

GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF PRODUCTS

1. APPLICABILITY

- 1.1. These general conditions shall apply to all contracts concluded or purchase orders issued by Piikkio Works Oy concerning the supply of Products. Deviations from these general conditions shall not apply unless duly agreed in writing.
- 1.2. In these general conditions of purchase the legal entity within the Meyer Turku Group of companies, is referred to as the "BUYER" and the other party as the "SUPPLIER". The BUYER and the SUPPLIER are collectively the "PARTIES".
- 1.3. When used in these conditions the term "written" or "in writing" refers to a document signed by both PARTIES or a letter, electronic mail or other means of communication agreed by the PARTIES.
- 1.4. The PARTIES shall at all times be considered as independent contractors towards each other. None of the PARTIES shall be authorized to enter into any commitment on behalf of the other PARTY without a written consent of the other PARTY.
- 1.5. The SUPPLIER has prior to the contract or purchase order mentioned in clause 1.1 reviewed and approved the Code of Conduct in the below mentioned link;

http://www.meyerturku.fi/en/meyerturku.com/suppliers/code_of_conduct/code_of_conduct.jsp

2. DEFINITIONS

- 2.1. "Contract" means the written agreement concluded between the PARTIES and/or the purchase order placed by the BUYER concerning supply of the Product(s), including these general conditions, all appendices and agreed amendments and additions to the said documents.
- 2.2. "Enduser" means the customer(s) of the BUYER for which the Product(s) is needed.
- 2.3. "Intellectual Property Rights" means copyrights (including the rights to wholly or partly transfer the copyrights and alter or modify the copyrighted works), patents, utility models, registered or unregistered designs, trademarks, trade secrets and know-how, and other intellectual property rights, whether or not capable of registration.

- 2.4. "Order" means the individual purchase order placed by the BUYER concerning supply of the Product(s).
- 2.5. "Price" means the price for the Product(s) as agreed in the Contract or the Order.
- 2.6. "Product(s)" means all equipment, machinery, apparatus, instruments, components, materials and services (including, but not limited to, engineering, commissioning, drawings, documents, reports, etc.) which the SUPPLIER shall supply/deliver in accordance with the Contract or the Order.
- 2.7. In case of a discrepancy between such Contract or Order and these general conditions, the Contract or the Order shall prevail.

3. SUPPLIER'S SPECIFIC OBLIGATIONS, DRAWINGS, DOCUMENTS, PLANS

- 3.1. The SUPPLIER alone is responsible for the design, manufacturing and quality of the Product(s), unless otherwise agreed and specified by the PARTIES in writing.
- 3.2. In case of doubt, the BUYER's approval of drawings, specification and alike shall not limit the SUPPLIER's responsibility. Any instructions given to the SUPPLIER by the BUYER for the performance of the SUPPLIER's obligations under the Contract or Order do not relieve the SUPPLIER of the full responsibility for the Product(s).
- 3.3. The SUPPLIER shall in accordance with the BUYER's instructions and free of charge provide the BUYER with one set, or any larger number that may have been agreed, of technical documentation, which is sufficiently detailed to permit the BUYER to carry out design, installation, commissioning, operation and maintenance of all parts of the Product(s).
- 3.4. The SUPPLIER warrants that all Products will be manufactured and supplied in compliance with all applicable laws and regulations, including, but not limited to, environmental laws and regulations.
- 3.5. All documents submitted by the BUYER to the SUPPLIER shall remain the property of the BUYER. They may not be used, copied or brought to the knowledge or attention of any third party without the express permission in writing of the BUYER

