

# STANDARD TERMS FOR PROCUREMENT FINNAIR OYJ

## 1. General

These Standard Terms for Procurement (the "Standard Terms") shall apply to procurement of any Services or Goods (as defined below) by Finnair Oyj or its affiliate company (the "Customer") unless and to the extent otherwise expressly agreed in the main agreement (collectively together with the Standard Terms, the "Agreement") concluded between the Customer and the Supplier (as defined below). If the Supplier's standard terms and conditions or any other general terms are included in the Agreement, these Standard Terms shall prevail over such Supplier's terms or other general terms in case of conflict.

The Agreement shall be deemed to have been concluded when the Customer and the Supplier have signed the main agreement or when the Customer has in writing notified the Supplier of the acceptance of its offer as such. By concluding the Agreement the Customer does not grant exclusivity to the Supplier for the delivery of the Services or the Goods, nor does the Agreement restrict in any way the Customer's possibilities to conclude agreements with third parties. The Customer shall have no obligation to order the Services or Goods and is not bound by any minimum volume requirements, unless otherwise specified in the Agreement.

## 2. Definitions

For the purpose of these Standard Terms, the following terms shall have the following meanings:

"Applicable Laws" means all applicable laws of any jurisdiction, including without limitation securities laws, tax laws, social, employment and welfare laws, data protection laws, tariff and trade laws,

ordinances, judgements, decrees, injunctions, writs and orders or like actions of any Competent Authority and the rules, regulations, orders, interpretations, licenses and permits of any Competent Authority.

"Competent Authority" means any international, national, federal, state, county, local or municipal government body, bureau, commission, board, board of arbitration, instrumentality, authority, agency, court, department, inspectorate, minister, ministry, official or public or statutory person (whether or not autonomous) having jurisdiction over the Agreement or either of the parties.

"Customer Affiliate" shall mean any corporate entity who is a member of the Finnair group of companies and whose ultimate holding or parent company is Finnair Oyj or any entity directly or indirectly controlling, controlled by, or under common control with Finnair Oyj.

"Goods" shall mean any goods or products to be delivered by the Supplier to the Customer as specified in the main agreement or other document.

"Intellectual Property Rights" means copyrights, including right to assign the copyright or edit works protected by copyright, patents, utility models, registered or unregistered models, trademarks and other intellectual property rights, regardless of whether they may be registered and whether they are registered as well as any applications relating to the aforementioned rights.

"Services" shall mean any services to be delivered by the Supplier to the Customer as specified in the main agreement or other document.

"Supplier" shall mean the contracting party who has concluded the main agreement on

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the delivery of Services or Goods with the Customer.

## 3. General Obligations of the Supplier

The Supplier shall perform the agreed Services or supply the agreed Goods with all due skill, diligence, prudence and foresight which can be expected from a leading supplier skilled and experienced in the field of Services or Goods and shall comply with all Applicable Laws, quality standards and the Customer's reasonable instructions.

The Services or Goods shall in all respects conform to the main agreement and shall always be fit for the specific purpose for which the Customer has acquired such Services or Goods.

The Services shall be performed or the Goods shall be delivered in accordance with the agreed time schedule and pursuant any service level agreement included in the main agreement.

Should the Services or Goods refrain from the aforesaid provisions in any manner, the Supplier's delivery of the Services or the Goods shall be considered defective.

## 4. Supplier's Representations and Warranties

The Supplier represents and warrants that

(i) it is entitled to conclude the Agreement and that its contractual obligations do not infringe any rights of third parties;

(ii) it conforms to all Applicable Laws in its operations and in performing its obligations under the Agreement;

(iii) it has a liability insurance covering sufficiently the Supplier's potential liability, however not less than one million

(1.000.000) Euro per event covering the Supplier's potential liability towards the Customer and shall, if requested by the Customer, provide a copy of the insurance certificate and the relevant terms and conditions;

(iv) all material, equipment and supplies furnished (a) shall satisfy and perform in accordance with, the requirements and specifications of the Agreement; (b) are free from defects in design, workmanship and materials; (c) are manufactured and supplied in compliance with all Applicable Laws; (d) are new; (e) are free from liens or other title encumbrances or defects; (f) can be used by the Customer without infringing or violating the rights of any third parties; and (g) are free from any contamination by hazardous or toxic waste, chemicals or materials of any kind;

