

PURCHASE CONDITIONS Services

2016

1 General terms and conditions

1.1 These terms and conditions shall apply upon Contract. Additions or amendments to these terms and conditions shall only apply to the extent this is stipulated in a written Contract. Under no circumstances shall any terms or conditions in the order confirmation or other corresponding document sent by the Supplier be binding to the Buyer.

1.2 The commercial terms used shall be interpreted according to the Incoterms published by the International Chamber of Commerce, referring the edition and supplements (if any) valid at the time of signing of the Contract.

1.3 The term "Service" refers to an activity or function, with or without delivery of Material, ordered by the Buyer to be provided by the Supplier. Unless otherwise stipulated in a Contract, this term encompasses equipment and tools necessary to carry out the Service.

1.4 The term "Material" refers to products that the Supplier shall contractually deliver in combination with the Service.

1.5 The term "Delivery" refers to the Service including the Material, documentation, drawings and written instructions necessary in accordance with the Contract.

1.6 The term "Work site" refers to the site within the Buyer's facility where the Service will be performed, along with adjoining areas for transport, unloading and storage of any Material, tools, or other equipment.

1.7 The Seller understands and accepts that by entering into the Contract the Buyer does not commit itself to purchase Goods exclusively from the Seller. The Buyer shall have the right to acquire the Goods from any other supplier or service provider of its choice.

2 Drawings and descriptions

2.1 Drawings, models, and technical documents that one party submits to the other shall remain the property of the submitting party. Without consent from the opposite party,

- the Buyer's drawings etc. may only be used, copied, or reproduced by the Supplier for internal use in conjunction with bids or Deliveries to the Supplier
- the Supplier's drawings etc. may only be used, copied, or reproduced by the Buyer to the extent necessary for inspection of the delivery or part thereof, for installation of Delivered goods or for its proper usage and maintenance (including ongoing repairs) and for the manufacture of spare parts for the Buyer's own requirements.

2.2 A party that has received drawings etc. for review shall submit comments to the other party without delay; however, not later than within three weeks of reception. Otherwise, drawings etc. shall be considered to be approved.

2.3 Review and approval do not entail any limitation of the other party's liability for faults, discrepancies in performance, etc.

3 Material etc. provided by the Buyer

3.1 If the Buyer provides Material, equipment, tools, measuring devices, models etc., the Supplier shall provide the Buyer with an acknowledgement of receipt immediately upon receiving the same. Anything supplied as aforesaid shall, unless stored

separately, be identified as the property of the Buyer by means of marks, signs or similar notices. It shall be subject to reasonable supervision and care until a final account has been rendered.

4 Material handling

4.1 Unless otherwise stipulated in the Contract, the Supplier is accountable for unloading, handling and interim storage of Material, equipment and tools arriving in conjunction with the performance of the Service.

5 Control and Inspections

5.1 The Supplier is responsible for and will pay for necessary quality inspections in accordance with the Contract and all standards that are generally applied in the relevant industry.

5.2 The Buyer has the right, subject to prior notice to the Supplier, to monitor Supplier's quality conformance inspections and to perform requisite examinations. The Supplier must still extend this right to the Buyer even when the Supplier has outsourced the Service or parts of the Service to a subcontractor. Such inspections and examinations does not entail any limitation of the Supplier's liability.

6 Coordinating manager and coordination schedule

6.1 The Buyer shall serve as the coordinating manager for Services that are performed at the Buyer's facility.

The coordinating manager is responsible for establishing a coordination schedule. This shall be adapted to the master schedule.

6.2 The Supplier is in relation to the Buyer responsible for the working environment for their own staff, and for sub-suppliers engaged by the Supplier. Each Party shall provide the coordinating manager with all necessary information for the establishment of a coordination plan. Each Party shall be responsible for acquiring and submitting all required information from its own sub-suppliers.

7 Representatives

7.1 Both the Buyer and Supplier shall appoint representatives. A representative is understood to be a representative of the party who during the period from the beginning of the Service through to final delivery is authorized to make decisions for the party in issues pertaining to the activity and assignment.

