

## **general purchasing conditions** of the electrolux group

### **1. Validity**

These general purchasing conditions shall apply to all goods and services ("Goods") specified in the purchase order issued by Electrolux to Supplier in writing (the "Order") insofar as they are not amended by written agreement between the parties concerned. Supplier explicitly agrees that these terms and conditions apply irrespective of any provisions to the contrary which may appear on any order form, invoice, tax invoice or other document issued by Supplier.

### **2. Acknowledgement of order**

If the Supplier does not provide Electrolux with an acknowledgement of order within 14 (fourteen) days from the date of Order Electrolux is entitled to cancel the order without unreasonable delay.

### **3. Supply and purchasing**

- 3.1 Deviations from the terms and quantities stated in the Order is permitted only after written permission from Electrolux.
- 3.2 Supplier undertakes to immediately inform Electrolux of, and take all actions to overcome, any existing, threatened or foreseen interruptions in the production process, which may jeopardize the fulfilment of commitments embodied in the Order.

### **4. Delivery documents, marking etc**

- 4.1 All delivery documents and invoices shall state the purchase order number of Electrolux and where necessary the article/ material number. Original bills of lading or consignment notes signed by the carrier must be attached to the invoice and mailed to Electrolux by the day after shipment. If Supplier fails to submit correct documentation Electrolux shall be entitled to delay payment.
- 4.2 Supplier must ensure that Goods are suitably packed and prepared for transportation to avoid damage, to comply with the carrier's requirements and to secure minimum transportation costs and insurance rates. Supplier shall adhere fully to any conditions stipulated by Electrolux regarding storage, packaging, transport packaging, distribution and treatment against corrosion. Supplier is liable for any faults, which may occur as a consequence of these rules not being complied with. Any additional packing and cartage charges must be shown separately and will be accepted only if specified on the original quotation.

### **5. Quality and warranties**

- 5.1 It is Supplier's responsibility to inspect all Goods prior to delivery and ensure they are in accordance with the Order. In accepting this Order Supplier acknowledges that Electrolux relies upon Supplier's expertise to manufacture the Goods and Supplier accordingly warrants that all Goods supplied by Supplier to Electrolux pursuant to this Order:
  - 5.1.1 conform in all respects to all requirement stipulated in the Order, the specifications advised by Supplier to Electrolux, or such other written specifications from Electrolux, if any (the "Product Specification");
  - 5.1.2 are of merchantable quality and free from all defects in design, material and workmanship, and are suitable for the purpose for which they are intended;
  - 5.1.3 comply with applicable EU rules, regulations and directives, and with applicable laws and regulations in the countries they are manufactured and intended to be marketed (if North America, including but not limited to, UL, CUL, CSA, AGA, FTC and DOE) with regard to manufacturing of the Goods and material used in the Goods, including but not limited to all applicable environment, health and safety regulations;
  - 5.1.4 do not contain any of the materials or substances identified in the Electrolux Restricted Materials List as published on <http://www.electrolux.com/node737.asp> unless otherwise agreed; and
  - 5.1.5 will be conveyed with good title and free from any lawful security interest, lien or encumbrance.
- 5.2 Supplier's obligations under the warranties in Section 5.1 in its entirety shall be referred to collectively as the "Warranties".
- 5.3 Supplier shall provide a warranty statement and user's manual approved by Electrolux with each Product for use by the end-user upon request by Electrolux.
- 5.4 If requested, all deliveries must be accompanied by a Certificate of Inspection completed by Supplier.

5.5 Supplier shall:

5.5.1 reimburse Electrolux for all costs incurred by Electrolux due to any production stoppage resulting from a failure by Supplier to meet the Warranties; and

5.5.2 indemnify and hold Electrolux harmless for any other loss, cost or damages (including but not limited to fines) arising out of a breach of the Warranties.

