

GENERAL SALES CONDITIONS

1. Application

These general sales conditions shall apply unless otherwise agreed by written agreement between the parties. Should the purchaser present in his order a provision which conflicts with the sales conditions of Reka Kumi Oy (Reka Rubber Ltd, hereinafter referred to as RR Ltd) and including all the affiliates of Reka Kumi Oy the conditions of RR Ltd shall prevail even in case RR Ltd fails to object to such provision. By placing an order the purchaser approves these general sales conditions.

2. Offer

Offer shall be valid for a period as stated therein. Unless otherwise stated, the offer shall be valid for thirty (30) days from the date of offer. RR Ltd is entitled to amend the price and the delivery time of the offer should conditions not attributable to RR Ltd so warrant.

3. Order and Agreement

Order placed in accordance with the offer within the validity of offer shall be considered as an agreement between RR Ltd and the purchaser. In case the order is not based on an offer made by RR Ltd it shall become binding upon RR Ltd accepting it. RR Ltd shall send a confirmation of order to the purchaser upon request. RR Ltd shall not be liable for any defective delivery made according to an oral order, unless the purchaser has confirmed the order in writing either prior to the delivery or prior to the commencement of the production.

4. Drawings and Descriptive Documents

Any and all drawings, models and technical documents left at the purchaser's disposal by RR Ltd shall remain the exclusive property of RR Ltd. Correspondingly, any and all drawings, models and technical documents left at RR Ltd's disposal by the purchaser shall remain the exclusive property of the purchaser. Neither party shall be entitled to utilize, copy, give or communicate such documents to a third party without the other party's prior consent thereof.

5. Tools

In case mould, mouthpiece, cutting tool or other special tool is made according to the drawings and the instructions given by RR Ltd, part of the purchase costs shall be borne by the purchaser. Unless otherwise agreed in writing between the parties, RR Ltd shall not be liable for handing over to the purchaser tools designed or acquired by RR Ltd. RR Ltd shall, however, retain, overhaul and insure such tools free of charge. Furthermore, RR Ltd shall not utilize the tools paid by the purchaser for the production of any third party's products without the prior consent of the purchaser. The purchaser shall be liable for costs arising from tools becoming unusable for production due to normal wear and tear. Two (2) years after the latest delivery RR Ltd shall be entitled to destroy the tools upon one (1) month's prior written notice thereof to the purchaser. Should the purchaser wish that the tools be retained after the above two-year-period RR Ltd shall be entitled to compensation for keeping and insuring the tools. In case of cancellation of order or part of it RR Ltd shall be entitled to a compensation corresponding to the sum not yet paid for the tools, also in case it has been agreed upon that the price of the tools be included in the price of the products.

6. Material and tolerances

Material requirements shall be defined in connection with the offer and with the request for offer. RR Ltd guarantees that material in deliveries is in accordance with the specifications agreed upon. Unless otherwise agreed, deflashing level and tolerances shall be as adopted in rubber industry and generally applied by RR Ltd.

7. Parts supplied by the Purchaser

Parts supplied by the purchaser shall be delivered DDP RR Ltd at the time as previously agreed upon. As regards serial products, the number of parts supplied by the purchaser shall exceed the total number of products ordered from RR Ltd by five (5) per cent. The purchaser shall be liable for that the parts delivered are in accordance with measures and the specifications agreed upon. Furthermore, the purchaser shall be liable for the costs caused to RR Ltd by defective parts not fitting into the mould or by parts which are defective in any other way.

8. Quality

RR Ltd guarantees quality and quality control of delivered products according to ISO9001.

9. Samples

Unless otherwise agreed, RR Ltd will deliver samples of the product to the purchaser prior to the commencement of the serial deliveries. The purchaser shall inspect the samples forthwith and inform thereafter RR Ltd of the results of such inspection. In case the purchaser approves the samples without notices RR Ltd will not accept notices of products delivered provided that they conform with the approved samples.

10. Terms of delivery

Delivery terms shall be interpreted according to the current "Incoterms". Unless otherwise agreed, delivery terms is "Ex works". The products shall be delivered according to the instructions given by the purchaser. The products are delivered in appropriate packages, for which the purchaser is normally not charged. However, should the products require special packing, the purchaser will be separately charged for such special packages.

11. Delivery Time and Delay

In case RR Ltd finds that the contractual delivery time cannot be adhered to RR Ltd shall inform the purchaser thereof without delay. If the delay is not due to force majeure –reason and the delay causes considerable disadvantages to the purchaser he is entitled to cancel the order or part of it provided that the delay is more than four (4) weeks. Unless otherwise agreed, RR Ltd shall not be liable to pay penalty or damages in case of delay, nor shall RR Ltd be held responsible for any consequential damage caused to the purchaser.

