

Peikko Group Corporation:

General Terms and Conditions of Purchase of Goods and Services



1. Applicability

These general terms and conditions of purchase ("General Terms and Conditions") shall be applied to purchase of Goods and/or Services by the Buyer from the Supplier.

Definitions:

"Agreement" means an agreement between the Buyer and the Supplier for the purchase of the Goods and/or Services by the Buyer from the Supplier. These General Terms and Conditions are an integral part of the Agreement.

"Buyer" means Peikko Group Corporation a Finnish company (Business ID 0641926-7) or any subsidiary or other affiliated company of Peikko Group Corporation, as specified in the Agreement.

"Goods" means the goods sold by the Supplier to the Buyer under the Agreement.

"in writing" includes letter, email, and comparable means of communication.

"Party" means either the Supplier or the Buyer and "Parties" refers to them collectively.

"Services" means the services provided by the Supplier to the Buyer under the Agreement, including all results generated during or resulting from the provision of the Services.

"Supplier" means a company or person that supplies Goods and/or Services, as specified in the Agreement.

These General Terms and Conditions shall be applied to all Agreements between the Parties including all future Agreements even if the Parties will not expressly agree on application of these General Terms and Conditions.

No variation to these General Terms and Conditions shall be binding unless agreed in writing between the authorized representatives of the Parties.

In case and to the extent of conflicts between the body of the Agreement (such as a signed purchase agreement or the Buyer's purchase order, or the Supplier's quotation accepted by the Buyer) and these General Terms and conditions, such body of the Agreement prevails.

2. Basis of purchases

The Buyer may order Goods and/or Services in the manner agreed by the Parties.

Any modifications of or comments to the Buyer's purchase order by the Supplier are binding only if accepted by the Buyer in writing.

If the Supplier does not reject the Buyer's purchase order within fourteen (14) working days after receipt or if the Supplier commences the performance of any part of the Buyer's purchase order the purchase order will be deemed unconditionally accepted by the Supplier.

Offers, quotations, etc. that originate from the Supplier are irrevocable unless it unequivocally appears from the offer, quotation, etc. that these are revocable.

3. Delivery and documentation

The Supplier shall supply the Goods and/or Services at the time and in the manner specified in the Agreement. The Buyer is not obligated to accept early deliveries, partial deliveries or excess deliveries.

Unless expressly otherwise agreed in writing, the Goods will be delivered DDP the Buyer's production facilities (as per Incoterms 2020 or its subsequent version).

Delivery is also understood to include the delivery of any and all related auxiliary materials and any and all related documentation (e.g. raw material test certificates are essential part of the delivery and they have to be provided together with the delivery).

The Goods shall be delivered in a way as is customary in the trade, in any case in an environmentally-friendly way.

4. Prices, payment term

Purchase prices are inclusive of all extra charges, including charges for packing, containers, insurance and transportation, except as otherwise specifically provided in the Agreement in writing. However, the purchase prices are exclusive of value added tax, sales tax, goods and services tax or equivalent tax. If and to the extent that such a tax becomes payable the Supplier shall issue an invoice meeting all applicable legal and fiscal requirements.

Unless otherwise agreed in writing, purchase prices are fixed and shall not be varied, e.g., by escalation or on account of currency fluctuations.

When Services are charged based on hourly rates, the Supplier must submit time sheets to the Buyer for approval as instructed by the Buyer, and in any case no later than together with the related invoice. The Buyer is not required to pay invoices based on time sheets which have not been approved.

The Supplier shall use electronic invoicing where possible and submit invoices in accordance with the Buyer's invoicing requirements, as amended at any given time and made available at [Start sending e-invoices to Peikko companies / Pagero](#).

The Buyer shall pay the invoice within 60 days from the receipt of the invoice, subject to that invoicing is according to the Buyer's instructions and justified under Agreement. Payment term will not start before the delivery of the Goods, performance of the Services or other agreed milestone.

In the event of any dispute between the Parties relating to delivery or the Supplier's performance, the Buyer shall have the right to withhold the relevant portion of the Supplier's invoice.

The Buyer shall be entitled to set off against the invoiced amount any sums owed to the Buyer by the Supplier.

5. Risk and property

Risk of damage to or loss of the Goods shall pass to the Buyer upon delivery to the Buyer in accordance with the Agreement.

Property title to and ownership of the Goods shall pass to the Buyer on delivery or on payment, whichever is earlier.

The Supplier hereby waives any and all rights and powers vested in it on the grounds of a right of retention or a right of recovery, with respect to the Goods that are delivered.

6. Labelling and Packing

The Goods shall be packed and marked in a proper manner and in accordance with the Buyer's instructions and any statutory requirements and any requirements of the carriers. In particular the Goods shall be marked with the purchase order (or similar) number the net, gross and tare weight, the name of the contents shall be clearly marked on each container.

