

Eesti Energia AS' and its Group Companies' General Terms and Conditions for the Purchase of Goods

1. GENERAL PROVISIONS

1.1. The General Terms and Conditions of the Contract of Sale (hereinafter the General Terms and Conditions) shall establish the conditions of sale between the Seller and the Buyer regarding the Contract of Sale concluded by the Parties. In addition to the General Terms and Conditions, the following parts are integral to the Contract of Sale:

1.1.1. A contract in which the Parties determine the item (hereinafter Goods) sold by the Seller, characteristic required for it, quality indicators, conditions of price, implementation of deposit, delivery of Goods, contact persons of the Parties and any other conditions which are deemed important by the Parties.

1.1.2. Other documents related to the Contract of Sale between the Parties and documents (annexes) added to the contract. All amendments made to the Contract of Sale and acts signed by the Parties during the performance of the contract shall become annexes.

1.2. The contract, its General Terms and annexes shall hereinafter jointly be referred to as the Contract of Sale.

1.3. In the case that the provisions of the Contract of Sale contradict one another, the Parties shall follow the order of implementation of the documents set forth in the contract.

2. GOODS

2.1. The Buyer shall only have the obligation to accept and pay for the Goods which comply with the conditions of the Contract of Sale.

2.1.1. The Goods shall be deemed as compliant with the conditions of the Contract of Sale if they comply with the conditions required in the Contract of Sale or their

characteristics, quality and quantity. The Goods have to comply with the quality requirements set for the respective type of Goods. To the extent that the quality of the Goods is unregulated by the standards of the contract or other relevant standards, the Goods have to at least be of average quality.

2.1.2. In the case that there have been multiple other relevant standards issued regarding the Goods, it is presumed that the Goods are compliant with the highest standards of quality requirements, unless provided otherwise by the Contract.

2.1.3. An integral part of the Goods is any documentation which is necessary for the possession or use of the Goods or which proves the compliance of the Goods with the quality requirements (including quality certificates and CE marking).

2.2. The Goods shall be deemed non-compliant with the conditions of the contract in the case that they do not comply with the characteristics described in clause 2.1 regarding characteristics, quality or composition. Inter alia, the Parties shall deem the Goods non-compliant with the conditions of the contract in the case if:

2.2.1. they cannot be used for the purpose applied by the Buyer or for the achievement of the set target task, or;

2.2.2. any third parties have claims or other rights regarding the Work.

2.3. In the case of detecting non-compliance, the Buyer shall immediately notify the Seller. In the notice transferred to the Seller, the Buyer shall refer to the requirements that the Goods do not comply with and to what extent.

2.3.1. In the case of refusal to accept the Goods that are non-compliant with the conditions of the Contract of Sale, the Buyer shall determine a deadline for the Seller to

remedy the deficiencies of the Goods.

2.3.2. Refusal to accept Goods or setting a deadline for the remedy of deficiencies does not halt or extend the consideration of delivery deadlines in clause 3 of the General Terms and Conditions.

2.4. If the Seller does not remedy the deficiencies of the Goods pursuant to clause 2.3.1 of the General Terms and Conditions within the set deadline, the Buyer has the right to remedy the deficiencies themselves or let third parties remedy the deficiencies at the expense of the Sellers and/or reduce the remuneration paid to the Seller in the amount of the expenses incurred for the remedy of deficiencies.

2.5. The acceptance of Goods does not release the Seller from the obligations arising from the Contract of Sale, or the liabilities related to the compliance of the Goods with the Contract of Sale.

3. DELIVERY AND RECEIPT OF THE GOODS

3.1. The seller provides the Goods for the buyer by the date set in the contract at the latest. In order to deliver the Goods, the Seller shall deliver the Goods to the address specified in the Contract (hereinafter delivery) unless the Parties have agreed otherwise. The Parties can agree to partial delivery.

3.2. When delivering the Goods before the deadline set in the Contract, the Seller shall notify the Buyer of the precise delivery day in writing seven (7) days before the day of planned delivery and receipt at the latest.

3.3. In the case that the gross weight of the Goods is more than five thousand (5,000) kilograms, the Seller shall deliver the Goods to the Buyer on a trailer with top loading or on a load, unless the Parties have agreed otherwise.

3.4. In the case that the Contract of Sale has not determined the delivery conditions, the Parties shall deem DPD (Incoterms 2010) as applicable delivery conditions.

3.5. The Parties shall conduct an instrument of delivery and receipt or a delivery note about the proper delivery of Goods in compliance with the conditions of the Contract of Sale, which shall be signed by the authorised representatives of both Parties.

3.6. The Parties have agreed that the

risk of accidental destruction and damage of the Goods shall be transferred by the Seller to the Buyer at the moment the Buyer signs the instrument of delivery and receipt of the Goods.