12. Force Majeure

The following shall be considered as force majeure: industrial disputes, strikes, lock-outs, riots, mobs, fires, floods, wars, embargo, currency restrictions or any other circumstances beyond the control of the parties. The party wishing to claim relief by force majeure shall notify the other party without delay on the intervention and on the cessation of it.

13. Prices

Prices offered do not include value added tax. Unless otherwise agreed, the purchaser is charged for the starting cost of the orders worth less than 1000 euros, produced using a mould. RR Ltd reserves the right to price adjustments in case of changes in production costs not attributable to RR Ltd, such as major changes in prices of raw materials or in exchange rates and the like. RR Ltd shall inform the purchaser of general changes in prices not less than fourteen (14) days prior to the amendment. In case the purchaser does not approve the change he is entitled to cancel the order within seven (7) days after having received the information of the change in price.

14. Number of Products Delivered

Generally a minor surplus of production is required in order that RR Ltd will be able to deliver the accurate number of products without faults. Therefore RR Ltd reserves the right to deviate by $\pm 5\%$ from the number of products agreed on.

15. Payment Terms and Ownership of Products

Payment shall be made according to the conditions set out in the offer. The time of payment shall be thirty (30) days net from the date of the invoice, unless otherwise agreed. The products shall remain the property of RR Ltd until they have been paid for in whole. Should the purchaser fail to fulfil his liability to pay within the time of payment RR Ltd is entitled to cease the further deliveries. In case of overdue payment interest shall be collected for each delayed day according to the interest rate as set out in the invoice.

16. Defective Delivery, Guarantee

The purchaser shall, within eight (8) days after receipt of the delivery, inform RR Ltd of any and all defects in the delivery or in the products that he has noticed or should have noticed. After this period the goods delivered shall be considered as complete and in good condition, and the purchaser is no longer entitled to make a complaint about such defect in the delivery or in the products.

RR Ltd guarantees in full the material and work. Guarantee shall be valid for twelve (12) months from the time of delivery. RR Ltd shall, within guarantee period, at his option either repair or replace the defective products. RR Ltd shall not be liable for any other direct, indirect or consequential damages and losses. In case the product is produced according to specifications given by the purchaser RR Ltd shall be liable for that the structure of the product meets the specifications. RR Ltd shall not, however, be liable for the defects due to material or construction ordered by the purchaser, nor shall he be liable for the product being suitable for the use it is planned for, unless otherwise agreed. RR Ltd shall only be responsible for such damages as arise when the product is correctly used in such conditions as set out in the agreement. RR Ltd shall not be held responsible for damages caused by defective assembly or maintenance performed by the purchaser without the prior written consent of RR Ltd. Furthermore, RR Ltd shall not be held responsible for any wrong repairs made by the purchaser or damages due to use in inappropriate conditions or damages resulting from normal wear and tear. The purchaser shall return the products to be repaired or replaced by RR Ltd to RR Ltd at RR Ltd's cost. RR Ltd shall deliver the replaced products to the original destination at his own cost.

17. Patents and Other Industrial Rights

The purchaser shall be liable for investigating whether the product is protected by a patent or any other restriction such as protection for patterns and designs, and inform RR Ltd thereof. Furthermore, RR Ltd shall be entitled to claim compensation from the purchaser in case of damage caused to RR Ltd due to offence against such restriction.

18. Research and Development

RR Ltd shall, upon request, provide the purchaser with a valuation of the product in connection with the offer. Failing to give such valuation will not, however, make RR Ltd liable to pay damages even in case of defects in the product. In case RR Ltd and the purchaser together do comprehensive research and development work in order to find a solution to specific problem in the rubber technology RR Ltd will do such development work free of charge provided that the possible final product resulting from such development work is ordered from RR Ltd. However, if this does not happen, RR Ltd will charge the purchaser for the development work according to the price rate effective on that date. The purchaser is charged for the direct material and prototype mould costs relating to the development work according to the offer and to the order.

14. Product Liability

RR Ltd shall be liable for damages to property and bodily injures to third parties caused by RR Ltd's products according to current legislation in Finland. Both parties shall have sufficient product recall and product liability insurance covering the products delivered.

15. Arbitration

This agreement shall be governed by the laws of Finland without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Finland to the rights and duties of the Parties. United Nations Convention on Contracts for the International Sale of Goods (CISG) does not apply. Any dispute or claim concerning or relating to this contract, or the breach, termination or validity of the contract, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Conflict Management Institute Association ry/r.f in Helsinki. The language of arbitration shall be English.