

GENERAL DELIVERY TERMS FOR THE PLASTICS INDUSTRY



Adopted in December 2015 by SPIF - The Swedish Plastics Industry Association
and IKEM - The Innovations and Chemical industries in Sweden



Applicability

1. These general conditions shall apply once the parties agree to them in writing or through other means. Deviations from the regulations must be agreed in writing in order to be valid. This also includes electronic formats, if the parties agree.

Tender validity

2. Tenders apply for 30 days unless otherwise specified. The time is counted from the day the tender was sent to the Buyer.

Scope of delivery

3. Written order confirmations are always sent by the Seller specifying the scope of the delivery. Lack of consistency between the original tender and that accepted by the Buyer will require order confirmation as a prerequisite before binding contracts are entered.

Product information, drawings and descriptions

4. Data in product information and price lists is binding only to the extent that the contract expressly refers to it.

5. All drawings and technical documents for the manufacture of goods or parts thereof, submitted by the parties prior to or after conclusion of the contract, remain the property of the party even if delivery is completed. They may not, without written consent, be used by the receiving party or copied, reproduced, transmitted or otherwise brought to the knowledge of third parties. The Buyer has final responsibility for ensuring that the material produced for manufacture and the final product does not constitute infringement of third party intellectual property rights in whole or in part.

6. If the Buyer does not accept the tender, each party is obliged to immediately return all information, documentation and technical data received from other parties during the tender process. All documents and information attached to the tender or later sent from the Seller to the Buyer during the tender process remain the Seller's (intellectual) property and shall be promptly returned to the Seller.

Models, moulds, tools and equipment

7. Models, moulds, tools and equipment, hereinafter referred to as "equipment", manufactured by the Seller, or by third parties on behalf of the Seller, remain the Seller's property unless otherwise agreed. If tools from the Seller have only partially been paid for by the Buyer, the Seller may charge the Buyer for the remainder upon termination of cooperation. Tools are only sent back when full payment is received.

8. Tools supplied by the Buyer remain their property and are to be returned upon request after completion of the agreement.

9. The Seller shall not use equipment provided by the Buyer for a purpose other than fulfilment of the agreement without the Buyer's consent. Such tools may not be given to or otherwise brought to the knowledge of third parties.

10. If the Seller has been commissioned to manufacture equipment, this will be done in consultation with the Buyer and with regard to the Buyer's technical requirements. Unless otherwise agreed, the Buyer is responsible for the cost of repair or manufacture of equipment due to wear or other causes not attributable to the Seller.

11. If the Seller made equipment for the Buyer and the Buyer has not paid in full for the equipment, the Seller has the right to withhold the equipment until full payment is made.

12. The Seller is responsible for storage of equipment during the agreed delivery period. If equipment belonging to the Buyer remains with the Seller after the last manufacturing specified in the agreement, the Seller is obligated to arrange storage at the Buyer's risk for no more than one year after completed delivery.

13. A year after completed delivery the parties should agree on return or disposal of equipment. If this has not been done, the Seller is entitled to freely dispose of the equipment in question. The Seller's obligation for equipment owned by the Buyer lapses two years after completed delivery.

14. It is the responsibility of each party to arrange and pay for insurance on owned equipment in the possession of the Seller.

15. The Buyer bears the costs and risks for dispatch and return of equipment.

16. The Buyer is responsible for claims that may be brought against the Seller for manufacture of plastic items subject to patents, registered designs, registered trademarks or other exclusive rights.

Packaging, quantity, weight

17. Unless otherwise stated in tenders and agreements, prices are given for unpacked goods.

18. The Seller reserves the right to oversupply or undersupply by up to 10% of the agreed quantity, unless otherwise agreed.

19. Calculated product costing weights are preliminary. If there are discrepancies the price shall be adjusted to the actual gross weight.

Initial samples

20. Mass-produced goods shall correspond to initial samples approved by the Buyer and manufacture shall not commence until written approval is obtained from the Buyer. Whether approval of the initial sample is submitted by the Buyer or not, the equipment's final payment becomes due 30 days from the day the Seller sent the initial sample to the Buyer.

Quality control

21. Unless otherwise agreed, contractual quality tests shall be performed by the Seller during regular working hours at the Buyer's expense.

Transfer of risk for the goods

22. Unless otherwise agreed in writing, the goods are deemed sold "free carrier" (FCA) in accordance with applicable Incoterms.

23. When the agreement is fulfilled with regards to retrieval of the goods, the Seller shall inform the Buyer within a reasonable time that the goods are ready for delivery.