5.6 The foregoing is without prejudice to any other remedies or claims that Electrolux may have under applicable law.

## **6. Complaints, faults and guarantees**

Supplier is liable for all faults that may occur as the result of breach of Warranties. Complaints may be made about faulty Goods whenever they are found in the Electrolux system, regardless of whether they belong to an approved delivery or not. Electrolux is entitled either to return the faulty Goods to Supplier, in which case Electrolux is entitled at its own option to a replacement delivery or a reduction in the purchase price or in urgent cases to deal with the fault itself, in which case Supplier shall compensate Electrolux for all costs incurred in rectifying the fault. Distribution to and from Supplier's own account of faulty Goods shall be at Supplier's risk and expense. Settlement of invoices does not imply that a delivery has been approved. Electrolux is entitled to draw and retain Goods which are not faulty from batches which otherwise are faulty. Supplier shall remain liable as provided above for faulty Goods for at least 24 months from the time the Electrolux products "into which the Goods have been incorporated" have been sold to the end user. Supplier is also liable after this date for faults in assembled goods, which are of the same character or have the same cause as faults, which were identified before the end of the 30 months period, so-called "repeated defects".

## **7. Manufacture and production**

- 7.1 Supplier represents that it has obtained ISO 9001, ISO 9002 or QS 9000 certificates ("Certificates"), which shall be presented to Electrolux upon its request. If approved by Electrolux, Supplier may substitute the Certificates with another set of procedures and routines supporting the operation of a well functioned and adequate quality system for production of the Goods.
- 7.2 Supplier shall give first priority to Electrolux for the manufacture of Goods, including the sourcing of components and raw materials required to produce them. Supplier shall not change its production technique, location, materials used or suppliers that may affect the Goods or require re-listing or certification of the Goods without prior written approval from Electrolux. Supplier shall immediately notify Electrolux of any product liability, recall or material warranty claims raised against Supplier, which relate to Goods or Supplier's similar goods.
- 7.3 If the manufacturing of the Goods requires use of tooling uniquely designed or adjusted for the Goods, Supplier undertakes to order such tooling or adjustment of such tooling from suppliers appointed by Electrolux. Unless otherwise agreed in writing, Supplier shall comply with the general terms and conditions for tooling of the Electrolux Group.
- 7.4 Electrolux shall have the option, at its expense and at times mutually agreed to by the Parties, to visit Supplier's manufacturing and warehousing facilities and conduct inspections and testing of completed Goods and adherence to this Order. The performance of such inspection visits does not limit the liability of Supplier in respect of faulty delivered Goods.
- 7.5 The Supplier must obtain prior approval from Electrolux before altering in any way its design process or materials which may vary the Goods from the Product Specification.

## **8. Inspection**

- 8.1 All Goods are subject to acceptance by Electrolux. Even if Electrolux accepts delivery of the Goods or pays in whole or in part any of the total price, acceptance of the Goods by Electrolux is subject to inspection and testing by Electrolux after arrival and unpacking at the specified delivery point. Where the description of the Goods in the Order refers to a particular brand name or some other specification regarding the quality of the Goods or the method of manufacture, Electrolux will not accept substitute or equivalent goods unless Electrolux has given prior written approval.

## **9. Pricing**

- 9.1 Electrolux will purchase the Goods at the prices and terms of payment specified in the Order.

## **10. Payment**

10.1 Payment shall be made by credit transfer within such number of days from the date of issue of invoice as specified on the Order, to such bank account as shall be nominated by Supplier.

10.2 The invoice must comply with the requirements of the jurisdiction from which the Order is issued. Some of the materials used by Supplier may be imported and subject to duty. Supplier will be required to provide information and documentation to relevant customs authorities to establish the duty content of the component so Electrolux is able to claim duty drawback on any units Electrolux exports.

## **11. Delivery**

11.1 Subject to instructions to the contrary given by Electrolux, Supplier shall deliver the Goods as per the dates and destinations specified in the Order, time being of the essence.

11.2 Title and risk of loss shall pass to Electrolux in accordance with the trade term of INCOTERMS referred to in the Order. Unless otherwise stated, title in the Goods will pass to Electrolux on the earlier delivery of the Goods to the specified location or payment by the Electrolux for the Goods.

