



PLASTIC PRODUCTS GENERAL TERMS OF DELIVERY

The Finnish Plastics Industries Federation has approved these General Terms of Delivery on August 20th, 2004 and recommends their application in deliveries of plastic industries. They shall be applied instead of the earlier General Terms of Delivery (of December 9th, 2003) and the Finnish Plastics Industries Federation General Conditions of Supply (of January 5, 1978), the General Terms of Contract governing the use and ownership of moulds, extrusion tools and printing tools (of March 5, 1987) and the General Terms of Contract governing the trade in plastics welding products (of January 5, 1978).

1. General

1.1 These General Terms of Delivery shall apply when the parties so agree, in writing or otherwise. The Terms of Delivery shall be applied in so far as they have not been changed by a mutual written contract.

2. Product data, technical specifications, drawings and descriptions and their power to bind a party. Rights to documentation submitted to the other party

2.1. All data concerning weights, material contents, measurements, prices and technical properties and other details given in catalogues, brochures, advertisements, circular letters and price lists shall bind the party supplying such data only when they are specifically referred to in the contract.

2.2. Drawings, technical documents and software required for the manufacturing of goods or parts of it, submitted by one party to the other, prior to or subsequent to the coming into force of the contract, shall remain the property of the submitting party and they shall not, without the consent of the other party, be used, copied, reproduced, transmitted or otherwise communicated to a third party.

2.3. Submitting data to a subcontractor is allowed, if necessary, for the completion of the contract, provided that the subcontractor agrees to the terms in Clause 2.2.

2.4. The Purchaser shall accept responsibility for demands presented by a third party concerning industrial rights related to the goods.

3. Ownership and right of use of moulds, parts of moulds, extrusion and printing tools or other equipment used in the production of plastics goods (hereinafter referred to as moulds), transfer

3.1. A mould made by or for the Supplier at his cost, to be used in the manufacture of the ordered goods, shall remain the Supplier's property, unless otherwise agreed or stipulated under Clause 3.2.

3.2. If the Supplier charges the cost of the mould under a separate invoice, the ownership of the mould is transferred to the Purchaser after the invoice has been paid in full.

3.3. If there is no agreement on the payment or if the mould is paid for as part of the price for the goods to be supplied, it will remain the Supplier's property.

3.4. A mould owned by the Purchaser shall not be used for any other purpose than for producing goods for the Purchaser and shall be returned to him if so requested. Despite a request for return, the Supplier may postpone the transfer of the mould to the Purchaser for a year after the end of the contract, if such action would reveal technological knowledge to others which is significant to the Supplier.

3.5. A mould owned by the Supplier may be used for producing goods for third parties after the contract is completed.

3.6. If the Supplier essentially neglects to fulfil the contract terms for reasons other than force majeure or one accountable to the Purchaser, a fully paid mould shall, at request, be handed over to the Purchaser without delay.

3.7. Patterns, drawings, parts lists, tools or software required for the manufacturing of the mould will always remain the property of the Supplier. They shall not be handed over to the Purchaser, nor shall their cost be included in the price of the mould. The Supplier is not obliged to reveal any technological data or knowledge required for manufacturing the mould. Industrial rights related to the mould and owned by the Supplier shall not be handed over as the mould is delivered to the Purchaser.

3.8. Unless otherwise agreed, the price for the mould shall be invoiced as follows:

- one third at the coming into force of the contract
- one third after the presentation of the test pieces
- one third after the approval of the test pieces

3.9. While the mould is used for a production run, the Supplier shall, at his cost, take care of its normal maintenance, storage and insurance. Should the mould become defected in the course of a production run, it shall be repaired at the cost of the Purchaser. When the agreed production run has been completed or the total quantity to be produced is left open, the Supplier shall notify the Purchaser of a need to repair or replace the mould and submit him an offer to this effect.

3.9. After the last production run is completed, the Supplier shall store the mould at the Purchaser's risk and cost for two (2) years. After this period, the mould may be scrapped unless the Purchaser requests continued storage within 14 days after having received a notification of the scrapping from the Supplier. At that point the Purchaser shall pay the costs caused by the storage and give an estimate of how long the storage will continue. The mould shall be scrapped at the Purchaser's cost. The Supplier shall mark a mould owned by the Purchaser to make it identifiable as the Purchaser's property.

3.10. Should the contract or a part of it be cancelled, the Purchaser shall pay the price for the mould, irrespective of the cause for the cancellation. If the contract is ended prematurely or the quantities of goods ordered are lower than expected, the Purchaser shall buy, at cost, the production's raw materials and other items remaining in the Supplier's storage.

3.11. Transports of the mould between the Supplier and the Purchaser shall be made at the Purchaser's risk and cost.

3.12. Terms and other details relating to the use of a mould, given by the Purchaser to the disposal of the Supplier for use in production shall be agreed on separately.

4. Terms and time of delivery. Delay caused by the Purchaser

4.1. Unless otherwise agreed, the terms "Ex Works" / EXW INCOTERMS 2000 shall apply. The Supplier may, if so agreed, arrange for shipment at the Purchaser's cost and risk. Normal transport packaging, as defined in the terms of delivery, shall be included in the price of the shipment.

