

**GENERAL TERMS AND CONDITIONS FOR THE CONSUMER SALES AND INSTALLATIONS OF LOG HOUSE PACKAGES AND LOG PRODUCTS**

This instruction card presents the general Terms and Conditions for the consumer sales and installations of log house packages and log products. The instructions are inspected and approved by the Consumer Ombudsman

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**1. SCOPE OF APPLICATION**

1.1  
These Terms and Conditions shall be applied to contracts signed by the manufacturer of a log house package (hereafter the Seller) and by the consumer (the Buyer) and governing the trade and installation of log house packages and log products (the Goods). The Terms and Conditions shall be applied as they are given here, unless otherwise agreed in writing.

1.2  
In addition to these Terms and Conditions, the Consumer Protection Act shall be applied to any contracts signed by the Buyer and the Seller.

1.3  
In addition to these Terms and Conditions, the Quality Requirements for Log Houses and the Log House Design Principles shall be applied.

**2. OFFERS**

2.1  
Written offers made by the Seller shall be binding and valid for one month, starting on the date of the offer.

2.2  
The measurements and weights given in the offer documents are approximate.

**3. CONTRACTS**

3.1  
The Seller may employ a sales representative who shall deliver the offer to the Seller for confirmation.

3.2  
A binding contract is created when both the Buyer and the Seller have signed the procurement contract or when the order has been confirmed in writing.

3.3  
The contract terms shall be included in

the procurement contract or the order confirmation and their annexes.

#### 4. CONTRACT AMENDMENTS

##### 4.1

Any supplementary or amending contract terms must be approved by both parties. Such terms and the information provided by both parties should be verified in writing to facilitate proving them, as may be necessary.

##### 4.2

The representative acting as the order or procurement contract intermediary shall have no right to amend the contract or to make separate additional contracts binding the Seller on behalf of the Seller.

#### 5. ORDER OF APPLICATION OF THE CONTRACT DOCUMENTS

##### 5.1

The contract documents shall be supplementary. If the contract documents contradict each other, their mutual order of application shall be as follows:

- procurement contract
- order confirmation
- procurement contract and
- order confirmation annexes
- the order
- the offer
- offer request
- these general Terms and Conditions.

#### 6. PRICE

##### 6.1

The price shall be fixed and based on the agreed delivery scope and schedule. It shall include all indirect taxes and fees that are valid at the time of signing the contract. It is however possible to state in the contract whether any forthcoming legal amendments and authoritative orders that are known at the time of signing have already been accounted for in the transaction price. Agreed fixed prices can be amended after the contract has been signed on grounds specified in sections 6.3, 6.4, and 6.8 of these Terms and Conditions.

##### 6.2

The Seller must at least specify the share of the installation works of the transaction price. This specification must be delivered to the Buyer within 4 weeks of having signed a binding contract.

##### 6.3

If the decision is made to amend the order or construction plans after the procurement contract has been signed, and if such amendments cause changes to the projected expenses, the Seller is entitled to receive such reimbursement from the Buyer as covers the increased costs and is

obliged to reimburse to the Buyer any possible reductions in expenses.

##### 6.4

The Seller may raise the agreed price unilaterally, if

- the price increase is due to such legal amendment or authoritative order as could not reasonably have been taken into account by the Seller when the contract was signed
- the price increase is due to such forces as are beyond the Seller's control and affect construction, installation, or any other service to be provided by the Seller, and which the Seller could not reasonably have taken into account when the contract was signed, and the consequences of which the Seller could not reasonably avoid or overcome
- the Seller's performance has been delayed because of the Buyer, and the price increase is attributable to an increase in expenses incurred by the Seller for this reason
- the price increase is caused by inaccurate information provided by the Buyer or the provision of which has been the Buyer's responsibility.

##### 6.5

In cases included in the three first subsections of section 6.4, the price increase term may not be appealed after the Seller has fulfilled their obligation in question.

##### 6.6

If in cases included in the two first subsections of section 6.4 the price increase would be more than 5 percent of the transaction price, the Buyer may terminate the contract, unless the price increase is due to a widening tax base whereby a previously tax-free supply has now become subject to some tax. If a price increase for the installation works included in the delivery would be more than 15 percent of the contract price, the Buyer may terminate the contract for the installation works.

##### 6.7

Price increases and their reasons must be reported to the Buyer without delay.

##### 6.8

If the taxes, tax-like levies, or Seller expenses included in the transaction price are reduced due to legal amendment or authoritative order, the Buyer is entitled to receive a reduction in the price that is equal to such a reduction, unless the Seller can show that they have already accounted for such a reduction in the original transaction price.

