

# Skanska's Standard Terms and Conditions for Material Procurement

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## 1. CONTRACT DOCUMENTATION

### 1.1 Interpretation of terms and conditions

These standard terms and conditions contain amendments, clarifications and additions to the General Procurement and Delivery Terms for Construction Products RYHT 2000. These terms and conditions do not restrict the Purchaser's rights or the Seller's obligations stipulated in the RYHT conditions, unless such restriction is specifically mentioned in the terms and conditions.

### 1.2 Offer

If the offer diverges from the call for tender, it must be mentioned explicitly and relevantly in order to be able to refer to the given exception. A possible optional offer must clearly define how it differs from the solution mentioned in the call for tender. If there are uncertainties in the call for tender documents, they have to be reported to the Purchaser.

### 1.3 Hierarchy of contract documentation

If any inconsistencies are discovered between the contents of contract documentation, the provisions of such documents shall apply according to the following hierarchy:

- a) contract/order;
- b) minutes of contract negotiations;
- c) call for tender and any additional explanations in writing issued before the term for offer submission;
- d) Skanska's Standard Terms and Conditions for Material Procurement;
- e) Skanska's Occupational Safety, Environment, Product and Logistics Requirements for Material Procurement or Subcontracting;
- f) General Procurement and Delivery Terms for Construction Products RYHT 2000;
- g) Supplier Code of Conduct;
- h) offer;
- i) valid invoicing instructions available at the Skanska webpage.  
<https://www.skanska.fi/tietoa-skanskasta/yhteistyokumppaneille/for-our-international-suppliers/>

## 2. SELLER'S LIABILITIES

### 2.1 Skanska's Supplier Code of Conduct

The Purchaser has defined its unified, globally applied, ethical business principles. The Seller assures to be acquainted with the Supplier Code of Conduct and hereby commits to adhere to the Supplier Code of Conduct principles in its performance. The Seller is also responsible for ensuring that its employees and possible third parties used in the fulfilment of the contract adhere to the Supplier Code of Conduct principles.

The Purchaser is entitled to carry out reasonable inspections at the Seller's premises, in order to ensure that the Seller adheres to the Supplier Code of Conduct principles. The Seller shall investigate possible suspected breaches in its own performance and within its own supply chain and immediately correct any omissions discovered, without compromising the fulfilment of its other contractual obligations.

The Purchaser follows a zero gift policy, meaning that the employees of Skanska must neither give nor accept any gifts. For additional information about the zero gift policy see the Skanska webpage.

<https://www.skanska.fi/tietoa-skanskasta/vastuullisuus/eettisyys/code-of-conduct/edustaminen-ja-lahjat/>

The Seller is not entitled to use the Purchaser as the reference or use in any other way the data protected by the Purchaser's intellectual property right, unless if agreed otherwise.

## **2.2 Requirements concerning occupational safety, work site arrangements, materials, the environment, and co-operation**

The Seller shall comply with the requirements concerning occupational safety, work site arrangements, materials, the environment, and co-operation, and with the Purchaser's instructions. The Seller must also make sure that its possible subcontractors and haulage companies used comply with these requirements.

The Seller is responsible at all times for the management of its employees and possible subcontractors at the work site.

The Purchaser and its representatives are entitled to inspect the Seller's premises, other premises used by the Seller for fulfilling the contract, and the supply chain complete with intermediate storage. The Seller is responsible for ensuring that if required, the inspection can also be carried out in the aforementioned premises and supply chain of its subcontractors. If the conditions do not comply with the requirements or it is otherwise found that the Seller or its subcontractors violate their obligations provided for in this contract, the Seller shall take the necessary corrective measures at once, without causing problems related to supply or to compliance with other commitments.

If the Seller fails to comply with its obligations related to occupational safety, work site arrangements, co-operation, quality assurance, or other contract obligations the Seller shall pay to the Purchaser a contractual fine for each separate failure. In case of grave failures, the works are interrupted immediately, and measures taken without a warning procedure (written notification).

1. €500 for each failure, for which the Purchaser submits a written notification. The Purchaser submits a written complaint to the Seller's representative responsible for the contract.
  - a. failure to comply with occupational safety, which may lead to the removal of the employee from the work site
  - b. failure to deliver materials to work the site within the established arrival window;
  - c. failure related to work place tidiness or order;
  - d. failure related to source separation of waste;
  - e. failure related to delivery to the work site and materials storage;
  - f. failure to participate in contractor meetings and other joint work site meetings or negligence of management responsibilities;
  - g. failure on self-handover;
  - h. other failures of significance comparable to the above;
2. €1,500
  - a. recurring occupational safety-related failure in which case the Purchaser issues a written notification and an employee is removed from the work site for the remainder of the day;
  - b. failure related to employee briefing or instruction;
  - c. failure related to use of the Valti ID card;
  - d. failure related to access control;
  - e. failure related to data submission to the Tax Authorities;
3. €3,000
  - a. violations related to employees rights and human rights;
  - b. grave occupational safety-related failure;
  - c. occupational safety-related failures in high-risk jobs;
  - d. starting to work without Purchaser's approval or safety planning;
  - e. failure to report an accident resulting absence;