3.7. In the case that the Seller delivers the Goods to the Buyer partially, the obligation of delivery of the Goods is deemed as fulfilled and the risk described in clause 3.6 is only transferred to the extent of the delivered Goods.

4. SALES PRICE AND TERMS OF PAYMENT

4.1. The Buyer shall pay remuneration to the Seller in compliance with the conditions of the Contract of Sale, and for properly delivered Goods pursuant to the Contract.

4.2. The Parties have agreed that the cost of Goods includes all expenses related to the performance of the Contract of Sale, inter alia, cost and certification of Goods, transportation, delivery and costs related to the fulfilment of the warranty obligation, unless otherwise provided by the Contract of Sale.

4.2.1. In cases and to the extent set by law, VAT is added to the cost of the Goods.

4.3. The buyer shall pay the Seller according to the invoice submitted by the Seller.

4.3.1. The Seller shall submit an invoice for the Goods by the fifth (5th) date of the month following the delivery of Goods at the latest.

4.3.2. The submitted invoice shall comply with the requirements arising from legislation. The invoice shall include the number of the Contract of Sale, the contact person of the Buyer, description of the delivered Goods and a reference to the instrument of delivery and receipt proving the delivery of the Goods.

4.4. If there is no different agreement between the Parties, the following payment deadlines for the invoices of the Seller shall apply:

4.4.1. If the total cost of the Contract of Sale is over two hundred and fifty thousand (250,000) euros, the payment deadline is forty-five (45) calendar days from the receipt of the respective invoice.

4.4.2. If the total cost of the Contract of Sale is below two hundred and fifty thousand (250,000) euros, the payment deadline is

thirty-five (35) calendar days from the receipt of the respective invoice.

4.4.3. In the case that the Seller has joined the key supplier factoring programme of the Eesti Energia Group (information: <https://www8.energia.ee/public/ee043.nsf/WebiOmaKJP?OpenFrameSet>), the payment deadline for the invoice is ninety-five (95) calendar days, regardless of the cost of the Contract of Sale, from the receipt of the respective invoice.

4.5. The invoice shall be deemed paid if the specified amount of money has been delivered to the account specified in the contract.

4.6. When setting the deadlines, VAT is not included in the total cost of the Contract of Sale according to clause 4.4.

5. WARRANTY

5.1. The Seller ensures the compliance of the Goods with the conditions of the Contract of Sale within the determined warranty period.

5.1.1. The warranty shall be provided for a period of twenty-four (24) months starting from the signing of the instrument of delivery and receipt, unless provided otherwise in the procurement document.

5.2. In the case that the Parties have agreed on partial delivery of the Goods, the warranty period of the Goods shall begin from the signing of the instrument of delivery and receipt regarding the last part of the Goods.

5.3. The Seller is obliged, at the request of the Buyer, to repair any deficiencies occurring during the warranty period at their own expense.

5.4. The Seller fulfils the obligation set in clause 5.3 pursuant to the respective notice of the Buyer.

5.4.1. Pursuant to clause 5.3, the Seller is obliged to fulfil their obligation within seventy-two (72) hours after receipt of the corresponding notice from the Buyer. The Parties can agree on an extended deadline in the case that it is necessary due to the delivery time of the substitute Goods or the spare parts necessary for remedying the deficiencies.

5.4.2. Additionally, the Seller is obliged to respond to the claims regarding deficient Goods within twenty-four (24) hours after receiving a respective notice from the Buyer

and agree on the precise order for the performance of warranty repair works.

5.5. The Parties shall sign a respective instrument of delivery and receipt during the delivery of the repaired or replaced Goods.

5.6. The warranty period agreed upon in the Contract of Sale is extended for the time the Seller takes to remedy the deficiencies.

5.7. The Seller shall be exempt from the obligations stipulated in clause 5.3 of the General Terms and Conditions, if the Seller provides evidence that the deficiencies of the Goods have been caused by the Buyer as a result of reckless or deliberate activity and/or non-activity. In particular, the Parties shall deem such activities and/or non-activities as a breach of exploitation of the Goods.

5.7.1. In the case set in clause 5.7 of the General Terms and Conditions, the Seller has the right to perform the necessary warranty repair works at the expense of the Buyer, if the Buyer has consented to it.

5.7.2. In the case that after the performance of the warranty repair works, it becomes evident that the Seller did not have a warranty obligation pursuant to clause 5.7 of the General Terms and Conditions, the Seller has the right to demand compensation for the expenses related to the warranty repair works from the Buyer.

5.8. In the case that the manufacturer warranty of the Goods does not comply with the requirements set in the General Terms and Conditions, the Seller shall be obliged to ensure the existence of a warranty in compliance with the requirements of the Contract of Sale. The Parties shall consider that whatever expenses occur due to the additional warranty are calculated within the cost of Goods.

