

Loorent OÜ GENERAL TERMS AND CONDITIONS OF SALES CONTRACTS AND CONTRACTS FOR SERVICES

1 GENERAL PROVISIONS. TERMS

- 1.1 General terms and conditions of sales contracts and contracts for services (hereinafter „**Conditions**“) apply to all sales transactions concluded and services provided by Loorent OÜ (hereinafter also „**Seller**“ or „**Contractor**“ depending on the context).
- 1.2 Objective of a sales contract or a contract for services (hereinafter „**Contract**“) is regulation of legal relationships arising from sale/performance of goods sold (hereinafter „**Goods**“) or work being the object of the contract performed (hereinafter „**Work**“) by the Seller/Contractor to the customer (hereinafter „**Customer**“).
- 1.3 The Conditions are integral part of the Contracts concluded between the Seller/Contractor and the Customer. The Seller/Contractor has introduced the Conditions to the Customer before concluding the Contract. The Customer confirms that he has read the Conditions.

2 PRICE INQUIRY, ACCEPTANCE OF ORDER AND CONTRACT

- 2.1 Orders of Goods or Work submitted by the Customer (price inquiries) shall be in the form enabling written reproduction (a proposal to submit an offer in legal meaning, hereinafter „**Price Inquiry**“). Upon receipt of a price inquiry the Seller/Contractor shall submit an offer to the Customer (hereinafter „**Offer**“), with which the Customer may agree, stating his relevant will (hereinafter „**Order Confirmation**“). Order Confirmation shall be sent to the Seller/Contractor in the form enabling written reproduction (e-mail, fax etc). Formal requirements to an Offer and an Order Confirmation are the same as in case of a Price Inquiry.
- 2.2 Every Price Inquiry and Offer, for which Order Confirmation has been issued, is a separate legally binding contract between the Seller/Contractor and the Customer (hereinafter „**Contract**“). In case of any discrepancies between the Conditions and the Contract, the Contract shall prevail.
- 2.3 At least following shall be specified in the Contract in case of sale: name of the Goods, their specification, quantity, price (if not proceeding from the price list of the Seller) and expected term of delivery of the Goods.
- 2.4 At least following shall be specified in the Contract in case of services: description/specification of the Work, expected purpose of use, volume, expected term of delivery and price (or pricing methodology).
- 2.5 By submission of the Order Confirmation the Customer confirms that information submitted by him in the course of negotiation of the Contract (including in the Price Inquiry and in the

Order Confirmation) is precise, complete and correct. The Customer is responsible for any defects arising from incorrect information submitted by the Customer.

- 2.6 Information provided in the Offer, including any indication of the duration or expected cost of the Work, is approximate and not binding, if not expressly agreed otherwise.
- 2.7 Information provided in the Offer concerning term of delivery of the Goods or the Work is approximate and not binding, if not expressly agreed otherwise.
- 2.8 During performing of Work the Contractor is entitled to use subcontractors for the purpose of performing the Contract without prior consent of the Customer. During performing of Work the Contractor is entitled to use materials and tools of the Customer delivered to him in the way considered practical by the Contractor. The Contractor is entitled to order parts and instruments needed for performing the Work and to install these on the Work or to use them for performing the Work without prior consent of the Customer.

3 PRICE, FEE AND BUDGET

- 3.1 The Customer undertakes to pay sales price agreed in the Contract. If the Parties have not concluded a separate agreement for the amount of fee, the price shall be paid according to the valid price list certified by the Seller. If the price has not been specified in the price list, the Parties agree that in such case the Seller shall specify the price. For the sake of clarity, the Parties agree that the price may not differ essentially from market price (for similar goods, in similar time, with similar volume).
- 3.2 The Customer undertakes to pay to the Contractor the fee due for the Work and any other fees specified in the Contract or in the Conditions. If the Parties have not concluded a separate agreement for the amount of fee, the price shall be paid according to the valid price list certified by the Contractor. If the price has not been specified in the price list, the Parties agree that in such case the Contractor shall specify the price. For the sake of clarity, the Parties agree that the price may not differ essentially from market price (for similar work, in similar time, with similar volume).
- 3.3 If not agreed otherwise, the Seller/Contractor shall issue an invoice upon delivery of the Goods/Work. The fee shall be paid to the bank account of the Seller/Contractor no. **EE812200221061078038** Swedbank AS or no. **EE424204278603141903** in Estonian Credit Bank on the date of invoice, if not specified otherwise on the invoice.
- 3.4 In case of late payment of the fee/price the Customer is obliged to pay to the Seller/Contractor fine for delay in amount of 0.25% of the overdue sum per calendar day. Fine for delay shall be considered paid first, followed by debt collection costs and then the main debt.
- 3.5 The Parties consider the budget and any possible additional budgets, calculations and evaluations basing on the Contract non-binding, not depending on their form (including expected fee specified on the order sheet). If the Parties have agreed separately in a binding

