

# General Purchase Conditions

## 1. Coverage and the establishing of agreements

1.1 These purchase terms and conditions of Voith Paper Oy (hereinafter referred to as the "Buyer") apply for all acquisitions, unless otherwise agreed upon in writing. Other common standard terms and conditions, in particular the Supplier's own standard terms and conditions, cannot be applied, even when they are not expressly rejected in any particular case. A written acquisition contract between the parties will be applicable, however, ahead of these general purchase terms and conditions.

1.2 Purchase orders and their approval ("order confirmation"), as well as all agreements between the Buyer and Supplier in compliance with this agreement, are valid only when in writing.

1.3 The Supplier accepts a purchase order by confirming it no later than two weeks after the date on which the purchase order is received. If a confirmation is not received after this period passes, the Buyer has the right to cancel the purchase order.

## 2. Delivery method and the consequences of delays to deliveries

2.1 Agreed upon delivery times are binding. The Buyer must be immediately informed of any circumstances by which an agreed upon delivery will not be possible or a delivery will be delayed. The timeliness of a delivery is determined by when the products are delivered to the Buyer's premises, or the services are carried out to their conclusion at the Buyer's premises, or at the delivery /performance location mentioned in the purchase order ("agreement completion location").

2.2 Partial deliveries require the Buyer's approval.

2.3 In the event that a delivery or performance is delayed, the Buyer has the right to demand a penalty for the delay, which amounts to 1 percent of the value of the products or services per each beginning week of the delay, but no more than 10 percent of the total value of the agreed upon products or services. This does not affect the other rights of the Buyer (cancellation of order and a claim for damages, instead of fulfilment of the agreement). Regardless of the penalty for a delay, the Buyer is entitled to claim for actual damages.

2.4 An acceptance of delayed products or services does not imply that the Buyer has waived any of their rights resulting from a delayed delivery of products or the carrying out of services.

## 3. Delivery of spare parts

The Supplier shall ensure that there will be spare parts available for products delivered to the Buyer for at least ten years after the manufacture of the products is stopped. The information

and drawings required for the manufacture of spare parts must also be stored during this period. This storage obligation shall expire at the end of that period, provided that the Buyer has given their written consent for the termination of the storage obligation. There must be a justified reason for not granting such approval.

## 4. Prices, liabilities and payment terms and conditions

4.1 The price specified in the purchase order is binding. The price applies to a "delivery to an indicated address" as determined in the Incoterms 2010 –terms and conditions, including packaging. The determined price does not include the statutory value added tax.

4.2 The liability of the damaged goods will be transferred to the Buyer's representative upon a written acknowledgment of receipt.

4.3 Invoices will be sent to the address given in the purchase order and they will have a reference to the purchase order number. In so far as the purchase order is lacking, the invoice cannot be paid, and it will be returned to the Supplier. The Buyer cannot be held responsible for any delay due to this. A separate invoice is required for each purchase order. The invoice must be structured in accordance with the purchase order. All advance payment invoices and partial invoices are to be readily identifiable as such. If the delivery has included work, the invoices must be accompanied by working schedule reports signed by both the Buyer and Supplier.

4.4 The invoice shall be paid within 30 days of delivery or the provision of services, provided that the Buyer has confirmed that they have received the invoice.

## 5. Approval inspection

In the event that the Supplier has to carry out work, the Buyer must explicitly approve the work through an inspection process.

## 6. Deliveries

6.1 The Buyer must be notified of the shipment of products, at the latest when the deliveries depart from the Supplier's premises.

6.2 The Supplier accepts the obligation to mark the purchase order number and the exact delivery address of the Buyer in all transport documents and delivery documents. In the event that the Supplier fails to comply with this term and condition, the Supplier is liable for all delays leading from such.

6.3 Transportations, for which the Customer is responsible for all transportation costs, or a part of such, shall be carried out in accordance with the Buyer's transportation guidelines.

6.4 The applicable transport instructions are determined in the purchase order.

## **7. Packing**

7.1 The Supplier is obliged to pack the transportable products in accordance with the guidelines in the purchase order and applicable instructions, so that the products are not damaged by normal handling.

7.2 The Supplier accepts, without any additional invoicing, for the package to be returned for reuse or recycling, regardless of whether it concerns a transportation package, retail sales package or external protection.

## **8. Notification of deficiencies**

The Buyer must inspect all incoming deliveries, their correct number, transportation damage and obvious defects and faults, in so far as and when this is possible within the framework of ordinary business operations. Damages will be reported to the Supplier within five days of their detection. The Buyer reserves the right to examine incoming products in more detail.