All packing materials will be considered non-returnable and will be destroyed unless the Supplier's advice note states that such materials will be charged unless returned.

Maximum use must be made of recycled materials in the manufacturing of pallets, boxes, cartons, cushioning and other forms of packing, where these fulfil other packing specifications. Packing specifications should be reviewed periodically to ensure that no unnecessary limitation on the use of recycled materials exists.

7. Inspection

The Supplier shall permit the Buyer or its authorized representative to make any inspection or test the Buyer may reasonably require and the Supplier shall afford all reasonable facilities and assistance free of charge at its premises. No failure to make complaint at the time of such inspection or test and no approval given during or after such test or inspection shall constitute a waiver by the Buyer of any rights or remedies in respect of the Goods.

The Supplier shall duly inspect and/or test the Goods prior to their delivery in order to verify conformity with the Agreement. The costs of inspection(s) and test(s) are included in the price.

The Buyer is not required to inspect the Goods upon their delivery. Instead, the Buyer must be able to rely on the quality management system of the Supplier which shall control the production process and shall assure that the supply of the Goods is in accordance with the Agreement.

The Buyer may by written notice to the Supplier reject any of the Goods which fail to meet requirements specified in the Agreement.

8. Liability for delayed delivery

The Supplier commits to deliver the Goods and/or Services in accordance with the agreed delivery time as set out in the Agreement.

If the delivery cannot be completed either partially or in its entirety on the agreed date or if it appears likely that a delay will occur, the Supplier shall, without prejudice to the rights and remedies available to the Buyer, immediately inform the Buyer of the delay.

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If the supply of the Goods and/or Services or part of supply is in delay, the Buyer is entitled to liquidated damages at a rate of two (2) per cent of the total value of the delayed part of delivery per each commencing week of delay, however, for no more than ten (10) weeks.

If the delay exceeds ten (10) weeks, the delay is considered material and the Buyer is entitled to terminate the Agreement in question with immediate effect.

The foregoing is without prejudice to all the Buyer's other rights and claims, including its right to claim compensation of the damage actually sustained.

9. Liability for non-conformity of the Goods

The Supplier shall supply the Goods in accordance with the terms and conditions of the Agreement. The Supplier shall without delay and at its own expense, at the Buyer's option, either repair or replace the defective Goods or refund the price paid by the Buyer for the defective Goods.

If the Supplier fails to repair or replace the defective Goods without delay after having received a written notification of the defect, the Buyer is entitled, at the expense of the Supplier, to repair the defective Goods or to have the defective Goods repaired or replaced. Alternatively, the Buyer is entitled, at its option, to a price reduction.

The foregoing is without prejudice to all the Buyer's other rights and claims, including its right to claim compensation of the damage actually sustained.

10. Warranty

The Supplier expressly warrants to the Buyer that all Goods covered by the Agreement will strictly conform to the specifications, drawings, samples or descriptions furnished to or by the Buyer, and will be merchantable, of good material and workmanship and free from defect. In addition, the Supplier acknowledges that the Supplier knows of the Buyer's intended use and expressly warrants that all Goods covered by the Agreement which have been selected, designed, manufactured or assembled by or for the Supplier will be fit and sufficient for the particular purposes intended by the Buyer.

The warranty period applicable to the Goods shall be 12 months from delivery. If the Buyer shall within such warranty period or within 30 days thereafter give notice in writing to the Supplier of any defect in any of the Goods as may have arisen during such guarantee period under proper and normal use the Supplier shall (without prejudice to any of other rights and remedies which the Buyer may have) as quickly as possible remedy such defects (whether by repair or replacement as the Buyer shall elect) without cost to the Buyer.

The supplier warrants that all Services performed will comply with applicable laws and with best industry practices.

11. Intellectual property rights

Each party (or its third-party licensor, as applicable) retains the ownership of any and all rights in any intellectual property owned or possessed on the date of the Agreement or which is independently thereafter generated. No rights to a Party's pre-existing intellectual property are granted to the other Party except as set out below, or otherwise explicitly agreed in writing.

All rights (including any intellectual property) in and to the results of the Services will accrue to the Buyer automatically upon creation and without separate compensation to the Supplier. The Supplier warrants that it at the time of transfer owns all rights to such results as well as that it is entitled to transfer such rights in the results to the Buyer. The transfer of rights to the Buyer is exclusive, worldwide, and perpetual, and covers the right to further assign and/or modify the results.

12. Confidentiality

The receiving Party shall keep confidential and shall not disclose at any stage to any third parties any confidential information received from the disclosing Party or otherwise learned in connection with the Agreement, without the prior written consent of the disclosing Party. Receiving Party shall not use confidential information received from the disclosing Party for any other purposes than the fulfilment of its rights and obligations under the Agreement.

