

**BMH GROUP
GENERAL TERMS FOR SUPPLIERS****Table of Contents**

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**1
General**

These general terms are applied in addition to what has been agreed on between BMH Technology Oy or another company of BMH Group (hereafter "Client") and the supplier (hereafter "Supplier"), in the form of a written assignment, order or other contract, including any appendices, potential modifications and additions (hereafter "Contract").

"Delivery" shall mean tasks which the Supplier must carry out according to the Contract and any machinery, equipment, raw materials, software, documents and other supplies and materials the Contract requires the Supplier to deliver.

"Result material" shall mean the plans, documents, software and other material conceived in connection with the Delivery or resulting from it.

"Personnel" shall mean the employees of the Supplier and the employees of any subcontractors which are used by the Supplier to carry out the Delivery.

The Supplier is responsible for knowing any laws, acts, authority decisions, authority requirements and guides related to the Delivery, and seeing to that they are adhered to in the Delivery.

The Supplier shall comply with, and is responsible for that the Personnel and other individuals under the work management of the Supplier comply with, the agreed methods and any safety and other instructions and requirements issued by the Client and valid at any given time.

**2
Personnel used for Delivery**

The Supplier is not allowed to use subcontractors for the Delivery without the prior consent of the Client. Regardless of the consent of the Client, the Supplier is responsible for the performance and non-performance of its subcontractors, as though they were its own.

The Supplier is responsible for the Personnel having the necessary qualifications, competence and professional skill required by the industry of the Client and the Delivery.

The Personnel have no employment relationship with the Client.

**3
Insurance**

The Supplier shall obtain and maintain a liability insurance for the activities described in the Contract. The insurance amount shall cover the value of the Delivery and the risks included in the Delivery to a sufficient degree and meet the Client's demands.

The Supplier is responsible for its own property and the property used by the Personnel during the Delivery, as well as for insuring said property for the term of the Contract.

The Supplier shall obtain and maintain all risk insurance for the Delivery covering the full value of the Delivery until the risk is transferred to the Client.

4 Production Schedule and Acceptance Test

Should the Contract so require, the Supplier must, at the Client's request, provide a production schedule and be committed to informing the Client regularly about the production progress. The Client has the right to inspect the work during the production and also after the work has been completed but not yet delivered.

Should the Contract so require, the Delivery must be subjected to an acceptance test before the delivery is completed. Unless anything else has been agreed on, the acceptance test will be carried out at the production facilities. The acceptance test must not be carried out without having the Client's representative present. If the Delivery does not fulfil the Contract terms, this does not exempt the Supplier from the duty of supplying a Delivery which fulfils the Contract terms.

If the Client does not exercise the right to make an inspection or an acceptance test, this will not be interpreted to the disadvantage of the Client in any potential defect assessment at a later stage. The above applies also if the inspection of the acceptance test has been carried out and there are defects detected in the Delivery at a later date.

5 Compensation for Delivery

Compensation for the Delivery may be based on an hourly charge or a fixed price for the entire Delivery. The charge basis applied for the Delivery is specified in the Contract.

When the Delivery is based on an hourly charge, the Supplier shall present the working hours to the Client for approval.

The fixed price includes the entire compensation for the Delivery, including any additional work and modifications that do not significantly add to the work load or costs of the Supplier.

Additional work and modifications shall be agreed on in writing between the Supplier and the Client. The Supplier shall commence additional work and modifications requested by the Client at the request of the Client, regardless of whether or not an agreement has been reached on additional work and modifications.

The Client will not compensate for any waiting hours.

6 Delay in Delivery

Should the Delivery be delayed from the schedule agreed on in the Contract, the Supplier is responsible for paying a late fee to the Client, regardless of whether or not the delay has caused damage to the Client. The late fee is 2% of the price of the Delivery for each beginning week of delay, however, 10 % at the highest. The Client has the right to deduct the late fee from any invoice of the Supplier.

In addition to the above, the Supplier is obligated to pay the Client, for the documents which are subject to a fine, a late fee of 0.5 % of the price of the delivery for each starting week, however, 5 % at the highest.

Should the delay or anticipated delay in the Delivery endanger the timely implementation of another schedule or programme of the Client, the Client is allowed to take action to correct the situation, at the cost of the Supplier.

7 Defects and Warranty

The Delivery is defective if it does not completely conform to what has been agreed on, including but not limited to descriptions of function or purpose or other definitions provided by the Client.

The Supplier gives a 24-month warranty for the entire Delivery, protecting the Delivery or any of its parts against failure due to design, materials, work performance or other reasons. The warranty period begins once the Client's end customer has, in writing, approved the delivery as received or when a period of 36 months has passed after the delivery execution, whichever occurs first. Should any machinery, equipment or part thereof included in the Delivery be repaired or replaced, the warranty period for the machinery, equipment or part in question and work performance shall be 24 months starting from the approved repair or replacement.

Once the Supplier receives notification from the Client of a defect or warranty covered fault in the Delivery, the Supplier shall immediately, and at the Supplier's cost, remove the defect or warranty covered fault by repairing or replacing the deficient part of the Delivery to make it conform to the Contract. When necessary, the Supplier also covers the transport costs of the defected or faulty part and any other direct costs related to the defect or fault. Should the Supplier not remedy the defect or warranty covered fault within a

reasonable time-frame set by the Client, the Client is entitled, in addition to the Client's other rights, to correct the defect or warranty covered fault themselves or have the work done by a third party.

8 Transfer of Risk

Risk is transferred to the Client once the Client has, in writing, approved the Delivery as complete and received.

9 Bonds

If so required by the Client, the Supplier is to provide the Client with an advance payment bond corresponding to the amount paid in advance, a work performance bond and a warranty bond.