5.9. The Buyer shall add, in addition to the components required by law, the number of the Contract of Sale into the contract.

6. LIABILITY

6.1. A Party shall be liable for the failure to fulfil or appropriately fulfil the obligations arising from the Contract of Sale or the law and to the extent of the Contract and the law.

6.2. If the Seller delays with the delivery of Goods by the agreed term or the performance of warranty repair works stipulated in clause 5, the Buyer shall have the right to demand a contractual penalty in the amount of:

6.2.1. zero point five per cent (0.5%) of the price of the Goods per each day of delay of delivery, if the cost of the Goods is up to EUR 25,000. Pursuant to this clause, the required amount of the contractual penalty, cannot be more than twenty (20%) of the cost of the Goods.

6.2.2. zero point five per cent (0.2%) of the price of the Goods per each day of delay of delivery, if the cost of the Goods is up to EUR 25,000, but below EUR 250,000. Pursuant to this clause, the required amount of the contractual penalty, cannot be more than fifteen per cent (15%) of the cost of the Goods.

6.2.3. zero point five per cent (0.1%) of the price of the Goods per each day of delay of delivery, if the cost of the Goods is more than EUR 250,000. Pursuant to this clause, the required amount of the contractual penalty, cannot be more than ten per cent (10%) of the cost of the Goods.

6.3. In the case of delaying the fulfilment of payment obligations arising from clauses 4.1 or 6.5.1, the Party shall have the right to demand compensatory interest from the other party in the amount of:

6.3.1. zero point five per cent (0.5%) of the price of the amount owed per each day of delay, if the cost of the Goods is up to EUR 25,000. Therewith, the required amount of the contractual penalty cannot be more than twenty (20%) of the cost of the Goods.

6.3.2. zero point five per cent (0.2%) of the price of the amount owed per each day of delay, if the cost of the Goods is over EUR 25,000 but below EUR 250,000. Therewith, the required amount of the contractual penalty cannot be more than fifteen (15%) of the cost of the Goods.

6.3.3. zero point five per cent (0.1%) of the price of the amount owned per each day of delay, if the cost of the Goods is over EUR 250,000. Therewith, the required amount of the contractual penalty cannot be more than ten (10%) of the cost of the Goods.

6.4. The Buyer shall have the right to clear the remuneration paid for the Goods from the Seller with the required contractual penalty, pursuant to clause 6.2 of the contract. The Buyer shall notify the Seller about the clearance of the contractual penalty in a form that can be reproduced in writing.

6.5. In the case that the Seller violates the obligations arising from clause 5.4 of the contract, the Buyer has the right to perform the necessary warranty repair works at the expense of the Seller.

6.5.1. In the case of removing the deficiencies in the way set in clause 6.5, the Seller shall compensate the Buyer for the expenses related to remedying the deficiencies within ten (10) days after the receipt of the respective notice from the Seller.

6.6. The Buyer shall have the right to cancel the contract extraordinarily if the Seller violates the obligations arising from the Contract of Sale substantially. Inter alia, the following aspects are deemed as a substantial breach of the Contract of Sale:

6.6.1. deliberately submitting disinformation to the Buyer;

6.6.2. any deliberate violation of the obligations arising from the Contract of Sale or the law;

6.6.3. unfounded refusal to fulfil the contractual obligations;

6.6.4. the delay of performance of warranty repair works for more than one (1) month.

6.7. The Party, whose actions in the performance of the obligations arising from the Contract of Sale are hindered by unforeseen circumstances, is obliged to immediately inform the other Party thereof, ensuring the use of the fastest means of communication while additionally posting the notice by registered mail.

6.8. In the calculation of the contractual penalty, VAT is not included in the cost of Goods.

7. CONFIDENTIALITY

7.1. Information that becomes known to the Parties during the performance of the contract is confidential. The Parties undertake not to disclose confidential information to third parties which become known to them during the performance of the contract (confidential information).

7.1.1. The disclosure of confidential information is only permitted with the consent of the Parties or in the case that the information is disclosed to the auditors, lawyers and banks of the Party or in other cases if the disclosure of the confidential information or the obligation of disclosure

arises from legislation valid in the Republic of Estonia.

7.1.2. In the case that the Parties have concluded other confidentiality agreements in addition to the Contract of Sale, the Parties shall follow the agreement which has the strictest conditions.

7.1.3. The confidentiality obligation set forth in this chapter is valid during the term of the Contract of Sale and for five years after its termination on whatever grounds.

7.1.4. In the case that the Seller violates the confidentiality obligation arising from this chapter, the Buyer has the right to demand a contractual penalty in an amount which corresponds to twenty per cent (20%) of the cost of the Goods.