Delivery and delivery delay

24. Unless otherwise agreed in writing, the delivery period shall be calculated from the latest of the following dates:

a) the day the agreement is entered,

b) the day the Seller receives the contractually stipulated payment to be made before beginning,

c) the day the Seller receives such drawings, samples, models, moulds or tools that the Buyer shall make available to the Seller and which the Seller may approve in accordance with the agreement,

d) the day the Seller receives the Buyer's approval of the initial samples.

25. The agreed delivery period assumes that if the Buyer shall provide materials to be used in manufacture and testing, these shall be available to the Seller in the quantity and within the time period specified by the Seller. If the Seller finds that the contractual delivery date cannot be met or that delay on their part is likely, they shall promptly notify the Buyer in writing, stating the reason for the delay and, if possible, the time when delivery can be expected.

26. If delivery is delayed due to any of the circumstances specified in section 48 (force majeure) or because of the Buyer's actions or omission, the delivery period shall be extended by a corresponding period. The delivery time must never be calculated from a date later than when the Seller receives final approved manufacturing documentation.

27. If the Seller does not deliver the goods within the contractual delivery period or the extended delivery period in accordance with section 25, and if the Seller's delay is significant, the Buyer has the right to cancel the agreement through written notice to the Seller.

28. If the Buyer cancels the agreement as referenced in section 27, the Buyer has the right to claim reasonable compensation from the Seller for direct expenses incurred due to delivery delay, up to a maximum amount corresponding to the invoice value of the terminated part of the agreement. This effectively exempts the Buyer from any other right to compensation on account of the Seller's delivery delay, such as production, loss of profit or any other consequential economic loss. The Buyer is only entitled to compensation if they terminate the agreement on account of the Seller's delivery delay. This limitation does not apply if the Seller is guilty of gross negligence. If delayed goods are related to goods already delivered or goods to be delivered later, so that it would entail considerable inconvenience for the Buyer to stand by the purchase, the purchase may be cancelled in its entirety.

29. If the Buyer finds that they will not be able to receive the delivery on the agreed date or that delay on their part is likely, they shall promptly notify the Seller in writing, stating the reason for the delay and, if possible, the date when receipt can occur. If the Buyer fails to accept the delivery on the agreed date, they are nevertheless obliged to make any payment for the delivery as if the goods in question had been delivered. The Seller shall arrange storage of the goods at the Buyer's risk and expense. At the request of the Buyer, the Seller shall insure the goods at the Buyer's expense.

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30. Unless the Buyer's failure in accordance with section 29 is due to circumstances specified in section 47 (force majeure), the Seller has the right to request that the Buyer receive the goods within a reasonable time. If, for whatever reason, the Buyer fails to do so within such time, the Seller has the right, with written notice to the Buyer, to terminate the agreement for the portion of the goods that have not been accepted due to the Buyer's failure, and to obtain compensation for damages the Buyer's failure has caused. Maximum compensation to be paid may not exceed the portion of the purchase price represented by the unreceived portion of the goods.

Material

31. The Buyer is responsible for material that either the Buyer has provided to the Seller or the Seller has acquired in accordance with specifications provided by the Buyer. The Buyer is also responsible for ensuring that such materials meet the requirements of Reach regulations.

Payment

32. Payment shall be made in accordance with the conditions agreed upon between the parties.

33. If changes in exchange rates, raw material prices, taxes and public charges occur after the date of the estimate, price list or signed contract, the Seller has the right to adjust the price accordingly upon delivery.

34. The Buyer and the Seller shall agree on the interest due for late payment. If such agreement is not made, the Seller is entitled to interest equivalent to 1.5% per month.

35. If the Buyer fails to pay by the due date, the Seller has the right to stop deliveries with written notice to the Buyer. Then, in addition to interest, the Seller has the right to compensation for damages incurred. For normal deliveries, the Seller has the right to stop delivery upon receipt of information that the Buyer is insolvent, changed ownership or has an impaired credit rating. The Seller has the right to continue deliveries with modified payment terms in accordance with the customer's approval. If the customer does not approve the modified payment terms, the Buyer shall be entitled to cancel the purchase.

Retention of title

36. The goods remain the property of the Seller until paid for in full, to the extent that such retention of title is valid under applicable law. Regardless of the specifications in section 8, the Seller has the right to refuse to provide equipment belonging to the Buyer until the goods have been paid.

Responsibility for defects

37. Should delivered goods turn out to have a defect for which the Seller is responsible, they are obliged, within a reasonable time of their choice and with respect to the circumstances, to restore, replace, repair or rework the rejected product, provided that the Buyer submits a written complaint within 14 days after they discover or should have discovered the defect. If there is reason to believe that the defect may cause damage, notice shall be made immediately. If the Buyer had opportunity to review and approve all produced manufacturing documentation and approved initial samples, the Buyer is responsible for defects in the product or its features.