- f. failure related to approval of subcontractors;
  - g. failure related to reports submission pursuant to the Act on the Contractor's Obligations and Liability;
  - h. failure related to reports submission pursuant to the Act on the Contractor's Obligations and Liability in case of the Contractor's subcontractors;
  - i. failure related to certificates and specifications with respect to conformity of construction product (for example CE marking).
4. €5,000 for neglect of investigation or corrective measures after each occupational accident resulting at least one day of absence for Seller's employee.

Serious near-misses, that presumably could have led to death had the timing and place been somewhat different, are considered to be equal to the occupational accidents mentioned in section 4. Such situations are among others: falling of an employee from higher than two meters, materials that have fallen during lifting operations when people have been below loads, collapsing of temporary structures, landslips of excavations, and collision of an employee and a vehicle or a machinery. In case of all situations described in section 3 and 4 and those considered equal to these, The Seller's representative must prepare immediately but not later than within seven business days, a written report about the accident or serious near-miss situation as well as a plan for corrective measures. The plan must be signed by the Seller's managing director or a person authorised by him.

The Purchaser is entitled to remove from the work site, or prevent access to it by, any persons who do not comply with occupational safety regulations, work site arrangements, co-operation requirements, or the Purchaser's instructions. In this event, the Seller is obliged to find a replacement employee immediately.

If a person is removed from the site because of neglect of safety requirements, he can return to the site only after having passed another site induction. Seller's supervisor must be present at the induction. Neglect of these obligations is considered equal to neglects described in section 1.

These contractual fines for the Seller's omissions do not restrict the Seller's other liability for its breaches of contract. For example, these contractual fines do not cancel the Seller's obligation to compensate the Purchaser for contractual fines collected from the Purchaser by the Developer due to the Seller's fault.

### **3. ADDITIONAL AND AMENDMENT WORKS**

The Seller shall immediately inform the Purchaser of any changes or deficiencies in the designs requiring additional and amendment works.

Additional and amendment works must be agreed upon in writing prior to works commencement with the authorised Purchaser's representative. If additional or amendment works have not been agreed upon in writing prior to works commencement, the Seller shall not be entitled to additional compensation for the work or prolongation of the performance period.

By way of exemption, minor and urgent additional and amendment works may be agreed upon between the parties verbally, but the agreement must be confirmed in writing as soon as possible.

### **4. PAYMENT OF CONTRACT PRICE**

A statement of completion of particular work stages mentioned on the invoice signed by the Purchaser's work management has to be attached to the invoice, if the delivery includes works or installation.

An invoice cannot be paid before all material and traceability certificates have been delivered to the Purchaser with the materials.

In addition to its other rights specified elsewhere, the Purchaser is entitled to withhold the following from the unpaid transaction price:

- a) receipts from the Seller; and
- b) the share of the transaction price related to the performance involving deficiencies with respect to CE marking requirements.

The Seller has to invoice Skanska directly. Skanska will not accept intermediated invoices unless expressly otherwise agreed.

The Seller must comply with the Purchaser's invoicing instructions. The Seller is responsible for any payment delays resulting from incorrect invoicing.

## **5. SURETIES**

Only an absolute suretyship provided by a financial or insurance institution is acceptable as the Seller's surety.

The Purchaser does not deposit sureties.

## **6. FINAL SETTLEMENT OF ACCOUNTS**

In connection with delivery, a final settlement meeting is held between the parties, in which the parties' requirements to each other and other possible matters affecting the financial relations are discussed.

## **7. QUALITY**

The Developer's representative and the Purchaser and its representatives (e.g., designers and supervisors) shall have the right of checking the quality of the materials of the Seller and its subcontractors, of the products manufactured, and of the work. The Seller promotes the Purchaser's possibilities for acquisition of information on quality assurance and enables visits and joint deliveries (e.g., sample reviews) of the Purchaser and representatives to the production facilities or plants. If any deficiencies are discovered, the Seller shall immediately correct them without causing delays or additional expenses to the Purchaser. Quality control carried out by the Purchaser, designers, or Developer shall not limit the Seller's liability in any way.

The Seller shall submit to the Purchaser all of the necessary certificates, permits, quality documentation, product and safety data sheets, operating, storage, maintenance, and upkeep instructions, as well as any other documents to be provided by the Seller. The documentation required for the maintenance manual must be submitted to the Purchaser or a third party specified by the Purchaser in the electronic format.