## **9. Liability for defects and deficiencies**

9.1 In the transferral of the risk liability of damaged goods, the Supplier guarantees to the Buyer that the products or services provided comply with statutory requirements and that there are no defects or deficiencies.

9.2 In the event that the Buyer informs the Supplier of how and where the ordered products will be used and/or services performed, the Supplier shall ensure that its deliveries and services are suitable for this use and location.

9.3 In case of defects or deficiencies, the Buyer has the right to demand a statutory guaranteed replacement within its entire extent.

9.4 The Buyer has the right to choose how an incorrect delivery will be corrected. In the event that the Supplier does not take immediate corrective action under the agreement, i.e. an immediate correction of defects or the replacement of the product/service delivery after the Buyer has requested such from the Supplier, the Buyer has in these cases, at the Supplier's expense, the right in order to avoid risk liability of and/or limit damage, to rectify the situation themselves as they so wish, or to entrust a third party to correct the situation. The Buyer retains the same rights, even in the event that the correction of the defects and/or the delivery of a replacement product or the service is unsuccessful or is refused.

9.5 In so far as the Supplier was liable for dismantling and installation costs arising from a defect and correction work, these will be paid for by the Supplier, as well as transportation costs be-

tween the installation locations for replacement products, according to the delivery agreement.

9.6 In so far as any third party directs claims towards the Buyer for a breach of the rights of the third party concerning the Supplier's products or services, the Supplier will respond to these claims without delay upon receipt of written information on the matter from the Buyer. The Supplier will be responsible for all reasonable expenses and expenses incurred as a result of claims made by third parties.

9.7 The buyer shall place an appeal concerning a defect or deficiency within 24 months, in the event that the defect or error is not considered to be a result of a deliberate or gross negligent action of the Supplier. The time limit is calculated from the time the product was received at the delivery location mentioned in the delivery agreement and/or the work was approved. In the event that the Supplier fulfils its obligation to correct a defect or replace a deficiency, the time limit for any claims for these new products will re-start once they have been delivered.

## **10. Software**

The buyer must have the rights to use the supplied software, as well as their documentation, and their applicable features, as extensively as required to comply with the agreement and legislation. Prior to the delivery or installation, the Supplier must, with the aid of updated and established anti-virus software, verify that the software does not contain viruses, Trojan horses or other malware, and all such malicious programs are destroyed. The software is also subject to additional purchase conditions that must be followed. These additional terms and conditions are available at <http://www.Voith.com>.

## **11. Quality requirements**

11.1 The supplier will continuously monitor the quality of its products by using a suitable quality management system, such as the DIN ISO 9001 standard or a comparable system. In addition, the Supplier shall carry out quality control checks and quality tests specified by the Buyer, or otherwise deemed to be essential for the manufacturing of the products. The Supplier shall document these studies and store the documentation for ten years.

11.2 The Buyer, or an individual representing the Buyer, is entitled to require proof that the supplied products and the Supplier's quality assurance systems are at the level determined by the agreement. They also have the right to verify at any time that the quality assurances or their mode of actions carried out by the Supplier or their subcontractor at the production plant are sufficient. The Buyer also has the right, at the expense of the Supplier, to make an approval visit or to conduct an audit at the production plant of the Supplier or its subcontractor.

11.3 The Supplier shall immediately and without a separate request provide the Buyer, as defined in Section 1.3, with information on all changes made in the manufacture of the products or the delivery of the services regarding the composition or de-

sign of the material being worked. Changes require the Buyer's written consent.

11.4 In the event that the Supplier intends to use subcontractors to produce their products or services to a significant extent, or in their entirety, the Supplier must inform the Buyer of this in advance. In these cases, the subcontractor requires the written consent of the Buyer.

11.5 The guidelines for the quality assurance procedure given by the Buyer to the Supplier, as well as quality assurance agreements made with the Supplier, must be integrated into the supply agreement.

## **12. Product marketing and product responsibility**

12.1 The Supplier undertakes to comply with the laws and regulations of the location of business of the company, as well as, in accordance with the agreement, those of the location of delivery of the product or service.

12.2 In the event that the Supplier is liable for any damages not connected to the delivered products, and a third party sets claims from the Buyer, based on the Product Liability Act, the Supplier shall respond to all third party claims directed towards the Buyer promptly upon receipt of the Buyer's notification, in so far as the cause of the damage is the Supplier's liability.

