

# General Terms for Association of Swedish cable assemblers 2021

**These general terms are intended to apply to order processing and purchase of cabling products with a member of the Swedish Cable Association. These general terms are intended to regulate circumstances in which the Purchaser provides materials or where the member provides both services and materials.**

## 1. Introduction and applicability

**1.1** The Association of Swedish cable assemblers is a trade organization for cable harness manufacturers based in Sweden, which primarily operates in the business of development, design and manufacturing of cable harness products with related services.

**1.2** These general conditions shall apply once the parties agree to them in writing or through other means. Deviations from the conditions must be agreed in writing in order to be valid. The expression in writing or writing refers to a document signed by both parties or a letter, electronic mail or other means as agreed by the parties.

**1.3** Written order confirmations are always sent by the Cable manufacturer specifying the order and scope of the delivery. Lack of consistency between the original tender and that accepted by the Purchaser will require order confirmation as a prerequisite before binding contracts are entered.

## 2. Product information, drawings and descriptions

Technical information of any kind that can be found in price lists or other information, is only binding to the extent that appropriate written reference is made to such information.

## 3. Documentation

**3.1** All information and documents for the Cable manufacturer harnesses, which parties submit before or after the assignment of contract, remain the intellectual property of the submitting party after delivery has been completed. These documents may not, without the party's written consent, be used by the receiving party, copied or reproduced, forwarded or otherwise communicated to third parties. The Purchaser has ultimate responsibility for product development and to ensure that the final product does not infringe third party intellectual property rights.

**3.2** No party has the right to disclose such technical or commercial information to a third party without the consent of the other, which is stated to be confidential. The parties are obliged to prevent confidential information from being passed on to employees, consultants, subcontractors or other suppliers who are not covered by the same confidentiality without the consent of the other party

**3.3** When the Purchaser provides material to be used by the Cable manufacturer, he retains the responsibility that such material meets all of the Purchaser's set specifications and quality. The material is to be delivered to the Cable manufacturer by the Purchaser or a transport company contracted by the Purchaser. The Purchaser is responsible for ensuring that the material can be used immediately upon arrival in the cable manufacturer's production process, without further inspection.

## 4. Delivery and time of delivery

**4.1** Delivery is free Cable manufacturer stocks, Ex Works (Incoterms 2020).

**4.2** The ordered product or services shall be delivered at the date

agreed by both parties.

**4.3** Shall the parties instead of a fixed delivery date, agree on a particular time within which delivery shall take place, the delivery time shall be calculated from the day of signing the contract. However, in the case where the Cable manufacturer shall design the ordered product, delivery time does not begin until the Cable manufacturer has received a technically complete order, including comprehensive and accurate working drawings and information on product features, weight, dimension, and any other necessary requirements from the Purchaser.

**4.4** Date of delivery shall be extended to a reasonable extent, taking into account all circumstances, if requests are made to make changes or additions to the ordered product after the delivery period has begun. The same shall apply if the Purchaser does not accurately or punctually fulfil their obligations of the agreement or if the delay occurs due to any circumstances according to clause 10 which constitute grounds for relief. Date of delivery shall be extended even if the reason for delay occurs after the delivery period expires.

**4.5** In the event that the Cable manufacturer recognizes that delivery is not possible within the agreed time and/or design of the ordered product is unworkable within said timeframe, the Purchaser shall be notified as soon as possible, stating the reason for the delay and a revised date of delivery.

**4.6** Compensation for late delivery is only to be paid if a particular agreement has been made in between the parties.

**4.7** Upon termination of contract the Purchaser is not entitled to any compensation in the form of damages or similar in addition to any late fees agreement.

**4.8** The Purchaser shall forfeit his right to claim damages, if the Cable manufacturer has not received a written claim for such damages six (6) months from the due date of delivery.

**4.9** In case the order forecast deviates from the actual outcome, the Purchaser undertakes to compensate the Cable manufacturer for stock storage, work performed and other expenses that the Cable manufacturer incurs as a result. The Purchaser is also responsible for personnel costs etc. that the Cable manufacturer has due to the Purchaser's forecast. Should the Purchaser change the order specification on materials, the Cable manufacturer shall promptly inform the Purchaser on the effects on delivery time and price.

## 5. Purchaser's receipt of the ordered product

**5.1** Should the Purchaser be unable to receive the ordered goods on the agreed date, or if such a delay seems likely, the Purchaser is obligated to promptly notify the Cable manufacturer in writing, stating the reason for delay and, if possible, a date when the goods can be received. In such cases the Purchaser shall, nevertheless, be obliged to meet every payment made conditional on delivery, as if the product ordered had been delivered. The Cable manufacturer must consequently arrange for storage of the ordered product at the Purchaser's risk and expense. At the request of the Purchaser, the cable harness manufacturer shall

ensure that the ordered goods remain insured, at the Purchaser's expense.