(v) it is in full compliance with the international economic, trade and financial sanctions and/or embargoes enacted any Competent Authority;

(vi) it is neither owned nor controlled, directly or indirectly, by a blocked person or entity as specifically named on a list of sanctioned persons and entities upheld by any Competent Authority; and

(vii) the representations and warranties set forth in this Section 4 are true and correct, and, shall immediately notify the Customer in writing if it becomes aware that any of them are untrue, misleading or incorrect.

## 5. Supplier's Ethical Business Conduct

The Supplier shall act in compliance with Finnair Supplier Code of Conduct. The Supplier shall also ensure that any subcontractors it uses in the performance of or to assist with its obligations under the Agreements shall comply with Finnair

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Supplier Code of Conduct. The Supplier shall on an ongoing basis keep itself updated on changes to and updates of the Finnair Supplier Code of Conduct. Finnair will post changes to or updates of the Supplier Code of Conduct at its website.

The Supplier shall if so requested by the Customer be part of SEDEX (Supplier Ethical Data Exchange, www.sedexglobal.com) or other ethical data exchange platform for sharing ethical supplier data accepted by the Customer at its own cost and provide information concerning its environmental, ethical and social practices requested by the Customer. The Supplier shall be responsible for ethical audits requested by the Customer at its own cost.

The Supplier shall at all times comply with all Applicable Laws related to anti-bribery, anti-money laundering and corruption. The Supplier shall not offer, pay, or authorise any financial or other advantage to be given:

- (i) to any official or employee of any government or political party, political candidates or employees of government enterprises ("Official"); or
- (ii) to any person who deals with the Customer in connection with its business, for the purpose of: (a) obtaining an improper business advantage, or (b) influencing such Official to take, or not take, any action or decision, or
- (c) inducing such Official to use his/her influence to affect any act or decision of the government

### 6. Supplier's Personnel

The Supplier shall ensure that its personnel possess high proficiency and experience to perform and fulfil its obligations under the Agreement.

The Supplier shall without undue delay replace an employee the Customer finds not to have sufficient qualifications to perform the Services or to be otherwise unsuitable. If a certain employee has been named to provide the Services, the Supplier shall always notify the Customer if this person is prevented from performing the Services and shall replace this person by a new at least equally qualified person, approved in advance by the Customer.

The Supplier is always liable for the supervision of work even if performed in the Customer's premises. The Supplier undertakes to apply the appropriate collective labour agreement in force to its employees working in the Customer's premises.

The Supplier shall not make any claim against the Customer and shall hold harmless, defend and indemnify it against any claims or suits, including costs and expenses incidental thereto, in respect of: (i) property damage or injury or death of a Supplier's employee; (ii) any liability of an employer howsoever connected to the employment relationship between the Supplier and its employees (including without limitation payment of wages, allowances, supplements, severance pays, pensions and or other social security contributions) or (iii) any damage suffered by third parties by reason of a negligent act or omission of a Supplier's employee, save where such liability or claim in each case results from the Customer's breach of its obligations under the Agreement or from a negligent act or omission of the Customer.

### 7. Subcontractors

The Supplier shall not be entitled to employ subcontractors to perform and fulfil, or assist with, any part of the Supplier's

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obligations under the Agreement unless otherwise agreed. The Supplier shall remain fully liable for the performance of its subcontractors as for its own.

### 8. Delay of Delivery and Defects

The parties acknowledge that the timely delivery of the Services or Goods is of essential importance to the Customer. The term for deliveries of Goods is Delivered Duty Paid DDP (Vantaa, Finland) Incoterms 2010. The Supplier shall promptly notify the Customer of any suspected delays of the Services or Goods. The Services or Goods may not be delivered before the agreed delivery time without a prior written consent of the Customer.

The Customer shall be entitled to liquidated damages if a delivery of the Services or Goods is delayed due to a reason attributable to the Supplier and the delay is not caused by an event of Force Majeure.