#### 7. PAYMENT OF THE TRANSACTION PRICE

##### 7.1

The transaction price shall be invoiced

pursuant to the procurement contract or order confirmation and the payment schedule specified therein.

##### 7.2

If the transaction price is paid via a bank or postal service, it shall be considered paid on the day on which the payment is cleared by the bank or postal service in question.

##### 7.3

Supply delays attributable to reasons on the Buyer's side shall not usually affect the agreed payment schedule.

##### 7.4

If the Buyer is late in their payment of the transaction price, the Seller is entitled to charge overdue interest pursuant to the Interest Act as of the due date, unless the order or contract is cancelled.

##### 7.5

If the Buyer does not pay the transaction price according to the payment schedule, the Seller may withhold their remaining delivery until the payment has been made. Withholding the delivery must be reported to the Buyer without delay. If withholding the delivery would cause a health hazard or a considerable material hazard, the Seller must however undertake such immediate action as is required to prevent such a hazard. The Seller is entitled to receive compensation for additional expenses caused by the withholding of the delivery.

##### 7.6

The Buyer is entitled to withhold their payment of the transaction price in situations specified in sections 12.2 and 17.7.

##### 7.7

Payment of the transaction price does not mean that the Seller's delivery has been conclusively accepted.

#### 8. GUARANTEES

##### 8.1

The Seller must set for the Buyer a guarantee which shall guarantee the Buyer's advance payment and which must be valid until the value of the Seller's delivery is no less than equal to the advance payment made by the Buyer.

##### 8.2

The Seller may require an acceptable guarantee from the Buyer to guarantee their receivables.

#### 9. DOCUMENTS

##### 9.1

All of the documents provided by the Seller, including drawings and installation and working instructions, shall be the Seller's property and intended for use by the Buyer for the contracted construction project. The Buyer may not use, reproduce, copy, or disclose such documents or information relating to such documents to any

third parties without the Seller's permission.

#### 9.2

Both parties shall be responsible for the accuracy and correctness of the plans and documents that they provide and the information on which such documents are based. The Seller may however not appeal to such mistakes in the plans and documents provided by the Buyer as the Seller should have noticed, given that the Seller is a professional operator in the field.

### 10. GOODS TRANSPORTS, UNLOADING, AND STORAGE

#### 10.1

Unless otherwise agreed, the Seller shall take care of all transports and be responsible for the transport, storage, and other costs incurred by the Goods up until the hand-over. This shall however not apply to such costs as have been caused by hand-over delays attributable to the Buyer. The terms governing the hand-over time are given in section 13.

#### 10.2

The Seller must provide the Buyer with all necessary transport, worksite route, unloading site, and Goods storage and protection instructions in writing. The Buyer is obliged to follow the provided instructions.

### 11. CONTRIBUTION OBLIGATION OF THE PARTIES

#### 11.1

The drawings, work reports, and written instructions handed over to the Buyer after the contract has been signed specify the delivery. The Buyer must look into these as soon as possible and make any remarks to the Seller without delay.

#### 11.2

The Buyer shall take care of securing the building permit and all other necessary authorisations. The Buyer is obliged to report to the Seller any contract amendments caused by the building permit or to provide the Seller with a copy of the building permit.

#### 11.3

The Seller must provide the Buyer with instructions on how to set up the construction site before the installation works begin. The Buyer is obliged to arrange the construction site according to the Seller's instructions before the agreed installation time. If the Buyer does not fulfil this obligation, they shall be held liable for the consequences and costs caused by this negligence.

#### 11.4

The drawings, documents, and installation and work instructions provided by the Seller are intended for construction industry professionals. If the Buyer is responsible for the installation or other works contracted to them, they are responsible for ensuring that

the drawings and other documents issued by the Seller as well as the installation and work instructions provided by the Seller shall be followed carefully and that all works at the site are carried out according to good construction industry practices.

#### 11.5

The parties are obliged to contribute towards the maximum limitation of hazards and additional expenses as well as to negotiate mutually any procedures relating thereto.

### 12. DELAY OF DELIVERY

#### 12.1

If the Seller is unable to carry out their delivery in total or in part at the agreed time, or if the Buyer cannot accept the Seller's delivery at the agreed time or if it seems likely that there will be a delay, the other party must be notified of this immediately. The cause for the delay and a new delivery time must always be reported in writing.

