

# General Terms & Purchasing Conditions for Europa Import Båstad AB (2009-10-01)

## 1. Validity of Purchase Orders

The Purchase Order, including these terms and conditions, constitutes the entire agreement between the Buyer and the Supplier, unless otherwise agreed upon in writing. Terms and conditions in a Purchase Order shall take precedence over any conflicting terms and conditions printed on Supplier's order acknowledgement forms and/or related documents. The Supplier is to send its order confirmation within five (5) days after receipt of the Purchase Order to the Buyer by fax or e-mail in a PDF file.

## 2. Prices

Prices are fixed according to the Purchase Order including but not limited to all duties and taxes to be assessed by any tax authority in the Country of Origin. If the price for any product is missing in the Purchase Order, the Supplier's total fixed price is to be stated on the order confirmation, however subject to the Buyer's final approval.

## 3. Packaging

The Supplier is to - at the Suppliers own cost - provide suitable consumer packaging as well as transport packaging to ensure the arrival of goods at destination in satisfactory condition. All goods which is packed into containers is to be fumigated in accordance with at all time existing EU regulations and with an approved chemical in accordance with an officially recognized technical specification (see clause 21§ "Fumigation Certificates"). The Supplier is to mark goods which are hazardous, inflammable or in any other way dangerous with internationally recognized danger symbol(s), the name of the material and any other relevant information in the English language. The Country of Origin, supplier/manufacturer's name and stock number is to not appear on the product, box, instruction manual etc. The Buyer has the right to assume that the Supplier is fulfilling his responsibility under this article; therefore the Buyer has no obligation to make any controls of his own. The Supplier is to compensate the Buyer for each and every indemnification the Buyer has to pay to a third party due to violation of this article. The Supplier shall furthermore indemnify the Buyer and compensate losses in sales due to violation of this article. Such losses are to be calculated as forty-five (45) % of the purchase price for corresponding product when the damage occurs unless further damage is shown by the Buyer. The Buyer will promptly provide the Supplier with invoices and/or other documents showing the indemnification. Damages are to be paid to the Buyer by check payment within thirty (30) days from written request by the Buyer, which may be provided by fax or e-mail. Interest on overdue payment is agreed to be two (2) % per month. However, the Supplier may deduct the damages from existing orders after written notice to the Buyer within twenty (20) days from payment request. Damages cannot be compensated by deduction from future, not yet placed orders unless otherwise agreed in writing.

## 4. Export Carton Markings

The supplier is to print on the export transport cartons below stated packing and shipping marks: (Handwritten marks are not allowed)

- Supplier No.
- Purchase Order No.

**Master carton (to be printed on left and right side) in a height of 12 cm: (Handwritten marks are not allowed.)**

- Carton No.
- Article No.
- Quantity.
- Gross Weight in Kg.
- Net Weight in Kg.
- Measurements.
- Port of Destination

If the product is palletized, the palette No has to be printed on each palette in a size of 15 cm. Handwritten marks are not allowed. The marking is also to be legible by computerized storage equipment.

## 5. User Manuals, Instruction Manuals

The Supplier has to print user manuals and instruction manuals exactly in accordance to artworks and instructions received from the Buyer on the Buyer's demand.

## 6. Claims and Compensation Concerning Consumer Packaging, Transport Packaging, User Manuals, Labelling and Carton Markings