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4. MANUFACTURING AND PRODUCTION SCHEDULE, INSPECTION, ACCEPTANCE

- 4.1. If specified in the Contract or Order, the SUPPLIER shall, at the request of the BUYER, submit a production schedule and/or progress report and shall undertake to keep the BUYER regularly informed of the progress made.
- 4.2. The supply of Product(s) shall be subject to inspection and tests by the BUYER, the possible Enduser and all agencies and authorities having jurisdiction at all times and places including the place of manufacture and installation. Such inspections and tests shall not in any way diminish, affect or impair the SUPPLIER's obligations and the fact that the BUYER is present or received a report of inspections and tests does not infer any form of acceptance of the Product(s) by the BUYER nor limit the liability of the SUPPLIER.
- 4.3. If specified in the Contract or Order, an acceptance test shall be held before delivery takes place. Unless otherwise agreed, the acceptance test shall be held at the place of production and is only valid if a representative of the BUYER is present. Failure to meet the contractual requirements during the acceptance test shall not release the SUPPLIER from its obligations to deliver the Product(s) in accordance with the Contract or Order. In such a situation, the cost for renewed acceptance test and any related additional costs shall be borne by the SUPPLIER.
- 4.4. If the BUYER refrains from exercising its right of inspection or examination, or from attending an acceptance test, this shall not be interpreted to the detriment of the BUYER in any subsequent assessment of defects. The same shall also apply if inspection, examination or the acceptance test is performed and defects are subsequently shown to exist.
- 4.5. When applicable, the SUPPLIER shall carry out the final commissioning and quality control of the Product(s) in the presence of the BUYER's representative.

5. DELIVERY, TITLE, PACKAGING

- 5.1. The SUPPLIER shall supply the Product(s) in a timely manner and in strict accordance with the Contract and/or Order. Partial delivery is not accepted unless confirmed or requested by the BUYER. The Product(s) shall be in accordance with the

specification, quality standards and quality control and other requirements stated in the Contract and/or Order, in the quantity specified and free from any defects.

- 5.2. If no delivery term has been agreed, the delivery shall be "DAP PiiKKio Works Oy Finland (Incoterms 2010)".

- 5.3. Title to the Product(s) shall pass to the BUYER upon full payment or delivery of the Product(s) according to the agreed delivery term, whichever comes first. Delivery shall take place without any reservation of ownership and the transfer of ownership to the BUYER shall be free of any rights and claims of third parties.

- 5.4. Unless otherwise agreed;

- The Product(s) or parts thereof shall be packed in such a way that it will stand the stresses of chosen mode of transport as well as storage outdoors. If storage of another kind is agreed for the Product(s), it shall be mentioned on parcels and dispatch lists.
- The Product(s) or parts thereof shall be packed in such a way that forklift can be used for unloading and handling.
- The Product(s) or parts thereof which will be delivered on board a vessel under construction shall be packed in a fire-retardant or fire-preventive way.
- Delivery documentation and parcels shall include at least the contract or purchase order number as well as the position and component number(s).
- Each component of the Product(s) shall be marked with the position and component number.
- Only correctly marked parts and components, including delivery documentation, are considered to be contractually delivered.

6. TIME FOR DELIVERY, DELAY

- 6.1. The delivery time for the Product(s) is defined in the Contract or Order. If no delivery time is defined in the Contract/Order, the SUPPLIER shall deliver the Product(s) as soon as possible. If, instead of a fixed date for delivery, the PARTIES have agreed on a period of time within which delivery shall take place, such

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period shall start to run when the Order is placed or the Contract is concluded.

- 6.2. The SUPPLIER shall deliver the Product(s) on the due date stipulated in the Contract or Order at the agreed place or places of delivery. The SUPPLIER shall be responsible for any direct additional costs that may be incurred due to late delivery or delivery more than one week prior to agreed delivery time.
- 6.3. The BUYER is entitled to change the original delivery time, in writing, as follows without a price increase:
- Time for notification is 12 weeks before the original delivery time in case of change to earlier delivery
 - Time for notification is 4 weeks before the original delivery time in case of postponements

For the Product(s) which are used for the BUYER's internal purposes (not for ship projects directly), the BUYER is entitled to change the original delivery time, as follows, without a price increase:

- Time for notification is 4 weeks before the original delivery time in case of change to earlier delivery
 - Time for notification is 3 weeks before the original delivery time in case of postponements
- 6.4. If the SUPPLIER finds that the SUPPLIER will not be able to deliver the Product(s) at the agreed time or if a delay on seems likely, the SUPPLIER shall without undue delay notify the BUYER thereof in writing, stating the reason for the delay and if possible the time when delivery can be expected. If the SUPPLIER fails to give such notice, the SUPPLIER shall reimburse the BUYER for any additional expenses, which the BUYER incurs.
- 6.5. If it has been agreed that the BUYER's approval, consent or other specific input is required for any particular matter and the BUYER fails to provide its input within the agreed time, other than due to the SUPPLIER's default, then the SUPPLIER shall not be liable for the possible delay to the extent directly and solely caused by the BUYER's failure to provide said input within the agreed time. The SUPPLIER must immediately inform the BUYER's representative about this in writing. Otherwise the BUYER may not accept such negligence as a reason for late delivery.