budget, the Contractor is entitled to exceed the budget as specified in the law. The Parties consider the following situations (without limitation) unforeseen cases, when the Contractor is entitled to exceed the budget:

- 3.5.1 Increase of prices of materials, spare parts or details needed for performing the work;
 - 3.5.2 Increase of the volume or complicity of the work due to circumstances that could not be reasonably foreseen at the moment of drafting of the Price Inquiry;
 - 3.5.3 Other circumstances beyond control of the Contractor.
- 3.6 The Parties consider essential exceeding of budget a situation, when budget is exceeded 20% or more.
- 3.7 Price/fee shall be considered paid after collection of the entire sum on the bank account of the Seller/Contractor.
- 3.8 If the Customer has paid advance payment, it shall be considered preliminary deposit. If the Customer terminates the Contract or the Contract is not performed due to any reason not for the fault of the Seller/Contractor, the Seller/Contractor shall keep the preliminary deposit. If not agreed otherwise in the Contract, the Contractor shall commence Work after the advance payment has been made.

4 DELIVERY AND RECEIPT OF WORK/GOODS

- 4.1 Work shall be performed by reasonable term, except in case when a binding term of delivery has been specified in the Contract. The Parties agree that reasonable time is the time normally spent for performing similar work, taking also account of the terms and conditions of delivery of relevant materials or details.
- 4.2 Goods shall be delivered by reasonable term, except in case when a binding term of delivery has been specified in the Contract. The Parties agree that reasonable time is the time normally spent for manufacturing or delivery of similar goods, taking also account of the terms and conditions of delivery of relevant materials or details.
- 4.3 Upon delivery the Parties sign a written instrument of delivery and receipt. The Customer undertakes to ensure that the person sent by them to deliver the Goods/Work is duly authorised for such delivery and receipt. The instrument of delivery and receipt shall include at least following data: name of the Goods/Work, quantity, time and place of delivery, names and contact data of persons participating in delivery.
- 4.4 The risk of accidental wreck and damage of the Goods/Work shall be transferred to the Customer upon receipt of the Goods/Work. In case of delay in taking delivery by the Customer the risk of accidental wreck and damage shall be transferred to the Customer from the start of delay in taking delivery. The Parties agree that delay in taking delivery

starts not later than 3 days after notification of the Seller/Contractor about readiness to deliver the Work/Goods or the binding delivery date specified in the Contract. Starting from the day of start of delay in taking delivery the Customer undertakes to compensate to the Seller/Contractor any costs related to storage of the Goods/Work, the amount of which shall be 0.5% of the price of Goods or fee of Work.

- 4.5 If not specified otherwise in the Contract, the delivery terms are Incoterms „*Ex Works*“. The place of delivery is location of the Seller/Contractor at the address Linnuka tee 1, Liivamäe village, Jõelähtme rural municipality.
- 4.6 Consequences related to the delivery are also regulated by the clause of the Conditions "*Conformity of Goods or Work to the Contract*".
- 4.7 The Seller shall establish for the Customer a limit, within of which the Customer may purchase the goods offered by the Seller with delay of payment.

5 TRANSFER OF OWNERSHIP

The right of ownership of the Goods and the object of the Work belongs to the Seller/Contractor until due payment of the price of relevant Goods or fee of relevant Work, including fine for delay, delivery costs and any other collateral claims (ownership reservation). When the term of payment of relevant invoice has arrived, the Seller/Contractor is entitled to demand payment of the price/fee, in spite of the fact that ownership and/or possession of the Goods/Work has not yet been transferred to the Customer. The Customer undertakes to duly notify all their clients of the fact that the Goods/Work belong to the Seller/Contractor until due payment for them has been made. This provision of the Conditions shall not apply, if Work has been performed pursuant to this Contract for a thing in the ownership of the Customer or a third person and right of ownership of the Contractor for the thing is excluded.

