VALON KONE OY - GENERAL CONDITIONS OF SUPPLY

1 Applicability
These General Conditions of Supply shall govern all sales of products by Valon Kone Oy, Lohja, Finland (hereinafter referred to "VK") to its customers or distributors (hereinafter referred to as the "Buyer").

2 Quotations, Orders and Acceptance of Order
2.1 VK only submits quotations in writing specifying the offered products, their prices and technical specifications.
2.2 The Buyer shall place orders to VK in writing and duly signed by an authorized person. Orders shall become binding on VK only upon acceptance by VK in writing.

3 Delivery
3.1 Unless otherwise agreed, the products shall be delivered FCA (Free Carrier) Honkatie 5, 08500 Lohja, Finland (Incoterms 2020) at such times as the parties may agree. VK reserves the right to make partial shipments and to submit invoices for partial shipments. The products shall be deemed inspected and accepted fourteen (14) calendar days following delivery. If VK anticipates not being able to deliver the products at the agreed time of delivery, it shall forthwith notify the Buyer thereof in writing, stating the reason and, if possible, the expected date of delivery.
3.2 If a delay in delivery is caused by circumstances mentioned in Clause 11 or is due to an act or an omission by the Buyer, including the suspension under Clause 4.5, the time for delivery shall be reasonably extended taking into account all the circumstances of the case. This provision is applicable irrespective of whether the reason for the delay occurs before or after the agreed time of delivery.

4 Prices and Payments
4.1 Unless otherwise agreed, all prices given by VK shall be net for delivery FCA (Free Carrier) Honkatie 5, 08500 Lohja, Finland (Incoterms 2020). VK reserves the right to increase any agreed prices in the event of increase in value added tax, customs duties, or other public charges payable by the Buyer.
4.2 Unless otherwise agreed, the standard VK payment terms shall be the following:

30%	advance payment on order, against invoice, 14 days net; and
70 %	by direct bank transfer to reach VK latest 30 days before the shipment

4.3 VK shall, at its discretion, always be entitled to demand payment through an irrevocable, transferable Documentary Credit (D/C, L/C) (to reach VK latest 30 days before the shipment) confirmed by a bank acceptable to VK, allowing partial shipments and transshipments, and being payable at sight in Finland upon each partial shipment against the first presentation of (a) commercial invoice(s), (b) either (A) full set of clean on board Bills of Lading, or (B) a copy of a waybill or a consignment note, and c) packing list(s). The Buyer shall comply with the separate instructions of VK concerning the issuing of a Documentary Credit.
4.4 Whatever the means of payment used, a payment shall not be deemed having been effected before VK's bank account has been fully and irrevocably credited. Interest on overdue amounts shall accrue without notice at the rate of sixteen per cent (16%) p.a. Delays in payment may also result in delays in the delivery date.
4.5 VK reserves the right to suspend its own performance and to amend the agreed terms of payment in case of disturbances in the performance of the Buyer or in case of any change in the circumstances of the Buyer likely to endanger the payment of VK's receivables.
4.6 Advance payments are used to confirm the order and to reserve manufacturing capacity. The schedule for delivery of the products shall commence upon receipt by VK of the advance payment referenced above. In case the order is cancelled by the Buyer due to reasons solely attributable to the Buyer, the advance payment is not refundable.

5 Retention of Title
5.1 Title to and ownership of the products shall pass to the Buyer only upon receipt by VK of all payments due for the products delivered. The risk of loss, destruction and deterioration shall, however, pass to the Buyer immediately upon delivery according to Incoterms 2020.
5.2 Without prejudice to any other rights which VK may have or which may arise, VK shall be entitled to terminate any contract to sell products not paid for, and/or repossess the products without notice to the Buyer at any time before payment in full has been received and whether or not payment has become due or any credit allowed has expired. Access shall be made available at all reasonable times to the representatives of VK to any premises where any products are situated for the purposes of repossessing such products, and all reasonable assistance shall be given to VK in removing the same.