- 6.6. Any failures by the SUPPLIER to observe the dates for the deliveries set out in the Contract or Order, have to be notified to the BUYER forthwith, stating the reasons and a potentially new date for the deliveries. If the stipulated delivery date for the Product(s), or documents pertaining thereto, is not met, and exception under the grounds stated in Clause 11.1 cannot be invoked, the BUYER shall be entitled to liquidate damages calculated from the day deliveries should have taken place. The liquidate damages shall be payable at a rate of two per cent (2%) of the total Price of the Product(s) under the Contract or Order for each commenced week that delivery is delayed. The BUYER is entitled to a higher compensation, if the BUYER can prove higher damages.
- 6.7. Delays in delivery due to Force Majeure as stated in Clause 11.1 below, shall not release the SUPPLIER from his duties to inform, communicate, and act pursuant to this Clause 6.
- 6.8. If the BUYER anticipates a delay in the supply of the Product(s), the BUYER shall be entitled to request the SUPPLIER to submit a plan for making up for the delay, and implement it in mutual understanding with the BUYER.
- 6.9. The SUPPLIER shall take all possible measures to keep a delay in deliveries as short as possible. If so requested by the BUYER, the reasons and effects of the delay are to be investigated by an independent expert.

7. TERMS OF PAYMENT, TAXES

- 7.1. Unless otherwise agreed payment together with value added tax, if any, shall be made 60 (sixty) days from the receipt of a correct invoice.
- 7.2. The last payment(s) are due to be paid on the condition that all deliveries (including drawings, manuals, instruction books, certificates, as-built drawings etc.) have taken place and the delivery of the Product(s) is in accordance with the terms and conditions of this Contract or Order
- 7.3. The prices of the Product(s) are detailed in the Contract or the Order. The prices include packing and packing material.
- 7.4. In case the SUPPLIER considers that certain circumstances allow the SUPPLIER to claim for extra payments, such claims must be notified in writing in a detailed

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manner to the BUYER within 10 (ten) days after the said circumstances are known by the SUPPLIER.

8. LIABILITY FOR DEFECTS

8.1. The SUPPLIER shall, in accordance with the provisions of Clauses 8.2 – 8.5 below, by replacement or repair, remedy any defects in the Product(s) resulting from faulty design, materials, workmanship or installation. Where the SUPPLIER is liable for a defect, the SUPPLIER shall also be liable for damage to product(s) and equipment that have been damaged as a direct and immediate consequence of the defect.

8.2. The SUPPLIER is obliged to remedy, at its own cost and risk, all above mentioned defects and non-conformities (hereinafter "Defect(s)") by repairing or replacing the Product(s) without undue delay after consulting the BUYER and subject to its instructions. The SUPPLIER's liability to remedy Defect(s) commences upon delivery of the Product(s) and covers all Defects that arise within a period of two (2) years from the date the Product(s) were put to final service by the BUYER or, as the case may be, the Enduser, or three (3) years from the date the Product(s) were delivered to the BUYER, whichever period expires later. For the Product(s) which are used for BUYER's internal purposes (not for ship projects directly) the period is two (2) years from the date the Product(s) were delivered to, and accepted by the BUYER. For parts which have been repaired or replaced under clause 8.1., the SUPPLIER shall have the same liability for Defects as for the original Product(s) for a period of two (2) years from the date the Product(s) were repaired. In case a new Product(s) has been delivered to the BUYER or Enduser, the liability for Defects shall be two (2) years from the date new Product(s) were delivered to the BUYER or Enduser. The liability period for the non-defective parts of the Product(s) shall be extended by the period equal to the period during which they could not, in consequences of the said defectiveness, be put into the intended use.

8.3. The SUPPLIER shall reimburse the BUYER all costs and expenses in connection with remedy of any Defects. Return of defective or non-confirming Product(s) and transportation of replacement Product(s) shall be at the SUPPLIER's cost and risk.