6 CONFORMITY OF GOODS AND WORK TO THE CONTRACT

- 6.1 Work and Goods shall conform to the conditions of the Contract. If not specified otherwise in the Contract, the Parties agree that Work/Goods shall meet the quality requirements normally set to such work or goods.
- 6.2 The Seller ensures that the Goods are new and third persons have no rights for the Goods (if not specified otherwise in the Contract).
- 6.3 The Seller/Contractor is responsible for any defects in the Goods/Work, if such defect existed at the moment of transfer of possession of the object of the Goods/Work to the Customer. The Seller/Contractor is not responsible for any defects arising after transfer of the risk of accidental wreck and damage to the Customer. If the Customer was aware of a defect of the Goods/Work, the Seller/Contractor is not responsible for such defect. The Seller/Contractor is not responsible for any defects caused by any work performed by the

Customer or third persons, materials provided by the Customer or design or specification required by the Customer. The Seller/Contractor is not responsible for any defects caused by the use of the Goods/Work for non-intended purpose or against operating instructions. The Seller/Contractor is not responsible for any defects caused by normal wear and tear, fatigue or aging of the Goods/Work.

- 6.4 Any claims concerning the Goods/Work, including their quantity and quality, shall be submitted in reasonable time after delivery of the Goods/Work. The Parties agree that reasonable time is 7 days. The Customers involved in economic and professional activities are obliged to inspect the Work/Goods immediately upon receipt or let it inspected. A claim shall specify the nature of defect and provide its precise description, and if possible, include evidence materials showing existence of the defect. A claim shall be submitted at least in the form enabling written reproduction. Upon first request the Customer shall enable the Seller/Contractor to inspect the Goods/Work in order to identify the defect.
- 6.5 If the Work/Goods have any hidden defects, the Customer is obliged to notify the Seller/Contractor immediately of the fact. The Seller/Contractor is not responsible for the defect, if the Customer notifies them of a hidden defect later than in 7 days from detecting the defect.
- 6.6 The Customer shall bear the risk of any defects arising in the Goods/Work due to the instructions provided by the Customer, if the Seller/Contractor has notified the Customer of the possibility of such defect. The Customer is responsible for correctness and completeness of information submitted by them at the moment of conclusion of the Contract. If a defect arises due to insufficiency of information submitted by the Customer, the Seller/Contractor is not responsible for the defect.

7 RESPONSIBILITY AND LIMITATIONS

The Seller/Contractor is responsible only for the damage caused by wrongful violation of the Contract. The Contractor is not responsible for immaterial damage and lost profit that may arise from the performance of the Contract.

8 RIGHT OF SECURITY OF THE CONTRACTOR

The Contractor is entitled to exercise right of security of the Contractor pursuant to the Law of Obligations Act.

9 GUARANTEE

- 9.1 If not specified otherwise in the applicable law, the Contractor shall not issue any guarantee to the Work or the Goods.
- 9.2 In any case a guarantee is valid only if the result of the Work or the Goods is used completely in compliance with the instructions of the Contractor/manufacturer after delivery

and the Work/Goods have been paid in full. Guarantee is valid only if the object of the Work or the Goods have not been modified, improved or supplemented in the period between delivery and submission of a guarantee claim and no repair has been performed by any other person (incl the Customer). Responsibility of the Contractor for defects of the Work expires in all cases 6 months after the date of delivery of the Work. The Contractor is not responsible for fulfilment of guarantee conditions specified by the manufacturer. Guarantee will never cover the defects caused by normal wear.

10 INTELLECTUAL PROPERTY

10.1 With the Contract the Seller/Contractor does not transfer to the Customer any intellectual property rights related to the Goods or the Work, or any other immaterial rights of the Seller/Contractor. The Customer is entitled to use immaterial rights only in connection with the sold Goods or Work and the Customer is not entitled to copy or transfer them or to make them otherwise available to third persons.

