


OÜ TARMETEC GENERAL SALES CONDITIONS

1. MAIN DEFINITIONS

- 1.1. **General Conditions** — the conditions laid down herein which form an integral part of the Contract.
- 1.2. **Contract** — the document named *Sales Contract* entered into between the Buyer and the Seller together with the General Conditions (hereinafter referred to as the “Contract”). In the framework of the Contract, the Buyer buys, and the Seller sells Products each time upon exchanging the Order and Order Confirmation.
- 1.3. **Request for Quote** — the Buyer’s request in which they submit to the Seller all the important data based on which the Seller could prepare an offer to the Buyer regarding the cost and conditions of manufacturing Products or services.
- 1.4. **Price Quote** — detailed information submitted by the Seller to the Buyer regarding the conditions with which the Seller agrees to fulfil the Buyer’s order.
- 1.5. **Order** — declaration of intention submitted by the Buyer for acquiring a Product under the Seller’s Price Quote.
- 1.6. **Order Confirmation** — written Order confirmation provided by the Seller under the Contract which expresses the acceptance to accept and perform the Order.
- 1.7. **Product** — vehicle accessories, medical equipment, machines used by the food industry, or other things sold by the Seller to the Buyer under the Contract. In the General Conditions and Contract, the term *Product* denotes either singular or plural depending on the context.
- 1.8. **Buyer** — the person laid down as the buyer in the Contract who may be an enterprise operating in the business lines of the Seller.
- 1.9. **Seller** — the seller laid down in the Contract is OÜ Tarmetec whose business lines are manufacturing of medical equipment and machines used by the food industry, manufacturing of motor vehicle accessories and manufacturing of commercial vehicles and their parts.
- 1.10. **Trade Mark** — the Seller owns an Estonian and European Union trade mark  , which is a figurative mark containing a word element.
- 1.11. **Guarantee** — the Seller’s obligation to replace or repair a Product within the period laid down in the Contract.
- 1.12. **Confidential Information** — any information, knowledge, or data (including corporate and technical) in any form which the disclosing Party may reasonably want to keep confidential or the confidentiality of which has been expressly conveyed by the disclosing Party.

2. REQUEST FOR QUOTE AND PRICE QUOTE

- 2.1. The Buyer may submit an Order based on the price list (“**Price List**”) and product description disclosed by the Seller.

- 2.2. In case the Product is manufactured entirely based on the Buyer's instructions, the Buyer is obligated to first submit to the Seller in the framework of a written "**Request for Quote**" all the important conditions of the Product (incl. conditions regarding the intended use and required guarantee by the Buyer) upon which the Product manufacturing process may depend.
- 2.3. In case the Buyer submits the requirements necessary for manufacturing the Product as technical drawings and drawings in several different file formats have been issued regarding the Product, it shall be deemed that the drawings in vector format (dxf, stp) are valid. In case the Buyer submits the documents necessary for manufacturing the Product both on paper and in a digital form, information received in the digital form shall be deemed to be correct. In the case of contradictions between the drawings and standards referred to in the drawings, the information stated in the drawings shall be deemed to be correct.
- 2.4. The Seller shall review the Request for Quote and prepare a quote regarding the Product, things related to the Product, and delivery terms thereof ("**Price Quote**") to the Buyer based on the Request for Quote.

3. PRODUCT PRICE AND VALIDITY OF PRICES

- 3.1. The Product is sold at the agreed price. In the cases provided by law, value added tax shall be added to the Product price.
- 3.2. The Price Quote shall set out the validity term of the quote, validity term of prices and the quantity regarding which the indicated price is valid. If there is a desire to enter into price agreements for longer terms, additional agreements shall be entered into.
- 3.3. In case application of the Seller's Price List is prescribed, the price set out in the Seller's Price List shall apply. The Product Price List is disclosed in the Seller's online environment.
- 3.4. The Seller has the right to unilaterally amend the Price List without prior notification of the Buyer thereof. The Price List valid at the time of making the Order applies to the Buyer.

4. ORDER AND ORDER CONFIRMATION

- 4.1. In the case of a desire to order a Product, the Buyer must submit an Order either in the Seller's online environment or separately at least via e-mail. The Order must unambiguously indicate the Buyer's acceptance of the Seller's Price Quote regarding all its important clauses (sales price, ordered quantity, delivery date, delivery terms, payment terms). In case the Order submitted by the Buyer differs from the Seller's Price Quote or Price List, the Seller is not obligated to confirm and fulfil the Order.
- 4.2. Upon acceptance of the Order, the Seller provides the Buyer with an Order Confirmation. The Order Confirmation is provided in the Seller's online environment or separately via e-mail.
- 4.3. The Order Confirmation which contains insignificant changes in comparison to the Order, shall be deemed to be valid by the Parties if within the 2 (two) working days following the sending of the Order Confirmation, the Buyer does not inform that they do not accept the Order Confirmation. After the said period, the Buyer has the right to

revoke the Order only upon the Seller's consent. Upon the validity of the Order Confirmation which contains insignificant changes, the Seller shall deliver the Product in accordance with the Order Confirmation. Insignificant changes include, *inter alia*, extending the delivery date of the Product up to 1 (one) week from the delivery date indicated in the Price Quote and Order.