The Supplier guarantees that the transport packaging or consumer packaging is produced in accordance with requirements under this agreement and is strong enough to protect its content furthermore that labels can be read properly by computerized storage equipment. In failure hereof the Supplier agrees to compensate the Buyer. In case that the transport packaging is not according to agreement and therefore too bulky to be correctly stored in a warehouse, the Supplier agrees to compensate the Buyer. In case that the user manuals are not produced in accordance with its requirements (artwork) or are not delivered with the product at all when requested, the Supplier agrees to compensate the Buyer. In case that the labelling, carton markings and/or transport markings are not in accordance to its requirements, the Supplier agrees to compensate the Buyer. In all above mentioned cases the Buyer agrees to serve the Supplier with sufficient photographic evidence, samples and if available invoices, to document costs/losses. In all above mentioned cases, the Supplier is allowed to hire the services of independent surveyors stating those defects and/or the services of companies assigned by the Supplier, correcting those defects at the Supplier's own expense. The Buyer has the right to assume that the Supplier is fulfilling his responsibility under this article; therefore the Buyer has no obligation to make any controls of his own. The Supplier is to indemnify the Buyer and compensate losses in sales due to violation of this article. Such losses are to be calculated as forty-five (45) % of the purchase price for corresponding product when the damage occurs unless further damage is shown by the Buyer. The Supplier is also to compensate the Buyer for each and every indemnification the Buyer has to pay to a third party due to violation of this article. The Buyer will promptly provide the Supplier with invoices and/or other documents showing the indemnification. Compensation according to this article is to be paid to the Buyer by check payment within thirty (30) days from written request by the Buyer, which may be provided by fax or e-mail. Interest on overdue payment is agreed to be two (2) % per month. However, the Supplier may deduct the damages from existing orders after written notice to the Buyer within twenty (20) days from payment request. Damages cannot be compensated by deduction from future, not yet placed orders unless otherwise agreed in writing.

## 7. Specifications

All products are to be delivered in accordance to product specifications and/or product reference sample approved by the Buyer. Any product changes affecting the functionality, quality, design, product approvals/certifications and/or product documentation may not be made without the Buyer's written approval. The Supplier guarantees that all products delivered are in accordance with the product laws and requirements existing around the world at all time. The Supplier guarantees that only Trivalent Chromium (CrIII) is used as surface layer for all goods made by metal. The Supplier guarantees that all certificates such as GS, CE, EN, EMC, LVD, etc. accompanied with the either delivered or offered products are valid and specifically referring to those products. The Supplier further guarantees that all components mentioned in those certificates are being used while manufacturing those products. The Buyer has the right to assume that the Supplier is fulfilling his responsibility under this article; therefore the Buyer has no obligation to make any controls of his own. The Supplier is to compensate the Buyer for each and every indemnification the Buyer has to pay to a third party due to violation of this article. The Supplier shall furthermore indemnify the Buyer and compensate losses in sales due to violation of this article. Such losses are to be calculated as forty-five (45) % of the purchase price for corresponding product when the damage occurs unless further damage is shown by the Buyer. The Buyer will promptly provide the Supplier with invoices and/or other documents showing the indemnification. Damages are to be paid to the Buyer by check payment within thirty (30) days from written request by the Buyer, which may be provided by fax or e-mail. Interest on overdue payment is agreed to be two (2) % per month. However, the Supplier may deduct the damages from existing orders after written notice to the Buyer within twenty (20) days from payment request. Damages cannot be compensated by deduction from future, not yet placed orders unless otherwise agreed in writing.

## 8. Warranty

The Supplier agrees on a warranty period for all products delivered/services rendered of five (5) years after the date of delivery.

## 9. Defects and Discrepancies

The Supplier is responsible that products delivered will be free from any defects in design, quality, material, functionality and workmanship and furthermore will be in accordance to the laws and requirements existing in the export country/-ies. The Supplier is furthermore responsible for delivered product which shows discrepancies of contracted quality and such product is regarded as either partly or entirely unmarketable. The Supplier is also responsible for delivered product which is not in accordance with the legal requirements existing around the world at all time. The Supplier is responsible for oversized failure rates detected in the delivered product, which regards the product either partly or entirely unmarketable. Oversized failure rates are failures detected in the product in question due to more than one reason exceeding five (5) % of the products. The Supplier is responsible for delivered product which shows epidemical failure rates and therefore is either in part or entirely regarded as unmarketable. Epidemical failure rates are failures which are detected in the delivered product for one reason only exceeding ten (10) % of the products. The Supplier shall indemnify the Buyer and compensate above mentioned defects including but not limited to charges for sorting out the product, repairing of defects by third party companies, the destruction of the product if required by law, the return of the product to the Country of Origin if requested by either the Supplier or the Buyer including all transportation charges (incoming and outgoing),

