

1. Interpretation

The following definitions and rules of interpretation apply in these Conditions these terms and conditions as amended from time to time in accordance with clause 13.2 (**Conditions**).

Contract: the contract between Faron and the Vendor for the supply of Goods and/or Services in accordance with these Conditions.

Deliverables: all documents, products and materials developed by the Vendor or its agents, contractors and employees as part of or in relation to the Services in any form or media, including drawings, maps, plans, diagrams, designs, pictures, computer programs, data, specifications and reports (including drafts).

Faron: Faron Pharmaceuticals Ltd registered in Finland with business identity code 2068285-4.

Goods: the goods (or any part of them) set out in the Purchase Order.

Goods Specification: any specification for the Goods, including any related plans and drawings, that is agreed in writing by Faron and the Vendor.

Purchase Order: Faron's order for the supply of Goods and/or Services, as set out in Faron's purchase order form, or in Faron's written acceptance of the Vendor's quotation, or overleaf, as the case may be.

Services: the services, including any Deliverables, to be provided by the Vendor under the Contract as set out in the Service Specification.

Service Specification: the description or specification for Services agreed in writing by Faron and the Vendor.

Vendor: the person or firm from whom Faron purchases the Goods and/or Services.

2. Basis of Contract

2.1 The Purchase Order constitutes an offer by Faron to purchase Goods and/or Services from the Vendor in accordance with these Conditions.

2.2 The Purchase Order shall be deemed to be accepted on the earlier of the Vendor issuing written acceptance of the Purchase Order or any act by the Vendor consistent with fulfilling the Purchase Order, at which point, and on which date, the Contract shall come into existence (**Commencement Date**).

2.3 These Conditions apply to the Contract to the exclusion of any other terms that the Vendor seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

2.4 All of these Conditions shall apply to the supply of both Goods and Services except where the application to one or the other is specified.

3. Supply of Goods

3.1 The Vendor shall ensure that the Goods shall:

- (a) correspond with their description and any applicable Goods Specification;
- (b) be of satisfactory quality and fit for any purpose held out by the Vendor or made known to the Vendor by Faron, expressly or by implication, and in this respect Faron relies on the Vendor's skill and judgement;
- (c) where they are manufactured products, be free from defects in design, materials and workmanship and remain so for 12 months after delivery; and
- (d) comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods.

3.2 The Vendor shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract in respect of the Goods.

3.3 Faron may inspect and test the Goods at any time before delivery. The Vendor shall remain fully responsible for the Goods despite any such inspection or testing and any such inspection or testing shall not reduce or otherwise affect the Vendor's obligations under the Contract.

3.4 If following such inspection or testing Faron considers that the Goods do not comply or are unlikely to comply with the Vendor's undertakings at clause 3.1, Faron shall inform the Vendor and the Vendor shall immediately take such remedial action as is necessary to ensure compliance.

3.5 Faron may conduct further inspections and tests after the Vendor has carried out its remedial actions.

4. Delivery of Goods

4.1 The Vendor shall ensure that:

- (a) the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition;
- (b) each delivery of the Goods is accompanied by a delivery note which shows the date of the Purchase Order, the Purchase Order number (if any), the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the Goods are being delivered by instalments, the outstanding balance of Goods remaining to be delivered; and
- (c) it states clearly on the delivery note any requirement for Faron to return any packaging material for the Goods to the Vendor. Any such packaging material shall only be returned to the Vendor at the cost of the Vendor.

4.2 The Vendor shall deliver the Goods:

(a) on the date specified in the Purchase Order or, if no such date is specified, within seven days of the date of the Purchase Order;

(b) to Faron’s premises at Joukahaisenkatu 6, 20520 Turku, Finland or such other location as is set out in the Purchase Order or as instructed by Faron before delivery (**Delivery Location**); and

(c) during Faron’s normal hours of business on a business day, or as instructed by Faron.

4.3 Delivery of the Goods shall be completed on the completion of unloading of the Goods at the Delivery Location.

4.4 The Vendor shall not deliver the Goods in instalments without Faron’s prior written consent. Where it is agreed that the Goods are delivered by instalments, they may be invoiced and paid for separately. However, failure by the Vendor to deliver any one instalment on time or at all or any defect in an instalment shall entitle Faron to the remedies set out in clause 6.1.

4.5 Title and risk in the Goods shall pass to Faron on completion of delivery.

5. Supply of Services

5.1 The Vendor shall from the Commencement Date, or the date set out in the Purchase Order, and for the duration of the Contract supply the Services to Faron in accordance with the terms of the Contract.

5.2 The Vendor shall meet any performance dates for the Services specified in the Purchase Order or that Faron notifies to the Vendor and time is of the essence in relation to any of those performance dates.