8 Time for delivery; Delay in delivery

8.1 Unless otherwise stated in the Contract, any time mentioned therein shall be calculated starting from date of Contract signature.

Any changes in or additions to the agreed design shall only give rise to a right to postpone Delivery where the parties have so agreed in writing.

8.2 A delayed submission of documentation, drawings, and written instructions that the Buyer requires in order to put the Service into use will serve to qualify the Delivery as late.

8.3 If the Supplier finds that he will be unable to keep the agreed time for delivery, or if a delay seems probable, he shall promptly notify the Buyer of this delay in writing, stating the reason for the delay and the estimated time when delivery can be made. But such notice shall not release the Supplier from any liability in respect of the delay.

8.4 "Delay in delivery" means failure to make delivery (or partial delivery) on time, provided that such failure is not due to any act or omission on the part of the Buyer and that the Supplier is not entitled

to release from liability in accordance with the rules in section 16 on force majeure.

8.5 The Buyer shall be entitled to liquidated damages in the event of a Delay in delivery on the Supplier's side. For each week, or fraction of a week, that the delay endures, the damages shall amount to 2 percent of the Contract value. If Deliveries are made based on separate orders under a framework agreement, the damages shall amount to two (2) percent of the value of the delayed order in respect of each week or fraction thereof, that the delay endures.

In case of cancellation on account of the delay, liquidated damages pursuant to the preceding paragraph shall be payable up to termination.

8.6 If the Delay in delivery is significant or it is highly probable that it will be significant or if Delivery is delayed by more than two (2) months, the Buyer shall be entitled to cancel the Contract in respect of delayed Delivery in whole or in part. Delay is deemed as being significant where delay causes the activities for which the Delivery were intended to be interrupted and where such interruption results in significant inconvenience or loss to the Buyer. If the delivery is to take place on different dates and there is such a connection between the deliveries that the Buyer would face a significant inconvenience by having to retain only a partial order, he may terminate the Contract in its entirety.

8.7 With regard to cancellation and unliquidated damages, reference should be made also to section 17.

9 Regulations

9.1 Government regulations
If not otherwise stated in the Contract the Service shall be provided in accordance with the laws and regulations applicable within the EU as well as the binding regulations and instructions from public authorities, as are applicable or determined at the time of the signing of the Contract.

9.2 Local regulations
The Supplier must follow all local safety regulations applicable for the Delivery, such as procedure, working methods, safety equipment, etc. It is the Supplier's responsibility to ensure that the Supplier's personnel and subcontractors are kept updated and act in accordance with the routines and instructions prevailing at the given Work site.

10 Guarantee, Delivery faults

10.1 The Delivery shall be in conformity with the stipulations of the Contract with respect to specifications, design, performance, quantity, quality, other properties and packaging and otherwise possess such characteristics as the Buyer reasonably could expect on the basis of law and generally recognized industry standards.

Any deviation from the standards indicated above constitutes a fault in the Delivery.

If the parties have agreed to perform special performance testing, the terms and conditions in section 11 below shall also apply.

10.2 Unless otherwise stated in the Contract and with the exceptions stated below, the Supplier is only responsible for faults that appear within a period of two years counted from the date of Delivery or where the Materials are delivered for inclusion in a certain project from the commissioning of the project, unless the Supplier has not acted in good faith.

If the Delivery, or any part thereof, has been unavailable for use on account of a fault, the guarantee period shall be extended by the duration of such unavailability. Any part or Material which has been repaired or replaced is covered by a new

original guarantee period. During this period, the Seller shall also be responsible for any defects arising in conjunction with repairs to the Material or part thereof.

10.3 The Supplier shall not be deemed as being liable if a defect is due to any of the following factors:

- Any design indicated, material supplied or work done by the Buyer suffers from some deficiency, provided that the Supplier has immediately, as soon as such shortcoming could reasonably have been noticed (e.g. by studying any drawing or technical document supplied), notified the Buyer thereof in writing.
- The Buyer has acted contrary to the Supplier's reasonable instructions or in an obviously incorrect manner.