- 4.4. The Seller shall deliver the Product during the term indicated in the Price Quote if the Buyer orders the Product before the expiry of the validity term of the offer indicated in the Price Quote. Otherwise, the Seller has the right to prepare a new Price Quote.
- 4.5. In any case, silence or inactivity of the Seller regarding a condition or agreement shall not be considered as granting an Order Confirmation or accepting any other declaration of intention or proposal of the Buyer.

5. DELIVERY OF PRODUCT AND DELIVERY CHANGES

- 5.1. Upon the handover (delivery) of the Product, conditions of *Incoterms – FCA* are applied. The Product is handed over to the Buyer in Tartu at 6, Ringtee Street. If necessary, the Seller shall ensure free of charge loading of the Product on the Buyer's means of transport on working days from 8:00 to 16:00.
- 5.2. The Buyer has the right to forgo the Order if the Seller extends the delivery date by more than 1 (one) month.
- 5.3. If the manufacturing of a Product or product samples is dependent on any advance payments (incl. manufacturing of tools, product development costs, or the like) and a separate fee regarding those has been agreed upon, the calculation of the delivery date shall commence from the moment when the first timely payment is accrued on the Seller's bank account. In case the Buyer delays payment of the aforesaid fee, the Seller has the right to unilaterally change the delivery date (incl. by more than the duration of the delay) or forgo fulfilment of the Order.
- 5.4. In case, after Order Confirmation, the Buyer wants to make changes or additions to the Product, the Parties shall agree on this separately at least in a format which can be reproduced in writing (e.g., e-mail). Upon receipt of an amendment proposal, the manufacturing of the Product is suspended and, therefore, the delivery date may be extended (incl. by more than the duration of the negotiation period) irrespective of whether the amendment is entered into or not. The said agreement must include, *inter alia*, the effect of the changes or additions requested by the Buyer on the price and delivery terms of the Product. Without the said agreement, the Seller shall deliver the Product in accordance with the previously submitted Order Confirmation and the Buyer shall pay for it.
- 5.5. The Seller has a unilateral and unlimited right to change their Product selection, incl. to stop manufacturing a Product, change the packaging of a Product, or stop packing a Product in a certain packaging. If the Seller uses the said right regarding a Product included in a confirmed Order, the Seller undertakes to immediately inform the Buyer thereof only if the respective change results in a functional, visual, or price change.
- 5.6. The Seller has the right not to hand over the new Product to the Buyer if, with the preparation of the accompanying sales invoice, the credit amount agreed in the Contract (i.e., the amount of outstanding invoices) is exceeded. The Seller is also entitled not to

accept new Orders of the Buyer if there are invoices which the Buyer has failed to pay to the Seller by the deadline or the Buyer's credit limit has been exceeded by the time of submitting the Order.

6. PAYMENT AND INCREMENTAL COSTS

- 6.1. The Buyer shall pay for the Product with advance payment before commencement of the manufacturing of the Product or before delivery of the Product, depending on the provisions of the Price Quote.
- 6.2. Unless the Parties have agreed otherwise in the Contract, the Buyer shall pay the packaging and other costs related to the handling, transportation, etc. of the Product together with making a payment for the Product. The Seller shall reflect the said costs on separate lines on the invoice submitted to the Buyer. *Inter alia*, the Buyer is obligated to pay the potential customs expenses of the Product, irrespective of whether they are reflected in the Price Quote or on the invoice. At the Buyer's request, the Seller undertakes to buy back standard and reusable packaging materials at the sales price at the Seller's location.
- 6.3. In the event of delay with the payment of amounts payable by the Buyer, the Seller has the right to demand a penalty for late payment of 0.25% (zero point twenty-five per cent) per calendar day from the outstanding amount until full payment of the indebtedness. From the amounts paid by the Buyer, the Seller has the right to first cover the costs, then cover interest on arrears which has fallen due and finally, cover the principal obligation.
- 6.4. The Parties have agreed that they shall apply a prohibition on set-off in their relations, which means that the Parties may not set off reciprocal financial claims.