5.3 In providing the Services, the Vendor shall:

(a) co-operate with Faron in all matters relating to the Services, and comply with all instructions of Faron;

(b) perform the Services with the best care, skill and diligence in accordance with best practice in the Vendor’s industry, profession or trade;

(c) use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Vendor’s obligations are fulfilled in accordance with the Contract;

(d) ensure that the Services and Deliverables will conform with all descriptions and specifications set out in the Service Specification, and that the Deliverables shall be fit for any purpose that Faron expressly or impliedly makes known to the Vendor;

(e) provide all equipment, tools and vehicles and such other items as are required to provide the Services;

(f) use the best quality goods, materials, standards and techniques, and ensure that the Deliverables, and all goods

and materials supplied and used in the Services or transferred to Faron, will be free from defects in workmanship, installation and design;

(g) obtain and at all times maintain all licences and consents which may be required for the provision of the Services;

(h) comply with all applicable laws, regulations, regulatory policies, guidelines or industry codes which may apply to the provision of the Services, including all applicable requirements of the data protection legislation;

(i) without prejudice to the generality of clause 5.3(h), in relation to any personal data processed in connection with the performance by the Vendor of its obligations under the Contract, comply with points (a) to (h) of Article 28(3) of Regulation (EU) 2016/679 of the European Parliament and of the Council (**GDPR**), which are deemed to be incorporated by reference into this clause;

(j) observe all health and safety rules and regulations and any other security requirements that apply at any of Faron’s premises;

(k) hold all materials, equipment and tools, drawings, specifications and data supplied by Faron to the Vendor (**Customer Materials**) in safe custody at its own risk, maintain the Customer Materials in good condition until returned to Faron, and not dispose or use the Customer Materials other than in accordance with Faron’s written instructions or authorisation;

(l) not do or omit to do anything which may cause Faron to lose any licence, authority, consent or permission upon which it relies for the purposes of conducting its business, and the Vendor acknowledges that Faron may rely or act on the Services; and

(m) comply with any additional obligations as set out in the Service Specification.

6. Customer remedies

6.1 If the Vendor fails to deliver the Goods and/or perform the Services by the applicable date, Faron shall, without limiting or affecting other rights or remedies available to it, have one or more of the following rights:

(a) to terminate the Contract with immediate effect by giving written notice to the Vendor;

(b) to refuse to accept any subsequent performance of the Services and/or delivery of the Goods which the Vendor attempts to make;

(c) to recover from the Vendor any costs incurred by Faron in obtaining substitute goods and/or services from a third party;

(d) to require a refund from the Vendor of sums paid in advance for Services that the Vendor has not provided and/or Goods that it has not delivered; and

(e) to claim damages for any additional costs, loss or expenses incurred by Faron which are in any way attributable to the Vendor's failure to meet such dates.

6.2 If the Goods are not delivered by the applicable date, Faron may, at its option, claim or deduct 10% of the price of the Goods for each week's delay in delivery by way of liquidated damages, up to a maximum of 50% of the total price of the Goods.

6.3 If the Vendor has delivered Goods that do not comply with the undertakings set out in clause 3.1, without limiting or affecting other rights or remedies available to it, Faron shall have one or more of the following rights, whether or not it has accepted the Goods:

(a) to terminate the Contract with immediate effect by giving written notice to the Vendor;

(b) to reject the Goods (in whole or in part) whether or not title has passed and to return them to the Vendor at the Vendor's own risk and expense;

(c) to require the Vendor to repair or replace the rejected Goods, or to provide a full refund of the price of the rejected Goods;

(d) to refuse to accept any subsequent delivery of the Goods which the Vendor attempts to make;

(e) to recover from the Vendor any expenditure incurred by Faron in obtaining substitute goods from a third party; and

(f) to claim damages for any additional costs, loss or expenses incurred by Faron arising from the Vendor's failure to supply Goods in accordance with clause 3.1.

6.4 These Conditions shall extend to any substituted or remedial services and/or repaired or replaced goods supplied by the Vendor.

6.5 Faron's rights under the Contract are in addition to its rights and remedies implied by law.

7. Additional obligations

7.1 Faron shall provide the Vendor with reasonable access at reasonable times to Faron's premises for the purpose of providing the Services and provide such necessary information for the provision of the Services as the Vendor may reasonably request.

7.2 Faron's total liability to the Vendor shall not exceed all sums paid by Faron and all sums payable under the Contract in respect of Goods and Services actually supplied by the Vendor.

7.3 The Vendor warrants that its ability to perform fully its obligations under the Contract will not be affected by any country ceasing to be a member state of the European Union.

7.4 During the term of the Contract, the Vendor shall maintain in force, with a reputable insurance company,

professional indemnity insurance, product liability insurance and public liability insurance to cover the liabilities that may arise under or in connection with the Contract, and shall, on Faron's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.

7.5 Where applicable, the Vendor shall:

(a) provide Faron with the information and documents set out in section 5(1) or (2), as the case may be, and (5) and (6) of the Finnish Act on the Contractor's Obligations and Liability when Work is Contracted Out (1233/2006, as amended); and

(b) submit the notification referred to in section 7 of the Finnish Act on Posting Workers (447/2016, as amended) and have the representative referred to in section 8 of the said Act.

