

PONSSE PLC - GENERAL TERMS AND CONDITIONS OF PURCHASE

1 General

1.1 These General Terms and Conditions of Purchase ("Terms") shall apply exclusively for the purchase of any and all products and/or services ("Products") by Ponsse Plc ("Buyer") from supplier ("Supplier"), unless the parties agree otherwise in writing. Supplier and Buyer are hereinafter referred to also each individually as a "Party" and jointly the "Parties". Modifications or amendments to these Terms or a Contract (as defined below) must be agreed in writing.

1.2 The Supplier's standard terms and conditions or any other terms of the Supplier that differ from these Terms shall not be valid without express written consent of the Buyer.

2 Definitions

Confidential Information means any information and material in whatever form disclosed to one Party by the other Party and either marked as confidential or which should be understood to be confidential.

Contract means the individual purchase and sale of Product(s) formed by in writing confirmed or otherwise accepted Purchase Order or separate written contract signed by the Parties. These Terms shall be an integral part of such Contract.

Effective Date is the date when the Purchase Order is confirmed or otherwise accepted or when the Contract is duly signed by both Parties.

Intellectual Property Right means patents, petty patents, utility models, designs (whether or not capable of registration), trade secrets, trademarks, know-how and any other intellectual property rights including the right to transfer and the right to modify and any other form of statutory protection of any kind and any other intellectual property rights (registered or unregistered).

Purchase Order means a document or other similar request (in whatever mutually agreed technical form), issued by Buyer where Buyer requests Supplier to deliver Products.

Specification means at each time existing and mutually in writing agreed specification(s) for each Product.

Wherever these Terms use the terms "in writing" or "written", this shall mean by document signed by the Parties, or by letter, electronic mail and by such other means as are agreed by the Parties.

3 Products and Availability

3.1 Each Product shall meet the Specifications and other requirements agreed between the Parties in writing. Changes in the Specifications, the agreed requirements and/or any other change is subject to Buyer's prior written approval. Supplier shall ensure the feasibility of any Specifications and requirements.

3.2 Packing, labeling and bar coding of the Products shall be carried out as instructed by Buyer. If Buyer has not given any instructions, the Products shall be packed in accordance with the best commercial practice in order to prevent damage to or deterioration of the Products during transportation and storage. Supplier agrees to inform Buyer of any relevant specifics relating to the storage of the Products.

3.3 Supplier agrees to proactively co-operate with Buyer in evaluation of the environmental aspects of the Products and their packaging including but not limited to recycling and reuse possibilities. In addition, Supplier agrees to ensure the compliance of the Product and to provide Buyer with all legal information relating to the Product.

3.4 Supplier guarantees the availability of the Product(s), spare parts and maintenance for ten (10) years from the last delivery of a given Product on reasonable commercial terms.

3.5 Supplier agrees to inform Buyer in writing about the country-of-origin status of each Product, any export restrictions and about the export

control classification numbers (ECCN) relating to the Products. This obligation shall not limit Supplier's other obligations in this Agreement.

4 Intellectual Property Rights

4.1 Unless otherwise expressly agreed in writing, a Contract has no effect on any Intellectual Property Rights existing on the Effective Date or developed during the term of a Contract independently and without using any material or information provided by the other Party.

4.2 All drawings, technical documents, tooling, data, software and other material disclosed or provided by Buyer to Supplier ("Material") shall vest in and be deemed to be Confidential Information of Buyer, unless otherwise agreed between the Parties in writing. Buyer shall have and obtain exclusive rights in all aspects (including without limitation Intellectual Property Rights) to such Material.

4.3 Supplier shall be responsible for such Material while in its care and shall mark or otherwise identify them as Buyer's property. Supplier shall return or deliver such Material to Buyer upon the termination of a Contract or at Buyer's request. Supplier shall not without Buyer's prior written consent use, copy, reproduce, hand over or in any other way utilize such Material except for supplying the Products to Buyer.

4.4 Unless otherwise agreed in writing, Buyer shall have and obtain the exclusive rights in all aspects, including without limitation all Intellectual Property Rights worldwide and in perpetuity, in or pertaining to the Products or part thereof to the extent customized by or for Buyer and to their Specifications. If requested by Buyer, Supplier shall provide the drawings or Specifications of the customized Products or part thereof.

