



Ensto Procurement Terms and Conditions GC1

1 SCOPE OF APPLICATION

These Ensto Procurement Terms and Conditions (General Conditions) shall be applied to all supplies of Products based on agreement or order (Agreement), when Ensto or a company belonging to Ensto Group (Ensto) is purchasing Products from the Supplier, together as the Parties, based on an Agreement between the Parties.

These General Conditions shall form an integral part of the Agreement. If the Agreement contains special terms and conditions which differ from these General Conditions, then the terms and conditions of the Agreement shall apply. When the General Conditions apply to a specific Agreement, modifications of or deviations from General Conditions must be agreed in writing. The Agreement, its appendices, Ensto's purchase order and these General Conditions shall take precedence over any inconsistent or conflicting provisions in the Supplier's quotation, confirmation, forms or documents.

When the term in writing is used, this shall mean a document signed by both parties or a document send by a letter, telefax, e-mail and other such means.

2 ORDERS

Ensto shall execute the orders to the Supplier and the Supplier shall send an acceptance (order confirmation) to Ensto in writing.

3 PRODUCTS

The Supplier is responsible for that the Products are manufactured and delivered according to the Agreement or Ensto's order and that they conform to Ensto's specification and demanded quality or manufacturing requirements. The Supplier assures and is fully responsible that its Products manufactured and supplied to Ensto are fully compatible for their purpose of use in electronic devices.

When the Products have been based on Ensto's design, they shall conform to any specification, pattern, sample or technical documentation and instructions provided by Ensto. Ensto has the right



to reject Products which fail to conform with any respect as agreed between the Parties or as Ensto instructed the Supplier.

The Products shall be packaged according to Ensto's instructions and in a way that the packaging of the products shall be sufficient to protect the products during transportation, handling and storage. Products shall be marked for delivery to Ensto or any designated location instructed by Ensto.

4 DELIVERY TERMS

The delivery terms of the Products shall be DAP Ensto ship-to location according to Incoterms 2010, unless otherwise agreed between the Parties. The required shipping documents shall be requested from Ensto in advance. When the Products have been sent to the right destination the risk will pass to Ensto upon acceptance of the Products. Partial shipments are permitted only if Ensto has accepted such delivery terms with the Supplier regarding the Products.

Any direct shipment to a third party, such as to Ensto's customers, shall be performed in the name of Ensto. All invoices and advance notes shall be sent solely to Ensto.

Any agreed delivery dates are binding. The Supplier accepts that compliance and accuracy of time and delivery dates are of the essence to Ensto and any deviation will cause substantial damage to Ensto and its customers. The Supplier shall inform Ensto immediately in writing, at least 7 days prior to the agreed delivery date, if the delivery will be delayed or is likely to be delayed, the reason for the delay and the estimated new delivery date. The Supplier shall immediately at its own cost take every necessary effort to avoid and minimize the delay and its effect to Ensto and its customers thereof. If the Supplier fails to give such notice, Ensto shall be entitled to compensation for any additional costs and damages which it incurs and which Ensto could have avoided had it received such notice of the delay.

5 LIQUIDATED DAMAGES

In case the Product is not delivered at the time for delivery, Ensto is entitled to liquidated damages from the date of which delivery should have taken place. The liquidated damages shall be payable at the rate of 2 per cent of the purchase price for delayed Products of each beginning period of seven days of delay. The liquidated damages shall not exceed 12 per cent of the purchase price. If only part of the Products is delayed, the liquidated damages shall be calculated on that part of the purchase price which is attributable to such part of the Product as cannot in consequence of the delay be used as intended by Ensto. Liquidated damages become due at Ensto's written demand to the Supplier.



If the delay entitles Ensto to the maximum liquidated damages and the Supplier has not delivered the Products within a final reasonable period defined by Ensto, Ensto shall have the right to terminate the Agreement with immediate effect by giving a notice in writing to the Supplier.

Payment of liquidated damages shall not limit Ensto's right to claim and receive other damages and compensation based on the Agreement and statutory legislation. Ensto shall be entitled to withhold any payments due to Supplier to set-off any liquidated damages.

