

FinnSonic Sales Terms and Conditions

1. General

The following terms and conditions of sale shall apply to any sale of goods (the Products) by FinnSonic Oy (FinnSonic) to other parties. These terms and conditions are valid until otherwise agreed in each particular case.

The contract for the sale of the Products between FinnSonic and other parties (the Contract) comprises the terms and conditions included in the documents mentioned below. Such documents shall be applied according to priority as follows:

1. FinnSonic Sales Terms and Conditions
2. Following General Conditions (the General Conditions) are included by reference to be applied in different regions:
Scandinavia: NL 01 General Conditions "(NL 01")
Other countries: ORGALIME S 2012 General Conditions for the Supply of Mechanical, Electrical and Electronic Products ("S 2012") and/or ORGALIME SI 14 General Conditions for the Supply and Installation of Mechanical, Electrical and Electronic Products

2. Technical Specifications

Due to the custom engineered nature of the Products it must be understood that changes might occur at the design stage of the Product. Therefore detailed technical information given in quotations, order confirmations or before the end of the design, such as dimensions, liquid volumes, effects and utility requirements are only informative, not binding. The same applies to drawings, unless they are marked as "final" or "binding".

3. FinnSonic Standards

Unless otherwise stated in FinnSonic documentation, the Products are made using the design practices, materials, components and documentation specified in the last FinnSonic General Technical Specification in force at the time of the formation of the Contract. However, the final choice of materials and components is done at the design stage of the Product, and is not limited by the said Technical Specification.

Technical documentation like drawings and parts lists are in English language. Each machine is supplied with set of documentation.

4. Quotation

FinnSonic commercial information is binding only when given in a binding written quotation or other binding written notice connected to a specific named case. Information given, e.g. in telephone conversations is non-binding, unless confirmed in writing.

In case the quotation is headed as "preliminary" or "budgetary", it is only indicative and not binding in any respect.

Any quotation, which the other party has made to a third party, is not binding FinnSonic in any respect. It can become binding upon FinnSonic only after an authorized person of FinnSonic has read the quotation and approved in writing its terms to be binding also between FinnSonic and the other party.

Unless mentioned in the quotation, the quotations are valid for 3 months from the date of the quotation.

5. Purchase Order

The other party shall make each purchase order separately in writing. Each purchase order shall contain any conditions which must be taken into consideration in each particular case or which differ from the conditions of these terms.

A written order may also be based on FinnSonic quotation, which is referred to in the purchase order and where all above terms and specifications are given.

Even an oral order can be accepted as a preliminary order for reserving the capacity in engineering and production. Oral order must be confirmed in writing as soon as possible, latest before the start of engineering or production.

Any purchase order from third parties are not binding FinnSonic in any respect. It can become binding for FinnSonic only after an authorized person of FinnSonic has read the order and approved in writing its terms to be binding also between FinnSonic and the other party. This is the time of formation of the contract.

FinnSonic has the right to reject any purchase order without any liability arising out of such rejection.

6. Order Confirmation

FinnSonic will confirm a purchase order with a written order confirmation. The purchase order and order confirmation shall constitute a complete contract (the Contract) and shall supersede all previous quotations or agreements. However, should there be contradiction between the terms of the purchase order and the terms of the order confirmation, the order confirmation shall prevail. Should the other party not accept the order confirmation due to the above contradiction in terms, the other party shall be obliged to notify FinnSonic in writing within three (3) days from the receipt of the order confirmation. Should the other party fail to notify FinnSonic, the order confirmation becomes binding. For the sake of clarity, if FinnSonic confirms an order as such without any contradiction between the terms of the purchase order and the order confirmation, the order confirmation becomes binding to the other party immediately upon the receipt of the order confirmation.

Any order confirmation from the other party to third parties is not binding FinnSonic in any respect. It can become binding upon FinnSonic only after an authorized person of FinnSonic has read the order confirmation and approved in writing its terms to be binding also between FinnSonic and the other party.

7. Communication after Order Confirmation

Any changes or additions must be agreed as follows:

In case the other party wants changes or additions to contents of the Contract, be it of commercial or technical nature, then these additions and changes may be agreed only after FinnSonic has in writing confirmed their possible effects on price and delivery time and possible other terms of the Contract.