8. Charges and payment

8.1 The price for the Goods:

(a) shall be the price set out in the Purchase Order, or if no price is quoted, the price set out in the Vendor's published price list in force at the Commencement Date; and

(b) shall be inclusive of the costs of packaging, insurance and carriage of the Goods. No extra charges shall be effective unless agreed in writing and signed by Faron.

8.2 The charges for the Services shall be set out in the Purchase Order and shall be the full and exclusive remuneration of the Vendor in respect of the performance of the Services. Unless otherwise agreed in writing by Faron, the charges shall include every cost and expense of the Vendor directly or indirectly incurred in connection with the performance of the Services.

8.3 In respect of the Goods, the Vendor shall invoice Faron on or at any time after completion of delivery. In respect of Services, the Vendor shall invoice Faron on completion of the Services. Each invoice shall include such supporting information required by Faron to verify the accuracy of the invoice, including but not limited to the relevant Purchase Order number.

8.4 In consideration of the supply of Goods and/or Services by the Vendor, Faron shall pay the invoiced amounts within 60 days of the date of a correctly rendered invoice to a bank account nominated in writing by the Vendor.

8.5 All amounts payable by Faron under the Contract are exclusive of amounts in respect of valued added tax chargeable from time to time (VAT). Where any taxable supply for VAT purposes is made under the Contract by the Vendor to Faron, Faron shall, on receipt of a valid VAT invoice from the Vendor, pay to the Vendor such additional amounts in respect of VAT as are chargeable on the supply of the Goods and/or Services at the same time as payment is due for the supply of the Goods and/or Services.

8.6 The Vendor shall maintain complete and accurate records of the time spent and materials used by the Vendor in providing the Services, and the Vendor shall allow Faron to inspect such records at all reasonable times on request.

8.7 Faron may at any time, without notice to the Vendor, set off any liability of the Vendor to Faron against any liability of Faron to the Vendor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under the Contract. If the liabilities to be set off are expressed in different currencies, Faron may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by Faron of its rights under this clause shall not limit or affect any other rights or remedies available to it under the Contract or otherwise.

9. Intellectual property rights

9.1 All intellectual property rights in or arising out of or in connection with the Services (other than intellectual property rights in any Customer Materials) shall be owned by the Vendor.

9.2 The Vendor grants to Faron, or shall procure the direct grant to Faron of, a fully paid-up, worldwide, non-exclusive, royalty-free, perpetual and irrevocable licence to copy and modify the Deliverables (excluding Customer Materials) for the purpose of receiving and using the Services and the Deliverables. Faron may sub-license, assign or otherwise transfer the rights granted by this clause 9.2.

9.3 Faron grants the Vendor a fully paid-up, non-exclusive, royalty-free and non-transferable licence to copy and modify any materials provided by Faron to the Vendor for the term of the Contract for the purpose of providing the Services to Faron.

9.4 All Customer Materials are the exclusive property of Faron.

10. Indemnity

10.1 The Vendor shall indemnify Faron against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by Faron arising out of or in connection with:

- (a) any claim made against Faron for actual or alleged infringement of a third party's intellectual property rights arising out of, or in connection with, the manufacture, supply or use of the Goods, or receipt, use or supply of the Services (excluding the Customer Materials);
- (b) any claim made against Faron by a third party for death, personal injury or damage to property arising out of, or in connection with, defects in the Goods, as delivered, or the Deliverables; and

(c) any claim made against Faron by a third party arising out of or in connection with the supply of the Goods, as delivered, or the Services.

10.2 This clause 10 shall survive termination of the Contract.

11. Termination

11.1 Without affecting any other right or remedy available to it, Faron may terminate the Contract with immediate effect by giving written notice to the Vendor.

11.2 On termination of the Contract, the Vendor shall immediately deliver to Faron all Deliverables, whether or not then complete, and return all Customer Materials. Until they have been returned or delivered, the Vendor shall be solely responsible for their safe keeping and will not use them for any purpose not connected with the Contract.

11.3 Termination or expiry of the Contract shall not affect the parties' rights and remedies that have accrued as at termination or expiry, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination or expiry.

11.4 Any provision of the Contract that expressly or by implication is intended to come into or continue in force on or after termination or expiry of the Contract shall remain in full force and effect.

12. Force majeure

Neither party shall be in breach of the Contract nor liable for delay in performing, or failure to perform, any of its obligations under it if such delay or failure results from events, circumstances or causes beyond its reasonable control.

13. General

13.1 Faron may at any time assign or deal in any other manner with all or any of its rights and obligations under the Contract. The Vendor shall not assign, transfer, subcontract, delegate or deal in any other manner with any of its rights and obligations under the Contract, including appointing any third-party processor of personal data, without the prior written consent of Faron.

13.2 Except as set out in these Conditions, no variation of the Contract, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by the parties or their authorised representatives.

13.3 The Contract shall be governed by and construed in accordance with the law of Finland. Any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the Contract or its subject matter or formation shall be finally settled by arbitration in accordance with the Rules for Expedited Arbitration of the Finland Chamber of Commerce. The seat of arbitration shall be Helsinki, Finland.