8.4. If the SUPPLIER fails to fulfil his obligations under Clause 8.2 within a reasonable time, the BUYER may give the SUPPLIER a written notice of a final date for compliance with this obligation. If the SUPPLIER fails to fulfil his obligations by this date, the BUYER shall be entitled, at its choice, to have the necessary remedial work or have new parts made at the SUPPLIER's cost and risk and receive a compensation for all expenses and losses incurred by the BUYER.

8.5. The SUPPLIER shall not be liable for defects which are solely caused by the BUYER or its agents or customers e.g. through incorrect installation, use or maintenance.

9. LIABILITY AND INSURANCE

9.1. Unless otherwise agreed by the BUYER, the Product(s) and all materials, machinery and other equipment or components belonging to the Product(s) shall, until risk has been transferred to the BUYER, be insured by the SUPPLIER at the SUPPLIER's expense for the full value against all risks usually insured against in the European shipbuilding industry.

9.2. The SUPPLIER shall also be responsible for damages caused by the SUPPLIER or his subcontractors to the BUYER or to a third party within the premises of the BUYER or on the vessel(s) under construction. The SUPPLIER shall have a liability insurance against such damages. The SUPPLIER's liability to pay damages to the BUYER or third parties under the Contract or the Order is however not limited to the value of the liability insurance.

9.3. Whenever requested by the BUYER, the SUPPLIER shall provide insurance cover notes which document that the insurance requirements are fulfilled.

10. INDUSTRIAL PROPERTY RIGHTS

10.1. The BUYER reserves title to drawings, models or other particulars which are delivered to the SUPPLIER whether in print or electronic data for design, construction, installation and/or commissioning of the Product(s). The SUPPLIER shall not be allowed to put them to any other use. Submitted documents shall be returned unrequested immediately after delivery, installation and commissioning of the Product(s). The SUPPLIER shall be liable to the BUYER for any damage sustained by

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the BUYER as a result of breach of the obligations defined above.

- 10.2. The SUPPLIER guarantees that at the time of delivery the Product(s) does not infringe any patents, licences or any other intellectual property rights of whatever nature of third parties. The SUPPLIER shall indemnify the BUYER against any claims resulting from such infringements for a period of fifteen (15) years after delivery of the Product(s) to the BUYER or Enduser. Any fees which may accrue for obtaining licences shall be borne by the SUPPLIER.
- 10.3. Over and above the Clauses 10.1 and 10.2, in case of infringement of such third party rights the SUPPLIER shall bear all costs related to any third-party claim based thereon against the BUYER and/or the Enduser. The SUPPLIER shall also reimburse any damages of the BUYER arising from delayed delivery or restricted operation of the respective BUYER's project as a result of such infringements of patents, licences or any other intellectual property rights.
- 10.4. For any technical or constructional innovation or new development made by the SUPPLIER together with the BUYER in the course of designing, constructing, installing and/or commissioning of the Product, patents, licences or the like can only be applied for by both the BUYER and the SUPPLIER as separately agreed by the PARTIES.

11. FORCE MAJEURE

- 11.1. Unexpected events having the nature of Force Majeure, such as fires, earthquakes, floods and other acts of nature that are beyond the control of the PARTIES shall, if they directly impede the BUYER's or SUPPLIER's performance under the Contract or Order, be considered as a cause for an exemption, provided that the PARTY wishing to be exempted because of any of the said circumstances notifies within three (3) days the other PARTY in writing of the intervention of such an event. The SUPPLIER shall produce written evidence of the fact that an unexpected Force Majeure type event beyond the SUPPLIER's control has created a real obstacle to the SUPPLIER, preventing the SUPPLIER from completing the Product(s). However, provided always that there shall be no Force Majeure if such delay could reasonably have been foreseen or anticipated by the SUPPLIER on the date signing the Contract or Order, or that it

could have been prevented or overcome by the exercise of due diligence by the SUPPLIER, his servants, employees or subcontractors.