Receiving Party shall restrict disclosure of such confidential information only to such of its employees as need to know the same for the purpose of discharging the receiving Party's obligations pursuant to the Agreement and shall ensure that such employees are subject to like obligations of confidentiality.

13. Force majeure

A Party is not liable for damage or delay in so far as the damage or delay was due to impediment beyond its control, and provided that (i) it could not reasonably be expected to have taken into account the impediment at the time of the conclusion of the Agreement; and (ii) it could not reasonably have avoided or overcome its effects.

Such impediment can be, for example: (i) strike, lockout, boycott or other action of workmen also when a Party is itself an object or party thereof; (ii) war (whether declared or not), civil war or any other armed conflict, acts of terrorism or serious threats of terrorist attacks; (iii) acts of governments or any other acts of authority whether lawful or unlawful, blockade, siege or sanctions; (iv) fire or discontinuance of energy supply, delivery of water, electricity or heating; (v) exceptional weather conditions or natural disasters such as but not limited to storm, cyclone, hurricane, earthquake, landslide, flood, drought, plagues, etc.; (vi) partial or total damage of machinery or plant; (vii) lack of components, parts, raw materials or fuel; (viii) discontinuance of common transport; or (ix) any event of a similar nature.

Subcontractor's delay shall be deemed to constitute an acceptable force majeure situation should the subcontractor delay be due to circumstances described in this clause.

A Party shall inform the other Party of the event of force majeure as well as of the termination of the force majeure, as soon as reasonably possible.

In the event that force majeure continues longer than 10 weeks both Parties have a right to terminate the Agreement with immediate effect, and without liability.

14. Compliance with laws

The Supplier shall, at all times, comply with all applicable laws, regulations, orders, and rules enforced by any governmental body (including, without limitation, all applicable antitrust, anti-corruption, anti-human trafficking, economic sanctions, export control, health and safety, and environmental laws and regulations, as well as all permits, authorizations, licenses, directives, policies, and other requirements issued by any governmental authority) in connection with the Agreement.

The Supplier confirms its awareness of the Buyer's [CFSI Policy Peikko Group](#) and undertakes to comply with it. The Supplier confirms that its own operations shall not be in conflict with these principles.

The Supplier has read [Peikko's Supplier Code of Conduct](#) and commits to comply with the principles contained in the Supplier Code of Conduct in the performance of the Agreement.

15. Insurance

The Supplier shall maintain in force and upon the Buyer's request provide evidence of a General and Products Liability insurance covering its liability under the Agreement for the full duration of the Supplier's liability under the Agreement. The insured amount cannot be considered as a limitation of the Supplier's liability.

16. Termination

The Buyer shall be entitled to terminate the Agreement immediately without liability to the Supplier and reserving all rights of the Buyer by giving notice to the Supplier at any time if:

a) the Supplier is in material breach of any of its obligations under the Agreement and that breach cannot be remedied; or

b) the Supplier is in material breach of a material obligation under the Agreement which can be remedied, but the Supplier fails to do so within 30 days of being given notice of such breach; or

c) the Supplier commits more than one breach of any of its obligations under the Agreement, the cumulative effect of such breaches being such that the Buyer believes that the Supplier would continue to deliver a substandard performance over the one-month period immediately after such breach; or

d) an application is made for the Supplier's bankruptcy, corporate restructuring, winding-up, restructuring of debts or any similar procedure, or the Supplier's financial situation is such that there exists a risk that the Supplier cannot be considered capable of fulfilling its current or future contractual obligations and the Supplier does not, within a period of time determined by the Buyer, provide the Buyer with a reasonable security approved by the Buyer for fulfilling its obligations.

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17. Assignment or transfer

The Buyer is a member of Peikko Group companies and accordingly the Buyer may perform of its obligations or exercise any of its rights hereunder by itself or through any other member of Peikko Group, provided that any act or omission of any such other member shall be deemed to be the act of omission of the Buyer.

The Agreement is personal to the Supplier and the Supplier shall not assign or transfer or purport to assign or transfer to any other any of its rights or subcontract any of its obligations under the Agreement unless permitted by the Buyer in writing.

18. Applicable law, dispute settlement

The Agreement shall be governed by and interpreted in accordance with the laws of the country where the Buyer (the buying Peikko Group member) has its principal place of business.

All disputes arising out of or in connection with the present Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.

Notwithstanding first and second paragraphs of this clause 18 the Buyer shall in its sole discretion, be entitled to submit any claim against the Supplier, in the courts and authorities of the Supplier's country of domicile or country where the Goods are located. In such case, the governing law shall be the law of the country where the claim is filed.

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Revisions:

Version	Published and effective since:	
1.0	2023-01-02	
1.1	2023-05-31	Clause 14: Link to Peikko's Code of Conduct replaced with link to Peikko's Supplier Code of Conduct. Clause 14: Added "Supplier" to final paragraph.