

**1. Scope / conclusion of contract / general**

- 1.1 These Terms of Sale of VEM motors Finland Oy (hereinafter referred to as the Supplier) apply to all performance in the scope of continuous business relationships, also for those in future, even if these Terms of Sale and Delivery are no longer expressly agreed upon. Supplementary to this, our price list also applies in the respectively valid version.
- 1.2 Other terms, in particular General Terms and Conditions of the distributor purchasing from the Supplier or another customer of the Supplier (both hereinafter referred to as Distributor), do not form part of the content of the contract, regardless whether the Supplier does expressly contradict these or not.
- 1.3 Amendments and supplements require the Supplier's written confirmation for validity.
- 1.4 Documents and details provided by the Supplier, such as illustrations, plans, details of weight and dimension, are only binding if we expressly designate them as contractual components, or refer to these expressly.
- 1.5 The Supplier retains the right of ownership and copyright to samples, cost proposals, plans, documentation including information of a physical and non-physical nature – also in electronic form; third parties may only use these with prior authorisation.

2. Prices and payments

- 2.1 Prices in the price list are ex works and costs for packaging, loading as well as value added tax if applicable, shall be added.
 - 2.1.1 For deliveries within the EU the Distributor must provide evidence of his exemption from value added tax in good time, with his VAT identification number, prior to the contractually agreed delivery date.
In the event of no information being received in good time, or incomplete information, the Supplier reserves the right to invoice the statutory rate of value added tax.
 - 2.1.2 The Supplier is entitled to invoice value added tax retroactively if the customer fails to supply an export certificate within one month of the respective delivery.
- 2.2. Cost estimates are only binding if provided in written form. Deviations of \pm 15 % are acceptable.

- 2.3 Unless otherwise agreed, the customer shall make payments as agreed upon in the attachment of the Distributor agreement.
- 2.4 Assembly, repairs and other services shall be invoiced at the valid cost rates of the Supplier. Surcharges will be invoiced for work outside of normal working hours. Travel and waiting times count as working time.
- 2.5 Payments are to be made, without deductions, to the Supplier's account.
- 2.6 The Supplier may only use retention and/or set off in case it has such counter claims that have been accepted by the Supplier and/or validly confirmed by a court of law.

3. Delivery/passing of risk/acceptance

- 3.1 The Supplier reserves the right to make reasonable partial deliveries and partial invoicing.
- 3.2 Deliveries are made ex works Masala, unless otherwise agreed.
- 3.3 The liability of risk shall be deemed to have passed, when the Products are available for delivery. If an acceptance inspection has taken place prior to this, this shall be deemed to be passing of risk. If the Distributor has undertaken the transport of the Products from the place of the Supplier, the Distributor shall bear the risk for the duration of this transportation.
- 3.4 The regulations for passing of risk shall also apply if a partial delivery is made, or if the Supplier has undertaken other performance.
- 3.5 If despatch or acceptance is delayed or not performed due to reasons for which the Supplier is not responsible, then risk shall be passed to the Distributor with the reporting of the willingness to despatch or accept.
- 3.6 The Distributor may not refuse delivery, unless it proves that the variations in volume and/or defects were significant. The Distributor's rights in regard to defects are regulated in Section 9.

**4. Retention of title**

- 4.1 Ownership of the delivered Product is only transferred to the Distributor upon complete payment. If the validity of retention of title in the country of destination is associated with particular preconditions or formal regulations, then the Distributor shall be responsible for ensuring that these are met.
- 4.2 Prior to transfer of ownership, the Distributor may not pledge the delivered Products, nor offer them as security. The Distributor shall inform the Supplier of any confiscation or other disposal by third parties without delay.
- 4.3 In the event of behaviour contrary to the contract on the part of the Distributor, in particular in the event of delayed payment, the Supplier shall be entitled to (but not obligated to) retrieve the Products following issue of a reminder. The Distributor is obliged to hand the Products over in this case. Neither the application of retention of title nor pledging of the delivered Products by the Supplier shall be viewed as cancellation.
- 4.4 An application for the commencement of insolvency proceedings over the assets of the Distributor entitles the Supplier to cancel the contract and demand the immediate return of the delivered goods.
- 4.5 The processing of Products subject to reservation of title shall always be undertaken for the Supplier by the Distributor. If the Products subject to reservation of title are processed along with products that are not in the ownership of the Supplier, the Supplier shall obtain co-ownership of the new product in relation to the invoice value of the Products subject to reservation of title in relation to the other Products at the time of processing. Should the Products from the Supplier be combined with other mobile objects to form a unified object, and if the other object is seen as a principle object, then it shall be taken as agreed that the Distributor shall assign co-ownership to the Supplier to the proportion that the principle object belongs to them. The Distributor shall store the property or joint property for the Supplier. The object created by processing or incorporation is subject to the same conditions as the Products subject to the reservation of title.