5 Ordering, Changes, Terms of Delivery and Time of Delivery

5.1 Supplier's offer shall be binding. Buyer does not have any minimum purchase commitments for Product(s). Any communications, written or oral, including estimates or forecasts that may be provided by Buyer are non-binding and any measures undertaken based thereon are at Supplier's sole risk. Any Purchase Order that Buyer wishes to place with Supplier shall be submitted by electronic mail, post or any other agreed manner to the agreed point of contact. Supplier shall send its written confirmation of each Purchase Order at the latest within three (3) working days from the date of the Purchase Order. If no such confirmation is received by Buyer, the Purchase Order shall be deemed accepted as such. Each Party shall have the right to require correction of obvious calculation and typing errors.

5.2 The time of delivery is specified in the Contract. If the delivery terms are not specified in the Contract, the term of delivery is FCA the place indicated by Buyer. The term of delivery refers always to each time applicable Incoterms delivery term. The risk of loss and damage to the Products shall pass to Buyer in accordance with the applicable delivery term. Title to the Products shall transfer to the Buyer at the time of delivery free and clear of any restrictions, encumbrances or security interests of third parties.

5.3 If a Party finds that a delay will occur or is likely, the Party shall without delay inform the other Party in writing of the delay and of the effects of the delay on the Contract. Buyer may require expedited delivery e.g. though air freight at the cost of Supplier. Neither early nor partial deliveries are allowed, unless separately accepted by Buyer in writing.

5.4 If a delivery is delayed, Buyer is entitled to liquidated damages as fair and reasonable pre-estimate of actual damages. The liquidated damages payment shall be two per cent (2,5%) of the price of the delayed Products for each beginning week of delay. The liquidated damages shall not in total exceed fifteen percent (15%) of the price of the delayed Products. The liquidated damages payment does not exclude Buyer's right to compensation for damages exceeding the liquidated damages paid. Buyer shall not be obliged to prove actual damages in order to be entitled to the liquidated damages.

6 Prices and Terms of Payment

6.1 The prices are set in euro and specified in the relevant Contract and unless otherwise agreed in writing, they shall be all inclusive including i.a. the Products, packaging, any rights granted to Buyer and all Supplier's obligations hereunder and all public charges determined by the authorities and effective on the Effective Date, with the exception of value added tax. Value added tax shall be added to the prices in accordance with the then current regulations. Supplier may not charge any additional amounts unless otherwise expressly agreed in writing.

6.2 Buyer may set off Buyer's claim or receivables from the Supplier's invoice.

6.3 The term of payment is sixty (60) days net from date of the invoice. Supplier shall be entitled to invoice the Products only upon delivery. Delay interest for any amount payable by the Buyer which remains unpaid after the due date without justified cause shall be eight per cent (8%) p.a.

7 Subcontractors

7.1 Supplier shall not have the right to subcontract its obligations under a Contract without the prior written consent of Buyer. Supplier shall be liable for the work of his subcontractors as for his own.

8 Quality, Compliance

8.1 Supplier agrees to inform Buyer without delay of any relevant quality related issues and to use its best efforts to correct any deviations from the agreed quality without delay.

8.2 Buyer has no obligation to inspect incoming deliveries, except for the quantity of packages and any visual damages thereto. Supplier agrees to comply with applicable laws and regulations and conduct its business in accordance with high ethical standards. Supplier's obligations shall include, but are not limited to, ensuring that the Products and the design, manufacture, marking and documentation of the Products comply fully with all applicable laws, regulations and orders issued by the authorities as well as with all relevant directives of the European Union (in particular the REACH, RoHS, SCIP and WEEE Directives and regulation on conflict minerals) prevailing from time to time.

8.3 Buyer reserves the right, by itself or through its appointed representative, during regular business hours and following at least one (1) week's notice to Supplier, to inspect Supplier's and/or its subcontractors physical production premises and Supplier's quality control procedures, in order to verify compliance with these Terms, the Contract, the Specifications, the manufacturing process and other standard industry practices and procedures.

8.4 Buyer's inspection or acceptance of Product(s) or auditing of Supplier's premises or procedures shall not release Supplier from any of its obligations and liabilities under a Contract.

9 Warranty

9.1 Supplier warrants all Products to be free from defects in design, materials and workmanship for a period of twenty-four (24) months from the date of delivery to Buyer. The warranty includes further that the Products shall: i) be in working condition; ii) be fit for the purpose for which they are intended, to the extent known to the Supplier; and iii) strictly conform to the Specification(s) and any applicable laws, regulations and standards applicable to the Products.