#### 12.2

If the Goods are not delivered or the installation works are incomplete due to a delay on the Seller's side at the time when the price or part of the price is due pursuant to the contract, the Buyer may refrain from making the payment until the Seller has carried out their duties. If the performance of obligations is delayed only in part, the Buyer may however not refrain from making the payment to the extent that not making the payment apparently exceeds the demands that are justified on the basis of the delay. Even after the work has been performed, the Buyer may refrain from paying such portions of the price as are needed for guarantees when making a claim for damages due to the delay.

#### 12.3

If the Seller's performance is delayed, the Buyer is always entitled to a standard compensation, unless the delay is caused by a Force Majeure specified in section 12.7. The amount of the standard compensation shall be 0.5 percent of the price corresponding to the portion of the delayed part for each beginning delay week during the first month, and 1 percent of the corresponding portion of the price for each beginning week following.

#### 12.4

If delays in the hand-over or installation of Goods delay the installations of other Goods already delivered, the amount of standard compensation shall be calculated for a portion of the price which includes the share of the Goods in question and of their installations, if the installation is one of the Seller's obligations.

#### 12.5

The maximum standard compensation shall be 10 percent of the portion of the

price specified in sections 12.3 and 12.4.

#### 12.6

Without being hindered by the standard compensation, the Buyer may however claim compensation corresponding to demonstrated damages pursuant to article 9, § 11 of the Consumer Protection Act.

#### 12.7

The Seller is not however obliged to pay the standard compensation or any other damages if they are able to show that the delay in delivery has been caused by a force beyond the Seller's control, and which they could not reasonably have predicted at the time of the signing of the contract and the consequences of which were likewise not reasonably avoidable or possible to overcome. If the Seller does not report the occurrence of such a Force Majeure to the Buyer immediately in writing, the Seller may not appeal such a force as an exemption.

#### 12.8

The Buyer may terminate the contract due to a delay of the Seller if the contract is causing essential harm to the Buyer. If the contracted Goods need to be manufactured or procured especially for the Buyer according to the Buyer's wishes, and if the Seller is unable to use such Goods otherwise without significant losses, the Buyer may not terminate the contract unless the delay duration is more than 60 days. The Buyer may however terminate the contract before the delay has been ongoing for more than 60 days if to remain bound by the contract would mean that the Buyer would end up in an unreasonable position. If the delayed Goods can be replaced without trouble by similar Goods acquired elsewhere, the Buyer may terminate the contract in terms of such Goods, unless the Goods have been delivered within a reasonable extension period set by the Buyer. In case of installation delays, the Buyer may terminate the contract in terms of the installations pursuant to the preconditions specified in article 8, § 9 of the Consumer Protection Act

#### 12.9

If the Buyer terminates the contract in total or in part, and the work performed by the Seller cannot be returned without essential changes or without causing essential harm to the Buyer, the Seller is entitled to receive compensation for the completed works corresponding to the value of the works for the Buyer.

#### 12.10

If the Buyer terminates the contract in total or in part to the extent that it is still incomplete, the Buyer is entitled to receive from the Seller such drawings and instructions or information as are needed to complete the remaining works.

### 13. RISK AND PASSING OF OWNERSHIP

#### 13.1

The Seller shall carry the risk for the destruction, disappearance, or damaging of the traded item due to all reasons not dependent on the Buyer up until the time when the Seller's supply has been handed over to the Buyer.

#### 13.2

When the Seller is responsible for the transport, the Goods shall be considered handed over when the Goods have been unloaded from the transport means at the construction site or other agreed location, unless the special character of the supply (weight, shape, installation method, etc.) or some other reason has caused the hand-over time to be agreed on differently (e.g. by means of terms of delivery).

#### 13.3

If the Buyer is responsible for the transport of the Goods pursuant to the procurement contract, the risk for the Goods shall be passed on to the Buyer when the Goods have been loaded onto a transport means procured by the Buyer at the Buyer's expense.

#### 13.4

The risk for the installation works shall be passed on to the Buyer when the installation works have been completed.

#### 13.5

The Buyer shall be responsible for the destruction, disappearance, or damaging of the trade item caused by a reason not attributable to the Seller after the hand-over, whereby the Buyer must pay the price even if the trade item is damaged. The Buyer must also take care of the protection and insurance of the Goods after they have received the risk.

#### 13.6

The ownership rights of Goods not yet attached to or installed at the construction site shall be passed on to the Buyer only after the price with possible added interest has been paid in full. If there is good reason to doubt the Buyer's ability to pay, the Seller may forbid the attachment or installation of such Goods at the construction site.