5. Obligation of Distributor to co-operate

In the case of assembly the Distributor shall make available all requisite assembly parts and ancillary items on site, all requisite preliminary work shall be completed, so that assembly may begin and be implemented without delay.

6. Delivery deadlines

- 6.1 All details provided by the Supplier with regard to duration and delivery deadlines are only approximate unless expressly otherwise agreed in writing. Observance of a fixed delivery deadline despite this requires that all commercial and technical matters between the Supplier and the Distributor have been clarified and that the Distributor has met all of his responsibilities. Should this not prove the case, then the delivery duration shall be extended accordingly.
- 6.2 The delivery deadline is seen as met if notice of dispatch is issued before expiry of the deadline. If acceptance inspection is to be made, then the acceptance date shall apply, or the notification of preparedness for acceptance on the part of the Supplier.
- 6.3 In the event of the delivery deadline not being met due to force majeure, industrial action, delays in obtaining state authorisation or other factors outside of the influence of the Supplier, the delivery duration shall be extended accordingly. The same applies in the event of a delay. The Supplier shall inform the Distributor of the commencement and ending of such events as soon as possible.
- 6.4 If dispatch or acceptance of the delivery of Products is delayed for reasons for which the Distributor is responsible, then the costs arising from the delay shall be invoiced to the Distributor. Such costs shall consist of, for example, but not limited to costs for waiting times and travel time of specialised staff, also in the case of work being performed on a fixed-fee basis, or at the expense of the Supplier. If, in the event of fixed-fee assembly, delays and/or additional expenditure occur that are not the fault of the Supplier, then the Distributor shall bear the arising additional costs. Calculation shall be made on the basis of the Supplier price index valid at the time of assembly. If the



Distributor, with the agreement of the Supplier, makes available assembly personnel, material and labour, the cost of which is to be borne by the Supplier, then a precise list of this is to be compiled, for confirmation by assembly personnel. Only vouchers such as these may be recognised in the event of a delayed invoice. The Supplier reserves the right to pursue further compensatory claims. The same applies if the Distributor has not opened a letter of credit before the agreed date.

- 6.5 In case the Products have not been delivered when agreed due to reasons attributable to the Distributor, the Supplier reserves the right, after having informed the Distributor of a deadline, which the Distributor has not complied, to i) either dispose of the delivery Products or and ii) to deliver the Products to the Distributor within an appropriately extended deadline.

7. Delivery delay/impossibility

- 7.1 In the event of partial delivery delay/impossibility the Distributor may only withdraw from the contract if the partial performance can be proved to be of no interest to the Distributor. If this is not the case, then the Distributor shall pay the contractual price due for the partial delivery. Beyond this Section 11 applies. If impossibility or inability occurs during delay of acceptance (by the Distributor) or due to a fault on the part of the Distributor, then he shall remain obliged to pay full consideration.
- 7.2 If the delivery delay/impossibility is the fault of neither of the contracting parties, the Supplier shall have a claim to a portion of remuneration that reflects the work performed.
- 7.3 If the Supplier should default and the Distributor suffers a loss as a result, then he shall be entitled to claim a fixed compensatory payment for the said default causing delay and/or impossibility. This default compensation shall comprise 0.5% per week of the value of the part of the total delivery that could not be used in due course or as per the terms of the contract, as a result of the delay, up to a maximum of 5%. This shall apply to every full week from the time at which the claim has been received by the Supplier, in written form.

- 7.4 The Distributor is entitled to withdraw from the contract if – under consideration of the legal exceptions – an appropriate deadline set by the Supplier to provide the performance is allowed to lapse without performance.

- 7.5 Further claims from delayed delivery are related exclusively in Section 11.

8. Acceptance

- 8.1 The Products of the Supplier are deemed to be accepted two weeks after the liability of risk has passed, unless the Distributor complains about significant defects within this period, and in written form.
- 8.2 The Distributor is only entitled to refuse acceptance if the defect prevents the usual and/or supposed use of the Product and/or removes its value or significantly reduces it. If the Product is subject to defects that do not entitle refusal of acceptance, then acceptance shall be made provided that the Supplier undertakes to eliminate the defects.
- 8.3 Refusal of acceptance, contradiction of acceptance or reservations of acceptance must be made without delay and in written form, with a description of the defect.