7. PRODUCT COMPLIANCE AND GUARANTEE

- 7.1. The Product must meet the Product compliance and guarantee conditions established in the Annex *Conditions of Seller's Liability* of the General Sales Conditions.
- 7.2. The Seller grants a guarantee to the Product based on which, the Seller undertakes to repair, at their own cost, the defects revealed on the Product during the period of the guarantee. The more specific regulation has been laid down in the Conditions of Seller's Liability.
- 7.3. The provisions of this chapter do not apply to the Products if the Product is fully manufactured based on the Buyer's instructions. In such a case, the Product compliance and guarantee conditions are laid down separately in an Annex to the Contract. In the absence of an additional agreement, the Seller shall not be liable for and shall not grant a guarantee to the Product manufactured based on the Buyer's instructions.

8. RESERVATION OF OWNERSHIP

- 8.1. The Seller shall keep the ownership of the Product until receipt of full payment for the Product.
- 8.2. In case the Product is connected, mixed, etc. with things that are not in the ownership of the Seller, the Seller shall obtain common ownership of the new thing until payment of the Product price in full.

9. INTELLECTUAL PROPERTY

- 9.1. All intellectual property rights (incl. copyright, industrial design, utility model, rights related to copyright and any other similar intellectual property rights or intellectual property rights related to the aforesaid) over the Seller's Product belong to the Seller, amendment or addition of the Seller's Product by the Buyer in any manner whatsoever does not create to the Buyer (incl. its employees and any other third party cooperation and contracting parties) intellectual property rights or any other rights of claim against the Seller, incl. the right to the Seller's intellectual property, or the like.
- 9.2. If the Buyer wishes to use the Seller's name, domain name, or Trade Mark for business purposes (advertising, financial institutions), the content thereof must be coordinated with the Seller beforehand.

10. SELLER'S LIABILITY AND RESTRICTIONS RELATED THERETO

- 10.1. The Seller is only liable for certified direct patrimonial damage caused to the Buyer by non-performance of the Contract and the financial extent of the Seller's maximum liability shall not exceed the cost of the unsatisfactory Product.
- 10.2. *Inter alia*, the Seller shall not be liable in the following cases (except in the case of intent and gross negligence):
- 10.2.1. for patrimonial or non-patrimonial damage caused to third parties by an unsatisfactory Product;
- 10.2.2. for non-conformity if this may have been caused by further handling (incl. connecting with permanent joints) or treatment (incl. changes in the shape, colouring) of the Product delivered by the Seller by the Buyer;
- 10.2.3. for non-conformity if as a result of the handling or treatment of the Product by the Buyer, the Product cannot be returned to the Seller in its original form, i.e., in the form that it had during the delivery (incl. the Product has been irreversibly connected, reprocessed, coloured, or the like);
- 10.2.4. for damage caused by the undue use or handling of the Product or use or handling of the Product in a manner other than its intended purpose or in a manner which is not in compliance with its operating instructions;
- 10.2.5. for costs incurred by the Buyer regarding a Product that is manifestly non-conforming.
- 10.3. The Seller has entered into liability insurance to cover costs of third parties arising from the non-conformity of the Product in cases where those costs are covered by the manufacturer's liability.

11. INFORMING OF DEFECTS

- 11.1. The more specific conditions regarding informing of Product defects have been laid down in the Annex *Conditions of Seller's Liability* of the Contract.
- 11.2. Regarding non-conformity of the quantity of the Product, the Buyer must inform the Seller immediately after receipt of the Product and a corresponding notation must be made in the delivery note. The Buyer must also check the integrity of the Product

packaging before acceptance of the Product. Visible damage on the Product packaging must be documented by a photo or video and the respective notation must be made in the delivery note of the goods. Upon failure to fulfil the aforesaid conditions, the Buyer loses the right to demand the elimination of defects.

- 11.3. After delivery, the Buyer is obligated to examine the Product with the thoroughness required. The Buyer is obligated to inform the Seller of Product defects in writing immediately after the discovery of the defect. In case the Buyer does not inform the Seller of the Product defect within 6 (six) months after delivery of the Product, it is deemed that a compliant Product was delivered to the Buyer. The Buyer is obligated to examine the Product before handling the Product (*inter alia*, before entry into service, reselling, assembling).
- 11.4. In case a Product defect is discovered, the Buyer must inform the Seller via the homepage or by contacting the Seller's customer relationship manager. Upon informing of a defect, the Buyer must precisely describe and submit to the Seller sufficient evidence based on which the Product defect and its root cause could be unambiguously identified. Upon the request of the Seller, the Buyer must return the defective Product.
- 11.5. Informing of a defect does not grant the Buyer the right to not pay for the delivered Product by the prescribed term or to make unilateral deductions from or set-offs against the cost of the Product. Submission of a complaint does not grant the Buyer the right to not pay for any other delivered Product either.
- 11.6. The Seller has the right to decide whether they will repair or replace the non-conforming Product. All costs which the Buyer wishes to make in its own right for eliminating the non-conformity of the delivered Product and reimbursement of which the Buyer claims from the Seller must be coordinated with the Seller beforehand in writing. Costs which are not coordinated beforehand shall not be subject to reimbursement.
- 11.7. The Seller undertakes to replace or repair and then return the Product at the location of the delivery of the Product. Upon replacement of the Product, the replaced Product must be returned to the Seller.