38. The Seller is liable only for defects attributable to the Seller's production that arise within one year from the date of delivery.

39. All transport in connection with repair, return, replacement or revision shall be made at the Seller's risk and expense. The Buyer shall follow the Seller's instructions on how transport shall be performed.

40. The Buyer shall bear the cost for remedying defects incurred by the Seller when the goods are located elsewhere than the contractual delivery destination.

41. If the Seller does not fulfil their obligations under section 38, the Buyer may give them a final deadline for this in writing. If the Seller does not fulfil their obligations within the time limit, the Buyer may instead terminate the contract with written notice to the Seller.

42. The Seller's liability does not cover defects caused by materials supplied by the Buyer or from their prescribed or specified construction. The Buyer is entirely responsible for possible delays and costs caused by errors due to structures or surfaces provided by the Buyer.

43. The Seller's liability only covers defects that arise under the working conditions provided for in the contract and during proper use of the goods. It does not include, for example, defects caused by faulty maintenance or incorrect installation from the Buyer's side, alterations undertaken without the Seller's written consent or repairs performed incorrectly by the Buyer. Finally, liability does not cover normal wear or deterioration.

44. The Seller shall have no liability for defects other than those described in sections 37-43. However if the Buyer terminates the contract in accordance with section 41, they have the right to compensation for damages due to the purchase of a maximum of double the value of the defective plastic goods. The Seller takes no responsibility for indirect loss the defect may cause, such as loss of production, loss of profits or other consequential economic loss. This limitation of the Seller's liability does not apply if they are guilty of gross negligence.

Liability for damage caused by the goods

45. The Buyer shall hold the Seller harmless to the extent that the Seller is being held liable to third parties for product damage to real or personal property or personal injury caused by the goods.

46. However the Seller is responsible for damage caused by the goods to buildings or movable property or persons while it is in their possession. The Seller is not responsible in any event for production shortages, loss of profit or any other consequential economic loss. The mentioned limitations to the Seller's liability do not apply if they are guilty of proven gross negligence. Should a third party make a claim against the Seller or the Buyer for compensation of damage or loss referred to in this paragraph, the other party shall be notified of this. The Seller and the Buyer have the right to intervene in the process of the court or arbitrating tribunal that examines claims against either of them if the claim is based on damage or loss allegedly caused by the delivered goods. The mutual relationship between the Buyer and the Seller shall, however, always proceed according to the provisions of section 50. It is the responsibility of the parties to contract and maintain satisfactory product liability insurance.

Grounds for exemption (force majeure)

47. The following circumstances constitute grounds for exemption if they lead to the fulfilment of the agreement being prevented or becoming unreasonably onerous: labor disputes and any other circumstances over which the parties have no control, such as fire, war, mobilisation or military draft of a comparable scope, requisition, confiscation, currency restrictions, insurrection, riot, shortage of transport, general scarcity of goods, restrictions in the supply of power and defects or delays in deliveries by subcontractors caused by such grounds for exemption. The aforementioned circumstances constitute grounds for exemption only if their effect on performance could not have been reasonably foreseen when the contract was entered.

48. The party who wishes to invoke exemption according to section 47 is obligated to promptly notify the other party in writing when circumstances arise as well as when they cease. In case of force majeure at the Buyer, they shall hold the Seller harmless for expenses incurred to secure and protect the goods.

49. Notwithstanding any other provisions of these rules, each party has the right to terminate the contract through written notice to the other party if performance of the contract is delayed more than six months by exemptions referred to in section 47.

Disputes

50. Disputes regarding the creation, interpretation or application of this contract and any resulting contractual and legal matters shall be settled in accordance with the Stockholm Chamber of Commerce's Arbitration Rules for Expedited Arbitration. In the event that the target amount claimed is more than SEK 3 million, the dispute shall be settled by arbitration in accordance with the Stockholm Chamber of Commerce's Arbitration Rules. The initiated arbitration proceedings shall cover and include all disputes that have occurred between the Seller and the Buyer, where this contract shall constitute the general agreement and repeated deliveries from the Seller to the Buyer shall be considered as call-off orders under the same legal relationship and not as a separate individual legal relationship.

51. Notwithstanding the above provisions, a qualified Swedish public court may bring action for recovery of overdue claims and disputes that were not evident at the time before action was brought, of an amount greater than twenty (20) times the basic amount under the Swedish Act (1962:381) relating to General Insurance (*lagen om allmän försäkring*).

52. All disputes arising from the contract shall be judged according to Swedish law.

53. Claims against the Seller cannot be brought for arbitration according to section 50 if not initiated within two years from the date of completed delivery.