

Sarlin's General Terms of Procurement

This document is created for suppliers delivering goods and services ("Goods or Services") to Sarlin Oy Ab ("Buyer"). The document is made to clarify Sarlin's requirements for suppliers ("Seller"), to improve their understanding of the requirements and how to implement them in daily operations to fulfill contractual obligations. These General Terms shall apply unless specifically otherwise agreed in writing by the Buyer and the Seller. Buyer and Seller hereinafter referred also as Party and together Parties.

Order is considered to be in force once the Buyer has accepted the Seller's offer with a written Purchase Order, the Seller has accepted the order in writing, or if the Seller has commenced the actual fulfilment of the Purchase Order, whichever occurs first.

After receiving the written Purchase Order from Buyer, the Seller must provide a written Order Confirmation to the Buyer within seven (7) days of receiving the order. Possible delays in Order Confirmation must not affect the delivery date of Order that is made according to the Quotation.

If the Parties have agreed on a period during which delivery of the Goods or Services will occur rather than a precise delivery date, the delivery time is considered to begin once the Seller has received Buyers written Purchase Order.

Delivery Terms

The Seller shall deliver the Goods or Services under DAP (Delivered at Place) terms as per Incoterms 2020.

The Goods or Services will be delivered to the Buyer's designated location. The Seller shall ensure delivery on or before agreed delivery date. Any delays in delivery beyond this date shall be subject to penalties.

Price and Payment Terms

The Buyer agrees to pay the Seller for the Goods or Services within 45 calendar days net from the date of the invoice. The invoice will be issued after the Buyer has received and accepted the Goods or Services at the delivery point.

The Seller agrees that the price quoted will be the full and final price and no additional charges (including for delivery, taxes, duties, or other expenses) will be added to the quoted price unless otherwise agreed in writing by both parties prior to the delivery date.

Delay

In case of delay the Seller shall without delay notify the Buyer of a threatening delay including its reason and expected duration and the status thereof.

In the event that the Seller becomes aware of a potential delay in the delivery of Goods or Services, the Seller shall take all reasonable measures to ensure that the Goods or Services are delivered to the Buyer by the originally agreed-upon delivery date, at no additional cost to the Buyer. Should a delay occur, the Seller shall promptly deliver the Goods or Services to the Buyer via the fastest available means, at no additional cost to the Buyer.

The Seller acknowledges the importance of timely delivery and agrees to the following penalties if the goods are not delivered by the agreed delivery date.

If the Seller fails to deliver the Goods or Services on or before the agreed delivery date, the Buyer shall be entitled to a penalty of 2,5% of the total order value for each commencing week of delay subsequent to the date of late delivery, however, not exceeding 12,5 %. After reaching the maximum penalty, the Buyer has the right to cancel the Purchase Order and seek a refund or claim for damages.

The application of penalties does not limit the Buyer's right to seek any other legal remedies, including claims for consequential losses or damages arising from late delivery.

Subcontracting

The Seller shall not without the prior written approval of the Buyer (which shall not be unreasonably withheld) use subcontractors to perform their obligations under the provisions of the Goods or Services.

Notwithstanding any consent of the Buyer, the Seller shall at all times remain fully liable for the performance of any subcontractors or other third parties as for its own performance.

Limitation of Liability

The Seller is responsible for the quality and features of the Goods or Services as agreed in these General Terms and Purchase Order.

Under no circumstances shall either Party be liable to the other Party for any consequential or indirect damages thereof, including any profit lost, loss of opportunity or sale proceeds, and/or any other similar damages. However, the above-mentioned limitation of liability conditions shall not apply to damage caused by the willfulness or gross negligence of another party.

Warranty

The Seller warrants that all Goods or Services supplied under this agreement shall be free from defects in material, design, and workmanship, and shall conform to the specifications, drawings, and quality standards agreed upon by both parties for a period of **24 months** from the date of commissioning the goods or accepted delivery of services (the Warranty Period). In addition, the Goods or Services must be suitable for the intended purpose or other specific use indicated by the Buyer if the Seller knew or should have known about such purpose. This warranty is applicable to all Goods or Services provided under these terms unless otherwise stated in writing.

Applicable law and dispute resolution

These General Terms have been drawn up in accordance with the Finnish legislation and shall be governed by the rules and principles of Finnish law with the exception of the principles concerning the choice of law. The terms shall be interpreted in accordance with Finnish law.

The Parties shall endeavor to resolve differences based on the Contract or General terms through negotiations. If negotiations do not result in an agreement within thirty (30) days, disagreements, conflicts and complaints will eventually be settled in accordance with the Arbitration Rules of the Central Chamber of Commerce. Arbitration proceedings are conducted in Helsinki in Finnish by one of arbitrator established in accordance with the above rules.