Supplier's industry and comply by the regulations and recommendations of the industry. Patria and Patria's customer have the right to participate in the inspection if they so desire. The Supplier shall notify Patria well in advance of the time of inspection and related technical tests, if any.

14. The Supplier shall grant Patria and its customers access to the Supplier's production facilities and the right to inspect the Products and to audit the Supplier's production facilities, equipment and methods used to design, manufacture, produce, package, store and handle the products. The Supplier shall take all action necessary to remedy any deficiencies detected during the inspection. However, the Supplier alone shall be liable for the quality control of the Products.
15. The Supplier shall bear all costs incurred by Patria because of the rejection of a delivery, and Patria has the right to return all rejected Products to the Supplier at the Supplier's expense.

## TERM OF DELIVERY

16. Unless otherwise agreed, the term of delivery is DAP at the site of the appropriate Patria Company (Incoterms 2010). The designated place and time of delivery shall be defined in the Order.
17. The Products shall be packaged and marked in accordance with Patria's instructions and in a manner that protects the Products from damage during transportation.

## DELIVERY TIME AND DELAYED DELIVERY

18. If the delay in delivery is due to force majeure, the time of delivery shall be extended by a period regarded as reasonable.
19. If the Product is not delivered at the agreed time of delivery, Patria is entitled to claim liquidated damages from the date on which the delivery should have taken place. The amount of liquidated damages shall be 2.0% of the total price of the Order for each commencing week of delay. The liquidated damages shall not exceed 20% of the total price of the Order. The liquidated damages shall be paid if Patria so requires, and Patria has the right to deduct the liquidated damages from the Supplier's invoice.
20. In the event of a delay of more than 10 weeks, Patria is entitled, in addition to liquidated damages, to terminate the Order.
21. Patria has the right to terminate the Order already in advance, if circumstances clearly indicate that the Product delivery will be substantially delayed.
22. Should the Supplier's delivery be delayed, Patria is entitled, in addition to the liquidated damages, to receive compensation from the Supplier for all such damage exceeding the liquidated damages that result from the delay or the failure to deliver.
23. If Patria fails to accept the delivery of the Product at the agreed delivery time, Patria has the right to inform the Supplier of a later delivery time at which the Product can be accepted. In such a case, the Supplier shall arrange the storage of the Product at the risk and expense of Patria. Should Patria so require, the Supplier shall also insure the Product at Patria's expense.

## TERMS OF PAYMENT

24. The Supplier is entitled to invoice Patria after the Product has been delivered. At Patria's request, the Supplier shall send such electronic invoices to Patria that are suitable for Patria's system. Upon having inspected and accepted the delivery, Patria shall pay the invoice. Payment is due 60 days net from the date of receiving the invoice.
25. Payment shall be deemed effected when Patria has issued a payment order to a financial institution.
26. In case of delayed payment, the Supplier is entitled to interest on overdue payments. The interest on overdue payments is as specified by the Finnish Interest Act in force at the time in question.
27. The price quoted in the Order includes packing, invoicing, delivery, office service expenses and other corresponding expenses, and the Supplier has no right to add any additional costs not specifically mentioned in the Order in conjunction with the delivery and invoicing under the Order.

## TRANSFER OF TITLE AND RISK

28. Liability for risk to the Product ordered under the Order shall transfer to Patria in compliance with the terms of delivery. Title to the Product shall transfer to Patria in conjunction with the liability for risk.

## WARRANTY AND LIABILITY FOR PRODUCT DEFECTS

29. The Supplier guarantees that the Products are free from defects, in compliance with the requirements and fit for the purpose for which they are normally used and for Patria's use of which the Supplier is aware. Furthermore, the Supplier confirms that the Product conforms to all applicable legislation and other regulations in force at the time of delivery. The Supplier agrees to repair or replace any Product in breach of these terms at its own cost within the warranty period of the Product if Patria so requests.
30. The Supplier's warranty shall end 12 months from the Product's implementation, however at the latest within 24 months of the accepted delivery of the Product. The warranty period for a repaired or replaced component shall end 12 months from the accepted delivery of the repaired Product. With respect to other product components, the warranty period shall be extended for a period corresponding to the time during which the Product was out of use as a result of the defect.
31. The Supplier shall remedy any defects without undue delay and at its own cost. Such repairs shall be carried out at the place where the Product is located, unless Patria deems it appropriate that the defective Product or its component be returned to the Supplier for repair or replacement. The Supplier has the right to replace the Product with a new one, if it so desires.
32. The Supplier shall bear any costs that Patria incurs for the disconnection and re-assembly of the Product. Transportation of the Product or its components to and from the Supplier shall be at the risk and expense of the Supplier. Patria shall follow the Supplier's instructions regarding transport and packaging required for delivery.
33. Patria may notify the Supplier in writing of a time period during which the Supplier shall remedy the defect. If the Supplier fails to fulfil its obligations within the stipulated time period, Patria is entitled to undertake or employ a third party to undertake the necessary remedial work at the Supplier's expense. Patria shall have this right, even without notifying the Supplier of a time period, if it is clear from the outset that the Supplier will be unable to perform its contractual obligations.
34. If the defect has not been remedied,
  - a) Patria is entitled to a reduction in the purchase price in proportion to the reduced value of the Product, or
  - b) where the defect is regarded as substantial, Patria is entitled to terminate the Order. Patria is also entitled to full compensation for the damage caused by the defect.
35. The Supplier is liable for all direct and indirect damage to Patria due to any breach of the Order or due to defects discovered in the Product.
36. The Supplier is not liable for any defects due to the materials provided by Patria or a design provided by Patria.
37. The Supplier is liable for any defect or delay caused by its subcontractors as it would be for any such defects or delays caused by the Supplier itself.

