

Purchase Conditions Goods

2016

1 General provisions

1.1 These conditions shall apply to the delivery of Goods when the parties have so agreed. Any additions to or modifications of these conditions shall only be valid to the extent that they have been agreed in writing. Under no circumstances shall the Buyer be bound by any terms or conditions in the order confirmation or other corresponding document sent by the Seller.

1.2 Any trade terms used shall be interpreted in accordance with "Incoterms" published by the International Chamber of Commerce, the relevant edition and supplements (if any) being those which are current at the time when the Contract is made.

1.3 "Goods" shall mean the products which are defined in the Contract and which are delivered to the Buyer by the Seller. The title to and liability for risk for the Goods, or any part thereof, shall pass from the Seller to the Buyer upon delivery of the Goods in accordance with the delivery term specified in the Contract.

1.4 The Seller understands and accepts that by entering into the Contract the Buyer does not commit itself to purchase Goods exclusively from the Seller. The Buyer shall have the right to acquire the Goods from any other supplier or service provider of its choice.

2 Drawings and descriptions

2.1 Drawings, models and technical documents concerning the manufacture of the Goods or any part thereof supplied by one party to the other, shall remain the property of the first-mentioned party. Unless the supplying party agrees —

- (a) the drawings etc. belonging to the Buyer may only be used, copied or reproduced by the Seller for internal use in connection with any offer or delivery to the Buyer, and
- (b) the drawings etc. belonging to the Seller may only be used, copied or reproduced by the Buyer to the extent necessary for checking any delivery or instalment thereof, for erecting or installing the Goods delivered or for their proper utilisation or maintenance (including running repairs) as well as the manufacture of spare parts for the Buyer's own requirements.

2.2 The Seller shall no later than at delivery date supply the Buyer free of charge with technical drawings (in copyable form according to current technology and equivalent transparency) and information, all of which must be so clear and complete as to allow the Buyer to carry out the erection, installation, commissioning, operation and maintenance of all parts of the Goods, including running repairs and the manufacture of spare parts for the Buyer's own requirements.

2.3 Parts lists attached to or included in technical drawings shall as applicable identify proprietary or standard commercial designations of components.

3 Raw materials, etc. supplied by the Buyer

3.1 If the Buyer supplies raw materials, semimanufactures, tools, measuring equipment, models etc., the Seller shall give the Buyer an acknowledgement of receipt immediately upon receiving the same. Anything supplied as aforesaid shall, unless stored separately, be identified as the property of the Buyer by means of marks, signs or similar notices. It shall be subject to reasonable supervision and care until a final account has been rendered.

4 Packing and transport instructions

4.1 The Seller shall pack the Goods as necessary having regard to the agreed mode of transport. In all other respects the Seller shall follow any instructions given by the Buyer concerning the dispatch, packing, marking, etc. of the Goods.

5 Control and inspections

5.1 The Seller is responsible for and shall pay the costs of the necessary production control in accordance with the Contract and the principles generally observed in the trade concerned.

5.2 The Buyer shall, subject to prior notice to the Seller, have right to perform tests and inspections of the production and quality control process on the premises where the Goods are made. When allocating the production or any part thereof to a subcontractor, the Seller shall stipulate for the Buyer to be given

rights in relation to the subcontractor corresponding to the rights mentioned above.

Control tests or inspections as aforesaid shall in no way prejudice limitation of the Seller's responsibility.

6 Time for delivery; Delay in delivery

6.1 Unless otherwise stated in the Contract, any time mentioned therein shall be calculated as from the date when the Agreement was made.

Any changes in or additions to the agreed design shall only give rise to a right to postpone delivery where the parties have so agreed in writing.

6.2 Any delay in supplying drawings, models or technical documents needed by the buyer for erection, installation or any other purpose mentioned in clause 2.2, shall be deemed to amount to a delay in delivery of the Goods.

6.3 If the Seller finds that he will be unable to keep the agreed time for delivery, or if a delay seems probable, he shall promptly notify the Buyer accordingly in writing, stating the reason for the delay and the estimated time delivery can be made. But such notice shall not relieve the Seller of any liability in respect of the delay.

6.4 "Delay in delivery" means failure to make delivery (or partial delivery) on time, provided that such failure is not due to any act or omission on the part of the Buyer and that the Seller is not entitled to relief in accordance with the rules in section 13 on **force majeure**.

6.5 The Buyer shall be entitled to liquidated damages where a delay in delivery occurs. In respect of each week, or fraction thereof, that the delay endures, the damages shall amount to two (2) percent of the Contract value. If deliveries are made based on separate orders under a framework agreement, the damages shall amount to two (2) percent of the value of the delayed order in respect of each week or fraction thereof, that the delay endures.

