

PATRIA'S GENERAL TERMS OF ICT SUPPLY 2019

APPLICATION OF GENERAL TERMS OF SUPPLY

1. These General Terms of Supply shall apply to all purchases and orders by Patria Oyj and other companies belonging to the same group (hereinafter "Patria") concerning ICT related products and services (hereinafter "ICT Agreement"). Unless otherwise agreed in writing, no other contract terms shall be applied to the ICT Agreement. Any changes to these General Terms of Supply shall be agreed upon in writing between the Parties.

DEFINITIONS

2. "Foreground" means results generated as an end result of the delivery or during its implementation, including but not limited to documentation, source code, documents, methods and applications.
3. "Background" means all pre-existing information and materials that the Parties have made available to each other during the production, delivery or use of the Deliverable. Background may contain COTS Software.
4. "Rights" mean the right of ownership and all intellectual property rights.
5. "Deliverable" means all deliverables under the ICT Agreement (product, service, customer-specific software etc.). Deliverable consists of Foreground and potential Background.
6. "COTS Software" means software developed by the Supplier or a third party, which is developed outside the ICT Agreement.

DELIVERABLE INFORMATION

7. All terms and information contained in the Parties' general product documentation, service descriptions, price lists and other corresponding documentation are binding solely to the extent expressly referred to in the ICT Agreement.
8. By the time of approved delivery of the Deliverable at the latest, the Supplier shall deliver, without separate compensation, all documents and information Patria needs for the implementation, use and maintenance of the Deliverable.

CONFIDENTIALITY

9. All information and materials supplied by Patria to the Supplier (hereinafter "Confidential Information") shall be confidential and the property of Patria, excluding Confidential Information proven to have been public knowledge or information published by a third party without any breach of contract.
10. Without the prior written consent of Patria, the Supplier has no right to use the Confidential Information it receives from Patria for any purpose other than that for which Confidential Information was originally delivered. Without Patria's consent, Confidential Information shall not be copied, reproduced, delivered or otherwise made available to third parties.
11. The Supplier shall, upon Patria's request, either destroy or return to Patria all Patria's Confidential Information.

DATA PROTECTION AND DATA SECURITY

12. The Supplier is responsible that it complies with (i) the EU General Data Protection Regulation ("GDPR"), (ii) other legislation, regulations, decisions and directions concerning data protection and data security, (iii) instructions given by Patria and (iv) good data processing practice.

13. The Supplier shall ensure that the Deliverables and the devices and the premises under the Supplier's responsibility are properly protected against data security risks. The Supplier shall also ensure that data protection and data processing practices are obeyed. While working on Patria's premises or in its ICT environment, the Supplier shall comply with the data security requirements and practices currently valid at Patria. At a minimum, the Supplier's own information security practices must be based on standardized requirements of corresponding level. Upon request, the Supplier must provide Patria with information on its data security practices.
14. If the Supplier processes any personal data related to Patria, the Supplier agrees to follow all rules and requirements required by Article 28 of the GDPR and to sign a separate data protection agreement.
15. The Supplier shall ensure that any information or material delivered to Patria do not violate data protection legislation or other legislation or any confidentiality obligation and do not contain any unethical material.
16. Patria and its customers shall, at any time during the validity of the ICT Agreement, have the right to audit or have audited the quality of the Supplier's operations (data protection and data security practices, the premises etc.) and other matters related to the conformity of the ICT Agreement's requirements. The audit can be done either by Patria itself or by an auditor of Patria's choice. The Supplier must take all measures necessary to correct any defects identified during the audit. However, the Supplier shall always bear sole responsibility for the quality control of the Deliverables.

RIGHTS

17. All Rights (including right to modify and transfer) to the Foreground shall belong to Patria. Such Rights are transferred to Patria upon the creation of the Foreground.
18. If the Parties separately agree in writing in the ICT Agreement that certain Rights to the Foreground remain with the Supplier, the Supplier grants Patria (and all companies belonging to the same group) a perpetual, worldwide and royalty-free right, without separate compensation, by itself or with the assistance of a third party, to use, copy, reproduce, modify, develop, maintain and exploit in every other way such Foreground in its business.
19. The Supplier shall include in the Deliverable only such Background that has been agreed upon Parties in writing. For clarity, the Supplier shall not include in the Deliverable any open source software code or other COTS Software without Patria's written consent. The Supplier shall deliver to Patria on its own initiative the license terms of any COTS Software relating to Deliverables.
20. The Supplier shall be responsible that Patria has the right to use the COTS Software delivered by the Supplier for the Deliverable's purpose described in the ICT Agreement and for such other Patria's purpose that the Supplier should have knowledge of.
21. Unless the Parties agree otherwise in the ICT Agreement, the Supplier grants Patria (and all companies belonging to the same group) a perpetual, worldwide and royalty-free right, without separate compensation, by itself or with the assistance of a third party, to use, copy, reproduce, modify, develop, maintain and exploit in every other way Background in its business.
22. The Supplier shall deliver to Patria the Foreground's source code and all technical documentation related to the use of the Foreground. The Supplier shall deliver to Patria Background's source code and all technical documentation related to the use of the Background to the extent that the Supplier has the right to deliver said materials.