**5.2** Under no circumstances is the Cable manufacturer obliged to store the ordered product for longer than a maximum of two (2) months, after which the cable harness manufacturer is entitled to resell, reuse, or recycle the product in an appropriate manner at the Purchaser's expense. The Purchaser is liable to pay full price regardless of the costs the Cable manufacturer is therefore required to cover. In addition, the Purchaser shall pay full price for products or services, such as storage and insurance costs or any other costs associated with the delay.

## **6. Defects in the ordered product and/or service**

**6.1** A defect of the product delivered shall be deemed to exist if the product does not meet the requirements and specifications stated in writing by the Purchaser at the time of the order and the product cannot be used for the Purchaser's intended purpose.

**6.2** The Cable manufacturer is required, at no extra cost, to remedy defects in the delivered product which are a result of material, design or manufacturing. Instead of rectifying the defect, the Cable manufacturer may deliver a new and faultless product or refund the purchase price. Where the Cable manufacturer chooses to refund the purchase price, the Purchaser shall return the product delivered in an essentially unaltered condition. Where this is not possible, the Cable manufacturer shall receive credit for the product's value, deducted from the repaid purchase price.

**6.3** The Cable manufacturer is only obliged to remedy defects in the product, make a new delivery or refund the purchase price provided that the Purchaser submits a written complaint immediately after discovering the fault or when the fault should have been detected. The notification shall contain a concise description of how the defect manifests itself. The Cable manufacturer is only responsible for defects that appear within six (6) month of delivery according to provisions in clause 4 above.

**6.4** In the event the complaint is not made within the time and manner as stated above, the Purchaser loses his right to complain of the defects.

**6.5** After receiving a valid complaint as stated in 6.3 above, the cable manufacturer shall rectify the defect, make a new delivery or refund the purchase price in line with the urgency of the circumstances.

**6.6** Reparation of the defect shall be undertaken at the Client's premises unless the Cable manufacturer considers it appropriate that the defective part, an ordered part or, where applicable, the assembled product is sent to the Cable manufacturer for repair.

**6.7** The Cable manufacturer shall be deemed to have rectified the defect when the repaired or exchanged parts or, where applicable, the assembled product has reached the Purchaser. Delivery shall be considered to have taken place when the new product has reached the Purchaser.

**6.8** All transportation for the purpose of rectifying defects shall be in accordance with the cable manufacturer's instructions. Costs for transportation to the cable manufacturer's premises shall be borne by the Purchaser.

**6.9** The Cable manufacturer is not liable for any damages resulting from materials provided by the Purchaser, design stipulation or manufacturing specification. Additionally, the Cable manufacturer only maintains responsibility for defects that arise from the proper use of the ordered product or, where applicable, assembled product.

**6.10** Liability does not cover defects caused by circumstances

mentioned below, and those that occur after order placement or, where applicable, the assembled product is delivered to the Purchaser. Thus, the Cable manufacturer does not maintain responsibility for defects caused by faulty maintenance or incorrect installation by the Purchaser, changes without the cable manufacturer's written consent, faulty repairs conducted by the Purchaser or normal wear and tear of the ordered goods.

**6.11** Aside from provisions 6.1-6.10 the Cable manufacturer shall have no liability for defects in the goods. The Cable manufacturer is therefore in no event liable to pay damages to the Purchaser for injury caused due to a defect in the delivered product resulting in property damage, loss of profits, loss of goods, loss of production or other direct or indirect damage of any kind. These liability restrictions do not apply if the Cable manufacturer is guilty of gross negligence.

**6.12** Should the Purchaser bring attention to a defect under provisions 6.1-6.11 and it subsequently transpires that there is no defect that the Cable manufacturer is liable for, the Cable manufacturer is entitled to compensation for work and expenses caused by the Purchaser's false complaint.

## **7. Liability for damage caused by the goods**

**7.1** The Purchaser shall maintain the Cable manufacturer free of liability in the event the Cable manufacturer is liable to a third party for such damage or loss, for which the Cable manufacturer is not responsible under provisions 7.2-7.4 below.

**7.2** The Cable manufacturer is not liable for damage that the ordered product causes to fixed or personal property or person where the injury occurs after the ordered product is in the Purchaser's possession, or to products manufactured by the Purchaser or to goods incorporated with the Purchaser's products or to damage to fixed or personal property of such products.

**7.3** Should a third party make a claim for compensation against the Cable manufacturer or against the Purchaser for damage referred to in this clause 7, the other party shall be advised accordingly. Such a claim shall be dealt with independently. In the event a third party, however, chooses to pursue the claim against the cable manufacturer, they do so according to the Purchaser's instructions and at the Purchaser's risk and expense.