## **8. LIABILITY FOR DEFECTS**

### **8.1 Seller's liability for damage**

The Seller shall compensate to the Purchaser for all damage caused by defects of the goods or the Seller's negligence or failure to comply with its contractual obligations, or for damage otherwise caused by the Seller to the Purchaser.

Regarding defects detected in goods, the Seller's liability for consequential damage shall not exceed the cost of the Seller's delivery. Damage resulting from decreased production or turnover, interruptions or lost profits resulting from expired or incorrectly performed contracts with third parties shall be classified as consequential damage to be compensated by the Seller.

Any design, repair, exchange, or renewal measures-related costs resulting from defected goods constitute direct damage regardless of whether the aforementioned measures are targeted at the defected goods or at surrounding structure, for example.

### **8.2 Seller's liability for product approval of construction products**

If the Seller violates the contract by supplying construction products without required product approval (for example, CE marking) or products with inadequate product approval specifications or products otherwise non-compliant with legislation such as the Construction Products Regulation or requirements established in the Act on the Type Approval of Certain Construction Products and the respective Decree, liability limitations of damage caused by delay are not applied, and instead the Seller is responsible for compensating to the Purchaser the entire damage caused by the delay. The Seller is also required to indemnify the entire damage and costs caused to the Purchaser by inadequacy of product approval specifications.

## **9. INSURANCES**

The Seller must have a valid operation liability insurance with a minimum coverage of €1,000,000 for both personal and material damage, with maximum own liability of €5,000.

The Seller is required to take accident insurances to its employees, which cover the damages caused by eventual workplace accidents and occupational diseases.

## **10. TIME OF DELIVERY**

The Seller is required to dimension its resources so that the delivery can be performed in time.

The Seller shall check the delivery date with the Purchaser two weeks before the delivery.

Should the delivery or partial delivery be delayed, the Purchaser shall be entitled to penalty for delay amounting to, if not agreed otherwise, 2% of the full contractual transaction price for each new week of delay. The maximum penalty, however, shall not exceed 10% of the price. In addition to the penalty for delay, the Seller shall compensate to the Purchaser any direct damages caused by the delay, such as additional costs related to unloading equipment or logistics services, for example.

## **11. WARRANTY**

The Seller's warranty for its goods is valid from the goods' delivery date.

The Seller's warranty period does not end before the warranty period granted by the Purchaser to its contractual partner with respect to the Seller's goods has ended and is always at least 36 months. The Purchaser also has the right of submitting to the Seller demands regarding the latter's warranty obligations for 14 days after termination of the warranty period.

In case of residential buildings, the Seller shall be responsible for its performance also after the mentioned warranty period as specified in chapter 7 § 2 of the Housing Transaction Act.

In contract documentation, the warranty period is provided in years. The start and end of the warranty period are determined based on the conditions specified here and the actual warranty period may be longer than the indicated number of years.

The Seller is required to correct any faults covered by warranty immediately, but not later than within three weeks after notification about the faults. However, urgent faults interfering with the developer's daily work must be repaired immediately. The schedule for elimination of faults impossible to correct within three weeks must be agreed with the Purchaser. When correcting the faults, the Seller must follow Purchaser's instructions.

If the faults are not repaired in the agreed schedule, the Seller shall pay to the Purchaser a contractual fine, 1000 €, for each beginning week. These contractual fines do not restrict the Seller's other liability for damages or the Purchaser's rights.

## **12. PRODUCT LIABILITY**

The Seller is responsible to the Purchaser for the product liability of the products included under its performance obligations jointly with other parties possibly responsible for product damage. If the products cause damage consistent with the Act on Product Liability, which the Purchaser will be obligated to compensate either to the party that suffered the damage or to its contracting partner, the Seller undertakes to compensate the Purchaser for all such damage and any other damage caused by product damage.

## **13. CANCELLATION OF CONTRACT**

### **13.1 Breach of contractual obligations by Seller**

The Purchaser shall have the right of cancelling the contract if the Seller:

- a) violates the requirements concerning compliance with the Purchaser's Supplier Code of Conduct;
- b) severely violates occupational safety requirements; or
- c) fails to submit certificates and specifications proving suitability of products (for example CE marking) within two weeks of the agreed date.

As regards the Seller's possible delays, a gross negligence for the purposes of Section 22.1 of RYHT conditions is exceeding of the delivery term by two weeks.

The Purchaser shall have the right of cancelling the contract based on a violation of the Supplier Code of Conduct, severe occupational safety-related negligence, or other severe contract violation or delay exceeding two weeks without prior notification of the possible cancellation.

If the Purchaser should terminate the contract because of a breach of contractual obligations by, or financial situation of, the Seller, the latter shall compensate to the Purchaser for all costs and damage resulting from the non-performance of the contract or the Seller's proceedings.