The amount of the liquidated damages payable by the Supplier to the Customer shall be calculated on the basis of two (2) percent of the price of the delayed part of the delivery per each commencing working day up to the maximum of fifty (50) percent of the total price of the delayed part of the delivery. A delivery shall be regarded as delayed in its entirety, if, despite the fact that a part of the delivery has been performed, the Customer cannot use the delivery for its intended purpose. If a substantial part of the delivery remains uninterruptedly delayed for more than ten (10) consecutive working days the Customer shall be entitled to cancel the order or terminate the entire Agreement with an immediate effect.

The Customer seeks to provide the Supplier with a written notice of defects in the Services or Goods without undue delay. At the Customer's request the Supplier shall at its own cost immediately correct or repair any deficiencies and defects in the Services or the Goods. In addition, the Supplier shall be liable for any expenses and damages caused to the Customer by the defects.

This Section 8 does not restrict the Customer's other rights or access to any other legal remedies or the right to demand compensation for actual losses exceeding the amount of the liquidated damages.

### 9. Warranty for Deliveries and Product Liability

The Supplier's deliveries under the Agreement shall come with a warranty period of twenty-four (24) months, calculated from the accepted delivery to the Customer. The warranty shall cover all defects in the deliveries which appear during the warranty period and the warranty shall apply notwithstanding any inspection, testing, acceptance of, or payment for the deliveries by the Customer. The Supplier shall be liable to remedy such defects at its cost without delay after being notified thereof.

Upon receipt of a notice of defect in any of the Supplier's deliveries, the Supplier will, at its own cost and expense (including any transport costs), at the Customer's option, exercise any of the following remedies as requested by the Customer: (i) repair or modify the delivery so that it is non-infringing and in compliance with the Agreement; (ii) compensate the Customer for the full cost of repair if repaired by the Customer; (iii) replace the delivery so that it complies with the Agreement; or (iv) accept the return or cancellation of the

defective delivery and refund any amount paid.

The Supplier shall grant the Customer an indemnity against any product liability claims in respect of the Goods supplied under the Agreement. The Supplier shall not make any claim against the Customer and shall hold harmless, defend and indemnify it against any claims or suits by third parties, including costs and expenses incidental thereto, in respect of property damage or injury or death of person caused by the Goods, save where such liability or claim in each case results from a negligent act or omission of the Customer.

This Section 9 does not restrict the Customer's rights to demand compensation for its actual losses caused by any defect in the Supplier's deliveries or access to any other legal remedies.

#### **10. Reporting**

The Supplier shall report of the progress and phases of the delivery of the Services or Goods and any other aspects of its deliveries under the Agreement as may be reasonably requested by the Customer. The Supplier's reporting shall be included in the contract price without any additional cost to the Customer. Standard reporting shall at the minimum comprise a detailed description of Services or Goods delivered, their costs and any quality defects and the Supplier's invoicing.

#### **11. Business Continuity Requirements and Audits**

In order to support Customer's business continuity the Supplier shall have on commencement of the Agreement documented continuity arrangements that meet or align with commonly accepted

good practices (such as ISO 22301 standards).

During the term of the Agreement, the Customer, the authorized representatives of the Customer or the Applicable Authority auditing the Customer (all referred to as Auditors) shall have the right to audit the Supplier's and its subcontractors operations as relevant for the performance of the Supplier's obligations under the Agreement, Finnair business continuity and security requirements and Finnair Supplier Code of Conduct. Such audits may cover, without limitation at least, the Supplier's quality, sustainability and continuity responsibilities as well as the Supplier's quality management system, its reporting, instructions, documents, archive, security and trainings related to the delivery of the Services or Goods and the production facilities of the Supplier. The Customer shall deliver to the Supplier a written notice three (3) working days prior to conducting the audit. The Supplier shall at its own expense assist in the audit and provide the Auditor with unrestrained access to all such documents as requested.

Corrective and preventive actions shall be initiated immediately when a finding has been made during an audit, quality inspection, management review or normal operation. The Supplier shall analyse the finding and, if it is a nonconformity, define the root causes, initiate corrective actions and ensure their efficiency and effectiveness in removing the root cause. The aim is to find a solution which eliminates reoccurrence of the nonconformity.