12. FORCE MAJEURE

- 12.1. Non-performance or unsatisfactory performance of obligations under the Contract is not deemed to be a breach of the Contract if this is caused by circumstances which the Parties could not affect, could not and did not have to foresee or avoid (e.g., labour strike, pandemic, established economic sanctions, emergency situation established by the state, etc.) ("**Force Majeure**").
- 12.2. Irrespective of the Force Majeure situation, the Parties are obligated to take reasonable measures to avoid and reduce the damage that may be caused. The Party whose performance of a contractual obligation is hindered by Force Majeure is obligated to immediately inform the other Party thereof.

13. CONFIDENTIALITY

- 13.1. The Parties shall not disclose confidential information to third parties and the public without the prior written consent of the other Party.

- 13.2. The Parties shall use confidential information only for the performance of the Contract and disclose confidential information to their employees and contractors strictly on a need-to-know basis by applying confidentiality obligations equal to those of this Contract. The Parties may disclose confidential information to their legal counsels, auditors, accountants, and banks to the extent to which it is necessary for the performance of their obligations to the recipient party, provided that they have a confidentiality obligation arising from the law or the Contract, or to third parties if it is necessary for the protection of the rights of the recipient Party, provided that the third parties have a confidentiality obligation arising from the law or contract.
- 13.3. The confidentiality obligation is valid without a term.
- 13.4. Upon violation of the obligations laid down in this clause, the Seller has the right to claim contractual penalty which corresponds to 5% (five per cent) of the supply of the Contract between the Parties, but not less than EUR 1,000 (thousand) per each violation. The contractual penalty is aimed at compulsory performance of the obligation, not at the replacement of the performance of the obligation or reduction of the obligation to compensate for damage. In addition to the contractual penalty, the Seller has the right to demand performance of the obligation and compensation for damage. The Parties have agreed that the respective contractual penalty amount is reasonable.

14. SETTLEMENT OF DISPUTES

- 14.1. All disputes and disagreements between the Parties are settled by agreement through negotiation between the Parties. In case an agreement is not reached, disputes arising from the Contract are settled in Tartu County Court (in Estonian *Tartu Maakohus*).
- 14.2. This Contract is governed by Estonian law and all disputes are settled in the Estonian language. Hereunder, the Parties preclude application of the provisions of UN 1980's convention *United Nations Convention on Contracts for the International Sale of Goods* to the Contract.

15. VALIDITY OF GENERAL CONDITIONS AND ASSIGNMENT OF CLAIMS

- 15.1. With the signing of the Contract, these General Conditions are deemed to be accepted by the Parties.
- 15.2. The Seller may unilaterally amend the General Conditions by informing the Buyer thereof via e-mail or ordering environment. The Buyer has the right to terminate the Contract after amendment of the General Conditions. The wording preceding the amendment of the General Conditions shall apply to all Products that were ordered before the amendment of the General Conditions. In case the Buyer submits the Order after amendment of the General Conditions, it is deemed that the Buyer has accepted the amended General Conditions.
- 15.3. If the Buyer has informed about their representative(s) who is (are) entitled to submit Orders to the Seller in the name of the Buyer, the powers of that (those) person(s) are valid to the Seller until the Buyer informs about the expiry of powers. In case the Seller has handed over to the representative of the Buyer, under a written agreement, passwords that enable submission of Orders in the online environment, they shall be valid until the Buyer informs of the expiry of the respective powers.

- 15.4. Expiry of the Contract under any bases whatsoever shall not release the Parties from the performance of obligations which, according to the Contract, are valid even after the expiry of the Contract.
- 15.5. Assignment of any rights of the Buyer arising from the contractual relationship between the Parties to third parties is allowed only with the written consent of the Seller. In case the Buyer assigns a contractual claim owned by the Buyer to a third party without the Seller's written consent, the Seller has the right to demand from the Buyer contractual penalty to the extent of 25% (twenty-five per cent) of the amount of the assigned claim. The Seller has the right to set off the respective contractual penalty against the assigned claim.
- 15.6. Upon assignment of any Buyer's rights and obligations arising from the contractual relationship between the Parties, upon transfer of rights and obligations to third parties and significant changes in the Buyer's ownership structure, the Seller has the right to terminate the Contract. The Buyer is obligated to immediately inform the Seller of the aforesaid changes.