4.2. Time of delivery shall be specifically agreed on. The agreed time of delivery may be altered by mutual agreement only.

4.3. If it seems likely that the delivery will be delayed for a reason accountable to the Purchaser, the Purchaser may not refuse to take the delivery. A suspension of supply, referred to in Clause 9, shall also be considered a reason accountable to the Purchaser.

5. Terms of payment

5.1. The invoice shall be dated with the day of delivery, i.e., the day on which the goods, in accordance with the terms of delivery, are ready to be collected by the Purchaser or have been turned over to the Purchaser in a separately agreed mode.

5.2. Payment shall be made within 14 days after the date of invoice, net. Interest shall be charged on overdue payments from the due date on, as stipulated in current legislation on interest.

5.3. The Purchaser shall pay the invoice even if he has made a complaint, unless otherwise agreed.

6. Quantity and quality – complaints

6.1. A complaint concerning the quantity or quality of a delivery shall be made in writing within 14 days from the day of shipment. The cause for complaint shall be described in detail. The parties shall agree on the possible measures to be taken caused by the complaint.

6.2. If the goods shall be further processed and the Purchaser, after having detected or after he should have detected a defect in the goods, has subjected them to machining, processing or treatment or has in any other way used them, the Purchaser will have forfeited his right to make a valid complaint referring to a defect in the goods.

6.3. A shortage or excess of maximum 10 per cent of the agreed quantity to be shipped may be accepted as falling within the contract terms when supplying goods with the Purchaser's print, logo or other identifying mark, such as plastic welding products or packaging material. The invoice shall be adjusted to cover the actual quantity shipped.

7. Grounds for relief (Force Majeure)

7.1. The following circumstances, among others, shall constitute grounds for relief if they occur after the coming into force of the contract and impede its fulfilment or make it unreasonably onerous: Labour disputes, fire, war, mobilization or unforeseen military call-up of comparable scope, requisition, confiscation, currency restrictions, insurrection and civil commotion, shortage of transport, general shortage of materials, restrictions in the supply of power and defects or delays in deliveries by subcontractors resulting from the aforementioned reasons, or any other circumstance equally important and unforeseen, beyond the control of the party in question.

8. Alteration of price

8.1. Should the cost of supplying the goods be altered, due to increased raw material prices, higher customs duties, taxes, other dues imposed by the authorities or other circumstances beyond the Supplier's control, in a manner not foreseen when determining the price for the goods, the Supplier may adjust the price in accordance with the risen costs.

9. Cancellation of the contract, suspension of shipments, compensation

9.1. Should one of the parties essentially fail to fulfil the terms of the contract, the blameless party may, by informing the other party in writing, cancel the contract in full or in part and also claim damages for the direct harm caused by such failure. The damages shall not exceed the price of the cancelled part of the delivery.

9.2. If the Purchaser fails to fulfil the terms of payment, the Supplier has the right to suspend deliveries and demand that even the yet undue payments be made immediately.

10. Defects in the goods and the Supplier's liability to pay damages

10.1. If the contract defines certain material properties in the goods, which, when lacking, will prevent the Purchaser from using the goods as intended or if the goods, when delivered, contain a latent defect accountable to the Supplier, the Supplier will fulfil his obligation by shipping a repaired or new comparable item without cost to the original address of delivery.

10.2. The Purchaser shall return the faulty or defected goods as instructed by the Supplier. The return shipment shall take place at the Supplier's risk and cost.

10.3. The Supplier's liability does not cover defects due to conditions of operation deviating from those anticipated in the contract or to improper use of the goods. Nor does it cover defects due to design or material used at the instruction of the Purchaser, faulty maintenance or incorrect installation carried out by the Purchaser, alterations undertaken without the Supplier's written consent or faulty repairs carried out by the Purchaser. Nor does it cover normal wear and tear or deterioration.

10.4. The Supplier shall not compensate the Purchaser for the cost of rejecting or sorting out of defected goods or parts.

10.5. The claim for compensation shall be made in writing. It shall reach the Supplier within 30 days from the day of delivery. If it is obvious due to the circumstances that it has been impossible to detect, within the aforementioned time limit, the damage caused by the default to the Purchaser, a claim for compensation which has arrived at a later date can be taken into account at the Supplier's discretion. If a specific period of guarantee has been granted on the goods, the claim for compensation shall reach the Supplier within 14 days after the end of the guarantee period.

10.6. The Supplier's liability to compensate the Purchaser for damage or loss caused by a faulty, delayed or non-existent delivery shall not exceed the price for such a faulty, delayed or not delivered goods or partial shipment.

10.7. Beyond what is stipulated above, the Supplier is not liable for any cost, damage or loss caused to the Purchaser or a third party.

11. Product Liability

11.1. The Supplier's liability for damage caused to a person or private property shall comply with the current legislation on product liability. The parties shall carry product liability insurance.

12. Disputes

12.1. Disputes arising out of the contract shall in the first hand be settled through negotiations between the parties. If such negotiations do not lead to a positive result, disputes arising out of or in connection with the contract shall be settled by a court at the Supplier's domicile.

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