The corrective actions shall be efficiently informed by the Supplier to all personnel that may be affected including other parts of the organisation where similar tasks are

done. The Supplier shall provide the Customer with unrestrained access to follow up information on the status and effectiveness of actions recommended by the Auditor.

Any potential audits or inspections performed by the Customer shall not limit the Supplier's liability in any way. However, any findings and action originating from Supplier's own audits that cover activities directly or indirectly related to the delivery of the Services or Goods to the Customer shall be promptly brought to the attention of the Customer

#### **12. Financial Risk Management**

The Customer may run periodically dependency and financial risk reviews regarding its supplier and partner network. The Supplier shall, upon request of the Customer, provide the Customer with necessary financial reports and analyses of its company operations that are reasonably available and that the Supplier can disclose to the Customer according to the applicable law.

#### **13. Prices and Payment Terms**

The cost competitive supply of the Services and Goods are the essence and key objective of the Customer entering into this Agreement. The Supplier grants the Customer with the Best Pricing Policy where the pricing to the Customer shall always be at least at the level of the Supplier's best customers.

The prices shall be agreed in the main agreement or otherwise in writing. The prices are fixed during the whole contract period unless mutually otherwise agreed. Payment shall be due forty five (45) days net from the receipt of invoice. The due

date indicated in the invoice represents the date of payment by the Customer at its own bank. The invoice shall be issued only after the delivery has been completed and the Customer has accepted the delivery. The payment shall only be made against an invoice and the payment term shall not start before the Services or Goods have been delivered, and the delivery has been accepted in accordance with the terms of the Agreement. The Supplier is not entitled to change or adjust the prices during the term of the Agreement, including any option periods. The Supplier shall only be entitled to invoice expenses such as, without limitation, travel expenses and out of pocket expenses, which have been expressly agreed between the parties in the Agreement or otherwise in advance. The Customer shall pay invoices by wire transfer only, payments by cheque are not supported. Parties agree to account for the expenses issued by their own banks in relation to the payment transactions. International payments are sent on a shared service charge basis, i.e. the Customer will pay all costs levied by the Customer's own bank and the Supplier will pay all cost levied by the correspondent bank and Supplier's own bank. The Supplier shall send all invoices electronically as per the Customer's instructions for e-invoices, using the Customer's electronic invoicing addresses. For avoidance of doubt e-mail message with an attached document is not considered as an e-invoice.

Invoices shall be in compliance with all Applicable Laws. In addition to obligatory information under the Applicable Laws each invoice shall contain also the following information:

(i) reference to the Agreement and Customer's purchase order number issued

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by the Customer's purchase management system;

(ii) specification of the invoiced scope of supply;

(iii) name and address of the Finnair Group legal entity and Finnair Group's invoicing contact;

(iv) name and address of the Supplier legal entity and Supplier's invoicing contact;

(v) agreed payment term;

(vi) Supplier's complete and accurate banking details required for wire transfer payment;

(vii) any other information agreed or reasonably requested by the Customer.

If Customer is overdue with any payment due under the Agreement, Supplier may request interest on the overdue amount at an annual rate equal to one (1) percent above the 3 month Euribor on due date. Supplier shall make such request within a reasonable time, however not later than three (3) months after the payment has become overdue.

Where applicable or separately requested by the Customer, the invoices shall be followed by a separate report setting forth all necessary details for confirming that the invoice and invoiced amount is in line with the Agreement. The Customer has the right to return the invoices that do not meet all the requirements mentioned above and in such cases, the invoice shall be deemed not to have been issued.

### 14. Intellectual Property Rights

Any Intellectual Property Rights of the Customer shall vest in and be the sole property of the Customer and will not be transferred on the basis of the Agreement,

and, no rights of use or any other rights will be given except as expressly set out in the main agreement.

The Supplier hereby grants to the Customer a non-exclusive, royalty free, fully paid up, perpetual, irrevocable, transferable, worldwide and sub-licensable right and license to use and exploit in any possible ways (including but not limited to copy, reproduce, modify, amend, translate, further develop, prepare derivative works of, communicate to the public and make available, sell, offer for sale, distribute, import, export and manufacture and have manufactured) all Intellectual Property Rights existing at the effective date of the Agreement pertaining to the Services and Goods.

