

Metsä Group

[date]

Liquidated damages related to occupational safety**1. Background**

- a. The Parties have agreed on [date] an agreement [agreement] regarding [background] ("Agreement"). As part of the execution of the Agreement, the contractor will perform work that belongs to the scope of Metsä Group's occupational safety obligations. To fulfill these obligations, the Parties agree on the following contractual penalty mechanism.
- b. What the Parties have agreed upon in the Agreement applies to what is agreed below, unless otherwise specified.

2. Contractual penalty mechanism

- a. If the contractor does not comply with the Metsä Group's service providers' safety management standard that is Appendix [x] of the Agreement ("Safety Appendix"), this will result in an obligation for the contractor to pay contractual penalty to Metsä Group for the amount specified below as separately agreed in the Agreement.
- b. The contractual penalty and its payment do not relieve the contractor of other obligations under the Agreement.
- c. If the negligence of the Safety Appendix is severe, Metsä Group retains the right to immediately suspend work related to this non-compliance, at the contractor's responsibility.
- d. The contractor is obligated to actively monitor and document compliance with the obligations specified under the Safety Appendix, and upon Metsä Group's request, provide information about any instances of non-compliance with the Safety Appendix.
- e. The contractor has a primary obligation to instruct its employees employed in this capacity about the obligations of the Safety Appendix insofar as it affects their tasks and/or the construction site subject to occupational safety obligations.
- f. Contractual penalty for each individual non-compliance with the Safety Appendix:
 - a. Severe negligence – [... €]
 - i. Working under the influence of substances or a positive breathalyzer result on the worksite gate (Section 14)
 - ii. Violation of occupational safety regulations or knowingly acting against instructions in high-risk work (Sections 8.1.- 8.6 & 9 e.g., working at height without fall protection harnesses or with improperly secured harnesses, failure to follow fire protection instructions, safety instructions for confined spaces, or

Metsä Group

[date]

lockout procedures, neglecting safety instructions for lifting operations, for example unauthorized entry into the designated lifting area)

iii. Not reporting an occurred workplace accident (Section 5)

b. Notable negligence – [... €]

i. Starting to work without the customer's permission and safety planning (Sections 2.1. - 2.2. & 8.)

ii. Compromising vehicle safety or neglecting its requirements (e.g., speeding, Section 7)

iii. Failure to carry out actions assigned to the contractor regarding incidents, accidents, or other emergencies (Section 5)

c. Negligence – [... €]

i. Repeated safety negligence or inappropriate behaviour (e.g., protective equipment requirements, Section 6 and unauthorized disclosure of confidential information, Section 13)

ii. Failure to maintain cleanliness and order at the work site (Section 12)

iii. Failure to meet requirements regarding the competence of contractor's personnel (e.g., currency of employees' qualifications, Section 4)