7.1.4.1. In the case that the contractual penalty set forth in clause 7.1.4 does not cover the actual damage, the Buyer has the right to demand compensation in an amount exceeding the contractual penalty.

7.1.5. The Parties shall not deem information which is legally available from other resources as confidential.

8. INTELLECTUAL PROPERTY

8.1. The Goods or a part thereof, including the documents that are the subject matter of the Goods and protected by copyright, shall also be deemed to be a contract of copyright.

8.2. In the case that the Parties have not agreed otherwise, the Seller shall provide the Buyer with an irrevocable, transferable exclusive licence with sublicensing rights valid for the entire period of copyright validity that is not spatially limited (including the internet environment). Therein, the Seller shall surrender all rights of property related to the copyright of the Goods in this contract with the conclusion of the Contract of Sale.

8.2.1. The licence described in clause 8.2 of the General Terms and Conditions is deemed accepted with the signing of the instrument of delivery and receipt. In the case that the Party cancels the Contract of Sale, the rights described in clause 8.1 and the licence to the Buyers is deemed as delivered from the moment of the submission of cancellation.

8.3. The Parties have agreed that the remuneration paid to the Seller pursuant to clause 4 under the Contract of Sale shall be

deemed to include a royalty payment for the purposes of the Copyright Act.

9. COMMUNICATION AND NOTICES

9.1. The Parties shall transfer notices related to the Contract of Sale through the contact persons specified in the Contract.

9.2. In the case that the transferable notice is only of an informative nature and does not include legal consequences, the transfer of notices is permitted in a form that can be reproduced in writing.

9.3. In the case that the notice can have legal consequences, the transfer of notices is only permitted in written form, with a registered letter. A Party shall notify the other Party about the wish to amend the contract, cancel the contract or apply legal measures, in writing. A digitally signed document by the Parties is deemed equal to the written form of the contract.

9.3.1. When notices are submitted in a digitally signed form, they are deemed as received after three days from their transfer via e-mail or on the day the Buyer confirmed the receipt of the email.

9.3.2. A party shall immediately notify the other Party about the amendment of the contact persons specified in the contract.

10. FINAL PROVISIONS

10.1. The Contract of Sale shall enter into force upon its signing by the Parties and shall remain in force until the complete fulfilment of the contractual obligations.

10.2. The Contract may only be amended by agreement of the Parties. The amendment of contact data and persons shall not be deemed as an amendment of the Contract.

10.3. Any disputes arising from the Contract of Sale shall be solved by the Parties by way of negotiation. If the dispute cannot be solved by way of negotiation, the dispute shall be settled in court at the location of the Buyer, arising from the Contract and the applicable laws of the Republic of Estonia.

10.4. The Seller shall be obliged to follow the requirements which arise from the requirements of Occupational Health and Safety for the contractual partners of Eesti Energia and the ethical requirements for the contractual partners of Eesti Energia.

11. E-MAIL ADDRESSES FOR INVOICING

No.	NAME OF BUYER	REGISTRY CODE	E-MAIL ADDRESS FOR INVOICES
1.	Enefit Solutions AS	10633284	ESinvoices@enefit.com
2.	Enefit Kaevandused AS	10032389	enefit.kaevandused@e-arvetekeskus.eu
3.	Enefit Energiatootmine AS	10579981	narva.invoices@energia.ee
4.	Narva Soojusvõrk AS	10549419	narva.invoices@energia.ee
5.	Eesti Energia AS	10421629	eesti.energia@e-arvetekeskus.eu
6.	Enefit Green AS	11184032	enefitgreen@e-arvetekeskus.eu

12. OVERVIEW OF THE TERMS OF PAYMENT

ESTIMATED COST OF THE CONTRACT OF SALE	DEADLINE FOR PAYMENT
Estimated cost of the Contract of Sale equals or exceeds EUR 250,000	95 calendar days with factoring option or 45 calendar days without factoring option
Estimated cost of the Contract of Sale is below EUR 250,000	95 calendar days with factoring option or 35 calendar days without factoring option

*cost w/o VAT

13. OVERVIEW OF CONTRACTUAL PENALTIES UPON A FAILURE TO APPROPRIATELY ADHERE TO THE TERMS OF DELIVERY

	COST OF GOODS	RATE OF THE FINE FOR DELAY	LIMIT OF LIABILITY	
The Buyer's right to demand a contractual penalty upon the Seller's failure to appropriately adhere to the terms of delivery of the Goods	up to EUR 25,000	0.5% per day	20%	The Seller's right to demand a contractual penalty upon the Buyer's failure to appropriately fulfil the payment obligation
	over EUR 25,000 up to EUR 250,000	0.2% per day	15%	
	over EUR 250,000	0.1% per day	10%	

* cost w/o VAT