6 PRICES AND TERMS OF PAYMENT

The Supplier shall invoice the Products upon delivery. The terms of payment are 90 days net from the date of the invoice. Ensto shall have no obligation to pay for the Products, which are not according to the Agreement, Ensto's order or do not meet the quality requirements of Ensto. Ensto shall have the right to deduct price related to the faulty products from the payment.

For the sake of clarity, it is noted that the Purchaser makes payments once a week on Thursdays for its suppliers' invoices that are due latest on the following Wednesday, and in the event Thursday is the last or the second last day of that month, the payment will be made on the following Monday (the "Payment Date"). The Purchaser shall not be obliged to pay any interest for late payment provided that the payment for the Supplier's invoice occurs on the first appropriate Payment Date.

7 PRODUCT QUALITY; PRODUCT LIABILITY

The Products shall be of first class quality. The target for defect percentage shall be 0 %. The products must correspond to the information contained in the product information material and the price lists. All necessary testing and checking shall be carried out by the Supplier at its own expense and shall be carried out on the Supplier's premises. If the parties to the Agreement agree on another place the Supplier shall be responsible for the costs.

The Supplier may not make any technical, design or other changes the Products, their raw materials or components without Ensto's prior written approval.

The Supplier, in the relation to the Parties to the Agreement, is liable for damage caused by the Product to a person or to property in business or in private use. The Supplier undertakes to pay Ensto compensation sum that Ensto has been obliged to pay, immediately Ensto has paid such compensation, and/or compensate for any damage caused to Ensto provided that the said product damage is not due to Ensto's negligence.



If a defect in the Product results in a defect in the end products of Ensto and legal action is instituted against Ensto based on violations of official safety regulations or on domestic or foreign product liability regulations or statutes, the Supplier shall, upon first written demand, indemnify, defend and hold Ensto harmless against any third party claims for compensatory damages. In this connection, the Supplier shall bear the burden of proof for his exoneration. The Supplier shall furthermore indemnify Ensto against any and all compensatory damage and warranty claims instituted by customers, insofar as such claims arise from defective goods and services furnished or from fault on the part of the Supplier.

The Supplier must inform Ensto of those particular risks of which it is aware of relating to the characteristics of the Products or to their future use, and must notify Ensto should they be the subject of any claims arising through product liability.

The Supplier shall maintain a general third party liability and products liability insurance with adequate coverage and on such terms as are customary and at least at the minimum amount of EUR 1.000.000. Ensto is entitled to demand proof of certificates of insurance evidencing such coverage.

8 INTELLECTUAL PROPERTY RIGHTS

Ensto reserves right arising from its ownership, patents and copyrights with respect to any drawings, samples, technical records and other know-how, and such Intellectual Property shall not be used, disclosed, copied, reproduced, transmitted, communicated or made available to third parties in any other ways or used for any other purpose than agreed with Ensto.

When the Products have based on Ensto's design, all technical documentation relating to the Products, their manufacturing, testing and use shall remain the Intellectual Property of Ensto. The Supplier shall not without written consent of Ensto disclose or use such Intellectual Property in relation to any third party or manufacture or deliver products on the basis of such Intellectual Property for any other purpose than delivery to Ensto.

The Supplier affirms that no Intellectual Property Rights of third parties will be infringed in connection with its production and delivery of supplies to Ensto. If any third party proceeding instituted against Ensto based on an infringement of Intellectual Property rights, the Supplier shall be obliged to indemnify Ensto for all payments and thereto-related costs upon first written demand.



9. LIABILITY FOR DEFECTS

The Supplier fully and unconditionally guarantees and warrants that the Products delivered conform to the agreed quality requirements, they are free from defects and will be suitable for the intended purpose. The Supplier is liable for defects, which appear within a period of twenty four (24) months from the date of the delivery. Statutory liability for defects in the Product or its parts shall apply also after the liability for defects period said in the Agreement. Ensto shall notify the Supplier of any defect that appears. The notice shall contain a description of the defect.