9.2 If Supplier provides services as part of Products to Buyer Supplier further warrants that: (a) Supplier has the requisite expertise, knowledge and skills necessary to perform the services with a high standard of quality and in accordance with the terms and conditions of any Contract; (b) the services will be performed in a workmanlike and professional manner in accordance with high prevailing industry standards; (c) Supplier has the right to enter into and fully perform any Contract and Supplier's performance of the services will not violate any agreement or obligation between Supplier and a third party; and (d) all services shall be in conformance with all applicable laws, rules and regulations of the country where the services are performed.

9.3 If any Product(s) do not meet the warranties, Buyer may in Buyer's sole option and upon notice to Supplier, (i) require Supplier to repair or replace the Product(s) within such period of time as Buyer may specify at Supplier's sole risk and expense and at premises appointed by Buyer, (ii) repair the Products or cause the Products to be repaired by any third party at Supplier's sole risk and expense, or (iii) terminate the Contract in whole or in part without incurring any liability to Supplier. Buyer has the right to deduct the value of the defective Product(s) from any invoice of Supplier or if no such invoices exist, the right to have a full refund for the defective Products.

9.4 Notwithstanding anything to the contrary in this Section 9, Buyer shall be entitled to full compensation for any damage, losses, costs and expenses (including without limitation legal and other professional fees and expenses) incurred by the Buyer as a result of the Supplier's failure to deliver the Products which meet the warranties.

10 Indemnity

10.1 Supplier shall indemnify and hold Buyer harmless from any and all liabilities, damages, costs, expenses or loss (including but not limited to attorney's fees and loss of profit) incurred by Buyer related to and/or arising from i) product liability, product safety, personal injury and/or death, loss of and/or damage to property; or ii) infringement or alleged infringement of Intellectual Property Rights, which may be attributable to Product(s) or the use thereof. Supplier agrees to defend at Supplier's risk and expense any and all claims, suits, actions, demands or proceedings brought against Buyer regarding Product(s) with counsel acceptable to Buyer, at Buyer's prior written request for such defense.

10.2 In addition to Supplier's indemnity obligation above, Supplier shall at its option and at no expense to Buyer: (i) obtain for Buyer and/or its direct and indirect customers the right to use, sell or re-sell said Product(s); (ii) modify the Product(s) so that it becomes non-infringing, provided that as modified the Product substantially meets the Specifications; or (iii) substitute an equivalent product acceptable to Buyer and extend this indemnity to that equivalent product.

11 Confidentiality

11.1 If the Parties have signed a separate confidentiality agreement relating to the subject matter of this Agreement, the terms and conditions of such confidentiality agreement shall apply in addition to this Section 11. Each Party shall keep in confidence all Confidential Information and shall not disclose the Confidential Information to any third party or use the Confidential Information for any purpose other than for the purpose of a Contract.

11.2 A receiving Party shall have the right to: a) copy Confidential Information only to the extent necessary for the purpose of a Contract; b) disclose Confidential Information only to those of its employees who need to know Confidential Information for the purpose of a Contract; and c) disclose Confidential Information to its own advisors provided that such advisors are bound by confidentiality provisions at least as restrictive as contained in this Section 11.

11.3 Notwithstanding the foregoing the confidentiality obligation shall not be applied to any material or information a) which is generally available or otherwise public other than by a breach of a Contract on the part of the receiving Party; or b) which the Party has received from a third party without any obligation of confidentiality; or c) which was in the possession of the receiving Party prior to receipt of the same from the other Party without any obligation of confidentiality related thereto; or d) which a Party has developed independently without using material or information received from the other Party.

11.4 Each Party shall have the right to disclose Confidential Information to the extent such disclosure is required pursuant to a law, decree, or other order issued by the authorities or judicial order provided that the Party shall inform the other Party prior to such disclosure and shall use all reasonable endeavors to protect the Confidential Information to the extent possible.

11.5 Buyer shall have the right to disclose Confidential Information to its subcontractors to the extent necessary to exploit its rights to have the Products manufactured as defined in Section 4.

11.6 Each Party shall cease using Confidential Information received from the other Party promptly upon termination of a Contract or when the Party no longer needs the Confidential Information in question for the purpose of the Contract in question and, unless the Parties separately agree on the destruction of such material, return the material in question and all copies thereof. Each Party shall, however, be entitled to retain copies required by law or regulations.