## LIABILITY FOR DAMAGE CAUSED BY THE PRODUCT

38. The Supplier shall have valid product liability insurance.
39. The Supplier is liable for all damage caused by the Product, when appropriately used, to Patria's or a third party's property, a Patria employee or a third party.
40. The Supplier is liable for ensuring that the Products it delivers do not infringe any third party's patent, copyright or other intellectual property rights. Should Patria be subject to any claims relating to a breach of third party's intellectual property rights, the Supplier shall be liable to answer such claims on Patria's behalf and at the Supplier's own expense. The Supplier is responsible for ensuring that intellectual property rights claims or obligations related to the Product will not cause Patria any legal expenses, damages or other expenses to be paid to third parties or any other liabilities in relation to third parties.
41. Should the Parties or a legally valid judgement find that use of the Product infringes the intellectual property rights of a third party, the Supplier shall, at its own expense, procure Patria the right to continue using the Product in accordance with the Order. Alternatively, the Supplier shall deliver a replacement product, including installations, free of charge, or change the Product to such an extent that its use no longer infringes any third party rights. If none of these options can be implemented, Patria has the right to cancel the Order. However, the Supplier is not liable to Patria and Patria has no right to cancel the Order, if the violation claim is solely due to

abiding by written instructions or plans issued by Patria.

## FORCE MAJEURE

42. Any exceptional, influential event that prevents the fulfilment of the agreement and occurs after the signing of the agreement, that the Parties could not take into consideration at the time of signing of the agreement, that is independent of the Parties and whose obstructive effect cannot be removed without unreasonable, additional costs or unreasonable waste of time shall be deemed force majeure. Such an event can be war, rebellion, civil unrest, requisition or seizure by the authorities for public use, an import or export ban, a natural catastrophe, a disruption of public transport and energy supply, industrial action, fire, or some other significant or unusual reason with similar consequences that is beyond the Parties' control.
43. Any force majeure on the part of the Supplier's subcontractor will not exempt the Supplier from its contractual obligations if another subcontractor can be used without unreasonable cost or waste of time.
44. A Party that cannot fulfil its contractual obligations shall inform the other Party in writing of the impediment forthwith. Both Parties have the right to cancel the Order without liability for damages to the other Party, if a force majeure situation delays the fulfilment of the Order for more than six (6) months.

## ANTICIPATED NON-PERFORMANCE

45. Notwithstanding other provisions in these General Terms of Supply, each Party is entitled to suspend the performance of its obligations under the agreement, when circumstances make it clear that the other Party will be unable to perform its obligations. The Party suspending its performance under the agreement shall forthwith notify the other Party thereof in writing.

## SUPPLIER'S DECLARATION

46. The Supplier agrees to abide by sound business practices and legislation, regulations and other stipulations applicable to the delivery, and to otherwise act in line with acceptable ethical practices. These include antitrust and competition legislation, such as the ban on acquiring confidential information from third parties through inappropriate means and the ban on the illegal use or assignment of third party confidential information, and legislation related to the company's operations, such as legislation related to administration, product security and liability, occupational health and security, labour, environment, human rights, privacy and equal opportunities. The Supplier does not give or receive bribes, nor participate, contribute or accept any activity related to bribes or corruption. In addition, the Supplier shall, at a minimum, comply with corresponding principles as set out in Patria's Ethical Code of Conduct, including but not limited to its anti-corruption principles.

## DISPUTES AND APPLICABLE LAW

47. Procurements under these General Terms of Supply shall be governed by Finnish legislation, with the exception of its regulations pertaining to conflict of laws. Disputes that cannot be reconciled by negotiation between the Parties shall be settled by arbitration in accordance with the arbitration rules of the Central Chamber of Commerce. The venue for the arbitration proceedings is Helsinki. Alternatively, Patria may also always bring action against the Supplier at the District Court of the domicile of the Patria Company concerned or the domicile of the Supplier.

## OTHER TERMS AND CONDITIONS

48. The Supplier warrants that the Supplier's operations and products meet the requirements of the data protection legislation valid at any given time, including built-in data protection by default. If the Supplier receives Patria-related personal data for processing, the Supplier undertakes to comply with all the rules referred to in Article 28 of the EU General Data Protection Regulation and to conclude a separate data protection agreement in this regard.
49. Neither Party has the right to transfer the Orders referred to in these terms or any rights related to them to a third party unless otherwise agreed in writing.
50. The Supplier has no right to use Patria as a reference without Patria's consent.
51. These General Terms of Supply will enter into force on 14 May 2019 and remain valid indefinitely.