10.2 The Customer is not entitled to modify the Goods or result of the Work specified in the Contract. The Customer may use drawings, technical documentation and technical information provided by the Seller/Contractor only for installation, operation and maintenance of relevant Work/Goods.

11 CONFIDENTIALITY

11.1 The Customer shall not disclose to any third person the business secrets of the Seller/Contractor or any other confidential information disclosed to the Customer in the course of performance of the Contract, except in case when the Customer has received relevant prior written consent from the Contractor.

11.2 Business secret is any information concerning the business of the Seller/Contractor, the disclosure of which to other persons could harm the interests of the Contractor, such as technical and financial information related to know-how and information about cost assessment methodology, production secrets and processes, supply sources, sales volumes, market shares, customers and dealers, marketing plans, cost and price structures and sales strategy.

11.3 The Customer shall compensate to the Seller/Contractor all damages caused by violation of confidentiality obligations by the Customer and/or employees of the Customer, and shall protect the Seller/Contractor from such damages.

12 TRANSFER

12.1 Neither Party may transfer or otherwise assign any rights and/or obligations proceeding from the Contract or the Conditions without prior written consent of the other Party. The restriction shall not apply to monetary claims.

- 12.2 The Parties agree that for factoring purposes the Seller/Contractor may assign the claims against the Customer proceeding from the Contract to a company providing factoring service without prior consent of the Customer.

13 TERMINATION OF THE CONTRACT

- 13.1 The Contract may be termination with written agreement between the Parties.
- 13.2 The Seller/Contractor may terminate the Contract, if the Customer does not fulfil his obligations proceeding from the Conditions or the Contract and the Customer has not eliminated such violation in 10 calendar days from relevant written notice submitted by the Seller/Contractor. Termination of the Contract shall not terminate the right of the Seller/Contractor to use any other means of legal protection specified in the Conditions or in the Contract or in legal acts.
- 13.3 The Customer may terminate the Contract, if the Seller/Contractor does not fulfil his obligations proceeding from the Conditions or the Contract and the Seller/Contractor has not eliminated such violation in 10 calendar days from relevant written notice submitted by the Customer.
- 13.4 Termination of the Contract shall not terminate automatically any other Contracts, which shall be executed and performed pursuant to the Conditions and relevant Contract.

14 FORCE MAJEURE

A Party is not responsible for violating their obligations, if such violation is caused by force majeure circumstances, due to which the Contract cannot be performed and which could not be foreseen by the Parties or avoided with reasonable efforts. The conditions of force majeure are specified in the Law of Obligations Act.

15 SOLUTION OF DISPUTES

- 15.1 The Parties endeavour to resolve any disputes, dissenting opinions or claims arising from or related to the Conditions and the Contracts through negotiations. If no agreement is achieved through negotiations, the solutions shall be resolved in Harju County Court.
- 15.2 If a dispute arises between the Parties over the quality of Work/Goods, the Parties shall submit the Goods/Work for assessment to an expert appointed jointly by the Parties. The costs related to expert assessment shall be covered by the Seller/Contractor, if a defect claimed by the Customer was found in the Goods/Work. In other cases the costs related to expert assessment shall be covered by the Customer.
- 15.3 Representative of the Seller/Contractor shall resolve any claims submitted against the Goods and the Work in compliance with applicable law in reasonable time. The Seller/Contractor is entitled not to handle the claims that are clearly unjustified.

16 AMENDMENTS

Any amendments to the Contract shall be concluded in writing and duly undersigned by both Parties. The Seller/Contractor may supplement the Conditions unilaterally any time. The Conditions valid at the moment of conclusion of the Contract apply to the Contracts. The Seller/Contractor undertakes to notify the Customer of any changes made in the Conditions. Notification of changes made in the Conditions submitted by the Seller/Contractor on the web page of the Seller/Contractor shall be considered proper notification.

17 INVALIDITY

If any provision or part of the Contract or the Conditions is considered invalid or cancelled, it shall not cause invalidity or cancellation of the entire Contract or Conditions. Such provision may be amended in the extent, by which such invalidity or cancellation changes essentially the position or obligations of a Party arising from the Contract.