all custom charges and all collecting charges from the various stores and warehouses. The Supplier is allowed to request samples on his own costs demonstrating defects. The Supplier is allowed to hire the services of independent surveyors stating defects and/or send his own staff to repair defects and/or have the product returned to the Supplier, all at the Supplier's own expense. Furthermore, the Supplier shall indemnify the Buyer and compensate losses in sales due to the unavailability of the product resulting from defects. Such losses are to be calculated as forty-five (45) % of the purchase price for corresponding product when the damage occurs unless further damage is shown by the Buyer. The Buyer will promptly provide the Supplier with invoices and/or other documents showing the losses/costs. Damages are to be paid to the Buyer by check payment within thirty (30) days from written request by the Buyer, which may be provided by fax or e-mail. Interest on overdue payment is agreed to be two (2) % per month. However, the Supplier may deduct the damages from existing orders after written notice to the Buyer within twenty (20) days from payment request. Damages cannot be compensated by deduction from future, not yet placed orders unless otherwise agreed in writing.

#### **10. Inspection and Approval of Product**

The Supplier is responsible for the quality and quantity of the products and is to conduct the necessary inspections to make sure that the products delivered, including the packaging, are in accordance with the agreed specifications. The Buyer has the right to assume that the Supplier is fulfilling his responsibility in this respect; therefore the Buyer does not normally perform a delivery check and is not obliged to inspect goods at arrival. Accordingly, the Supplier cannot hold the Buyer responsible for failure in inspection if lack in deliveries occurs and is responsible without limitation of all and any deviation of quantity and/or quality later discovered. The Buyer is allowed to inspect the goods in production or at the Suppliers factory with at least five (5) days notice before inspection. If lack in deliveries occurs and damages is claimed by a third party, the Buyer will promptly inform the Supplier hereof and provide any documents related hereto. The Supplier is to indemnify the Buyer of any and all costs in relation hereof including but not limited to tests and damages.

#### **11. Date of Delivery**

Date of Delivery is the date the Supplier hands over the delivery to a Shipping Agent in accordance with the terms of delivery in the Purchase Order.

#### **12. Delay in Delivery**

If the Supplier is prevented to deliver according to the delivery date, the Supplier is obliged to inform the Buyer immediately and in writing and may do so by fax or e-mail. When in delay, the Supplier is to pay penalty to the Buyer for each begun calendar week (i.e. Monday – Sunday) with five (5) % of the Purchase Order. Additionally and depending on the delay, the Supplier has to deliver the product on the Supplier's own cost in the fastest possible way on the Buyers demand and choice. If the delay cannot be accepted by the Buyer, the Buyer has the right to cancel the order wholly or partially. Furthermore, the Supplier is to compensate the Buyer for each and every indemnification the Buyer has to pay to a third party. The Buyer will promptly provide the Supplier with invoices and/or other documents showing the indemnification. Compensation under this article is to be paid to the Buyer by check payment within thirty (30) days from written request by the Buyer, which may be provided by fax or e-mail. Interest on overdue payment is agreed to be two (2) % per month. However, the Supplier may deduct the damages from existing orders after written notice to the Buyer within twenty (20) days from payment request. Damages cannot be compensated by deduction from future, not yet placed orders unless otherwise agreed in writing.

#### **13. Transfer of Purchase Orders**

The Purchase Orders received is to not be transferred or subcontracted to any other supplier without the written approval from the Buyer. However, the Supplier may purchase materials and subcontracting the manufacture of parts thereof to the extent that is considered normal practice within the industry.

#### **14. Origin of Products**

The Supplier shall, where applicable, issue relevant document for products shipped under Purchase Orders. The Country of Origin shall be stated for each product in the document.

#### **15. Legal Requirements, Social Standards and Child Labour**

The Supplier shall comply with, and is responsible that any subcontractor of the Supplier comply with, all relevant and applicable laws, legislations and regulations within its area of jurisdiction pertaining to the environment, social and working conditions, fire, health and safety, as well as labour issues. The Supplier further guarantees, that during the entire manufacturing process, including subcontractors manufacturing process, no child labour is involved and that the minimum age for workers in the country of production is strictly observed. The Buyer has the right to assume that the Supplier is fulfilling his responsibility under this article; therefore the Buyer has no obligation to make any controls of his own. The Supplier shall indemnify the Buyer and compensate losses in sales due to the unavailability of the product resulting from violation of this article. Such losses are to be calculated as forty-five (45) % of the purchase price for corresponding product when the damage occurs unless further damage is shown by the Buyer. The Supplier is also to compensate the Buyer for each and every indemnification the Buyer has to pay to a third party due to violation of this article. The Buyer will promptly provide the Supplier with invoices and/or other documents showing the indemnification. Damages are to be paid to the Buyer by check payment within thirty (30) days from written request by the Buyer, which may be provided by fax or e-mail. Interest on overdue payment is agreed to be two (2) % per month. However, the Supplier may deduct the damages from existing orders after written notice to the Buyer within twenty (20) days from payment request. Damages cannot be compensated by deduction from future, not yet placed orders unless otherwise agreed in writing.