6 Liability for Defects
6.1 VK shall be liable for defects in the product only if all of the following conditions are fulfilled:
6.1.1 It is established that the product is defective either in materials or quality of workmanship;
6.1.2 in case a defect in a new VK product has been detected within eighteen (18) months from the date of delivery from VK to the Buyer, or twelve (12) months from the date of start-up, whichever is earlier, and in case a defect in a spare part or a component has been detected within three (3) months from the date of delivery from VK to the Buyer. In double-shift work, the guarantee shall be valid for five (5) working days (maximum 16 hours/day) in each week. In case the equipment, parts or components are used more excessively, the warranty period shall be reduced correspondingly;
6.1.3 VK has been notified of the defect within thirty (30) days after discovery of the defect and no later than the expiry of the period specified above in Subsection 6.1.2. The notice for a defect shall be made by filling in the Warranty Claim form issued by VK, and by sending it to Valon Kone Oy, P. O. Box 29, FI-08101 Lohja, Finland. If no Warranty Claim form is available, the notice shall be made otherwise in writing. Upon receipt of such notice, VK shall send a blanco Warranty Claim form to the Buyer, and the Buyer shall fill in the Warranty Claim form and send it to VK within thirty (30) days after having received the blanco form. The notification obligation is not fulfilled until VK has approved the arrival of the Warranty Claim;
6.1.4 the defect is not caused by normal wear and tear, damage in transport, or faulty use, maintenance or storage, or other circumstances beyond VK's immediate control. The guarantee does not cover wearing parts, such as: Tool tip, tool arm and bolt, tool spring, rubber products (e.g. seals, V-belts, etc.)
6.2 VK's liability for such spare parts and components which are replaced in a machine during the guarantee period shall expire simultaneously with the expiration of the general guarantee period of the machine.
6.3 In case the defect presupposes that the part must be repaired or changed and if VK so insists, the Buyer shall return the part in question to VK for repair or replacement on CIP (Carriage and Insurance Paid) Lohja (Incoterms 2020) basis. Otherwise the parts shall be stored by the Buyer for inspection until the decision in the case has been made
6.4 VK's liability for defects shall be limited to manufacturing by quickest possible means a replacement for the defected part or component and supplying the replacement to the Buyer on FCA (Free Carrier) Honkatie 5, 08500 Lohja, Finland (Incoterms 2020) basis, or alternatively, at VK's discretion, VK's liability for defects shall be limited to the reimbursement of the defected part or component at cost price.

7 General Limitation of Damages
7.1 The liability of VK for any damages shall always be limited to an amount equal to the price of the product or of its part or component to which the damage relates. VK shall in no event be liable for any special, incidental or consequential losses or damage, such as loss of profits, waste of energy or time, loss of use, or liabilities to third parties.
7.2 Apart from what is expressly stated in Section 6 above, all undertakings, warranties, conditions, liabilities and remedies relating to defects in the products or any failure to remedy them, are hereby expressly excluded. In particular, the implied warranties and conditions of merchantability and fitness for particular purpose are hereby expressly overridden, excluded and disclaimed.
7.3 No action including, without limitation, actions under Sections 3 and 6 above shall be brought against VK more than six (6) months after the cause for the action has become evident and in no case later than one (1) year after the delivery of the products.
7.4 VK's liability for the product lapses immediately if:
7.4.1 other parts than the original parts supplied by VK have been used during the warranty period. The Buyer shall prove the origin of the changed parts at request;
7.4.2 the equipment has been transported and stored against VK's instructions, or has not been installed and started up under the supervision of VK / a VK's representative;
7.4.3 the ownership or the installation site of the equipment is changed without the written consent of VK; or
7.4.4 any part of the product or the construction of the product, including the logic program, has been repaired or modified by the Buyer or a third party without VK's prior written consent, or has been subjected to any repair, use

or negligence which in VK's sole judgment has affected the condition or operation thereof.
7.4.5 the product has been used or maintained in violation of instructions furnished by VK.

8 Product Liability
VK shall be liable for personal injury and damage to property only if it is proved that such damage or injury was caused by VK's gross negligence. The Buyer shall save harmless VK from and against any liabilities exceeding those set out above.

