Electrolux Laundry Systems

Commercial Agreement

Between

Supplier name

(Hereinafter referred to as “Supplier”)

Address

Zip Code and City

Country

Telephone. no.: [ ]

Fax no.: [ ]

E-mail - Sales: [ ]

VAT-number: [ ]

Internet address: [ ]

and

Electrolux Laundry Systems [Sweden AB]

(Hereinafter referred to as “Customer”)

Address:

Telephone no.: [ ]

Fax no.: [ ]

VAT-number: [ ]

### 1. Introduction

The purpose of this agreement is to regulate business between Supplier and Customer regarding [TYPE OF PRODUCT] for use in professional laundry systems as long as there is a valid *Pricelist*

This commercial agreement is valid from YYYY-MM-DD.

The Commercial Agreement is in prioritized order build up of:

* *Electrolux Laundry Systems Commercial Agreement rev.10*

Exhibits:

1. *Pricelist*
2. *Electrolux Laundry Systems Routine for claims rev.1*
3. *Electrolux Group Quality Policy rev 2*
4. *Electrolux Laundry Systems conditions for tools rev.1*
5. *Electrolux Laundry Systems general pack instruction rev.1*
6. *Supplier contingency planning – a business recovery rev.2*
7. *The Electrolux Workplace Standard version 1.0*
8. *Electrolux Group Environmental Policy rev.2*
9. *Electrolux Laundry Systems General purchasing conditions rev.2*
10. *Electrolux Laundry Systems Consignment agreement rev.1*
11. *RML Self Declaration Form rev.5*
12. *Electrolux Restricted Material List*
13. *Supplier outturn sample routine rev 2*
14. *Development Agreement Template*
15. *Development Agreement Schedule 0709*

It is Supplier’s responsibility that the relevant employees at supplier have been informed of and are familiar with the contents of this agreement.

### 2. Prices and quantity

See exhibit *Pricelist*

The *Pricelist* is to include per part number call-off quantity, lead-time, and also Starting Date and Ending Date of the *Pricelist*, yearly need can also be included. The valid *Pricelist* is the latest signed *Pricelist* by customerand supplier. In case a part number is missing on the latest *Pricelist* the terms for this part number is regulated in the last signed *Pricelist* where this part number was included.

Prices are fixed during this period.

Customer order number as well as part number always have to be stated in Supplier’s invoices and shipping documents. Invoices shall be sent to the same factory as goods are sent to.

Invoices without above are not paid.

The invoiced price is the same price as the price valid the date the order was placed.

Customer does not take responsibility for miscalculations. Corrections in invoices may only occur within the period of payment.

### 3. Terms of delivery

[FCA], according to INCOTERMS 2000. All packaging material is [Included] in prices.

In case of return system of packing material Electrolux Laundry Systems web solution is to be used.

### 4. Terms of payment

[60] Days net, end of month

### 5. Terms of purchase

This agreement applies to the exhibit *Electrolux Laundry Systems General purchasing conditions*.

### 6. Termination

If any of the parties want to terminate the commercial agreement or the *Pricelist* this has to be done at least 3 months before Ending Date of the *Pricelist,* thisin order to have termination valid only at the ending date in pricelist (not before). If none of the parties terminates the commercial agreement or the *Pricelist* 3 months before Ending Date the Ending Date will be extended rolling 3 months.

***7. Forecast/Order***

Forecasts and orders will be sent every day as a Delivery Schedule via [Webrix/EDI/Fax] and it is up to the Supplier to check the Delivery Schedule every day.

### 8. Quality

Quality vision: Zero ( 0 ) PPM (Parts per million)

Customer will invoice the Supplier for the costs that come up for claimed goods and conditions for that are stated in the enclosed copy of *Routine for claims*. Customer will also in case, when goods are rejected due to defect or faults in the supplied goods, report that to the supplier.

### 9. Delivery

Delivery Performance Vision: 100 % on time deliveries, measured per day on requested date.

If Lead Time is not specified in the *Pricelist* the Lead Time is by default [5] days

Order Date + Lead Time = Requested Date and is the date when goods have to be at Customer.

Delivery date on Delivery Schedule is the same as Requested Date

If INCOTERM Ex Works are applied, goods must be:

1. Sent [x] days before Requested Date.
2. Transported with forwarder [XXX] with which Customer has agreed prices.

All extra cost for urgent deliveries when supplier is late with a delivery is born by supplier.

### 10. Out of targets

Supplier is responsible to continuously follow up by own measurements if the agreed targets is meet or not. If targets are not reached over rolling 3 months, supplier shall make an action plan and come to visit customer in order to present the plan.

### 11. Material authorization

Supplier has the approval from Customer to buy material for a [3] months Average Forecasted Need. The Customer binds to buy material within the authorization that is left over cause of dramatically changed needs or changes in specification. Material with very long lead-time which may require a longer authorization is specified in *Pricelist* with months valid for these items.

The risk for material beyond the authorization will be covered by the Supplier.

Though, the Supplier shall do its utmost in order to sell this material back to sub-supplier or to use it for other customers.