11.7 The rights and obligations under this Section 11 shall survive the termination or expiration of any Contract and shall remain in force for a period of five (5) years from the date of termination or expiration.

11.8 Supplier may not use Buyer's name and logo as a reference, or in advertising and other publications, unless separately agreed in advance with the Buyer.

12 Force Majeure

12.1 Force Majeure Event means any failure by a Party to perform its obligations under a Contract caused by an impediment beyond its control, which it could not have taken into account at the time of the conclusion of the Contract, and the consequences of which could not reasonably have been avoided or overcome by such Party. Such impediments may include, but are not limited to, acts of government in its sovereign or contractual capacity, fires, floods, strikes, lock-outs, industrial disputes, riots, and acts of terror or specific threats of terrorist activity, substantial interruption of transportation or energy.

12.2 Neither Party shall be liable for any non-performance caused by a Force Majeure Event.

12.3 A Party shall notify the other Party in writing without delay of a Force Majeure Event. The Party shall correspondingly notify the other Party of the termination of a Force Majeure Event.

13 Termination of a Contract

13.1 With the exception of one-time purchases, the Contract shall remain in force until further notice, unless otherwise agreed by the Parties in writing. Buyer shall be entitled to terminate the Contract by a three (3) months' notice and Supplier by a six (6) months' notice.

13.2 If it becomes evident that the fulfillment of a Contract will be delayed for more than ninety (90) days due to a Force Majeure Event, each Party shall have the right to terminate the Contract with immediate effect by notifying the other Party thereof in writing.

13.3 Each Party shall have the right to terminate a Contract with immediate effect upon written notice to the other Party if a) the other Party commits a material breach of any of the terms and conditions of the Contract and fails to remedy such a breach within thirty (30) days of the other Party's written notice thereof; b) the other Party is insolvent, declared bankrupt, is put into liquidation, sells all of its assets, ends its business or it otherwise ceases with its payments, or c) there is a material change in control or ownership of the other Party. A change is deemed material if control or ownership is acquired by a competitor of the other Party. The Parties shall notify the other Party of such material changes in the ownership or control without undue delay.

14 Limitation of Liability and Insurance

14.1 Neither Party shall be liable for any indirect or consequential damage.

14.2 The limitations of liability shall not apply to: a) damages caused by willful misconduct or gross negligence; b) liability under Section 9; or c) breach of confidentiality provisions in Section 11.

14.3 Supplier shall at all times maintain in force, and upon request give evidence of, fully adequate general liability and product liability insurance policy and coverage, in adequate coverage amounts which may be reasonably specified by Buyer from a recognized and reputable insurance company to cover any and all obligations attributable to Supplier's potential liability under a Contract.

15 Applicable Law; Dispute Resolution

15.1 These Terms and all Contracts shall be governed by and construed in accordance with the laws of Finland without reference to its choice of law rules.

15.2 In the event no settlement can be reached by means of negotiations, any dispute, controversy or claim arising out of or relating to these Terms or a Contract or the breach, termination or validity thereof shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The arbitration shall take place in Helsinki, Finland. The arbitration shall be conducted and the arbitral award shall be given in the English language. The Parties agree that the arbitration procedure and all thereto related material and information shall be treated as Confidential Information in accordance with Section 11 of these Terms.

15.3 Either Party, before or during any legal proceedings, may apply to a court having jurisdiction for a temporary restraining order or interim injunction where such relief is necessary to protect that Party's interests in pending completion of the legal proceedings.

16 Miscellaneous

16.1 Each Party shall act in its own name and on its own account. Neither Party shall enter into any contract or other commitment binding on the other Party.

16.2 Neither Party shall have the right to assign a Contract or any of its rights or obligations thereunder to any third party without the prior written consent of the other Party.

16.3 A failure of a Party to insist upon the performance of any or more of the terms or conditions of these Terms or a Contract or a waiver of any term or condition thereof will not be deemed to be a waiver of any rights or remedies the Party may have in subsequent similar situations.

16.4 If any provision in these Terms or a Contract is found or becomes invalid, unlawful, or unenforceable to any extent, the provision in question will be severed from the remaining provisions of these Terms and a Contract, which will continue to be valid and enforceable to the fullest extent permitted by law.

16.5 A Contract, including these Terms, constitutes the entire agreement between the Parties with respect to the subject matter thereof and supersedes all prior agreements, proposals, undertakings, and other representations and communications between the Parties, save for the confidentiality agreement referred to in Section 11.