



Terms and Conditions for Purchase of Materials, Components and Products.

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1. Order, Order Confirmation and Delivery Notification

- 1.1. Each order must be confirmed by the supplier in writing within three (3) working days after the order has been received. If not, CEJN is entitled to compensation for time spent on any rescheduling of the delivery. The order confirmation shall always contain purchase and technical descriptions and references mentioned by CEJN in the order.
- 1.2. Modifications of or additions to the order shall only be effective with CEJN's written approval.
- 1.3. If CEJN requests a delivery notification of the goods, the supplier shall promptly issue such notification when the goods are transferred to the forwarding agent for transportation to CEJN. If the supplier does not issue such notification, CEJN shall be entitled to compensation for the time spent on rescheduling of the delivery.

2. Time for delivery and delay

- 2.1. Delivery of the goods shall always take place at the agreed time and place. Unless otherwise is specified in the purchase order, delivery should be FCA (Free Carrier). All delivery terms shall be interpreted in accordance with the latest edition of Incoterms.
- 2.2. In the event of delay or anticipated delay of the goods, CEJN shall be notified immediately. In order to comply with the agreed time of delivery, the supplier shall take well-timed and appropriate action (shift work, overtime etc.) to avoid delay. The supplier shall be responsible for the costs of such activities.
- 2.3. The supplier shall be responsible for all costs incurred as a result of an attempt to keep a delivery deadline (expedited shipping etc.).
- 2.4. If delivery has not been made within the agreed time, CEJN has the right to either cancel the order or accept delivery and demand compensation. In case of an order for goods manufactured according to specifications and standard requirements provided by CEJN, such order may only be canceled by CEJN if the delay is essential. Moreover, CEJN has a right of compensation in all cases where delivery has not been made at the agreed time.
- 2.5. The supplier may only deliver the goods earlier than originally agreed if CEJN gives their written consent.
- 2.6. If the supplier exceeds the agreed delivery date, liquidated damages in an amount equal to 0.3% of the purchase price for each commenced calendar day of delay, has to be paid by the

Supplier. The liquidated damages shall not exceed 10% of the total purchase price, but if the delay has caused CEJN losses that exceed the liquidated damages the supplier shall compensate CEJN for such loss. Only CEJN's internal costs, losses or damages and not losses of any third party shall entitle CEJN to such compensation.

- 2.7. If the parties have agreed in writing to an extension of the delivery time the liquidated damages shall apply to such new delivery date, without the need of any special agreement.

3. Deliveries and Warranties

- 3.1. The supplier undertakes to deliver such quantity or quantities as are stated in the order. Partial or excess delivery is allowed only with CEJN's prior written consent or if CEJN has requested partial delivery in writing in connection with the receipt of the original order confirmation. CEJN reserves the right to return any excess quantities to the supplier at the supplier's expense, if considered necessary. In the event that insufficient quantities are delivered, CEJN has the right to require delivery of the complete quantity ordered. On request, the supplier shall compensate CEJN for any internal costs incurred in connection therewith.
- 3.2. The supplier warrants that the delivery meets the requirements of the order, is in accordance with the relevant specifications and standard sheets, free from encumbrances and defects in materials and workmanship. The supplier also warrants that the goods at the time of delivery meets the applicable law, regulations and standards in the countries where they are manufactured, where they will be delivered, as well as in Sweden. CEJN has the right to demand correction of defects or return defective goods to the supplier at the supplier's expense. CEJN is entitled to compensation for any additional costs losses or damages CEJN has incurred or suffered as a result of such defects.
- 3.3. CEJN reserves the right to conduct quality controls of the supplier and its subcontractors. The supplier is obligated to provide assistance during such inspection and immediately remedy any deficiencies. This quality control does not limit the supplier's obligation to deliver in the agreed condition and on time.