- 11.2. Neither of the PARTIES shall be considered in breach of an obligation under the Contract or Order to the extent the respective PARTY can prove that fulfilment of the obligation has been prevented by Force Majeure. In case of Force Majeure, the delivery date of the Product(s) shall be postponed by the number of days corresponding to the net delay in delivery of the Product(s). Likewise, within three (3) days after the date such cause of delay ended, the SUPPLIER shall notify the BUYER in writing of the date when such cause of delay ended. Failure by the SUPPLIER to give such notices as aforesaid shall prevent the SUPPLIER to subsequently claim Force Majeure on account of such circumstances.
- 11.3. In case of strikes and lock-outs, only nationwide industrial actions can be accepted as a Force Majeure event. Shortened working time, shortage of labour, shortage of the SUPPLIER's material or shortages of transport are not accepted as Force Majeure relief. The SUPPLIER is obligated to do its utmost to avoid or minimise a Force Majeure delay.

12. CONFIDENTIALITY

- 12.1. All documentation made available or furnished to the SUPPLIER by the BUYER in whatever form prior to or after receiving the Contract or the Order is strictly confidential and may not be copied, disclosed or in any way transferred to use of a third party. Material may however be transferred to the sub-contractors of the SUPPLIER. Sub-contractors are obliged to follow these confidentiality requirements. The SUPPLIER shall be responsible for any breach of this confidentiality obligation.

13. TERMINATION

- 13.1. Besides the statutory termination and rescission rights the BUYER has the right to terminate the Contract or the Order with immediate effect in the following cases: (a) the delivery of a Product(s) or a component thereof as specified in the Contract or Order is delayed, or threatens to be delayed, for more than four (4) weeks; (b) the SUPPLIER materially breaches one of his obligations under the Contract or Order and

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is not able to remedy the breach within 7 days after the SUPPLIER has received a written notice from the BUYER; (c) the partial or complete direct or indirect takeover of the SUPPLIER by a direct competitor of the BUYER or one of its affiliates or subsidiaries; d) declared insolvency of the SUPPLIER.

In case of termination of the Contract or the Order for above mentioned reason(s), the SUPPLIER shall compensate all the BUYER's damages and losses caused as a consequence thereof.

13.2. Furthermore, the BUYER shall have the right at its own discretion to terminate the Contract and/or the Order, in whole or in part, at any time before the agreed delivery if (a) the agreement between the BUYER and the Enduser has been terminated, has expired, or has otherwise become void, or (b) the BUYER, as a result of an agreement made between the BUYER and the Enduser, has had to postpone its own delivery to the Enduser, or (c) the BUYER has not received from the Enduser a payment pertaining to the agreement, for which the Product(s) was needed, when such payment has become due, or d) in case the Enduser does not accept the SUPPLIER or the Product(s).

13.3. In circumstances that would entitle the BUYER to terminate the Contract or the Order or any part of it, the BUYER may instead of termination also suspend the supply and delivery of the Product(s) under such Contract or Order.

13.4. Any termination or suspension for the BUYER's convenience hereunder shall be made by notice in writing to the SUPPLIER, specifying the Contract or the Order to be terminated or suspended and the effective date of such termination or suspension.

13.5. If the BUYER terminates the Contract or the Order or any part of it, the SUPPLIER shall immediately cease all further performance of the terminated or suspended Contract or Order and use its best efforts to minimize the costs it may incur due to such termination (including terminating relevant subcontracts) or suspension, if any.

13.6. If the Contract or the Order is terminated, the SUPPLIER shall promptly make delivery of the terminated Product(s) (regardless their state of readiness) to the BUYER, if so requested by the BUYER. Title to such Product(s) shall transfer from the SUPPLIER to the BUYER in accordance with the Contract or the Order, provided that

the reasonable direct costs incurred by the SUPPLIER with regard to the terminated Product(s) have been reimbursed, taking into consideration any defects and/or non-conformities on the part of such undelivered Product(s) at their present state of readiness.

14. DISPUTES, LAW

14.1. All disputes arising between the SUPPLIER and the BUYER out of or in connection with the Contract or Order shall be finally settled in arbitration in Turku, Finland in accordance with the then existing rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The Contract and the Order shall be governed by and construed in accordance with the laws of Finland.

14.2. Reference to the dispute resolution stipulated herein shall not in any way relieve the SUPPLIER of its obligation to continue the supply of the Product(s) under the Contract or Order.

14.3. If any provision of the Contract or Order is, or becomes invalid or unenforceable, such invalidity or unenforceability shall not affect the validity and enforceability of the remaining provisions hereof. In such an event the PARTIES shall substitute the invalid and/or unenforceable provision(s) by valid and enforceable provision(s) implementing the intentions of the PARTIES.