10.4 If the Buyer wishes to refer to a fault, he shall, without undue delay, notify Supplier in writing of the fault..

10.5 If a fault incurs liability, the Supplier is obligated to remedy the fault at his own expense.

10.6 If the Supplier fails to promptly remedy any fault that has incurred his liability, the Buyer shall be entitled to set a reasonably brief deadline by which the Supplier must remedy the fault. If the Supplier fails to do so, the Buyer may either have the fault remedied at the risk and expense of the Supplier or make such reduction of the price as corresponds with the fault or require a refund equivalent to the purchase price.. If the fault is substantial, the Buyer may, if he so prefers, instead cancel the Contract and/or claim unliquidated damages.

10.7 With regard to cancellation and unliquidated damages, reference should be made to section 17.

11 Specific agreements on performance; Deviations therefrom

11.1 If the parties have agreed to carry out a special test ("performance test") of the performance requirements specified in the Contract (such as capacity, energy consumption, or reliability), then the terms and conditions of this section shall apply. A performance test results shall only be approved if it shows that all contractual performance requirements are simultaneously attained.

11.2 In the event that there shall be established at performance testing any deviations from the contractual performance requirements, then the Supplier shall without delay and at his own expense remedy such deviations in compliance with the terms and conditions of section 10 applying to faults in the Delivery.

11.3 If the parties have agreed that liquidated damages are to be payable in the event deviations are established at performance testing, then such liquidated damages shall not collectively exceed 10 per cent of the Contract price ("maximum liquidated damages") unless otherwise agreed.

11.4 If the values observed in the course of the performance test are such as to give rise to maximum liquidated damages, the Buyer may cancel the Contract.

11.5 As regards cancellation and unliquidated damages, reference is made to section 17.

12 Patents etc.

12.1 The title and all rights and interest to patent, trade mark or similar property right as well as all technical data and other information and material of the Buyer, as well as any inventions and intellectual property rights developed on the basis of such information or material, shall be the sole and exclusive property of the Buyer. The Supplier shall not have the right to utilize the intellectual property rights of the Purchaser without the Purchaser's explicit written consent and not for any other purpose than the Delivery in accordance with the Contract. Any violation of this clause by the Supplier shall be regarded as substantial breach of the Contract.

12.2 The Supplier guarantees that the Service will not lead to any infringement on patents, trademarks or similar protective rights, even when the Buyer has himself prescribed and suggested the use of a particular design or solution. If the Supplier shall be in breach of this guarantee, he shall be fully liable to the Buyer, without the limitation set out in the first paragraph of clause 17, for any loss or damage

resulting from such breach. The Buyer shall be entitled to cancel the Contract if such breach is of material importance to the Buyer and is not promptly remedied by the Supplier.

12.3 Should the Contract include development of the Goods for the Buyer, the title and all rights and interest to inventions and intellectual property rights arising out of the development of Goods shall vest in, and shall be the sole and exclusive property of, the Buyer. The Supplier shall take all necessary measures in order to ensure the vesting in or transfer of such rights to the Buyer.

12.4 The rights and responsibilities of the above clause shall remain in force after the termination, cancellation or expiry of the Contract.

13 Price etc., Default in payment

13.1 Prices are stated inclusive of packing but exclusive of value added tax.

13.2 Unless otherwise agreed in writing, prices are fixed and shall not be varied, e.g. by escalation or on account of currency fluctuations.

Where a variable price has been agreed, late or early delivery shall not by the application of any price clause result in a higher final price than the one due if delivery had been made on time.

13.3 Changes in or additions to contractual implementation shall justify a price change only when and where this is agreed upon in writing.

13.4 The Supplier shall provide a guarantee if the payment of an advance has been agreed. In this case and when the parties have otherwise agreed on guarantee, the latter shall take the form of a guarantee by a bank acceptable to the Buyer or some other equivalent security.

13.5 Payment shall be made against invoice. The Seller has the right to invoice the Service after it has been delivered according to the agreed delivery term. Unless otherwise agreed, the term for payment shall be 60 days, calculated from the day the invoice was received.