4. Passing of risk and Title

- 4.1. Passing of risk in and title to the goods shall be in accordance with the agreed terms of delivery, Article 2.1

5. Packing and Delivery

- 5.1. Unless otherwise agreed in writing between the parties or specified on the CEJN drawing, the goods shall be packed for transport in a way that is appropriate for the goods and suitable for the intended type of transport. The packaging must protect against damage, soiling and damp both during transport and storage. Environmentally friendly packaging materials shall be used when possible. The supplier is responsible for loss of, or damage to, goods caused by inadequate packing. The same shall apply in the event that the goods cause injury to person or property due to inadequate packing.
- 5.2. Unless otherwise agreed between the parties, the supplier shall be responsible for the costs relating to packing.
- 5.3. Each delivery must include a delivery note specifying the content and the complete order number in accordance with the requirements of CEJN. Transport documents with the same information shall be sent immediately.

6. Invoices

- 6.1. The order number and the number of each item or article must be indicated on the invoice. If this information is missing or incomplete, the invoice shall not be considered to be due for payment. Copies of invoices must be marked as copy.

7. Price and Payment

- 7.1. The price of the order is fixed, excluding of VAT and includes all costs agreed upon.
- 7.2. The agreed payment period shall begin immediately after the delivery has been completed and a properly issued invoice has been received. In cases where the supplier has a commitment to provide for the testing of materials, testing protocols, quality control documents or other contractual documentation, the delivery shall not be considered complete until the supplier has delivered complete documentation. CEJN has the right to withhold payment to the extent appropriate due to any deficiency in the delivery. The payment period shall in this case begin after full correction of any deficiency.
- 7.3. Payment of an invoice does not constitute a confirmation that the relevant delivery is in conformity with the contract (especially in terms of quantity and quality). CEJN shall retain any and all rights to make complaints also after the delivery in question has been paid.
- 7.4. A default in the payment of any invoice shall not be deemed to have occurred until a demand for payment for the amount due has been received.

8. Production Samples and Delivery Test

- 8.1. The supplier shall always check and ensure the correct status of each delivery of goods before dispatch in terms of quantity and quality.
- 8.2. If the parties have agreed that the goods shall be tested (production samples) before a series of deliveries can be initiated such testing shall be undertaken and paid for by the supplier. This also applies to any documentation which shall be included in the delivery of these samples to CEJN. The production samples should always be made with the equipment and the process that is supposed to be used for later production runs. If specific technical requirements for the tests are not specified in the agreement, the tests shall, to be approved, show that the goods meet the requirements of a flawless product. If production tests show that the goods do not comply with agreed specifications or if they do not meet the above requirements, the supplier shall promptly take corrective action and then deliver new production samples to CEJN for re-evaluation. If these new production samples are not approved by CEJN, CEJN has the right to immediately cancel the order without any further obligation towards the supplier.
- 8.3. Approval of production samples does preclude CEJN at a later date from asserting deficiencies in the delivery. However, CEJN has an obligation to notify any defects as soon as possible after discovery.

9. Liability for Defective Products

- 9.1. If deficiencies are discovered in the products, the supplier shall promptly remedy and correct the deficiencies by repairing defective products (including sorting out defective products) or by delivery of non-defective products without charge. The choice of appropriate corrective measure is made by CEJN, in consultation with the supplier.
- 9.2. CEJN reserves the right to fully or partially withhold payment until (i) the supplier has fulfilled its obligation to remedy defects in accordance with clause 9.1 or (ii) the parties have agreed on measures such as credit invoice, price reduction, and substitute delivery, compensation for damage or cancellation.
- 9.3. The supplier shall be responsible for all direct costs incurred as a result of remedial actions, correction of defects or substitute delivery. This responsibility shall also include compensation to CEJN for all internal costs, expenses and damages associated with claims and correction of deficiencies.
- 9.4. If the supplier fails to perform corrective and remedial action within a reasonable time set by CEJN, CEJN may on their own or through the services of a third party carry out sorting, repairs or other substitution at the supplier's risk and expense or demand a price reduction. The same applies in the event that there is a safety hazard or if the situation is particularly urgent. If the

deficiency is substantial, CEJN may cancel the contract by written notice to the supplier. In case of cancellation CEJN is entitled to compensation in order to cover internal damages that CEJN has suffered.