#### **16. Samples**

If requested, the Supplier will provide the Buyer with three (3) identical offer samples. Those samples are supplied by the Supplier free of charge (DDU). Only in case that the items in question are of high value the Supplier might ask for a sample charge. Such sample charge, however, will be refunded to the Buyer once the Buyer places an order for corresponding items. The amount will be deducted directly from the Purchase Order. If modifications on the received offer samples are requested by the Buyer, and the Buyer asks for new samples, again three (3) identical samples will be supplied by the Supplier free of charge (DDU). If requested by the Buyer, the Supplier also has to send three (3) packing sample to the Buyer, free of charge (DDU).

#### **17. Product Development Costs**

Costs and charges for product developments such as mould charges etc. is to be absorbed by the Supplier. No down payments for the development of such products will be accepted by the Buyer.

#### **18. Terms of Delivery and Payment**

The Supplier has to offer his products generally and until otherwise specified based on EXW-001, FOB-004 (nearest harbour or airport), FCA-005, CPT-014, DDU-022 or DDP-023 terms in SEK, Euro or USD. Terms of Payment are, if not otherwise agreed in writing, thirty (30) days net or fourteen (14) days /. two (2) % or advance payment /. five (5) %. The Supplier is to deduct the advanced payment and reduction of price directly on the corresponding invoice, or by check payment. Deduction cannot be made on future, not yet placed orders unless otherwise agreed in writing. (Advanced payments will only be accepted if the Supplier presents a bank guarantee on demand for the agreed amount of money from the Supplier's bank issued, by swift, to the Buyer through the Buyer's bank in Sweden. Please state the bank address and swift mentioned in the Purchase Order. All costs for this type of transaction shall be borne by the Supplier.)

#### **19. Invoicing**

Suppliers invoice is to contain the Buyer's Purchase Order No. and article No, article description and quantity. Invoices are to be sent to Europa Import Båstad AB only, who also issues the Purchase Order. Invoice from EU member states is to show the Supplier's VAT No. as well as the Buyer's VAT No. i.e. SE556561681901. Invoices are to state the currency and the bank information (SWIFT, IBAN) and be in the English language. Handwritten notes and corrections are not accepted.

#### **20. Shipping Documents**

The following documents have to be sent to the consignee (see clause 20)

##### **Deliveries from EU-member states by truck or railway:**

- 2xCopy's of Packing list
- 1xConsignment note

##### **Deliveries from European, but non-EU states by truck or railway:**

- 2xCopy's of Packing list
- 1xConsignment note
- Necessary export/import licenses + 2xGSP Certificates
- 3xCopy's of invoice, each is to be hand sign

##### **Deliveries from overseas by container, use 20' only (ship):**

- 2xCopy's of Packing list
- 1xConsignment note
- Necessary export/import licenses + 2xGSP Certificates
- 3xCopy's of invoice, each is to be hand sign
- 2xCopy's of fumigation Certificates

**21. Consignment Note**

The Supplier is to include a packing list with the consignment note, printed in the English language. The packing list is to contain Suppliers invoice No, Supplier No, the Buyer's Purchase Order No, article description, number of cartons (by article and in total), article quantity (by article and in total) in pieces, net weight (by article and in total), gross weight (by article and in total), measurements in cubic meters with three (3) digits after the decimal (by article and in total). As Consignee; Europa Import Båstad AB; Address: (Please state the delivery address mentioned in the Purchase Order)

**22. Forwarder's Cargo Receipt (FCR)**

An overseas Supplier is to submit the FCR under his own name. As Consignee and as Notify Party; Europa Import Båstad AB; Address: (Please state the delivery address mentioned in the Purchase Order).