23. For clarity, Patria shall also have the right to use third party suppliers for the maintenance and further development of the Deliverable.
24. The Supplier shall be responsible to ensure, should Patria so request, that the source code of the Deliverable shall be deposited with a escrow agent so that Patria will receive the source code and the right to use it if (i) the holder of the rights of the source code is declared bankrupt or goes into liquidation or (ii) the Supplier or a third party fails to maintain the Deliverable by substantially similar terms and conditions than the Supplier and Patria have agreed upon the maintenance of the Deliverable.

TERMS OF DELIVERY

25. Unless otherwise agreed, the term of delivery is DAP at the premises of the appropriate Patria company (Incoterms 2010). The specific place and time of delivery shall be defined in the ICT Agreement.

TIME OF DELIVERY AND DELAY

26. If a delivery delay occurs due to force majeure or an action attributable to Patria, the time of delivery shall be extended by a period regarded as reasonable.
27. If the Deliverable is not delivered at the agreed time of delivery, Patria is entitled to liquidated damages from the date on which the Deliverable should have been delivered in accordance with the ICT Agreement. The amount of liquidated damages shall be 2,0 % of the total price of the ICT Agreement for each commencing week of delay. The liquidated damages shall not exceed 20 % of the total price of the ICT Agreement and shall be payable upon Patria's first demand. The liquidated damages do not preclude Patria's right to compensation from the Supplier for damages exceeding the liquidated damages.
28. In addition to claiming liquidated damages, Patria has the right to cancel the ICT Agreement if the delivery is delayed at least 4 weeks.
29. Patria has the right to cancel the ICT Agreement in advance if circumstances clearly indicate that the delivery will be delayed at least 4 weeks.

PRICES AND TERMS OF PAYMENT

30. Prices are agreed in the ICT Agreement. Unless otherwise agreed in the ICT Agreement, the Supplier is entitled to invoice Patria after the Deliverable has been delivered. Upon having inspected and accepted the delivery, Patria shall pay the invoice. Payment term is 60 days net from the date of receipt of the invoice.
31. The Services shall be invoiced on a consolidated invoice, once per month.
32. The Supplier is not entitled to invoice travel costs and other similar costs, unless the Parties have otherwise agreed separately in writing. If compensation for travel costs and other similar costs has been agreed in the abovementioned manner, the Supplier shall have the right to charge only for those costs incurred. Notwithstanding the above, the Supplier shall not be entitled to charge for travel time.
33. The payment shall be deemed as effected when Patria has issued a payment order to a financial institution.
34. Should the payment be delayed, the Supplier shall be entitled to interest on overdue payments. Interest on overdue payments shall be as specified by the Finnish Interest Act in force from time to time.
35. The price quoted in the ICT Agreement includes packing, invoicing, delivery, office service expenses and other corresponding expenses, and the Supplier is not entitled to add any additional costs not specifically mentioned in the ICT Agreement.

36. If the estimated work amount would be exceeded for reasons attributable to the Supplier or the hardware or software delivered by the Supplier, the Supplier shall decrease the prices as follows:
 - Estimate exceeded by 0 % - 10 %, reduction for work exceeding the estimate 20 %;
 - Estimate exceeded by 10 % - 50 %, reduction for work exceeding the estimate 50 %;
 - Estimate exceeded by > 50 %, reduction for work exceeding the estimate 100 %.

- Estimate exceeded by 0 % - 10 %, reduction for work exceeding the estimate 20 %;
- Estimate exceeded by 10 % - 50 %, reduction for work exceeding the estimate 50 %;
- Estimate exceeded by > 50 %, reduction for work exceeding the estimate 100 %.

37. The Supplier shall use its best efforts to maintain prices as competitive and cost-effective as possible in comparison to other products and services on the market. The Supplier has no right to increase the prices without Patria's consent.