11.3 Electrolux shall be entitled to cancel the Order if delivery has not taken place within 5 (five) days after the delivery date specified on the Order.

11.4 In the event of late deliveries, Supplier shall compensate Electrolux for all costs of Electrolux arranging alternate supply.

11.5 Freight insurance shall always be arranged by Electrolux except when the Goods are sold "free delivered" at the Electrolux premises in which case Goods remain at Supplier's risk until such time as Electrolux has received notification of their delivery and receipt.

11.7 Excess deliveries and short deliveries will not be accepted. Electrolux accepts no responsibility for quantities which are delivered in excess of the amount ordered and is entitled to return them at Supplier's expense. In cases where a delivery plan is used Electrolux retains the right to change delivery dates and quantities by sending a new delivery plan.

## **12. Product liability and recall**

Supplier must notify Electrolux of any product liability, recall or material warranty claims raised against it in relation to the Goods or similar goods. Supplier shall bear the product liability, which follows by law or these general purchasing conditions. Consequently Supplier also agrees to indemnify and hold harmless Electrolux for any costs incurred by it as a consequence of a court order or reasonable decision by Electrolux to retrofit and/or recall and final product into which the goods have been incorporated, provided, however, the Goods are the reason for such retrofit and/or recall. Supplier further agrees to cover its obligations hereunder with insurance in sufficient amount.

## **13. Intellectual property**

In cases where Supplier is responsible for design engineering and production documentation, Electrolux shall be indemnified by Supplier against all costs, damages and expenses incurred by Electrolux for infringement of the rights of third parties to patents, designs, trademark, patterns and the like. Supplier grants Electrolux a non-exclusive, unrestricted right of use of all design, engineering and production documentation provided by Supplier in relation to the use of the goods or services, subject to clause 14.3. Supplier agrees that Electrolux owns all copyright in specifications supplied by the Electrolux and any developments which arise as a result of an Order vest in Electrolux or shall be assigned to Electrolux. Supplier must do all things and execute any document the Electrolux requires to ensure the Electrolux owns the intellectual property rights in such developments.

## **14. Miscellaneous**

14.1 All commercial, financial and technical information, know how and experience which either Party may derive from the other Party during their co-operation shall be confidential, and the Parties shall at all times use all reasonable effort to prevent its disclosure to all third parties except affiliated companies on an as needed basis. This undertaking shall not apply to information which (i) is or becomes public knowledge otherwise than by unauthorized disclosure in breach of this Agreement, (ii) is obtained from a third party who did not obtain it by unauthorized disclosure from either Party, (iii) is independently known or developed by the recipient of such information or (iv) is required to be disclosed by law or a listing agreement to which a Party or an affiliate may be bound. The confidentiality obligations stated herein shall survive the termination of this Agreement for a period of five (5) years.

- 14.2 Any waiver by either Party or a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision.
- 14.3 If any provision of this Order is held by any court or other competent authority to be void or unenforceable in whole or part the other provisions of this Order and the remainder of the effective provisions shall continue to be valid. The Parties agree to replace such a void or unenforceable provision by a provision that is valid and enforceable and that comes as close as possible to the common intention of the Parties underlying the void or unenforceable provision.
- 14.4 This Order shall be governed and construed in all respects in accordance with the substantive laws of New South Wales without regard to its principles of conflicts of laws. It is explicitly agreed that the United Nations Convention on the International Sale of Goods shall not apply to the transactions contemplated hereby.
- 14.5 Any notices required or permitted to be given under this Agreement shall be in writing, effective on the date transmitted, and, except as otherwise provided, may be given by personal delivery or courier. Facsimile notices may be used if promptly confirmed by personal delivery or courier.
- 14.6 Disputes between the parties shall be settled by arbitration in accordance with the rules of the Australian Commercial Disputes Centre. The arbitration proceedings shall take place in Sydney, Australia. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Order.
- 14.7 Should Supplier cease to carry on its normal course of business or become insolvent in the reasonable opinion of Electrolux, Electrolux is entitled immediately to cancel any Order wholly or in part and if necessary to have the full use of tools, production equipment, production documentation and the like.