**23. GSP Form A / Certificate of Origin**

For overseas Suppliers: GSP Form A / Certificate of Origin is to mention Europa Import Båstad AB; Address: (Please state the delivery address mentioned in the Purchase Order).

**24. Indemnity; Intellectual Property, Product Liability etc.**

The Supplier shall defend, indemnify and hold the Buyer, its dealers and users harmless from any and all damages, liabilities, costs and expenses (including but not limited to attorney's fees) incurred at the Buyer as a result of any claim, judgment or proceeding against the Buyer or any of its customers or dealers in which it is determined or alleged that the product infringes any patent, copyright, trademark, trade secret or other proprietary or contractual right of any third party, based on any product or any other materials furnished by the Supplier. The Supplier is also to compensate the Buyer for each and every indemnification the Buyer has to pay to a third party due to product liability claims concerning any product or any other materials furnished by the Supplier. The Buyer will promptly provide the Supplier with invoices and/or other documents showing the indemnification. Damages are to be paid to the Buyer by check payment within thirty (30) days from written request by the Buyer, which may be provided by fax or e-mail. Interest on overdue payment is agreed to be two (2) % per month. However, the Supplier may deduct the damages from existing orders after written notice to the Buyer within twenty (20) days from payment request. Damages cannot be compensated by deduction from future, not yet placed orders unless otherwise agreed in writing.

**25. Documents and Confidential information**

Models and/or manufacturing documents supplied by the Buyer shall remain the exclusive property of the Buyer. The Supplier is to neither use nor disclose such models and/or manufacturing documents to any third party without the Buyer's prior written authorization. The Buyer may furthermore impart other certain confidential and proprietary information to the Supplier. Confidential Information includes but is not limited to all data materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, financial information, and other information disclosed or submitted, orally, in writing, or by any other media, to the Supplier by the Buyer. The Supplier agrees that the Confidential Information is to be considered confidential and proprietary to the Buyer and the Supplier shall hold the same in confidence, shall not use the Confidential Information other than for the purposes of its business with the Buyer and shall only impart the Confidential Information to its officers, directors, or employees with a specific need to know. The Supplier will not disclose, publish or otherwise reveal any of the Confidential Information received from the Buyer to any other party whatsoever except with the specific prior written authorization of the Buyer. The obligations of the Supplier herein shall be effective from the date the Buyer last imparted any Confidential Information to the Supplier pursuant to this agreement. Furthermore, the obligation not to disclose shall not be affected by the bankruptcy, receivership, assignment, attachment or seizure procedures, whether initiated by or against the Supplier, by a trustee of the Supplier in bankruptcy, or by the Supplier as a debtor-in-possession or the equivalent of any of the foregoing under the local law. The Supplier is to pay penalty to the Buyer when in violation of this article with twenty (20) Price Basic Amount, which is calculated based on changes in the general price level, in accordance with the Swedish National Insurance Act (1962:381), unless further damage is shown by the Buyer.

**26. Waiver**

No waiver by the Buyer of any breach of contract by the Supplier shall be considered as a waiver of any subsequent breach of the same or any other provision between the parties.

**27. Jurisdiction**

All disputes arising in connection with this Purchase Order and its terms stipulated in this agreement shall in all respects be governed by and settled according to Swedish law and in the courts of Sweden with the district court of Helsingborg as court of first instance.

**28. Language**

The language of communication for all documents or all other communication between the parties is the English language.

**29. Gifts and presents**

Due to internal ethical regulations of Europa Import Båstad AB no gifts or presents may be presented of any kind by the Supplier to any employee of Europa Import Båstad AB.

**30. Validity**

These terms are valid until the end of the co-operation or until replaced by another set of terms. However, regardless of the foresaid, article § 25 above regarding documents and confidential information is valid until the documents and/or confidential information has become general knowledge of the Supplier by disclosing from other than the Buyer or the Buyer expressly in writing releases the Supplier of its obligation under the article.

Read and acknowledged

\_\_\_\_\_  
Date / City / Country

\_\_\_\_\_  
Supplier's signature

\_\_\_\_\_  
Name in printed letters