13.6 If the Buyer defaults on any invoice charged in accordance with the Contract, the Supplier shall be entitled to interest on late payment at the rate prescribed by law.

13.7 In the event of any dispute between the Parties relating to a specific delivery the Buyer shall have the right to withhold payment of the contested part of the Supplier's invoice until the dispute has been settled. In such event the Supplier shall not be entitled to charge interest for the postponement period of the payment provided that the Buyer's claim is found justified.

14 Insurance

Unless otherwise stipulated in the Contract, the Supplier must obtain and pay for installation insurance and general liability insurance according to the standard terms and conditions of the country where the Work site is located. Before installation can begin, the Supplier must provide the Buyer with proof of insurance issued by the insurance provider or insurance broker, showing the following information: insurance policy holder, insurance provider, insured business, geographical scope of the insurance, insurance caps, including sublimits and deductibles.

14.1 Installation insurance

Installation insurance shall apply to the Supplier and his subcontractors in all phases. Installation insurance shall apply to the Work site. Up to the time of handover, the installation insurance must cover the property that has been provided supplied and taken-over - and work completed by the insured party.

The installation insurance must also include installation equipment and the property of employees. The installation insurance shall apply up to an amount corresponding to the value of all deliveries to be made by the insured party. The Supplier shall be accountable for the deductible stated in the installation insurance unless the Buyer is at fault.

The insurance provider shall not direct any right of recourse to the Buyer, auxiliary supplier or any of the insured parties. If a foreign insurance provider is

used, the Supplier's insurance must be a multi risk installation insurance policy.

14.2 General liability insurance

The Supplier shall keep general liability insurance policy on standard industry terms and for a sufficient amount of coverage. The general liability insurance shall cover personal injury and material damage and shall include product liability insurance. The general liability insurance shall also cover losses for downtime and capital losses caused by material damage.

15 Party insolvency

15.1 If a party has ceased to pay his debts or there is otherwise reasonable cause to believe that he is insolvent and if he fails, at the request of the other party, to provide, within a reasonable time, an acceptable guarantee by a bank or some other reasonably security for the performance of the Contract, the other party shall be entitled to cancel the Contract.

16 Force majeure

16.1 Any of the following events shall be regarded as an event of force majeure if such intervenes after the Contract is entered into, or prior thereto if the consequences thereof were not then foreseeable, and if thereby any act in the performance of the Contract is prevented or rendered unreasonably burdensome to the affected party, namely: strikes, lockouts or other forms of industrial action as well as occurrences beyond the control of the parties, such as natural catastrophes, fire, war, mobilization, military call-ups on a scale comparable to mobilization, requisitioning, embargoes, currency restrictions, insurrection, riots, strikes, power restrictions and other similar events that a contracting party could not have taken into account beforehand and the ensuing harm from which cannot reasonably be removed or in case deliveries from subcontractors are in fault or delayed due to any such occurrence.

The party directly affected by the force majeure shall promptly notify the opposite party thereof in writing.

The party directly affected by the force majeure shall be relieved from the duty to carry out the measures referred to in the first paragraph until the time when such measures are again reasonably feasible. But if the party has failed promptly to give written notice pursuant to the second paragraph, he shall only be relieved from the time when notice is in fact given.

16.2 When the force majeure has come to an end, the other party shall be notified thereof and also, if possible, be informed when any postponed act will be done.

16.3 Where a party is relieved from performing the Contract on account of force majeure during an extended period (whose length shall depend on the circumstances, but normally not be less than three months) and it may be assumed that the Contract cannot without substantial inconvenience to either or both parties be performed later, then a party with regards to whom such assumption may be made shall be entitled to cancel the Contract.

17 Terms and conditions common to certain remedies

17.1 Cancellation according to these conditions shall be effected by means of a written notice to the other party.

17.2 In case the Contract is cancelled pursuant to these conditions any and all acts made prior to cancellation in performance of the Contract shall be reversed and returned to the performing party. The Buyer shall, however, be entitled and obliged to accept Deliveries already supplied to the extent such is free from faults and is capable of being used by the Buyer without significant modifications. For Deliveries so retained, the Supplier shall be credited a reasonable amount determined under due consideration of the Contract price.