- 9.5. The supplier is not responsible for defects caused by the materials, services or specifications provided by CEJN.
- 9.6. The warranty period shall minimum be 12 months from the time that the delivered product is in commercial use or minimum 24 months from time of delivery unless otherwise agreed between the parties.
- 9.7. If the supplier has made a replacement or repair work under warranty, a new warranty period shall commence for such repair work or replacement. The warranty period for the entire delivery shall be extended by the period during which the delivery cannot be used to its full extent as a result of deficiencies.
- 9.8. CEJN reserves the right to make any further and future legal claims.
- 9.9. Inspections made by CEJN or regulations, instructions and specifications provided by CEJN, or any other person acting on CEJN's behalf, shall not limit CEJN's right to make a warranty claim in accordance with these Terms and Conditions, in particular concerning defects. In the event that the supplier does not consider controls, regulations, instructions and specifications to be reasonable nor has other reservations, the supplier shall, without delay, notify CEJN in writing and suggest improvements.

10. Liability for Infringement of Intellectual Property Rights

- 10.1. In case CEJN is not the owner of the specification regarding the products delivered the supplier warrants that such products are not infringing upon any existing patent, design, copyright or other intellectual property rights.
- 10.2. CEJN shall immediately notify the supplier in the event of a claim from a third party against CEJN or CEJN's end user concerning any alleged infringement of any third party's intellectual property rights. The supplier shall indemnify and hold CEJN harmless against all costs (including attorney's and court costs) and claims from third parties relating to such infringement against intellectual property rights.
- 10.3. CEJN shall also be entitled to require that the supplier at his own expense and without delay, either (i) obtains a license under such intellectual property right, or (ii) modifies the products so as to render them non-infringing.
- 10.4. If the infringement results in an inconvenience for CEJN, CEJN shall have the right to, by written notice to the supplier, cancel the contract.
- 10.5. CEJN reserves the right to make any further legal claims in respect of such infringement and cancellation.

11. Use of Subcontractors

- 11.1. The supplier is not entitled to assign or transfer all or part of the delivery to subcontractors without the prior written consent of CEJN. If the supplier is in breach of this provision, CEJN has the right to cancel the order in whole or in part and to demand compensation for any damage suffered. On request, the supplier shall provide a list of all subcontractors engaged in the deliveries.

12. Changes in agreed manufacturing operations

- 12.1. In those cases where the supplier believes that it is appropriate to implement a change in a specific agreed manufacturing process that previously has been revised (audited) and approved by CEJN, a written approval must be obtained from CEJN before such a change can take effect. If the supplier is in breach of this provision, CEJN has the right to cancel the order in whole or in part, and to demand compensation for any costs, losses or damages incurred or suffered.

13. Materials provided

- 13.1. Materials provided by CEJN remain the property of CEJN and shall be labelled as CEJN's property and stored separate from the supplier's property free of charge to CEJN. The material shall not be used for any other purpose than for the production of orders from CEJN. The supplier is responsible for this material and must compensate CEJN for any reduction or loss in value that occurs during the time when such material is in the supplier's care.

14. Tools, specifications, standard sheets, confidentiality etc.

- 14.1. Tools, specifications, designs, standard sheets, prototypes and similar items or rights provided by CEJN shall remain the property of CEJN and may not without CEJN's written consent be provided or disclosed to third parties. They may not be used for any purpose other than for deliveries to CEJN. The supplier shall protect such items and rights from unauthorized access and label them as CEJN's property. The supplier shall be responsible for any reduction in value or loss unless this is due to normal wear and tear. CEJN may require that any documents or information relating to such rights and items are returned immediately to CEJN if the contract is terminated by CEJN due to the supplier's breach.
- 14.2. The supplier may not disclose any information contained in documents set forth in Article 14.1 ("Confidential Information") to third parties unless the information is publicly known or otherwise brought to the knowledge of such party without a breach of confidentiality hereunder. The supplier is only allowed to make information available to employees if they need the information to perform their duties. The supplier shall ensure that such employees agree, in writing, to treat such information as confidential. All supplied documents and items must be kept confidential for a period of ten (10) years from time when the

last order is completed. If CEJN accepts that the supplier subcontracts all or parts of the delivery to third parties, the supplier shall ensure that the third party in writing agrees to an equivalent obligation of confidentiality. The supplier shall return or destroy all this information and items after consultation with CEJN if the contract is terminated.