In case of cancellation on account of the delay, liquidated damages pursuant to the preceding paragraph shall be payable up to termination.

6.6 If the delay in delivery is significant or it is highly probable that it will be significant or if delivery is delayed by more than two (2) months, the Buyer shall be entitled to cancel the Contract in respect of delayed delivery in whole or in part. Delay is deemed as being significant where delay causes the activities for which the Goods were intended to be interrupted and where such interruption results in significant inconvenience or loss to the Buyer. Where the Goods are to be delivered by instalments which are so connected as to create inconvenience for the Buyer to remain bound by the order in part only, then the Buyer may cancel the Contract in its entirety.

6.7 With regard to cancellation and unliquidated damages reference is made also to section 14.

7 Public provisions

7.1 If not otherwise stated in the contract, the Goods shall be manufactured and marked and be accompanied by the prescribed documents so as to accord with those EU enactments and statutory orders and those binding rules and regulations made by public authorities which are in force or have been adopted at the time when the Contract is made.

8 Guarantee; defective goods

8.1 The Goods shall, with respect to specifications, design, performance, quantity, quality, other properties and packaging be in conformity with the stipulations of the Contract and otherwise possess such characteristics as the Buyer could reasonably expect on the basis of law and generally recognized industry standards.

Any deviation from the standards indicated above constitutes a "defect" in the Goods.

When the parties have agreed to carry out special performance testing, the provisions set out in section 9 shall be applied in addition to this section 8.

Guarantee period

8.2 Unless otherwise stated in the Contract and with the exceptions stated below, the Seller shall only be liable for

defects appearing within two (2) years from the date of delivery, or where the Goods are delivered for inclusion in a certain project from the commissioning of the project, unless he has acted dishonestly or in bad faith.

Any items expected to wear out before the expiry of the guarantee period ("wearing parts") shall be enumerated in a list appended to the Contract and specifying the normal life expectancy of such items.

If the Goods, or any part thereof, have been unavailable for use on account of a defect, the guarantee period shall be extended by the duration of such unavailability. Any part which has been repaired or replaced is covered by a new original guarantee period. During this period, the Seller shall also be responsible for any defects arising in conjunction with repairs to the Goods or part thereof.

Excluded defects

8.3 The Seller shall not be deemed as being liable if a defect is due to any of the following factors:

- (a) Any shortcoming in a structure specified, material supplied or work done by the Buyer where the Seller has immediately, as soon as such shortcoming could reasonably have been noticed (e.g. by studying any drawing or technical document supplied), notified the Buyer thereof in writing.;
- (b) The Buyer has erected, installed, used, stored, repaired or otherwise handled the Goods contrary to the Seller's reasonable instructions or in an obviously incorrect manner;
- (c) The Goods have been altered contrary to the provisions of the Contract and without the Seller's written consent; or
- (d) The Goods have undergone normal wear or normal deterioration.

Notice of complaint

8.4 Where the Buyer wishes to refer to a defect in the Goods, he shall, without undue delay, notify the Seller in writing of the defect.

Remedies

8.5 In the event of a defect, the Seller is bound at his own expense to remedy the defect.

8.6 If the Seller fails to remedy a defect promptly, the Buyer shall be entitled to fix a short but reasonable period of respite within which the Seller must remedy the defect. If the Seller fails to do so, the Buyer may either have the defect remedied at the risk and expense of the Seller or make such reduction of the price as corresponds with the defect or require a refund equivalent to the purchase price. Should, notwithstanding remedy of the defect, the Goods not be in conformity with the requirements of 8.1 above, the Buyer shall be entitled to demand a reduction in the value of the Goods. If the defect is substantial, the Buyer may, if he so prefers, instead cancel the Contract and/or claim unliquidated damages.

8.7 With regard to cancellation and unliquidated damages, reference is made also to section 14.

Short delivery

8.8 The provisions above in section 8 shall apply correspondingly where on delivery the quantity is short or a part is missing.

9 Specified performance requirements; Deviations therefrom

9.1 If the parties have agreed to carry out a special test ("performance test") of the performance requirements specified in the Contract (such as capacity, energy consumption, or reliability), then the provisions of this section shall apply. A performance test results shall only be approved if it shows that all contractual performance requirements are simultaneously attained.

9.2 In the event that there shall be established at performance testing any deviations from the contractual performance requirements, then the Seller shall without delay and at his own expense remedy such deviations in compliance with the provisions of section 8 applying to defects in the Goods.

9.3 If the parties have agreed that liquidated damages are to be payable in the event deviations are established at

performance testing, then such liquidated damages shall not in the aggregate exceed 10 per cent of the Contract value ("maximum liquidated damages") unless otherwise agreed.