FinnSonic shall inform the other party of any technical changes, which occur in the course of engineering work, if they are of such nature that they may affect the designed operation, utility requirements or any other essential properties.

If so agreed, FinnSonic will send drawings or other technical data for approval before the start of the manufacture. The Distributor shall give their comments as soon as possible, however within three (3) days from the receipt of the documents. Otherwise FinnSonic has the right to adjust the delivery time.

8. Time of Delivery

The delivery time given in a quotation indicates the present situation in production and it is merely a non-binding estimate. The delivery time given as a number of weeks is understood to mean full working weeks from the formation of the Contract.

The date of dispatch given in FinnSonic order confirmation is a best supposition. Any reference to delivery time in the order confirmation shall not mean the fulfillment of the delivery but it means the date of dispatch. The date of dispatch means the date when the Product is ready for delivery at FinnSonic workshop(s) or its subcontractor's workshop(s), and does not cover the time needed for transportation, installation and start-up. Any changes in the delivery content occurred by the other parties may have an impact in the delivery time. FinnSonic reserves the right to make changes to the delivery time.

Delivery time does not cover the time needed to make any modifications on the Product after installation, or completing documentation of such modifications.

Any agreement concerning the delivery time made between the other party to third parties without written confirmation of FinnSonic is not binding for FinnSonic.

9. Delivery Tests

In addition to what is said in the General Conditions the tests shall be carried out as follows:

Compliance of the Product with the Contract is verified at a delivery test. The delivery test consists of general checkout and a functions test. The delivery test is carried out at the place of manufacture with its available resources (e.g. tap water, pressurized air, electricity) with a duration of up to one (1) day. If other resources, services or durations are required, then these must be agreed beforehand and will be charged.

If the other parties want to make other tests at the place of manufacture, such as process or performance tests, or tests with goods, then these have to be agreed beforehand and will be charged.

10. Prices

FinnSonic submits and updates price lists for its range of standard equipment and components. Other prices will be quoted separately case by case.

11. Terms of Payment; Retention of Title

The Purchaser pays the orders against FinnSonic's invoices.

Payments are made to FinnSonic's bank account stated at the invoice. Time of payment is calculated from the date of the invoice. Payment shall be deemed to be effected when FinnSonic's account has been fully and irrevocably credited.

If the Purchaser fails to pay by the stipulated date, FinnSonic shall be entitled to delay interest at a rate of twelve per cent (12 %) per annum for the period between the stipulated date for payment and the actual date of payment.

Failure by the other party's customer (third party) to pay the other party by the agreed payment date, shall not change the other party's obligation to pay to FinnSonic according to the terms of payment agreed between the other party and FinnSonic.

FinnSonic general payment term is 100% prepayment at delivery FCA (Incoterms 2010) if not agreed otherwise.

The Products will remain the property of FinnSonic until fully paid.

12. Terms of Delivery

FinnSonic delivers the Products FCA Free Carrier (Incoterms 2010) place of manufacture, including normal packing such as packing in container or packing for truck transportation not including any hard casings. Other packing, such as hard case, seaworthy packing or similar, must be agreed separately and will be charged.

13. FinnSonic Warranty Conditions and Liability for Defects

FinnSonic Industrial Cleaning and Inspection systems, when used in accordance with the instructions, are covered by the following warranty:

- 1.) FinnSonic Ultrasonic Generators and all further electrical, electrical and mechanical components are made of highest quality materials and are guaranteed for 12 months following date of the shipment against failure caused by defective material or workmanship.
- 2.) FinnSonic Ultrasonic PZT transducers are guaranteed not to crack, deteriorate or become detached from the radiating surface, for five years from date of shipment.
- 3.) FinnSonic Special- and/or Engineered Cleaning systems and associated equipment are guaranteed for 12 months following date of shipment against failure caused by defective material or workmanship. For ultrasonic equipment, chapters 1.) and 2.) of these conditions remain valid.

Within the warranty period FinnSonic will repair or replace free of charge, Ex Works, all defective parts in the Product but FinnSonic shall not be liable for costs for removing (disassembling) or installing (assembling) parts.