12.3 The Supplier is, as part of its responsibilities, as defined in Section 12. 2, obligated to reimburse all costs incurred by the Buyer for product warnings and recall notifications. The Buyer shall, as far as possible and within reason, inform the Supplier of the scope and content of the measures to be carried out, and their performance must be coordinated with the Supplier. This does not affect the requirements of other product liability laws.

12.4 The supplier agrees to take out liability insurance of at least € 1,000,000.00 per damage event. This does not affect any of the Buyer's rights to claim sums greater than this in claims for damages.

## **13. Occupational safety, environmental protection and the minerals of conflict regions**

13.1 The Supplier must ensure that its products and services comply with the guidelines and regulations pertinent to environmental protection, accident prevention requirements, as well as the occupational safety regulations valid at the Buyer's premises or other locations where work will be carried out, as well as meet the requirements of other safety-related rules in such a way that the adverse effects on persons and the environment are avoided or reduced. The Supplier must set up a management system in accordance with the DIN ISO 14001 standard or a comparable system. The Buyer has, on their own initiative, the right to demand proof of the Supplier's use of a management system and audit the Supplier's business.

13.2 The supplier agrees to comply with the REACH legislation on EU chemicals (EU Regulation No. 1907/2006), especially in the

registration of substances. The Supplier warrants that, in accordance with the REACH regulations, the Buyer is not obliged to obtain approval for the products supplied by the Supplier.

13.3 The Supplier shall refrain from using any materials containing the substances listed in Annexes 1 to 9 of the REACH – regulations, European Council Decision 2006/507 / EC (Stockholm Convention on Persistent Organic Pollutants, EC Regulation 1005/2009 on substances that deplete the ozone layer, the GADSL list of the automotive industry (*Global Automotive Declarable Substance List*) of the substances, and the RoHS Directive (2002/95 / EC). This always applies to the most up-to-date version of each named directive.

13.4 The Supplier shall inform the Buyer immediately, in the event that the supplied products contain substances listed in the SVHC List as substances of very high concern determined in REACH. This requirement also applies in the case of a substance that has previously been excluded from the list of substances, but has been added to the list during the supply period. The products supplied must also not contain asbestos, biocides or radioactive materials.

13.5 In the event that the products to be supplied contain a substance defined in sections 13.3. and 13.4., the Buyer must receive written information in writing before the delivery. The notification shall state the name of the substance and its identification number (CAS No r.), as well as a topical product safety summary. The delivery of such products is subject to the Buyer's express consent.

13.6 The Supplier undertakes, within the sphere of their association, and their own supply chain, to carry out the necessary measures to ensure that the products to be delivered to the Buyer do not include minerals originating from areas of conflict as determined in the USA sections of the Dodd-Frank Act 1502 and 1504 (including, but not limited to, columbite-tantalite (coltan), tin, tungsten, gold and their derivatives from DR Congo and from its neighbouring countries).

13.7 In the event that the Supplier does not comply with the above regulations, the Supplier has an obligation to protect the Buyer from all claims concerning their neglect and / or compensate the Buyer for all financial losses due to their neglect or related to these.

13.8 The Supplier shall also observe appropriate procedures for the destruction of waste and material residues, and the Buyer shall be provided with information on all the handling, storage and disposal requirements of the products.

## **14. Retention of ownership, models, tools and confidentiality**

14.1 The Supplier shall not be entitled to withhold the ownership of the product that they have supplied.

14.2 In the event that the Buyer provides the Supplier with substances, parts, tanks, etc., for their use, the ownership remains

with the Buyer. These parts are processed and converted on behalf of the Buyer. If such Buyer-owned products are processed in conjunction with other non-Buyer products, the Buyer has a right to a shared ownership in the new item. The extent of this shareholding is determined according to the value of the Buyer's property, relative to the other machined products at the time of the machining.

14.3 All models and tools produced by the Seller at the expense of the Buyer will become the Buyer's property upon payment. The Supplier must handle these carefully and may only use them for the production of the ordered products. In addition, they must also be marked as the Buyer's property and - as far as possible - be kept separate from other products of the Supplier. At the expense of the Supplier, the Supplier must also insure them against accidents, such as fire, water damage, theft, loss or other damage. Furthermore, the Supplier undertakes, at its own expense, to carry out any timely maintenance, repair, or maintenance required for the tools. The resale of products made with the above-mentioned models and tools is not permitted without the written consent of the Buyer.