9.4 If the values observed in the course of the performance test are such as to give rise to maximum liquidated damages, the Buyer may cancel the Contract.

9.5 As regards cancellation and unliquidated damages reference is made to section 14.

10 Patents and other intellectual property rights.

10.1 The title and all rights and interest to patent, trademark or similar intellectual property rights as well as all technical data and other information and material of the Buyer, as well as any inventions and intellectual property rights developed on the basis of such information or material, shall be the sole and exclusive property of the Buyer. The Seller shall not have the right to utilize the intellectual property rights of the Buyer without the Buyer's explicit written consent and not for any other purpose than the delivery of Goods in accordance with the Contract. Any violation of this clause by the Seller shall be regarded as substantial breach of the Contract.

10.2 The Seller hereby warrants that the Buyer will be able to use and sell the Goods without infringing any patent, trade mark or similar intellectual property right, even when the Buyer has himself suggested the use of a particular design. If the Seller shall be in breach of this warranty, he shall be fully liable to Buyer, without the limitation set out in the first paragraph of clause 14.4, for any loss or damage resulting from such breach. The Buyer shall be entitled to cancel the Contract if such breach is of material importance to the buyer and is not promptly remedied by the Seller.

10.3 Should the Contract include development of the Goods for the Buyer, the title and all rights and interest to inventions and intellectual property rights arising out of the development of Goods shall vest in, and shall be the sole and exclusive property of, the Buyer. The Seller shall take all necessary measures in order to ensure the vesting in or transfer of such rights to the Buyer.

10.4 The rights and responsibilities of the above clause shall remain in force after the termination, cancellation or expiry of the Contract.

11 Price, etc.; Default in payment

11.1 Prices are stated inclusive of packing but exclusive of value added tax.

11.2 Unless otherwise agreed in writing, prices are fixed and shall not be varied, e.g. by escalation or on account of currency fluctuations. Where a variable price has been agreed, late or early delivery shall not by the application of any price clause result in a higher final price than the one due if delivery had been made on time.

11.3 Any change or addition to the agreed design shall only give rise to a right to a revision of the price where a written Agreement has been reached to that effect.

11.4 The Seller shall provide security if the payment of an advance has been agreed. In this case and when the parties have otherwise agreed on security, the latter shall take the form of a guarantee by a bank acceptable to the Buyer or some other equivalent security.

11.5 Payment shall be made against invoice. The Seller has the right to invoice the Goods after the Goods have been delivered according to the agreed delivery term. Unless otherwise agreed, the term for payment shall be 60 days, calculated from the day the invoice was received.

11.6 If the Buyer defaults on any invoice charged in accordance with the Contract, the Seller shall be entitled to interest on late payment at the rate prescribed by law.

11.7 In the event of any dispute between the Parties relating to a specific delivery the Buyer shall have the right to withhold payment of the contested part of the Seller's invoice until the dispute has been settled. In such event the Seller shall not be entitled to charge interest for the postponement period of the payment provided that the Buyer's claim is found justified.

12 Insolvency of a party

12.1 If either party shall cease generally to pay its debts or there is otherwise reasonable cause to suspect that it is insolvent and if it fails, at the request of the other party, to provide, within a reasonable time, an acceptable guarantee by a bank or some other reasonably security for the performance of the Contract, the other party shall be entitled to cancel the Contract.

13 Force majeure

13.1 Any of the following events shall be regarded as an event of force majeure if such intervenes after the Contract is entered into, or prior thereto if the consequences thereof were not then foreseeable, and if thereby any act in the performance

of the Contract is prevented or rendered unreasonably burdensome to the affected party, namely: strikes, lockouts or other forms of industrial action as well as occurrences beyond the control of the parties, such as natural catastrophes, fire, war, mobilization, military call-ups on a scale comparable to mobilization, requisitioning, embargoes, currency restrictions, insurrection, riots, power restrictions and other similar events that a contracting party could not have taken into account beforehand and the ensuing harm from which cannot reasonably be removed or in case deliveries from subcontractors are defective or delayed due to any such event.

The party directly affected by the **force majeure** shall promptly give the other party written notice thereof.

The party directly affected by the **force majeure** shall be relieved from the duty to do the act referred to in the first paragraph until the time when the act again becomes reasonably possible. But if the party has failed promptly to give written notice pursuant to the second paragraph, he shall only be relieved from the time when notice is in fact given.

13.2 When the **force majeure** has come to an end, the other party shall be notified thereof and also, if possible, be informed when any postponed act will be done.