### 14. DELIVERY CONDITION OF GOODS AND INSTALLATION WORKS

#### 14.1

The Goods and installation works must in their entirety be in accordance with the contract and the information provided by the Seller; they must likewise meet all of the requirements set by laws, regulations, and authoritative orders valid in Finland at the time of delivery in terms of e.g. structure, equipment, and occupational and fire safety. They must also correspond to what the Buyer may reasonably have expected.

The Goods must be packaged and protected in an appropriate manner. The Goods must likewise meet the log house quality requirements set by the Finnish Log House Industry HTT ry, unless otherwise agreed by the Seller and the Buyer.

#### 14.2

The Seller must provide the Buyer with all of the necessary instructions for the storage, installation, use, or maintenance of the Goods and provide all other necessary information concerning the delivery which the Buyer may reasonably expect to receive.

#### 14.3

If subsequent finishing, adjustment, or replacement works are typical for the Goods to make them fully operational, any defects detected before such works are complete shall not be considered faults of the Goods.

### 15. DELIVERY INSPECTION

#### 15.1

The delivery includes a cargo manifest or similar document on which the Buyer shall sign the Goods as received. If it is noticed without opening the packages that Goods are missing or have been damaged, the Buyer must mark this on the cargo manifest.

#### 15.2

The Buyer must inspect the Goods according to the cargo manifest after the Goods have been handed over. The Buyer must pay special attention to Goods with damaged packaging. The Buyer is not obliged to open any other packages to inspect the Goods. If the Buyer neglects the inspection, they jeopardise their rights and opportunities to have any faults and defects rectified.

#### 15.3

The Buyer must report all delivery faults and defects according to section 16.

#### 15.4

If the delivery includes installation works, the Buyer and Seller shall arrange a separate reception inspection event. The reception inspection shall be arranged at a time announced by the Seller unless the Buyer is able to show how the time would cause unreasonable harm.

### 16. FAULT REPORTING

#### 16.1

The Buyer must report all faults and defects to the Seller or the Seller's representative within a reasonable time period, usually within 14 days of noticing the fault or defect or within 14 days of being expected to notice it.

#### 16.2

If the Buyer wants to appeal a trader's fault liability pursuant to section 17.12, they

must report the fault or defect within a reasonable time of noticing or being expected to notice such a fault when possessing the necessary information concerning the trader. No separate report however needs to be made if the trader has found out about the fault report by other means.

#### 16.3

The Buyer may however appeal a fault and defect without being limited by sections 16.1 and 16.2, provided that

- the Seller or other trader for whom the demand is intended has acted with gross negligence or with dishonour and lack of dignity
- the fault is based on the Seller's performance not meeting the requirements set for it pursuant to the Product Safety Act or other orders and regulations issued for the protection of health and property
- the fault is based on the Seller's performance being otherwise hazardous to health or property.

### 17. LIABILITY FOR DELIVERY FAULTS AND DEFECTS

#### 17.1

The Seller shall be responsible for all faults and defects in their delivery at the time of hand-over, even if such faults or defects are detected at a later time.

Faults shall be assumed to have existed at the time of passing on the risk to the Buyer (section 13) if they become apparent within six months of the passing of the risk. The Seller shall be released of the assumption if they are able to show that the faults have occurred only after the risk has been passed on to the Buyer, or if the assumption goes against the nature of the fault or Goods.

#### 17.2

The Seller shall be obliged to fix the faults in their Goods or installation works at their own cost, or to replace the faulty Goods within a reasonable time of becoming aware of the fault and after an opportunity has been reserved for the Seller to carry out the fix or replacement.

#### 17.3

The parties may agree verbally on urgent or minor fixes.

#### 17.4

The replaced Goods and materials shall be the Seller's property.

#### 17.5

When the Buyer takes care of the installation works or other works specified in the contract, the Seller shall not be responsible for damages caused by

- works carried out incorrectly or against instructions
- modifications carried out without the

- Seller's permission or contribution
- works having continued despite a fault being detected in the Goods, provided that this essentially hinders the fixing of the fault
- regular wear or deterioration of the Goods or materials caused by use.

#### 17.6

The party which detects the damage must take immediate reasonable action to limit it. The party neglecting this obligation shall accept responsibility for a corresponding share of the damages. Reasonable costs incurred by the limiting of the damages must always be reimbursed.

#### 17.7

The Buyer may withhold a portion of the trade price due to a fault. The Buyer may however not withhold such an amount which clearly exceeds any reasonable entitlement justified by the fault.

#### 17.8

If it is impossible to rectify a fault, or if a fault is not rectified within a reasonable time of the Buyer's report and the Seller being provided with an opportunity to inspect the fault, the Buyer may demand a reduction in price corresponding to the extent of the damage.