14.4 Documents, drawings, plans and outlines, as well as other know-how, provided by the Buyer to the Supplier in any form whatsoever, for the production of products/services ordered by the Buyer, will remain the Buyer's property. They are the Buyer's business secrets and must be handled confidentially. The Supplier undertakes to handle them carefully and to provide them only to such employees who need them in order to implement the agreement and, who in turn, are required to comply with the confidentiality requirement. These must not be given to third parties and may only be copied for the purpose of delivering an order. All documents and their copies must be handed over to the Buyer at the time of delivery of the goods/services, or destroyed if requested by the Buyer.

#### **15. Data protection**

The Buyer has the right to collect, record, use, and transfer the Personal Data of the Supplier, if it is necessary to carry out legal acts or the persons concerned have provided their consent. The persons concerned are entitled to receive information about the personal data stored on them, as well as their processing and their purpose. Any requests for information or requests for an enforcement of the rights of the parties concerned must always be directed towards the Buyer and be answered in accordance with national law.

#### **16. Origin of products and control of exports**

16.1 In so far as the Buyer so requests, the Supplier undertakes to present to the Buyer, free of charge, a certificate of origin in accordance with the law in force on the date of publication. In the event that a long-term notification is in use, the Supplier must, upon acceptance of the purchase order, and without further notice, inform the Buyer of all changes in the origin of the products. The transfer document must always indicate the current country of origin, even if the product is not in the form of preferential tariffs.

16.2 The Supplier is obliged to advise the Buyer in the fulfilment of the license obligations that may enter into force in connection with the (re) exports of products, such as the requirements of legislations in Germany, Europe and the USA, and all other applicable export and customs requirements. In so far as this information is not provided in the Supplier's tender offer, the Supplier must provide it in the order confirmation and on each invoice for each item of product concerned: the item code, the current version of the EC Dual-use Product Version no. (export control number), or Part 1 of the Export List (German Federal Foreign Trade and Foreign Exchange Regulation Appendix "AL"), and the ECCN Document (Export Control Rating Number), in accordance with the US Export Regulations.

16.3 At the Buyer's request, the Supplier must be able to provide the Buyer in writing of any other foreign trade information relating to the products and their parts, and the Buyer thereafter shall be immediately informed in writing of any change in the specified data in sections 16.1 and 16.2.

16.4 In the event that the above statements have not been given or have been rendered inaccurate, the Buyer has the right to withdraw from the agreement without affecting other claims for damages.

#### **17. Cancellation and disqualification rights**

In addition to the Buyer's statutory rights, the Buyer is entitled to terminate the contract if the Supplier's financial situation has significantly deteriorated or there is a risk that the Supplier may become insolvent or suspend their payments. The Buyer is also entitled to terminate the agreement, in so far as the Supplier is subject to the supervision or control of a competitor of the Buyer.

#### **18. Corporate responsibility, Code of Conduct, Minimum Wage**

18.1 The Supplier declares its commitment to responsible business activities and ensures that the Supplier complies with compulsory legislation, including environmental protection laws, labour law regulations, and health and safety legislation, and does not tolerate the use of child labour or forced labour when producing, selling or delivering their products and services. Upon acceptance of the order, the Supplier also warrants that it will not accept any form of bribery or corruption. The Buyer hereby wishes to draw the Editor's attention to the document "VOITH Code of Conduct", which can be viewed at <http://www.Voith.com>. The Buyer requires that the Supplier complies with the rules therein and supports their compliance.

18.2 In particular, the Supplier must undertake to comply with the general minimum wage act for each individual case and to ensure that its subcontractors also equally comply with these provisions. Upon request of the Buyer, the Supplier must provide proof that the above obligations have been met. In the event that these obligations are not fulfilled, the Supplier assumes all responsibility, assumes all claims by third parties towards the Buyer and recompensates for any damages, fines and penalties that may be incurred by the Buyer.

**19. General provisions**

19.1 Employees of the Supplier, as well as other individuals working in the premises of the Supplier must comply with the terms and conditions of working and working guidelines at the working premises. Under no circumstances shall the Buyer be liable for any damage caused to such persons, unless the cause of the accident has been intentional by or through gross negligence of the Buyer or a representative of the Buyer.

19.2 Use of tenders, purchase orders, and related correspondence for advertising purposes is not permitted. The Supplier is not permitted to display a business relationship with the Buyer without the written permission of the Buyer.

19.3 The Supplier may not submit any claim under the Agreement or claim its rights without the prior special written consent of the Buyer.

19.4 This Agreement is governed by Finnish law.

19.5 Disagreements related to this Agreement shall be settled in the Vantaa District Court. The Buyer may, if they so choose, also bring an action in the general court of the domicile of the Supplier.

19.6 In so far as any part of these General Purchase Terms and Conditions becomes void partially or in full, the remaining terms will remain unchanged.