The Supplier shall remedy the defect or replace the Product of part without undue delay and at its own cost. Repair shall be carried out at the place where the Product is located unless the Supplier deems it appropriate, that the defective Product be returned to it for repair or replacement. The Supplier is obliged to carry out dismantling and reinstallation of the Product or part if it requires special knowledge. The Supplier can also fulfil its obligation if it delivers a duly repaired or replaced Product to Ensto. Transport of the Product or its parts in remedy or replacement situations to and from the Supplier shall be at the risk and expense of the Supplier.

If within a reasonable time set by Ensto the Supplier does not fulfil its obligation due to the defects of the Products the Supplier is responsible for or in urgent cases Ensto may undertake or employ a third party to undertake necessary remedial works at the risk and expense of the Supplier. Ensto shall be entitled to withhold any payments due to Supplier to set-off any such expense from the Supplier.

In case the defect has not been successfully remedied, Ensto may at its option either (a) demand a reduction of the purchase price in proportion to the reduced value of the Product, or (b) where the defect is substantial, terminate the Agreement with immediate effect by notice in writing to the Supplier. In case of termination, Ensto shall be entitled to demand compensation for the loss it has suffered.

9 DAMAGES

The liability of a Supplier towards Ensto based on the Agreement for expenses and damages caused by a breach of contract consists of a sum equal to the loss suffered by Ensto because of the breach.

There shall be no liability for either Party towards the other Party for loss of production, loss of profit, loss of use, loss of contracts or for any other consequential loss or indirect damage whatsoever.

Ensto not deprived, if it may have to claim damages by exercising its right to other remedies. The remedies available to Ensto as provided in the Agreement and in the General Conditions are in addition to and not substitution for those provided by the applicable law.



10 COMPLIANCE WITH LAWS AND REGULATIONS

The Supplier shall at all times and at its own cost ensure that the performance of the Services, the Products and the results fully complies with all applicable laws and regulations. The Supplier shall fulfil the requirements set to the business operations of the Supplier by applicable laws, regulations and the Purchase Agreement. The Supplier shall pay all payroll and social security taxes for its employees and all applicable income taxes arising out of or related to the performance of the Purchase Agreement to the Purchaser. Whenever any work performed at any facility of the Purchaser, the Supplier shall comply with all applicable safety regulations of the Purchaser and follow any other instructions given by the Purchaser concerning the safety. The Supplier shall be solely responsible for the safety of its personnel and subcontractors employed or engaged at the site.

11 ENVIRONMENTAL AND ETHICAL ISSUES

The Supplier agrees to comply strictly with all applicable environmental legislation as well as Purchaser's Environmental Policy and Ensto Supplier Code of Conduct. The Supplier shall have all applicable environmental permits and licenses for its operations and the Supplier shall take responsibility of all required and necessary actions and costs relating to environmental permits and issues including but not limited to recycling costs.

The Supplier shall be committed to ethical business conduct and respect for human rights. The Supplier shall operate in accordance with the Supplier Code of Conduct and respect internationally recognized social and ethical principles. The Supplier shall comply with all applicable labor laws and shall not use or allow use of child labor or forced labor. The Supplier shall monitor that the environmental and ethical performance of its subcontractors comply with the requirements set in this Article. The Supplier shall provide evidence on actions under this Article upon Purchaser's request.

12 PERSONNEL OF THE SUPPLIER

The Supplier shall assign personnel of appropriate qualification, skill and experience to perform and fulfil its obligations under the Agreement. The Supplier shall at all times ensure that all persons assigned to the execution of the Services shall be properly certified to perform the work entrusted upon them. The Supplier shall ensure the necessary supervision of the personnel and the performance of the Purchase Agreement. Without limiting the Supplier's obligation to arrange the aforementioned supervision, the Purchaser may appoint a designated person to watch and inspect the execution of the Purchase Agreement. The person appointed by the Purchaser shall have the right to give instructions in respect of the performance of the Purchase Agreement including the right to cease the execution of the Purchase Agreement if and to the extent the execution of the same is not in compliance with the requirements set out under the Purchase Agreement.