### **13.2 Developer's insolvency**

The Purchaser shall have the right of cancelling the contract if the construction site's developer is declared bankrupt or is otherwise noticed to be in such condition that the fulfilment of its contractual payment obligations to the Purchaser cannot be expected.

The Purchaser shall notify the Seller about the developer's insolvency in writing. After such notification, the Purchaser has the right of immediately terminating the works at the site and cancelling the contract.

If the Purchaser cancels the contract under aforementioned circumstances, the Purchaser is obligated to compensate the Seller the proportion of the total delivery price that corresponds to the goods delivered before the cancellation. The Seller is not entitled to any other compensation or reimbursement from the Purchaser.

### **13.3 Sanctions**

The Seller represents, assures and shall be responsible for ensuring that the Seller and its owners, up to and including its beneficial owner(s) are not subject to sanctions or export restrictions imposed by the UN, the EU, the UK or the US, either directly or through ownership or control, or subject to similar measures imposed by other actors.

The Seller undertakes to inform immediately, if this representation is no longer accurate.

In case the representation is no longer accurate or if the Seller otherwise violates any of its obligations under this term, Skanska has the right to terminate the agreement or, in its sole discretion, suspend its performance for the duration of the relevant sanctions. The Seller is aware that in that situation, payments to the Seller may be prevented or delayed and Skanska may be otherwise prevented from performing its obligation under this Agreement. In such a situation, the Seller is not entitled to receive any penalty interests or any other compensation or damages from Skanska.

## **14. PERSONAL DETAILS AND CONFIDENTIAL INFORMATION**

The Seller shall not have the right of using personal details or Skanska's confidential information disclosed to it for any other purpose than fulfilling its contractual obligations. The secrecy obligation with respect to confidential information or personal details shall be preserved also after termination of the contract.

### Processing of personal details, privacy

Skanska collects, processes, and stores personal details of the representatives and employees of its contractual partners and stakeholders in the register of contractual partners and stakeholders of Skanska Oy and its subsidiaries. The Seller confirms that proceeding from data protection legislation, it is legally entitled to submit personal details of its representatives and employees to Skanska for the purposes of co-operation and execution of contracts. Skanska processes personal details of the representatives of its contractual partners and stakeholders in accordance with the Privacy Policy of the register of contractual partners and stakeholders of Skanska Oy and its subsidiaries.

The Privacy Policy is available on Skanska's website. <https://www.skanska.fi/tietoa-skanskasta/yhteistyokumppaneille/Tietosuojaoseloste/>



To the extent that the Seller receives and processes personal details of Skanska's personnel or customers, the processing must comply with the data protection legislation in force and Skanska's Data Processing Agreement, which forms a part of this Contract, complete with the terms and conditions. The Data Processing Agreement is available on Skanska's website.

<https://www.skanska.fi/tietoa-skanskasta/yhteistyokumppaneille/sopimusasiakirjat-ja-ohjeistukset/>

In the event of conflicts between the master contract and the Data Processing Agreement, the terms and conditions of the Data Processing Agreement shall primarily apply.

### Confidential information

Within the framework of contract execution, Skanska's confidential information may be disclosed to the Seller. Confidential information refers to all non-public information related to Skanska's business that concerns the following of Skanska, its co-operation partners or customers:

- customer or personnel information;
- business, operation, and production practices;
- information that is not or has not been publicly available;
- information disclosed to the Seller in connection with performance of the contract;
- information of such nature that the Seller had or should have identified it as confidential.

The Seller undertakes to process and store confidential information received from Skanska with special care, ensuring that confidentiality of the information is not endangered at any stage, and apply at least the same means and care upon protection of confidential information as applied by the Seller upon protection of its own confidential information. The Seller shall not transfer, disclose or submit Skanska's confidential information to third parties, including such employees of the Seller who do not need the confidential information for the performance of their contractual tasks, without Skanska's prior written consent. If disclosure of information to third parties is inevitable for the performance of the contract, the Seller shall make sure that the third party undertakes to maintain the confidentiality of the information.

## **15. RESOLUTION OF DISPUTES**

### **15.1 Applicable law**

The Agreement and any non-contractual obligations arising out of or in connection with it including any question regarding its existence, validity or termination, shall in all respects be governed by and construed in accordance with the law of Finland, to the exclusion of its conflict of law rules. The Sale of Goods Act 1979 shall not apply to the Agreement.

### **15.2 Resolution of disputes**

The terms for filing disputes specified in Section 23.2 of the RYHT 2000 conditions shall not apply to this contract. Any disputes resulting from, or related to, this contract that the parties fail to resolve by way of negotiations shall be resolved by a single-member court of arbitration in accordance with the valid law of arbitration.

Language of the arbitration is Finnish, but the official documents, evidence, and hearing of witnesses may be either in Finnish, Swedish or English.

The confidentiality concerns the arbitration process as well as the arbitration award.

The arbitration shall take place in the city of Helsinki.