For repairs and replacements effected under these warranty conditions, same warranty conditions are applicable. The warranty period for such repairs and replacements shall, however, be only until the end of the warranty period valid for the originally delivered system/Product.

Damage caused by improper handling or misuse is not covered by warranty.

The warranty does not cover normal wear and tear of e.g. motors, pumps, heating elements, cavitation erosion of vibrating surfaces and such like, so far as this wear is not caused by structural failures. The warranty does not cover defects or failures arising out of faulty maintenance or faulty repair or by alterations carried out without FinnSonic's consent in writing.

Otherwise the warranty shall be according to the General Conditions (NL 01 or S 2012) but with following modifications and additions:

1) The first sentence of NL 01 Clause 23 and S 2012 Clause 23 shall in this Contract be replaced with the following:

FinnSonic's warranty liability is limited to defects, which appear within a period of one year from either:

- a) an acceptable test run, during which it can be verified, that the delivery includes all the functions, equipment and documents, that have been agreed in order confirmation or which have been agreed in writing after order confirmation to be delivered at the same time as the Product;
- b) commissioning, after which the Product comes to regular use, even if it does not necessarily represent full capacity; or
- c) the date of FinnSonic' whichever is the earliest.

2) Addition to NL 01 Clause 22 and S 2012 Clause 35:

Wearing of parts such as gaskets, filters and hoses is considered normal.

The Distributor shall inform FinnSonic with a written notice of the commencement of the warranty period. The notice shall include, if available, a copy of the Distributor's customer's take-over certificate.

In case the acceptable test run or commissioning is delayed for reasons due to the Distributor or the end customer, the warranty period shall, however, expire 12 months from the delivery.

The FinnSonic warranty of one (1) year for cleaning lines is valid only when installed and/or commissioned by FinnSonic.

The foregoing warranty in this Clause 13 sets forth the entire liability of FinnSonic due to defects in Products and Services, other defects and all other liabilities, warranties or guarantees, express or implied, whatsoever are excluded.

14. Title and Intellectual Property Rights

Title to any and all trademarks, trade names and other symbols as well as patents, copyrights, industrial designs, utility models and other intellectual and industrial property rights of whatsoever nature in or related to the Products and related drawings, specifications, computer programs and other related items will be vested in and be the exclusive property of FinnSonic and/or its suppliers, as the case may be, whether or not specifically recognized or perfected under applicable law. The other party will not take any action that jeopardizes such proprietary rights or acquire any right to the Products.

15. Limitation of Liability

EXCEPT FOR A BREACH OF FINNSONIC'S INTELLECTUAL PROPERTY RIGHTS, BREACH OF THE PARTIES' RESPECTIVE CONFIDENTIALITY OBLIGATIONS OR FOR LIABILITY CAUSED BY GROSS NEGLIGENCE OR INTENTIONAL OR WILLFUL MISCONDUCT BY A PARTY, UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER UNDER ANY CONTRACT, STRICT LIABILITY, NEGLIGENCE, OR OTHER LEGAL OR EQUITABLE THEORY, FOR ANY PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS, LOST REVENUE OR ANTICIPATED SAVINGS IN CONNECTION WITH THE CONTRACT. UNDER NO CIRCUMSTANCES SHALL FINNSONIC'S LIABILITY FOR ANY DAMAGES UNDER OR IN RELATION TO THE CONTRACT EXCEED THE PRICE OF THE PRODUCTS INCLUDED IN FINNSONIC'S ORDER CONFIRMATION.



16. Law and Dispute Resolution

The Contract shall be governed and construed in accordance with substantive laws of Finland, excluding its choice of law provisions. Any dispute, controversy or claim arising out of or relating to this Contract, or the breach, termination or validity thereof shall be finally settled in arbitration in accordance with the Arbitration Rules of the Central Chamber of Commerce of Finland. The Arbitration shall take place in Helsinki, Finland. Notwithstanding the above, FinnSonic shall be entitled to take action for collecting its receivables from the buyer in the court of FinnSonic's or buyer's domicile.

Lahti 4.5.2020