9. Defects in quality

- 9.1 At its own discretion the Supplier shall deliver new Products or improve those already delivered that are proven to be defective following passing of risk as per Section 3 of Terms of Sale and Delivery. The Distributor shall claim defects in quality without delay and in written form, with indication and description of the defect. The Supplier reserves right of title for exchanged/replaced parts as per Section 4.
- 9.2 In particular, no guarantee is provided for i) loss incurred due to subsequent reasons (nor any other form of indirect damages), unless due to gross negligence of the Supplier: ii) natural wear and tear, iii) improper interference or iv) maintenance work on the part of the Distributor or third parties, v) unsuitable or improper usage, vi) faulty operation, assembly or commissioning, vi) faulty or negligent treatment, vi) incorrect maintenance, vi) the use of improper equipment or replacement materials, vii) faulty work on



the part of the Distributor, viii) damaging environmental conditions, ix) chemical, electronic or electrical influences and/or x) alterations to the delivered product without the agreement of the Supplier.

- 9.3 For the Supplier to have the manufacturer to perform the improvements considered necessary at its discretion, or to provide replacement delivery, the Distributor must allow the Supplier the necessary time and opportunity. If this is not done, the Supplier is exempt from the liability and any subsequent consequences. The Distributor is only entitled to eliminate the defects himself, or commission third parties to do so, and to claim compensation for the necessary expenditure from the Supplier in the event of a danger to operational safety or to prevent disproportionately larger loss from being incurred. The Supplier must be informed of such procedure immediately.
- 9.4 If the reclamation is proven to be justified, then the Supplier's liability shall be limited to the immediate costs of improvement of the Product or replacement delivery covering the cost of the replacement part together with delivery costs. The total amount of the costs to be borne by the Supplier is, however, always limited to the total amount of the order.
- 9.5 In the case of culpable sole and/or joint causation of the defects by the Distributor, in particular due to non-observance of his duty to avoid and reduce loss, the Supplier has the right to receive compensation from the Distributor. The Supplier shall have the right to set-off such compensation against claims the Distributor may have against the Supplier
- 9.6 The Distributor is entitled to withdraw from the contract if an appropriate deadline set by the Supplier for the improvement and replacement delivery in the event of a defect fails to be met. If the defect is an insignificant one, the Distributor is only entitled to reduction of the price. Such reduction shall under no circumstances exceed 100 % of the product price; however the maximum of reduction is 50 000 EUR. The right to reduce the price is otherwise excluded.
- 9.7 If the possible reclamation of the Distributor is unjustified, either because no defect exists or if it does not fall within the scope of the Supplier, the Distributor

shall be invoiced for the costs incurred by the Supplier in inspecting or eliminating the defects.

10. Defects in title

- 10.1 Should the use of the delivered object lead to a breach of commercial copyright or industrial property rights the Distributor shall make any and all claims directly to the manufacturer of the Product. The Supplier shall have no liability whatsoever for such claims.
- 10.2 In case of a suspected defect in title, the liabilities of the Distributor are as follows:
- the Distributor shall inform manufacturer of the details of the breach of copyright and industrial property rights in written form,
 - the Distributor shall, if requested, support the manufacturer to an adequate extent in blocking the applied claims and agrees to defensive measures by the manufacturer, including but not limited to out-of-court settlements.

11. Liability

- 11.1 The Supplier is only liable for loss, injury, damages and or harm as and to the extent that has been expressly set out in the Agreement and these Terms of Sale and Delivery.
- 11.2 The Supplier's liability shall always be limited to direct damages and it shall under no circumstances be liable for any indirect and/or consequential damages unless it or any of its management has acted with gross negligence
- 11.3 The Supplier shall not be liable for any product liability, unless otherwise expressly stated in mandatory Finnish legislation.
- 11.4 The liability of the Supplier for eventual destruction of data is limited to the cost incurred in its reconstruction and shall take effect only if this data has been secured by the Distributor in an orderly manner.
- 11.5 Further liability – from whatever legal grounds – in particular for the compensation of loss or damage that has not occurred to the delivered object itself, is excluded.



11.6 The maximum liability of the Supplier shall under all circumstances be not more than 100 % of the product price; however the maximum of liability is 50 000 EUR.

12. Claims arising from insurance contracts

To the extent that the Supplier has direct claims against the insurers of the Distributor with regard to the delivered object, as additionally insured party, the Distributor hereby grants his authorisation for the pursuit of those claims.

13. Software

13.1 Software from the manufacturer included in the scope of supply is subject to the General Terms and Conditions of that manufacturer in first instance. Should these not be available, we shall provide them at the request of the Distributor.

13.2 Supplementary to the General Terms and Conditions of the manufacturers, the above Terms and Conditions also apply accordingly. In the event of discrepancy of the General Terms and Conditions of other manufacturers the conditions of the Supplier shall apply.

13.3 The Distributor retains a long-term right of simple, non-exclusive usage to manufacturer's software products only if and to the extent the manufacturer has given such rights to the Supplier. If such right of usage is of importance to the Distributor, it shall make an inquiry regarding the Supplier's rights regarding the same. The issue of sub-licences is not authorised.