9 Installation and Start-up
9.1 Upon agreement, VK shall make available a field service technician to supervise the installation and start-up of the product purchased hereunder and to instruct the Buyer in the operation and maintenance thereof.
9.2 The buyer shall notify VK of the binding installation/start-up schedule no later than four (4) calendar weeks prior to the desired date. If the binding notification has not been submitted in due time, VK shall have the exclusive right to determine the next possible installation/start-up time convenient to VK.
9.3 VK shall in good time in advance send to the Buyer the drawings or descriptions which show how the installment takes place. Simultaneously, the Buyer must be given the necessary information for the construction of the foundations and foundation beams and for the reservation of the necessary transportation or working space around the object to be installed.
9.4 The Buyer shall be responsible for installing and starting up the product in circumstances which comply with the laws and orders relating to the working conditions valid at the site. The Buyer shall notify VK in writing of the safety regulations applicable to the people working at the site.
9.5 Unless otherwise agreed, the Buyer shall without charge provide the cranes, other lifting equipment and temporary staff necessary for the installment, as well as the transportation equipment to be used at the installation site.
9.6 The Buyer shall carry out the preparatory works in accordance with the instructions given by VK. Unless the time for the completion of the works has been agreed, it must be finished no later than one week prior to the commencement of the installment and/or the start-up so that the equipment may be installed/started up at the agreed time. After the preparatory works have been carried out, the Buyer shall notify VK in writing thereof.
9.7 If the Buyer, due to a delay or another reason, cannot fulfill its obligations relating to the installment/start-up, the Buyer shall notify VK of the delay no later than two weeks before the agreed time of installment or start-up. Otherwise, VK shall be entitled to receive compensation for all additional costs incurred by the delay.
9.8 If a fixed price installation or start-up work is changed, delayed or temporarily interrupted during the project for reasons attributable to the Buyer or another supplier of the Buyer, VK shall be entitled to receive compensation for all additional costs incurred by the delay.

10 Taking Over and Acceptance
10.1 After the installation has been completed, the takeover and acceptance of the delivery shall take place in the presence of a representative of VK and the Buyer who is authorized to accept the takeover and to sign the acceptance protocol. In connection with the reception, the Buyer shall inspect the machine and the auxiliary equipment delivered therewith. Simultaneously, the functionality of the machine and the auxiliary equipment shall be tested. If, based on such inspection, the Buyer finds that a material or a part is defective or that the functional values of the machine do not correspond to the notified values, he shall notify VK of his complaints and the grounds therefore in writing. Otherwise, the machine or equipment shall be deemed accepted for use and the guarantee period shall begin. Minor defects shall not constitute an obstacle to the acceptance of the machine or equipment. The machine and equipment shall not be used for manufacturing purposes before the takeover and acceptance has been completed. If the Buyer, however, uses the machine/equipment to such purpose prior to the takeover and acceptance, the machine/equipment shall be deemed taken over and accepted by the Buyer.
10.2 In order for the guarantee given by VK to the machine to become fully valid in accordance with Section 6, the equipment shall be taken over and accepted in accordance with section 10.1 above.

11 Force Majeure
VK shall not be liable for any failure to perform caused by a reason of force majeure events including, but not limited to, industrial or labour disputes, riots, mobs, fires, floods, wars, civil strife, embargoes, inadequate production capacity, machine or tool break-downs, delays in transportation, changes required by engineering, acts of the Buyer, shortage of labor, raw material, energy, power, fuels or means of transportation, whether effecting VK or any sub-contractor, or for circumstances caused by laws, regulations, orders or acts of any government or authority.

12 Industrial Property Rights
The Buyer acknowledges that all trademarks, trade names, patents, industrial designs, drawings, plans, software, know-how and other intellectual property, whether registered or not, relating to the products are and shall remain the exclusive property of VK and shall not be used, distributed, licensed, disclosed or registered by the Buyer or any third party without the written consent of VK.