17.3 Should the Contract be dissolved for reasons due to the Supplier, the Buyer shall be entitled to compensation for any ensuing damages in accordance with Section 17.3. Unliquidated damages shall be determined in accordance with the applicable law, but shall always include the costs, including manufacture, transportation, dismantling and installation costs, incurred by the Buyer or a subcontractor thereof in repairing or replacing defective Delivery. Damages shall not in the aggregate exceed twice the Contract value. In frame

contracts that are valid indefinitely, the total value of purchases between the Supplier and Buyer during the past 12 months shall be construed as the Contract value subject, however, to a minimum of €100,000 or amount equal in other currency. Any liquidated damages already paid on account of the same circumstances shall be deducted from any sum payable by way of unliquidated damages.

17.4. The rights and responsibilities of the paragraph 17 shall remain in force after the termination, cancellation or expiry of the contract.

18 Product liability

18.1 No provision of these purchase conditions is intended to operate as a waiver of or limitation of the Supplier's liability for loss of or damage to life or property caused by defects in the Material or Supplier's Services. With regard to insurance reference is made to the clause 14.

18.2 The rights and responsibilities of the above clause shall remain in force after the termination, cancellation or expiry of the Contract.

19 Prevention of damages

19.1 It is incumbent on each party to take all necessary steps to prevent the occurrence of damage and to mitigate losses..

20 Compliance with Laws, Safety and SSAB Corporate Social Responsibility Program

20.1 Supplier warrants and agrees that all Materials and Services furnished shall comply with all applicable federal, provincial, state and local laws and regulations in force at the time of Delivery and/or performance including, without limitation, with all applicable occupational safety and health and environment laws and regulations.

20.2 Supplier shall have complete control and responsibility for the safety and health of its employees and sub-suppliers while engaged in the performance of the Services at Buyer's plants site. Supplier shall obtain all necessary permits and/or licenses and give all necessary notifications for the supply of the Materials and/or performance of Services.

20.3 Buyer is a company within the SSAB Group ("SSAB"). The Supplier agrees that it will perform the work under any order from SSAB in conformity with SSAB's Supplier Sustainability Policy (available at www.SSAB.com). SSAB actively supports the UN Global Compact's principles and we encourage our suppliers to align with the same principles (available at www.unglobalcompact.org). SSAB, or a third party assigned by SSAB, reserves the right to conduct reviews of our suppliers or on-site audits to ensure compliance with SSAB's Supplier Sustainability Policy. Supplier agrees to cooperate in order to facilitate such reviews or audits. SSAB also expects the supplier, within its sphere of influence, to monitor its own suppliers for commitment to environmental and social responsibility.

21 Confidentiality

21.1 The parties shall keep confidential and shall not disclose at any stage to any third parties any confidential information received from the other party or otherwise learned in connection with the Contract or contracts made under the Contract including any arbitral material and award without the prior written consent of the other party. The Seller shall not use confidential information received from Buyer for any other purposes than the fulfilment of its rights and obligations under the Contract or Agreements made under the Contract.

22 Applicable law and Arbitration

22.1 The Contract shall be interpreted and applied according to laws of Finland excluding its choice of law provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG).

22.2 Disputes arising as a result of this Contract shall be ultimately settled through arbitration according to the Arbitration rules of the Finland Chamber of Commerce. If the disputed amount does not exceed 100 000 EUR / amount equal in other currency, the dispute shall be settled according to the Arbitration Institute's rules for expedited arbitration. Unless another location is agreed upon by the parties, arbitration proceedings shall take place in Helsinki, Finland.

22.3 Notwithstanding anything above the Parties shall have the right in any competent court of law to:

- i) seek interim orders or injunctions or any other provisional remedies available under the applicable law;
- ii) collect uncontested claims from the other Party; or
- iii) enforce an arbitral award.