The Supplier shall ensure that all its personnel comply with all legislative requirements in the execution of the Purchase Agreement. If requested by the Purchaser, the Supplier shall promptly provide the Purchaser with a list of the persons that have been assigned to the execute the Purchase Agreement including information.

13 SUBCONTRACTING

The Supplier may have the right to subcontract its obligations under the Agreement. Ensto has an unlimited right to accept or decline the subcontractor at any time prior or during the Agreement period according to Ensto's procurement procedures and quality standards applicable at the time.

The Supplier shall ensure during the validity of the Agreement period, that the Supplier and its subcontractors shall comply with Ensto's Supplier evaluation and quality standards and that its subcontractors and their employees shall comply with the confidentiality provisions set in these General Conditions and of the Agreement. The Supplier shall be liable for the work of its subcontractor as for its own.

14 FORCE MAJEURE

If fulfilment of the Agreement or any of its contractual terms are prevented or delayed by force majeure such as but not limited to fire, strike, war, extensive military mobilization, insurrection, requisition, seizure embargo, restrictions in the use of power and industrial disputes, the Party is not obliged to fulfil the contractual obligation prohibited by the force majeure while the force majeure circumstances exist. Neither Party shall be liable for delays and damages caused by impediment beyond its control, which it could not have reasonably taken into account at the time of the conclusion of the Agreement or particular order, which is affected by the force majeure condition, and which consequences it could not reasonably have avoided or overcome. A force majeure event suffered by a subcontractor shall also discharge the Party from liability, if subcontracting, producing or delivery from other source cannot made within unreasonable costs or significant loss of time.

Either Party shall immediately inform the other Party in writing of start, consequences and ending of a force majeure event condition. In case the event of force majeure lasts longer than three (3) months, either Party shall be entitled to terminate the Agreement with immediate effect by informing of the termination to the other Party in writing.



15 CONFIDENTIALITY

The Supplier agrees to keep confidential all material and information received from Ensto in whatever form such material or information exists and may not use or disclose such material or information for any other purposes than those set forth in the Agreement. The Supplier undertakes that its employees, advisors, subcontractors or other co-operating partners undertake to comply with the confidentiality provisions of the Agreement.

The Supplier shall upon termination of the Agreement or when the Supplier no longer needs the material or information in question for the purpose stated in the Agreement cease using confidential material and information. If requested by Ensto, the Supplier shall return all material in question. The rights and responsibilities under this confidentiality section shall be in effect even after the expiry of the Agreement.

16 VALIDITY AND DURATION OF THE AGREEMENT

The Parties make a written agreement concerning the supply of the Products or services. The Agreement becomes valid upon being signed by the both Parties or if the Parties have agreed upon a later date when the Agreement becomes effective. If written agreement is not signed between the Parties, a valid quotation accepted by Ensto or when the Supplier has approved Ensto's order are also regarded as an Agreement.

The Agreement shall remain in effect until the said period of the Agreement or until the duties of a one-time delivery has been executed by both Parties. If the Agreement shall remain in effect until further notice, it may be terminated by either Party within three (3) months notice period. The notice has to be given to the other Party in writing.

Either Party may cancel the Agreement prior to the date of its fulfilment, if it becomes evident that the other Party will commit a breach of contract entitling to cancellation of the Agreement.

17 ASSIGNMENT

The Agreement shall not be assigned to a third party without a prior written consent of the other Party with the exception that Ensto is always entitled to assign the Agreement or duties related to the Agreement in part or in full without a separate written consent to another company in the Ensto Group or to a third party to which the business referred to in the Agreement is transferred.



18 APPLICABLE LAW AND JURISDICTION

This agreement shall be governed by and interpreted in accordance with the laws of Finland.

All disputes concerning the application or interpretation of the Agreement shall primarily be settled through negotiations between the Parties. Should Parties fail to agree by negotiations, a dispute arising out of or in connection with this Agreement shall be finally resolved in arbitration under the rules of the Board of Arbitration of the Central Chamber of Commerce of Finland by one arbitrator appointed in accordance with the said rules. The language of the arbitration proceedings shall be in English. The arbitrations shall take place in Helsinki, Finland.