13 Inspections and Approvals
The Buyer shall apply for any such approval that the legislation or the regulations in the Buyer´s country may call for and, if required, submit the products for inspection thereunder at his own expense.

14 Governing Law and Settlement of Disputes
14.1 These General Conditions of Supply and all sales contracts to which VK is a party shall be governed by and construed in accordance with the laws of Finland without regard to principles its conflict of laws principles.
14.2 Any controversy, dispute or claim arising out of or relating to these General Conditions of Supply or any sales contract that VK is a party to shall be exclusively settled at the District Court of Helsinki, Finland. All proceedings shall be conducted in the English language. Notwithstanding the foregoing, VK shall be entitled at its option and sole discretion to file legal actions for payment of outstanding and past due debts in a court of law either in the Buyer's domicile or in the location of the machine.

Appendix to General Conditions of Supply of Valon Kone Oy

1. Prohibited Destinations and Parties
Customer/Distributor shall not, directly or indirectly, sell, supply, export, re-export, transfer, divert, broker, finance, facilitate, or otherwise make the Products, Software, Technology, or related services ("Products") available to:
(a) the Russian Federation/the Republic of Belarus or other prohibited destinations;
(b) any individual or entity located in or ordinarily resident in the Russian Federation/the Republic of Belarus or in other prohibited destinations;
(c) any individual or entity owned or controlled by persons in (a) or (b);
(d) any individual or entity designated on U.S., EU, UK, or other applicable sanctions or restricted-party lists; or
(e) any transaction for which Distributor knows or has reason to know that the Products are ultimately intended for Russia/Belarus/other prohibited destinations or for use in Russia/Belarus/other prohibited destinations.

2. Comprehensive Anti-Diversion Obligation
Customer/Distributor shall implement and maintain robust compliance procedures—including customer screening, end-use/end-user verification, supply-chain controls, and record-keeping—reasonably designed to prevent any unauthorized diversion or resale to Russia/Belarus or other prohibited destinations.

3. Flow-Down Requirements
Customer/Distributor shall ensure that all sub-distributors, resellers, agents, and downstream customers:
(a) receive written notice of these restrictions;
(b) agree in writing to equivalent obligations; and
(c) implement controls sufficient to ensure compliance.
Failure to impose such flow-down obligations constitutes a material breach.

4. No Circumvention
Customer/Distributor shall not engage in, permit, or tolerate any transaction intended to circumvent these restrictions, including shipments or transfers routed through third countries, intermediary companies, free-trade zones, or other structures designed to obscure the final destination or end-user.

5. Compliance With Laws
These obligations apply regardless of the origin of the Products and regardless of whether the Products are subject to export classification. Customer/Distributor shall comply with all applicable U.S. Export Administration Regulations (EAR), EU sanctions regulations (including Council Regulation (EU) No. 833/2014, as amended), UK regulations, and any other relevant export-control or sanctions laws.

6. Reporting and Notification
Customer/Distributor shall promptly notify Supplier in writing if it becomes aware of, suspects, or has reason to suspect any breach, attempted breach, or circumvention of this clause.

7. Audit Rights
Upon reasonable notice, Supplier may audit Customer´s/Distributor's compliance with this clause. Customer/Distributor shall fully cooperate, including by providing relevant records, customer information, and compliance documentation. Supplier may require Customer/Distributor to implement enhanced controls if deficiencies are identified.

8. Suspension and Termination
Supplier may immediately suspend deliveries, withhold performance, or terminate this Agreement without liability if Supplier determines, in its sole discretion, that Customer´s/Distributor's activities present any risk of violation of applicable export-control or sanctions laws or this clause. Such termination shall be deemed for cause.

9. Indemnification
Customer/Distributor shall indemnify, defend, and hold harmless Supplier and its affiliates from and against any losses, damages, liabilities, penalties, fines, costs, and expenses (including reasonable attorneys' fees) arising directly or indirectly out of Customer´s/Distributor's breach of this clause or any violation of applicable export-control or sanctions laws.

10. Survival
All obligations in this clause shall survive expiration or termination of the Agreement.