

GENERAL PURCHASING CONDITIONS



1. Application

These general purchasing conditions shall apply unless otherwise agreed by written agreement between the parties. Should the seller, in his confirmation of order or in any other way, present a provision which conflicts with the purchasing 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 prevail even in case RR Ltd fails to object to such condition.

2. Drawings and descriptive documents

When the order is based on product drawing or any other description given to the seller by RR Ltd, RR Ltd shall be liable for providing the seller with explicit and unambiguous specifications of demands. The seller, on his part, shall produce articles which shall fully comply with the drawings and specifications. The seller shall not utilize the drawings and other documents or any other knowhow presented by RR Ltd for any other purpose than as agreed between RR Ltd and the seller, nor shall the seller give or communicate them to a third party. Same concerns all agreements between parties.

3. Tooling

Tools given to the seller by RR Ltd or ordered and paid by RR Ltd shall remain the property of RR Ltd. Such tools shall not be utilized or given to a third party without RR Ltd's prior consent. The seller shall be liable for the maintenance of tools. Seller shall pay all damages caused to RR Ltd's tooling. Tooling shall be marked by seller in such a way that ownership of the tools by RR Ltd becomes clearly apparent. Should the co-operation between the seller and RR Ltd come to an end, the seller shall hand over the tools to RR Ltd. The seller shall insure the tools for an amount equivalent to the replacement cost.

4. Material

Material requirements shall always be defined in connection with an offer and with request of an offer. Seller guarantees that material in deliveries complies with the specifications agreed upon. RR Ltd conducts sample tests on the material. In connection with material purchases the seller shall in each delivery provide RR Ltd with a test report of material properties, if not otherwise agreed.

5. Quality

Seller guarantees quality and quality control of delivered products / services according to ISO9001, TS16949 or other requirements agreed upon in writing. RR Ltd conducts receiving inspections and shall be entitled to perform verification of deliverable products at seller's plant. When RR Ltd's order is based on product drawing or other description given to the seller, RR Ltd shall be entitled at any time to supervise the seller's manufacturing process and inspection measures and to take samples or make other necessary examinations. As regards raw material purchases from a new seller RR Ltd is entitled to perform prior the first delivery an assessment of the seller's quality system and other essential matters regarding the deliveries.

6. Samples

When RR Ltd's serial delivery is based on product drawing or other description given to the seller, the seller shall deliver to RR Ltd product samples with records of measurements prior to the commencement of serial production. After having received the samples RR Ltd inspects them as soon as possible and informs the seller about results. When samples are accepted serial deliveries can begin immediately according to the delivery times agreed upon.

7. Terms of delivery

Delivery terms shall be interpreted according to the current "Incoterms". Delivery terms is "FCA" (Free carrier) unless otherwise separately agreed. The products shall be delivered to RR Ltd by a forwarder appointed by RR Ltd. Over- and sub deliveries are not acceptable without RR Ltd's consent. RR Ltd has right to return quantities which have been delivered in excess to the seller at seller's expense. As regards any partial deliveries the seller shall be liable for extra freight and forwarding costs.

8. Packing

Agreed prices include such packing and preservation costs that are necessary in order to prevent damages during transportation considering the means of transport.

9. Delivery time and delay

If the seller finds that the contractual delivery time cannot be adhered to or if delay on his part is likely, he shall inform RR Ltd thereof without delay. Furthermore, the seller shall inform RR Ltd of the reasons for the delay and of the estimated delivery date. Should the seller fail to deliver products within the delivery time agreed upon RR Ltd shall be entitled to liquidate damages of 1, 5% for each full delayed week, however not more than 12%. In addition to this RR Ltd reserves a right to debit the seller such extra costs that a third party debits RR Ltd due to a contract breach that has happened as a consequence of sellers delayed delivery to RR Ltd. RR Ltd is however always bound to immediately inform the seller about this kind of indemnity risk. RR Ltd has no right to liquidated damages in "Force Majeure" -cases.

If the contractual delivery time is delayed for more than four weeks, RR Ltd has right to cancel the order in whole or in part, in case the delay has not been caused by a "Force Majeure" reason.

10. 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 thereof. The seller shall then inform RR Ltd about new possible delivery time.

11. Prices

Prices are firm and without value added tax unless otherwise agreed on. Possible price adjustments shall be informed to the other party not later than three months before change of price unless other practice is agreed on.

12. Payment

Payment shall be made according to the conditions agreed upon between the parties. The time of payment shall be calculated from the date of arrival of the invoice or from the date of delivery, whichever ever comes last. If the delivery term is "Delivered..", the date of payment shall be calculated from the arrival of the products at RR Ltd. If the delivery is rejected in receiving inspection at RR Ltd, the term of payment begins when the seller has remedied defects in delivery or replaced the products with approved products.

13. Defective delivery, guarantee

The seller guarantees in full the design, material and workmanship of products/ services delivered and shall be liable for replacing or adjusting defective products and services. When seller's delivery does not comply with specifications agreed upon, RR Ltd shall notify seller as soon as possible either by using a quality defect report or otherwise in writing. When answering the quality defect report the seller shall in writing report on the cause of defect and on the arrangements made to remove the cause of defect. The defective delivery shall be returned to seller at seller's expense unless otherwise agreed. The seller is responsible for remedying the defects or replacing the defective products with approved ones as soon as possible. If RR Ltd's own delivery commitments prevent the returning of the products to seller, RR Ltd shall be entitled to perform 100% inspection of partially defective delivery or to repair defective products in RR Ltd's plant at sellers expense unless the seller himself is willing to immediately take such measures. RR Ltd is entitled to debit the seller extra freight and other direct costs due to defective delivery. An additional handling cost of EUR 100 can be debited from every defect/reclaim. If defects in quality have not been noticed in normal receiving inspection of RR Ltd, or are of such nature that they could not have been noticed then, and defects cause costs to RR Ltd by a third party as a consequence of defective delivery, RR Ltd shall be entitled to debit the seller extra costs caused by possible re-assembly or recall of the defective products either at RR Ltd's plant or by a third party, if the third party debits conducts these

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activities and debits RR Ltd of such costs. Guarantee shall be valid for 24 months from the date of delivery. In case of raw materials and other products which are included in RR Ltd:s own products unamended and are based on RR Ltd's product drawings and other descriptions, the guarantee period begins on the date when the final product is delivered to the final customer. Seller's guarantee doesn't include defects that are caused by material or construction determined by RR Ltd.

14. Product liability

The seller shall be liable for cost of product recall, damages to property and personal injuries to third parties caused by seller's products according to current legislation in Finland or in country where damage is discovered and handled. If threat of product liability damage causes recall operation and third party debits such costs from RR Ltd, RR Ltd has right to debit paid costs from the seller. Both parties shall have sufficient product recall and product liability insurance covering the products delivered

15. Subcontracting

Purchases according to these conditions shall not be assigned or subcontracted in whole or part by the seller without RR Ltd's prior written consent.

16. Disputes

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.