TRANSFER OF TITLE AND RISK

38. Liability for risk to the Deliverable shall transfer to Patria in accordance with the delivery term. Title to the Deliverable shall transfer to Patria in conjunction with the liability for risk.

WARRANTY AND LIABILITY FOR DEFECTS

39. The Supplier warrants that:
 - The Deliverables are free from defects caused by faulty materials, design, workmanship or other reasons;
 - The Deliverables comply with agreed requirements and specifications;
 - The Deliverables are fit for purpose for which similar deliverables are ordinarily used and fit for any particular purpose of Patria, provided that the Supplier is aware of it;
 - The Deliverables are in compliance with all applicable laws, regulations, directives and standards; and
 - The Deliverables are compatible with Patria's systems.

The Supplier agrees, upon Patria's request and at the Supplier's own cost, to repair or replace any Deliverable in breach of the warranty.

40. The warranty shall be valid until 12 months have passed from the taking into use of the Deliverable. However, the warranty shall end after 24 months from the approved delivery of the Deliverable, at the latest. The warranty period for a repaired or replaced part shall end when 12 months have passed from the approved delivery of the repaired part, at the earliest. With respect to other parts of the Deliverable, the warranty period shall be extended for a period corresponding to the time during which the Deliverable was out of use as a result of the defect.
41. The Supplier shall remedy any defects without undue delay and at its own expense.
42. Patria may notify in writing a time period during which the Supplier must remedy a defect. If the Supplier fails to fulfil its obligations within the stipulated time period, Patria may undertake, or use a third party to undertake, the necessary remedial work at the Supplier's expense. Patria has this right also without the prior notice in cases where it is clear that the Supplier will be unable to perform its contractual obligations.
43. If the defect has not been remedied,
 - a) Patria is entitled to a reduction in the purchase price in proportion to the reduced value of the Deliverable, or
 - b) where the defect is material, Patria may cancel the ICT Agreement.
44. The Supplier is liable for any damage caused to Patria due to any breach of the ICT Agreement or due to defects in the Deliverable.

LIABILITY FOR DAMAGE CAUSED BY THE DELIVERABLE

45. The Supplier must have valid liability insurance.
46. The Supplier shall indemnify and hold Patria harmless from any damage to property or injury to or death of persons, including for product liability, arising out of or relating to the Deliverables (including also potential product recall costs).

47. The Supplier shall defend, indemnify and hold Patria harmless against any claims, actions, damages, liabilities, losses, costs, suits or expenditures (including but not being limited to attorney's fees and costs) incurred by Patria as a result of any infringement or alleged infringement of intellectual property rights of a third party by the Deliverables.
48. Should the Parties agree, or a legally binding judgement state, that the Deliverable violates intellectual property rights of a third party, the Supplier shall, at its own expense, procure Patria the right to continue using the Deliverable in accordance with the ICT Agreement. Alternatively, the Supplier may deliver a replacement Deliverable, including installations, free of charge, or change the Deliverable to such extent that its use no longer violates said third party rights. If none of these options can be implemented, Patria has the right to cancel the ICT Agreement.

SUBCONTRACTING

49. Unless specifically agreed otherwise in writing, the Supplier shall not have the right to use subcontractors. If permission to use subcontractors has been granted, the Supplier shall ensure that the subcontractors comply with the requirements of either the confidentiality agreement or security agreement. The Supplier shall be responsible for all acts and omissions of the subcontractors as for its own.

FORCE MAJEURE

50. Events of force majeure are events beyond the control of the party which occur after the time of entering into the ICT Agreement and which were not reasonably foreseeable at the time of entering into the ICT Agreement and whose effects are not capable of being overcome without unreasonable expense and/or loss of time to the Party concerned. Such an event may, for example, include war, rebellion, civil unrest, requisition or seizure by the authorities for public use, an import or export ban, a natural catastrophe, a disruption of public transport and energy supply, fire.
51. Any force majeure on the part of the Supplier's subcontractor will not exempt the Supplier from its contractual obligations if another subcontractor can be used without unreasonable costs or waste of time.
52. Any Party which cannot fulfil its contractual obligations due to a force majeure must inform the other Party in writing of the force majeure without delay. Both Parties have the right to cancel the ICT Agreement without liability for damages to the other Party, if a force majeure event delays the fulfilment of the ICT Agreement for more than three (3) months.

ANTICIPATED NON-PERFORMANCE

53. Notwithstanding other provisions in these General Terms of Supply, each Party is entitled to suspend the performance of its obligations under the agreement, when circumstances clearly indicate that the other Party will be unable to meet its obligations. The Party suspending its performance shall without delay notify the other Party in writing.