Average Forecasted Need = Need based on the next [6] months average need in forecast. In case there is no forecast on a part number the Average Forecasted Need for such a part number is based on the given estimated yearly need in P*ricelist.*

### 12. Restricted materials list

The Electrolux Restricted Materials List, RML, including RoHS and REACH, is used to inform suppliers of chemicals that are banned, restricted for use and substances that could potentially be of concern.

Latest RML edition may be found on the web site <http://www.electrolux.com/rml>.

The RML Self-Declaration Form must be signed by the Supplier.

### 13. Safety Buffer Stock

The Supplier is obliged to have a Safety Buffer Stock of a [2] weeks need which is based on the Average Forecasted Need. When a normal delivery is executed the entire quantity is taken from the Safety Buffer Stock using the FIFO-method (first in, first out). It is the Supplier’s responsibility to maintain the quantity in the Safety Buffer Stock as agreed.

Customer binds to cover the cost if the Safety Buffer Stock has to be redesigned or discard due to phase-out. This is only valid for Customer specific parts.

### 14. Pack instruction

According to *Electrolux Laundry Systems general pack instruction* or agreed special instruction*.*

### 15. Spare Parts

The Supplier binds to have the ability to supply spare parts for a product for minimum 10 years from the last serial delivery of the relevant product. The regulation for spare parts shall continue to be in force also if this Commercial Agreement is terminated. The decision to end a part as a spare part is taken by Customer. Customer will immediately inform the Supplier about such a decision and also if the tool is to be scrapped by Supplier or sent back to Customer.

### 16. Rights

All drawings, products and the like which have been and will be handed over from Customer to Supplier shall be the property of Customer and shall not be handed over to or used by Supplier or any third part. Customer reserves the property right to drawings made in co-operation between Supplier and Customer.

Supplier is not allowed to refer to the co-operation with Customer in any form of advertising, articles, brochure material or the like, without prior acceptance from Customer

### 17. Liquidated damages

If the Supplier does not reach stipulated targets liquidated damages as below will be applied once per quarter:

Quality: For each part of [xxx] PPM, the Supplier shall pay the Customer 0.5% of the total invoiced value for that specific quarter.

Delivery: In occurrence of repeatedly (more than one) delayed delivery depending on the Supplier liquidated damages shall be applied. For each part of 2% under the vision, the Supplier shall pay the Customer 0.5% of the total invoiced value for that specific quarter.

 Delivery performance per quarter is measurements for damages clause above.

Before any damages can be issued supplier and customer are to define the reason for delay in delivery performance or failure in PPM.

The Customer also has after necessary verification right to do necessary covering purchase from other Suppliers if a delivery from Supplier has failed.

### 18. Demand for environment and quality

Customer environment and quality policy is described in the exhibits *Electrolux Group Environmental Policy* and *Electrolux Group Quality Policy.* The supplied goods must agree with the contents in the exhibit.

### 19. Fire prevention commitment for the supplier

The Supplier is forced to have a fire prevention system activated in order to avoid hazardous events which can give interference for delivery of parts and other ordered items to customer.

### 20. Code of conduct

In the event it is alleged that Supplier is in contravention of any of the requirements in the code, then Customer may request Supplier to provide Customer with all relevant information, including an action plan setting our corrective actions, if necessary, to be carried out by Supplier in order to cure a breach of the code, to be received by Customer within [5] business days from Customer giving Supplier notice thereof. If Customer in its sole discretion determines that the action plan is not contemplated to cure the breach in a manner satisfactory to customer, then Customer is entitled to terminate this agreement.

See exhibit *The Electrolux Workplace Standard.*

### 21. Contingency planning

The Supplier is obliged to have a contingency plan. Requirement of such a plan, see exhibit *Supplier contingency planning – a business recovery.*

### 22. Competitive clause

If the Customer during the period for this agreement receives an offer from another supplier, Supplier and Customer shall meet to discuss the position. If Supplier after discussion declines to offer new prices in level with those of the received offer, Customer may elect to purchase the quantity so offered and/or terminate this agreement.

### 23. Directives and standards

It is the Suppliers responsibility to fulfill directives and standards according to customer requirements and applicable laws, e.g. UL, ETL and CE.

All costs for keeping and maintaining agreed directives and standards are born by the Supplier.

It is the Suppliers responsibility to mark products according to directives and standards, applicable laws and/or customer requirements.

If there are any changes referring to directives and standards or the Supplier lose the approval, the Customer has to be informed immediately.

### 24. Material Specifications

Supplier has to send signed and dated material specification to Customer minimum once per year on products designed by Customer and which contains polymers.

### 25. Tooling

See *Electrolux Laundry Systems conditions for tools* for both customer property tools and tools used for Customer products.

### 26. Consignment stock

In case consignment stock is used the following exhibit is valid, see *Consignment agreement.***Signatures**

This contract is issued in two copies. Please return one copy signed by you.

ELECTROLUX LAUNDRY SYSTEMS SUPPLIER

[SWEDEN AB]

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Date Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name xxx

Purchaser xxx

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name

Managing Director