The Supplier shall bear the costs related to the bonds. The bonds shall be bank warranties or deposits made in favour of the Client, subject to conditions approved by the Client and given by an established bank.

10 Invoicing and Payment Terms

Invoices sent by the Supplier must state the order number, a potential work number issued by the Client, and the Client's contact person according to the Client's invoicing instructions.

The invoice must include as appendices the following, depending on the charge basis:

- Working hour reports signed by the Client's contact person; and
- A document, signed by the Client's contact person, presenting the state of completion of the Delivery, including any additional work and modifications.

The Supplier does not have a right to charge an invoicing fee, shipping or handling costs or other fees.

The payment of the invoice will be made within 60 days of the Client receiving the correctly prepared invoice from the Supplier. The invoice is considered paid once the payment has been debited from the Client's account.

Interest on overdue payments will be calculated according to the Interest Act.

11 Ownership and Intellectual Property Rights

Ownership of the Delivery or any part thereof is transferred to the Client once the Delivery or its part

has been paid or once the machinery, equipment, raw material, software, document or other commodity or material has been delivered to the Client, whichever occurs first.

The Supplier is obligated to keep the Client's property held by the Supplier separate from any other property held by the Supplier and to clearly mark it as property of the Client.

All the drawings and technical documents which the parties to the Contract have given each other either before or after the Contract has been concluded, remain the property of the party which has given them to the other party. This receiving party is not allowed to use any of these drawings, documents or information, without the consent of the giving party, to any other purpose than the one intended for the delivery. Nor may they be copied or duplicated without the consent of the giving party.

The Supplier represents and warrants that the Delivery or Result material or their usage in the manner intended by the Client do not in any way infringe any third party patents, copyrights, trademarks or other intellectual property rights or other rights. The Supplier is liable for any costs resulting from any third party claims of the Delivery or Result material or their usage in the manner intended by the Client infringing the above third party intellectual property rights or other rights.

Should the Delivery or Result material or their usage in the manner intended by the Client, wholly or in part, be found to infringe third party intellectual property rights or other rights as listed above in this item 11, the Supplier is liable, in addition to any other rights of the Client, and at the Supplier's cost, for either:

- (i) Acquiring the necessary rights to allow for the Supplier to complete the Delivery and the Client to use the entire Delivery and Result material in the manner intended by the Client; or
- (ii) Changing the Delivery and Result material in a way that they no longer infringe any third-party rights but completely meet the requirements of the Contract; or
- (iii) Replacing the Delivery and Result material with items that do not infringe any third-party rights but completely meet the requirements of the Contract.

12 Confidentiality

The Supplier undertakes to keep confidential and not to disclose to third parties any information dealing with or affecting the Client, its subsidiaries, sister companies or associates, including but not limited to commercial or technical information which is

confidential regardless of how and in which form such information has been disclosed to the Supplier or how the Supplier has otherwise received the information, or regardless of whether or not the information has been explicitly expressed or stated to be confidential in connection with the disclosure.

The Supplier may use the above confidential information only to carry out its tasks according to the Contract, and is only allowed to disclose the confidential information to those members of its personnel to whom such disclosure is absolutely necessary to carry out their tasks in accordance with the Contract and only to the extent necessary for them to carry out the said tasks. The Supplier shall ensure that individuals to whom the Supplier discloses confidential information of the Client are aware of and adhere to the confidentiality obligations stated herein.

A separate non-disclosure agreement signed by the Supplier and the Personnel forms part of the Contract.

The Contract between the Client and Supplier may not be published, even in part, or used as reference without the written consent from the Client.

13 Force Majeure

Neither party is liable for the failure to meet its contractual obligations, where such failure is due to force majeure. Force majeure includes war, riot, natural disaster, general disruption of energy distribution, fire, strike or blockade (not brought on by the party claiming force majeure) or other similarly significant or unusual and unforeseeable event, not related to the party claiming force majeure and beyond the reasonable control of such party.

The party claiming force majeure must inform the other party in writing of a force majeure immediately after having learned thereof, and evaluate the expected duration of the force majeure and its effect on the performance of the obligations in accordance with the Contract. The party claiming force majeure must also immediately notify the other party in writing about the cessation of the force majeure.

A defect or delay in the performance of a subcontractor of the party claiming force majeure constitutes force majeure only if it is due to an event classified herein as force majeure.

14 Modifying the Contract

All changes to the Contract must be made in writing and must be signed by both parties.

15 Transferring the Contract

The Supplier may not transfer the Contract entirely or in part to a third party without the prior written consent of the Client.

16 Cancellation of Contract

In addition to their other rights, the parties have the right to cancel the Contract with immediate effect, in case

- (i) the other party is in material breach of its contractual obligations and fails to remedy such breach within 30 days after receiving a written notification from the other party, or
- (ii) the other party obviously becomes insolvent, is declared bankrupt or undergoes corporate restructuring.

In addition to its other rights, the Client may cancel the Contract with immediate effect and, at the cost of the Supplier, carry out the work themselves or have it carried out by a third party if the Delivery is significantly delayed or there is an apparent risk of significant delay, or the delay or apparent delay may risk the timely implementation of the Client's other schedules or programmes.

In addition to the right to cancel the Contract, the Client is also entitled to a compensation for the costs of the contract cancellation.

17 Applicable Law and Settlement of Disputes

The Finnish law shall apply to this Contract. Disputes which cannot be settled by amicable negotiations between the Client and Supplier, shall be settled, according to the decision of the Client, in arbitration according to the valid Finnish law on arbitration, or at the district court of the domicile of the Client. The place of arbitration shall be Helsinki.

18 Other Terms

In case of conflicts, the order of validity of the contract documents is

1. Contract excluding its appendices
2. Appendices in numerical order