**7.4** The Cable manufacturer and Purchaser are required to assist the court or arbitration tribunal, which shall deal with claims against either of them, provided that such claim is based on injury or loss allegedly caused by the ordered product. The relationship in between the Cable manufacturer and the Purchaser shall always be determined in accordance with provisions in clause 11.

## **8. Intellectual property rights**

**8.1** The cable manufacturer shall indemnify the Purchaser against damages from third parties based on infringement of patents, copyrights or other intellectual property rights.

**8.2** The Cable manufacturer shall not be responsible for infringement of intellectual property rights that is the result of:

- that the Product is used in countries outside the Nordic region, or
- that the Product is used in a manner that deviates from what has been agreed or that the Cable Manufacturer should not have anticipated, or
- that the Purchaser has made changes to the product.

The Cable manufacturer is also not responsible for infringement of intellectual property rights that is a consequence of the design or construction of the Product prescribed or specified by the Purchaser.

**8.3** If there is an infringement of a patent, copyright or other intellectual property right for which the Cable Manufacturer is

responsible, the Cable Manufacturer shall, with the urgency required by the circumstances, ensure the Purchaser changes or compensation so that there is no infringement. The cable manufacturer must, at his own choice:

- assure the Purchaser the right to continue using the product, or
- change the product so that there is no infringement, or
- replace the product with another product with a corresponding function which does not cause intrusion.

## **9. Payment**

**9.1** Payment shall be made by the Purchaser in the manner and time as agreed between the parties.

**9.2** Should the date of delivery be altered in the manner stated above on grounds of adjustment or addition requested by the Purchaser, the date of payment shall be postponed accordingly. The Cable manufacturer reserves the right to adjust the price as a result of requested additions or adjustments to the assignment as well as changes in exchange rates, raw material prices, taxes and public charges occurring after the date of the quotation, price list or agreement.

**9.3** Should the Client not pay on time the Cable manufacturer is entitled to penalty interest from the due date of payment under the Swedish Law, Interest Act (1975:635).

**9.4** The Cable manufacturer is entitled to cancel the agreement by giving notice in writing to the Purchaser if payment has not been made within two (2) months from the due date or, where applicable, the respective due date. In such cases, the Cable manufacturer is entitled to compensation for any loss sustained, always subject to a maximum of the agreed price, including penalty interest.

**9.5** The Cable manufacturer shall be entitled to demand satisfactory security for payment from the Purchaser if there is reason to assume that the Purchaser has or will have difficulty in paying. In cases where such security is not immediately provided, the Cable manufacturer shall be entitled immediately to suspend work or to stop further deliveries to the Purchaser without sanctions being enforced.

## **10. Retention of title**

The ordered product remains the property of the Cable manufacturer until payment has been received in full, provided that such retention of title is valid under applicable law.

## **11. Grounds for exemption (force majeure)**

**11.1** Circumstances which arise after the agreement has been signed and which cause the performance of the assignment is prevented or rendered unreasonably burdensome, and which could not reasonably have been anticipated by the party when entering into the agreement, shall be deemed to constitute grounds for exemption, for example labor disputes, lightning, fire, war, conscription or similar military call-up of a substantial extent, riot and insurgence, government confiscation, requisition, currency restrictions, scarcity of transport, general scarcity of supplies, restriction of fuel supplies, and faults or delays in deliveries from sub-contractors which have not been caused by the party and which could not with normal caution have been avoided. Grounds for exemption exist for as long as a circumstance under this clause continues to prevent performance, however, subject to a maximum of six (6) months. Thereafter, each party is entitled to renounce the agreement without sanctions being enforceable by the other party. However, the Cable manufacturer shall always be entitled to payment for products already delivered.

**11.2** Grounds for exemption may not be alleged unless a party can show that all reasonable measures have been taken to limit the effect of the obstacle and after the obstacle has ceased to exist and attempted to recuperate lost time. Nor may grounds for

exemption be alleged unless a party has, without delay, informed the other party in writing that such a circumstance has arisen and its anticipated effect.

## **12. Disputes**

**12.1** Disputes regarding the making, interpretation or application of this agreement and agreements and legal matters arising thereafter shall be settled by arbitration in accordance with the SCC Arbitration Rules for Expedited Arbitration. However, in cases where the amount claimed in the action exceeds five (5) million SEK, the dispute shall be settled by the Stockholm Chamber of Commerce Arbitration rules for arbitration.

**12.2** Notwithstanding the provisions above, a party may bring action at a Swedish public court, which at the time of bringing the action, clearly does not involve a sum higher than ten times the base amount under the National Insurance Act (1962:381).

**12.3** For the recovery of overdue payment, the Cable manufacturer has the right to use a civil court.

**12.4** Swedish law shall apply to this agreement.

## **13. Statute of limitation**

Claims against the Cable manufacturer are not valid if the arbitration, according to clause 11, has not commenced within two (2) years of the due delivery date.