All right, title and interest in and to all Intellectual Property Rights in or related to any and all Services and Goods, whether or not specifically recognized or perfected under Applicable Law, shall worldwide and in perpetuity vest in and be the sole and exclusive property of the Customer. The Supplier shall promptly notify the Customer of any Intellectual Property Rights which result from the Services. The Supplier shall assign (and cause Supplier personnel and Supplier subcontractors to assign) any and all such rights to the Customer and give assistance and take such additional actions as may be requested by the Customer to perfect the Customer's rights thereto. For the avoidance of doubt it is recorded here that in consideration of the exclusive rights of the Customer, the Customer shall have the sole right to copy, amend, modify, develop, sublicense and assign the Services and Goods and associated documentation or any change thereof.

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If and to the extent it is impossible as a matter of law to transfer ownership in Intellectual Property Rights to the Customer, the Supplier hereby grants to the Customer an exclusive, royalty-free, fully-paid up, irrevocable, perpetual, transferable, worldwide and sub-licensable right and license to use and exploit in any possible ways (including but not limited to copy, reproduce, modify, amend, translate, further develop, prepare derivative works of, communicate to the public and make available, sell, offer for sale, distribute, import, export and manufacture and have manufactured) any and all Intellectual Property Rights pertaining to the Services and Goods and warrants that Supplier personnel and Supplier subcontractors will do the same. The Supplier further warrants not to take any action that jeopardizes such Intellectual Property Rights or acquire any such right to any Services and Goods and shall upon request and without cost to the Customer promptly do all such things as may be necessary (if any) to formally effect such vesting.

Save for the purposes of the proper fulfillment of the Supplier's obligations hereunder nothing in the Agreement shall be interpreted as granting to the Supplier any rights to the Services and Goods or any license to copy, adapt or take any other action in respect of any work the Intellectual Property Rights in which are, by the Agreement or otherwise, vested (or expressed to be vested) in the Customer.

The Supplier represents and warrants that (i) the Services or Goods or a part thereof do not infringe any Intellectual Property Rights of third parties and (ii) it has sufficient rights for the performance of the Services and the delivery of the Goods. The Supplier shall indemnify and hold the Customer harmless against any claims,

actions, damages, losses, liabilities or costs (including but not limited to attorney's fees and costs) incurred by the Customer as a result of any infringement of alleged infringement of a third party's Intellectual Property Right.

### 15. Language

Unless otherwise specified in the main agreement, the Services and material or documents related to the Services or Goods supplied by the Supplier shall be in English or Finnish language and the personnel of the Supplier shall be able to perform the Services in either of those languages.

### 16. Finnish Act on Main Contractor's Liability

Should the Services provided by the Supplier be governed by the Finnish act on Main Contractor's Liability (tilaajavastuulaki), the Supplier shall prior to commencement of the Services provide the Customer with all necessary documentation to prove that the Supplier has fulfilled the requirements of the applicable law.

### 17. Security

The Supplier shall comply with the Customer's guidelines and instructions for security and data protection, as effective and as may be amended from time to time. Should the performance of the services require an access to the security controlled airport area, the Supplier shall, at its own cost and expense, acquire and furnish the necessary personnel with required access rights and permits.

When applicable the Supplier can apply for the approved operator status in accordance with the applicable law on the security

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control of the goods delivered to security controlled airport area where the Supplier warrants that its manufacturing, warehousing, dispatching or other locations where the Goods are shipped to airport area meet the security standards required for granting of the approved operator status. Otherwise the Supplier acknowledges that the Goods will be subject 100% security control.

### 18. Force Majeure

Neither party shall be considered to be in default pursuant to the Agreement if the fulfilment of all or part of its obligations is delayed or prevented due to "Force Majeure" (as defined below). Force Majeure shall mean an unusual and unforeseeable event beyond a party's control, including without limitation, any act of God or public enemy, war, civil war, insurrection, riot, fire, storm, flood, sabotage, embargo, explosion, industrial action (including strike), hostilities or terrorism or threatened hostilities or terrorism, and provided further that the consequences of the event cannot be avoided or circumvented by the party referring to Force Majeure.