VALIDITY AND TERMINATION OF AGREEMENT

54. Unless otherwise agreed in the ICT Agreement, Patria is entitled, at its discretion, to terminate any individual ICT Agreement(s) at one (1) month's notice period. For clarity, Patria's right to terminate an ICT Agreement applies also to fixed-term ICT Agreements. In case Patria uses its right to terminate the ICT Agreement, the Supplier is entitled to payment for its work in accordance with the ICT Agreement prior to the termination date. The Supplier is not entitled to any other compensation due to the termination of the ICT Agreement.
55. Patria shall be entitled to cancel the ICT Agreement, if the Deliverable does not meet the data security requirements of Patria or the authority supervising Patria. Patria is also entitled to cancel the ICT Agreement, if the Supplier materially breaches the ICT Agreement and does not remedy the breach

within 30 days after Patria has notified the Supplier of the breach.

56. Patria is also entitled to terminate an individual ICT Agreement with immediate effect, if a key person of the Supplier or the Supplier's subcontractor does not pass the background check (for example the security check), or the key person is changed and cannot be replaced by a person of equal competence within a reasonable time.
57. If, in connection with the termination of the ICT Agreement, Patria transfers the exploitation of the Deliverable either to itself or to a third party, the Supplier must provide assistance regarding the transfer in a businesslike and professional manner, and within a reasonable schedule. The Supplier is entitled to charge for the assistance according to its reasonable price list valid at time. If the ICT Agreement is terminated due to a breach of agreement by the Supplier, the Supplier shall be obligated to carry out the assistance at its own cost.
58. Upon the termination of the ICT Agreement for whatever reason, the Supplier must return the Background of Patria to Patria on separately agreed media and destroy any copies of said Background, or any copies of part of said Background. However, Background may not be destroyed if the law or official regulations require its retention.
59. Upon the termination of the ICT Agreement for whatever reason, the Supplier shall be obligated to return to Patria any advance payment paid by Patria, with respect to which the Supplier has not yet performed a service matching the fee in question.

AGREEMENT DOCUMENTS

60. The Parties shall also sign a separate confidentiality agreement and/or security agreement.
61. If there are conflicts between the confidentiality or security agreement and other agreements concluded by the Parties, the provisions of the confidentiality or security agreement shall prevail. If the terms and conditions of the confidentiality agreement and the security agreement conflict, the provisions of the security agreement shall prevail.
62. If there are conflicts between these General Terms of ICT Supply and the ICT Agreement, the provisions of the ICT Agreement shall prevail.

SUPPLIER'S COMPLIANCE DECLARATION

63. The Supplier agrees to abide by sound business practices and legislation, regulations and other stipulations applicable to the delivery, and to otherwise act in accordance with acceptable ethical practices. These include antitrust and competition legislation, including the ban on acquiring confidential information from third parties through inappropriate means and the ban on the illegal use or assignment of third-party confidential information, and legislation affecting the company's administration, product security, liability, occupational health and safety, labour, environmental, human rights, privacy and equal opportunities. The Supplier shall not give or receive bribes or participate, contribute to or accept any activity related to bribes or corruption. In addition, the Supplier shall, at a minimum, comply with corresponding principles as set out in Patria's Ethical Code of Conduct, including but not limited to its anti-corruption principles.

DISPUTES AND APPLICABLE LAW

64. These General Terms and all purchases of Deliverables shall be governed by and construed in accordance with the substantive laws of Finland, excluding its choice of law's provisions. Any dispute, controversy or claim arising out of or relating to the General Terms or purchases of Deliverables, or the breach, termination or validity thereof, shall be settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The place of arbitration shall be Helsinki, Finland and the language of the arbitration proceedings shall be English. Furthermore, Patria has alternatively always the right to take legal action against the Supplier before the court within the judicial district of which the

appropriate Patria company has its registered office or where the Supplier has its registered office.

MISCELLANEOUS

65. All amendments to these General Terms of Supply must be made through a written agreement between the Parties; the amendments will come into effect when both Parties have confirmed them in writing.
66. Neither Party may assign the ICT Agreement or the related rights or obligations to a third party without the written approval of the other Party. However, after notifying the Supplier, Patria shall have the right to assign the rights and obligations under the ICT Agreement to companies that are part of the same group.
67. The Supplier may not use Patria as a reference without Patria's consent.
68. These General Terms of Supply are valid from 14 May 2019 until further notice.