15. Product Liability

15.1. In case CEJN has bought a product based on the supplier's own specification and a third party makes a claim against CEJN based on product liability, CEJN has to notify the supplier. The supplier shall indemnify and hold CEJN harmless against all claims from third parties, and from all costs (including, in particular, legal expenses), if such claims are caused by deficiencies in the supplier's deliveries. In addition, the supplier shall compensate CEJN for all costs, losses and expenses suffered or incurred by CEJN as a result of preventive measures that CEJN must take to prevent injuries such as warnings and / or recall of a defective product or other similar measures. All costs for risk assessment (particularly expert costs) and CEJN's internal administration and handling charges will be paid for by the supplier, unless the supplier provides acceptable evidence.

16. Assignment

16.1. The supplier is not allowed to transfer or assign its rights or obligations under any order in whole or in part.

17. Supplier's Insolvency

17.1. If the supplier's financial situation weakens significantly, the supplier shall immediately inform CEJN. CEJN is entitled to terminate the contract in whole or in part with immediate effect if the supplier has taken general measures to cease payments of its debts, initiated negotiations for a general agreement with its creditors or been subject to an application for bankruptcy proceedings.

18. Cancellation

18.1. CEJN has the right to stop the delivery under any order at any time by sending a written notice to the supplier. In such event the supplier shall immediately stop working and take the necessary measures to secure and protect the goods. CEJN shall compensate the supplier for the direct costs incurred by the supplier due to the stopped work and prolong the delivery time with a reasonable time.

18.2. CEJN has the right to cancel an order at any time by sending a written notice to the supplier. In such event the supplier shall immediately stop working on such order. CEJN shall compensate the supplier for the direct costs of the supplier, accrued through the date of termination, and a reasonable profit. CEJN's obligation to compensate the supplier shall in no case exceed the purchase price of the order.

19. Force Majeure

19.1. CEJN's obligation to fulfil the order requires that the fulfilment of the delivery is not hindered by obstacles such as national or international regulations relating to foreign trade, customs, embargoes or other sanctions.

20. Assignment

20.1. CEJN shall have the right to assign the order without the supplier's approval.

21. Applicable Law and Dispute Resolution

21.1. If a dispute arises from this agreement, the parties shall first seek to resolve the dispute through negotiation. If a party notifies the other party in writing that the negotiations have failed, both parties should immediately appoint a senior representative with the authority to negotiate a settlement. The parties shall notify each other when such a representative has been appointed, and the superior representatives shall then attempt to resolve the dispute in a friendly spirit. If the representatives has not been appointed and / or have failed to reach a consensus within thirty (30) days after the first representative was appointed, or within the time the parties agreed to in writing, either party may request in writing that the dispute will be referred to mediation in accordance with the Mediation Rules of the Mediation Institute of the Stockholm Chamber of Commerce (the Mediation Rules).

21.2. If mediation does not lead to a resolution of the dispute within the time specified in the Mediation Rules, the dispute shall be settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce (the Institute).

21.3. If the amount of the dispute does not exceed three million (3,000,000) SEK, the Institute's Rules for Expedited Arbitrations shall be applied. If the amount of the dispute exceeds three million (3,000,000) SEK the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce shall be applied and the arbitral tribunal shall consist of three arbitrators. The place of the arbitration shall be Stockholm, Sweden. The language to be used in the arbitral proceedings shall be Swedish.

21.4. None of the foregoing shall be a limitation on the parties to formally request an inhibition or interlocutory judgement from a competent court or arbitration board.

21.5. These terms and conditions and any dispute arising out of or in connection with these terms and conditions shall be governed by the laws of Sweden.