Whenever any occurrence of Force Majeure is delaying or threatens to delay either party's timely performance under the Agreement, such affected party shall promptly give notice thereof to the other party. The party affected by any occurrence of Force Majeure shall pursue the performance of its obligations under the Agreement immediately when the event of Force Majeure has ceased.

If an event of Force Majeure results in delay or non-performance of thirty (30) days or longer the Customer shall have the

right to terminate the Agreement with immediate effect.

### 19. Limitation of Liability

Neither party to this Agreement shall be liable to the other for any indirect or consequential losses or damages which are characterized as loss of profits, loss of business, loss of sales, loss of opportunities, loss of commercial reputation or, if applicable, any punitive damages, except for in case of breach of the confidentiality obligations, data protection laws or any Intellectual Property Rights, where the limitations of liability under this Section 19 shall not apply provided however that the Customer's liability shall in all cases be limited to the actual loss or to 1.5 % of the payments made by the Customer for the Services, whichever is lower.

### 20. Confidentiality

The parties to this Agreement will treat all information and data as well as other insights into the internal affairs and procedures of the respective parties to this Agreement as confidential business secrets and will only use such information for the purposes of this Agreement. Notwithstanding the above, the separate confidentiality agreement made and entered into by and between the parties to the Agreement shall remain valid and binding and shall prevail over these Standard Terms in case of conflict.

### 21. Reference Use

The Supplier shall not use the Customer, its name or the Agreement as a reference without an express written consent of the Customer. The Supplier shall obtain the Customer's written consent prior to any publication, presentation, public

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announcement, or press release concerning its relationship as a supplier to Finnair Oyj.

### 22. Assignment

The Supplier shall not be entitled to assign any of its rights or obligations under the Agreement to a third party.

The Customer shall be entitled to assign any and all of its rights and obligations under the Agreement in connection with a sale of business and always to another Customer Affiliate. The Customer shall notify the Supplier in writing of the assignment.

All of the Customer's Affiliates shall have the right to purchase any of the Services or Goods from the Supplier on the terms and conditions of the Agreement.

### 23. Amendments and Severability

To be effective, all amendments and modifications to the Agreement shall be made in writing and signed by both Parties.

If any term or provision of the Agreement is held to be illegal or unenforceable, the validity of the remainder of the document shall not be affected.

### 24. Termination

The Customer may terminate the Agreement without cause at any time by a thirty (30) days' written notice to the Supplier, except where the Agreement concerns a non-recurring, one-time sale of Goods in which case this right to terminate for convenience does not apply.

The Agreement may be terminated with immediate effect by either party in writing in the event that the other party commits a material breach of the Agreement and fails

to cure such breach, where curable, within fourteen (14) days after written notice of the other party; or, if the other party enters into bankruptcy proceedings or is put into liquidation or if it is found insolvent.

In connection with the termination of the Agreement, the Supplier shall, without extra charge, in good faith co-operate with the Customer in order to provide for the orderly transition to a new supplier of the Services or Goods provided by the Supplier under this Agreement. If requested by the Customer, the Supplier shall, *inter alia*, assist the Customer in making a transition plan.

The terms of the Agreement which due to their nature should survive termination of the Agreement such as the confidentiality undertaking and warranties and representations shall survive termination.

### 25. Governing Law and Dispute Resolution

The Agreement shall be governed by and construed in accordance with the laws of Finland, including the United Nations Convention on Contracts for the International Sale of Goods, where applicable. The parties seek to resolve any disputes in amicable negotiations. If the negotiations do not lead to settlement, any dispute, controversy or claim arising out of or in connection with the Agreement shall be finally settled in arbitration in accordance with the Arbitration Rules of the Finnish Chamber of Commerce. The arbitral tribunal shall consist of one (1) arbitrator and the arbitration shall be held in Helsinki, Finland, in the English language if the Supplier does not have its domicile or a branch office in Finland and in Finnish language if the Supplier has its domicile or a branch office in Finland.