13.3 Where a party is relieved from performing the Contract on account of **force majeure** during an extended period (whose length shall depend on the circumstances, but normally not be less than three months) and it may be assumed that the Contract cannot without substantial inconvenience to either or both parties be performed later, then a party with regards to whom such assumption may be made shall be entitled to cancel the Contract.

14 Provisions common to certain remedies

14.1 Cancellation according to these conditions shall be effected by means of a written notice to the other party.

14.2 In case the Contract is cancelled pursuant to these conditions any and all acts made prior to cancellation in performance of the Contract shall be reversed and returned to the performing party. The Buyer shall, however, be entitled and obliged to retain Goods already supplied to the extent such is free from defects and is capable of being used by the Buyer without significant modifications. For Goods so retained, the Seller shall be credited a reasonable amount determined under due consideration of the Contract price.

14.3 Should the Contract be dissolved for reasons due to the Seller, the Buyer shall be entitled to compensation for any ensuing damages in accordance with Section 14.3. Unliquidated damages shall be determined in accordance with the applicable law, but shall always include the costs, including manufacture, transportation, dismantling and installation costs, incurred by the Buyer or a subcontractor thereof in repairing or replacing defective Goods. Damages shall not in the aggregate exceed twice the Contract value. In frame contracts that are valid indefinitely, the total value of purchases between the seller and buyer during the past 12 months shall be construed as the Contract value subject, however, to a minimum of €100,000 or amount equal in other currency. Any liquidated damages already paid on account of the same circumstances shall be deducted from any sum payable by way of unliquidated damages.

14.3. The rights and responsibilities of the paragraph 14 shall remain in force after the termination, cancellation or expiry of the contract.

15 Product liability

15.1 No provision of these purchase conditions is intended to operate as a waiver of or limitation of the Seller's liability for loss of or damage to life or property caused by defects in the Goods. The Seller shall maintain adequate product liability insurance cover and shall, at the request of the buyer, show proof that such insurance is current as at the date of delivery.

15.2 The rights and responsibilities of the above clause shall remain in force after the termination, cancellation or expiry of the Contract.

16 Prevention of damage

16.1 It is incumbent on each party, wherever possible, to take all necessary steps to prevent the occurrence of damage and to mitigate the loss.

17 Compliance with Laws, Safety and SSAB Corporate Social Responsibility Program

17.1 Seller warrants and agrees that all Goods and services furnished shall comply with all applicable federal, provincial, state and local laws and regulations in force at the time of supply and/or performance including, without limitation, with all applicable occupational safety and health and environment laws and regulations.

17.2 Seller shall have complete control and responsibility for the safety and health of its employees and sub-suppliers while engaged in the performance of the Services at Buyer's plants site. Seller shall obtain all necessary permits and/or licenses

and give all necessary notifications for the supply of the Goods and/or performance of services.

17.3 Buyer is a company within the SSAB Group ("SSAB"). The Seller agrees that it will perform the work under any order from SSAB in conformity with SSAB's Supplier Sustainability Policy (available at www.SSAB.com). SSAB actively supports the UN Global Compact's principles and we encourage our suppliers to align with the same principles (available at www.unglobalcompact.org). SSAB, or a third party assigned by SSAB, reserves the right to conduct reviews of our suppliers or on-site audits to ensure compliance with SSAB's Supplier Sustainability Policy. Seller agrees to cooperate in order to facilitate such reviews or audits. SSAB also expects the Seller, within its sphere of influence, to monitor its own suppliers for commitment to environmental and social responsibility.

18 Confidentiality

18.1 The parties shall keep confidential and shall not disclose at any stage to any third parties any confidential information received from the other party or otherwise learned in connection with the Contract or contracts made under the Contract including any arbitral material and award without the prior written consent of the other party. The Seller shall not use confidential information received from Buyer for any other purposes than the fulfilment of its rights and obligations under the Contract or Agreements made under the Contract.

19 Applicable law; Arbitration

19.1 The Contract shall be interpreted and applied according to laws of Finland excluding its choice of law provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG).

19.2 Any dispute, controversy or claim arising out of or in connection with this Contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of Finland Chamber of Commerce. The Rules for Expedited Arbitrations shall apply where the amount in dispute does not exceed €100 000 / amount equal in other currency. Where the amount in dispute exceeds €100 000 / amount equal in other currency the Arbitration Rules shall apply. The amount in dispute includes the claims made in the Request for Arbitration and any counterclaims made in the Answer to the Request for Arbitration. The seat of the arbitration shall be Helsinki, Finland, unless the parties have agreed on some other place.

19.3 Notwithstanding anything above the Parties shall have the right in any competent court of law to:

- i) seek interim orders or injunctions or any other provisional remedies available under the applicable law;
- ii) collect uncontested claims from the other Party; or
- iii) enforce an arbitral award.