#### 17.9

If the fault is a material fault the Buyer may terminate the contract. To the extent that the Seller's completed supply cannot be returned without material harm, the Buyer may only terminate the contract if the termination is the only reasonable recourse available to the Buyer.

#### 17.10

If the Buyer terminates the contract, sections 12.9 and 12.10 shall also be applied.

#### 17.11

The Buyer is also entitled to receive compensation for any damages suffered due to the fault.

#### 17.12

The Buyer may also make a claim based on a fault against a trader who at an earlier stage has supplied the Goods or materials used by the Seller or whom the Seller has employed in the fulfilment of the contract, accounting however for the limitations specified in article 5, § 31, moment 2; article 8, § 34, moment 2; and article 8, § 35, moment 2 of the Consumer Protection Act.

### 18. CANCELLING THE ORDER

#### 18.1

If the Buyer cancels the order before the Goods are handed over or the installation works or other works are complete, the Buyer is entitled to receive compensation pursuant to article 9, § 30 and article 8, § 30 of the Consumer Protection Act.

Unless the extent of the damage can be shown to differ from it, the compensation shall amount to a standard compensation of

- 3 % of the trade price for detached houses and buildings exceeding 80 m<sup>2</sup> in covered area
- 4 % of the trade price for buildings with a covered area of 26-80 m<sup>2</sup>
- 5 % of the trade price for buildings with less than 26 m<sup>2</sup> of covered area.

If the cancellation applies only to installation and other works included in the delivery, the amount of standard compensation shall be calculated on the basis of the price of the cancelled installation works and other works. The Seller is entitled to receive payment for completed works. The standard compensation may be deviated from if either party is able to show that the actual damages caused by the cancellation are significantly different from it.

#### 18.2

The Seller is however not entitled to receive damages if the cancellation is due to a legal requirement, an interruption of general traffic or payment traffic, or other similar obstacle which the Buyer is unable to avoid or overcome by reasonable means.

#### 18.3

If the Buyer enters long-term unemployment, falls severely and chronically ill, undergoes a divorce, suffers a death in the family, or some other reason appears which materially affects their ability to follow the contract terms, and they for this reason cancel such Goods as have not yet been delivered, they may demand that the damages to be paid to the Seller should be reduced.

### 19. OTHER CONTRACT VIOLATIONS BY THE BUYER

#### 19.1

The Seller may terminate the contract due to delayed payments by the Buyer if the contract violation is material. The Seller may not terminate the contract due to delayed payments by the Buyer after the delayed payments have been made.

#### 19.2

If the Buyer has taken possession of the Goods, the Seller may terminate the contract for such Goods only if the Goods have not been attached or installed at the construction site or if the Buyer rejects the Goods. In terms of works, the Seller may only terminate the contract to the extent that the works are incomplete.

#### 19.3

If the hand-over of the Goods is delayed due to a reason attributable to the Buyer, the Seller is entitled to receive from the Buyer compensation for all transport, storage, protection, or insurance costs incurred by the delay.

When the agreed delivery date has fallen on a winter season, which is separately defined, the compensation shall be 0.5 % of the delayed delivery portion of the trade price for each beginning delay week (standard compensation). The standard compensation may however not exceed 3 %, 4 %, or 5 % of this price. The applied percentage shall be determined according to the covered area of the traded building as stated in section 18.1. The standard compensation may be deviated from if either party is able to show that the actual damages caused by the delay are significantly different from it.

#### 19.4

If the installation is at the Seller's responsibility and is delayed due to a reason attributable to the Buyer, the Seller is entitled to receive reasonable compensation for the damages incurred by the Seller because no substitute work can be offered to the personnel employed for the installation.

#### 19.5

If the delivery of Goods is unreasonably delayed for a reason attributable to the Buyer, the Seller may terminate the contract. If the installation is at the Seller's responsibility, the Seller has a corresponding right to terminate the contract in terms of the installation.

#### 19.6

When the Seller terminates the contract for reasons specified in sections 19.1 and 19.5, the Seller is entitled to compensation for damages determined in the same way as in cases falling under section 18.

### 20. CONTRACT TRANSFERS

#### 20.1

Neither party shall have the right to transfer the contract to a third party without the consent of the other party.

### 21. DISPUTES

#### 21.1

If disputes cannot be solved by negotiations between the parties where e.g. experts may be heard, the Buyer may take the dispute to the Consumer Disputes Board.

#### 21.2

If disputes are taken to court, the action must be initiated at the district court of the Buyer's domicile, unless the Buyer wants to initiate the action at the district court of the Seller's domicile.