14. Limitation

14.1 Guarantee claims of the Distributor are limited to 12 months following the passing of risk.

14.2 Statutory regulations shall apply in the event of intentional or malicious behaviour, together with claims arising from product liability law.

14.3 All other claims of the Distributor – from whatever legal grounds – are limited to 24 months following passing of risk.

15. Repairs and other services

The following applies supplementary to repairs and other services provided by the Supplier and/or its personnel and subcontractors:

15.1 The Distributor shall inform the Supplier, at his own expense, of the existing safety regulations and hazards, together with all measures necessary for the protection of individuals and material in the work place.

15.2 The Distributor shall support the Supplier in the implementation of works, at his own expense, to the requisite scope, as well as providing the contractually-determined assistance, such as preparation works, the provision of water and electricity etc.

15.3 The assistance of the Distributor must ensure that the work of the Supplier can be commenced immediately upon arrival of the personnel, and conducted without delay until acceptance.

15.4 Should the Distributor fail to meet his obligation, VEM motors shall be entitled, but not obliged, to undertake the actions under the obligation of the Distributor himself, at his cost.

15.5 If a repair is unable to be performed for reasons that are not the fault of the Supplier, the performance already provided by the Supplier, together with associated expenses, shall be compensated by the Distributor.

15.6 Parts that are exchanged or replaced remain the property of the Supplier in the scope of Section 4.

15.7 If performance has been lost or deteriorates prior to acceptance, without fault on the part of the Supplier, then the Distributor shall recompense Supplier the price, minus expenditure that is no longer performed.

15.8 Only repair contracts that are confirmed in writing are binding.

15.9 The Distributor is entitled to a reduction of price equalling the damage it proves to have taken place, if an appropriate deadline set by the Supplier to provide the performance is allowed to lapse without performance, however, under no circumstances more than 100 % of the product price and maximum of reduction being 50 000 EUR.

15.10 The Supplier shall inform the Distributor of the completion of assembly work without delay ("notice of completion").



- 15.11 Works are to be accepted within 2 weeks of dispatch of the notice of completion. A separate acceptance protocol is to be applied here. Should the acceptance fail to take place within the 2-week deadline period due to reasons for which the Supplier is not responsible, then the works shall be deemed to be accepted, unless the Distributor submits a written reclamation within this period for significant defects. Section 8.2 shall also be applied.
- 15.12 Should the Supplier consider itself to be hindered in the orderly performance of its work, then it shall inform the Distributor of this without delay. If the cause of the hindrance is attributable to the Distributor, then the Supplier shall have a right to an appropriate extension of the performance deadline.
- 15.13 Should the Distributor cancel the contract of work, the Supplier shall have claim to the agreed remuneration, with the offsetting of the costs saved by the Supplier as a consequence of the cancellation of the contract, or saved from the alternative use of labour or facilities.
- 15.14 Should, by amendment of the draft or other adjustments on the part of the Distributor, the basis of the performance foreseen in this contract be altered, then a new price shall be agreed upon under consideration of increased or reduced cost. The agreement shall be made prior to delivery of performance.
- 15.15 If a service is requested that is not foreseen in this contract, the Supplier shall have a claim to a separate remuneration. However, this must be communicated to the Distributor before the beginning of such performance.
- 16. Miscellaneous**
- 16.1 For the sale of second-hand Products, all Products are sold in an "as is" condition and all guarantees and liability for defect of the Supplier are excluded.
- 16.2 All taxes/charges and levies in association with performance outside of Finland or otherwise attributable to the Distributor shall be borne by the Distributor or, where relevant, reimbursed to the Supplier.
- 16.3 Data relating to individuals shall be stored by the Supplier under consideration of statutory regulations.
- 16.4 The Distributor shall be liable for all costs for transport and packaging and the Supplier shall reimburse no costs for the return transport of packaging.
- 16.5 The Distributor shall procure the authorisation and/or export and import papers required for the use of the Products at its own cost.
- 16.6 Place of performance and service to be rendered for all obligations of the Distributor to the Supplier is Masala, Finland.
- 16.7 Should individual terms of these General Terms and Conditions or contract prove to be wholly or partially invalid, the remaining terms shall not be affected.
- 16.8 Jurisdiction for all disputes arising from this contractual relationship is – unless otherwise agreed in writing – the city court of Espoo.
- 16.9 The law of Finland applies. The application of the United Nations Convention for the International Sale of Goods of April 11, 1980 shall be excluded.
- 16.10. The Supplier is authorized to use personal data that might have been collected from the Distributor, manufacturers and service companies for comparison with embargo or sanction lists or to send this data to suitable offices for comparison. The Distributor agrees explicitly to this use of his data.
- If a violation of the embargo or sanction rules are detected, the Supplier is entitled to an extraordinary termination or withdrawal of the contract without any liability to compensate the premature termination. Other lawful rights of the Supplier remain unchanged by this.