

PROVENTIA LTD.'S GENERAL TERMS AND CONDITIONS OF SALE

1. SCOPE OF THE TERMS AND CONDITIONS

1.1. Proventia Ltd. (hereinafter the "Seller") applies these general terms and conditions to the sale of all products and services in both the Retrofit –business (retrofit emission control systems installed in vehicles) and the OEM business (complete overall emission control solution contract designs, manufacture and integration for engine manufacturers and for other vehicle manufacturers).

1.2. The terms and conditions shall apply unless specifically agreed otherwise in writing. In case there are any special terms and conditions in the Seller's quotation(s) or in the product manuals or maintenance manuals for the products, such terms and conditions shall be applied along with these general terms and conditions.

1.3. Any and all terms, conditions, reservations, or clauses contained in the Buyer's purchase orders, or other documentation related to the purchase of the Seller's products and/or services, and which are in conflict with these terms and conditions, or which are additional to the Seller's conditions, are void and null and not binding on the Seller.

1.4. In case of discrepancies, the order of priority shall be: (1) the Seller's order confirmation, (2) the Seller's offer, (3) these general terms and conditions.

1.5. None of the Buyer's terms shall apply. The Seller reserves the right to alter these terms and conditions. The new terms and conditions shall come in force once they are published in the Seller's Internet site. However, the terms and conditions which were in force at the time of the order confirmation shall apply to the order.

2. DELIVERY TERMS

All deliveries shall be FCA, Oulunsalo, Finland, or FCA the Seller's other premises appointed in the order confirmation (INCOTERMS 2010). The transfer of risk shall pass to the Buyer according to the delivery term once the product is handed over to the first carrier.

3. PRICES

All prices are in Euros unless otherwise agreed in writing. Prices quoted are for the product and/or service only, and do not include any amount for freight, insurance, fees, custom duties or Federal, State, Local, or Foreign excise, sales, use, service, occupation, gross income, property, withholding, or similar taxes, all of which are the responsibility of the Buyer.

4. PACKAGING

The Seller will package and prepare the products for shipment in accordance with its normal procedures. If the Buyer requests or requires any additional packaging or preparation other than in conformity with the Seller's normal procedure, the Buyer will pay the costs of such additional packaging or preparation, which will be added to and paid in accordance with the purchase price for the products.

5. PAYMENT TERMS AND TITLE

5.1. The Buyer shall pay the products or services with the payment term thirty (30) days net from the date of the Seller's invoice.

5.2. The Buyer shall pay interest for any late payments. The interest shall be according to the Finnish Interest Act, however the interest shall at all times be at least 12 %.

5.3. The title to the products shall pass once the Buyer has paid the products in full. Until full payment the products are the property of the Seller. The Seller shall not be obliged to deliver any documentation related to the products or services until the purchase price has been paid.

6. DELIVERY TIME

6.1. The delivery time for products and/or services is set forth in the relevant order confirmation. The Seller shall have the right to refrain from delivering the products or performing the services in case the Buyer has not fulfilled its payment or other contractual obligations.

6.2. In case the delivery is delayed due to a Force Majeure event or due to a cause attributable to the Buyer, the Seller has the right to reschedule the delivery date or the date for performing the services.

6.3. The Buyer shall not have the right to cancel any orders unless otherwise agreed in writing.

7. INSPECTION

The Buyer is obliged to inspect the products or the outcome of the service immediately and at the latest within fourteen (14) days after the product or service is handed over to the Buyer. The Buyer shall inform the Seller of possible defects or faults within said time period. If the Seller receives no notification of faults or defects within the time period, the products and/or services shall be deemed accepted.

8. PRODUCT LIABILITY

The Seller shall be liable for any damage to persons or to property according to mandatory product liability legislation. The limitations of liability shall apply to the extent permitted by applicable law.

9. OVERSTOCK AND OBSOLETE MATERIALS

In case the Seller purchases materials, as agreed beforehand with the Buyer, for products to be manufactured to the Buyer and the materials are not used for said products for other reasons than reasons attributable to the Seller, and provided that the Seller cannot use the materials in any other business, the Buyer is obliged to reimburse the Seller for the acquired materials added with a 5 % interest.

10. WARRANTY AND THE SELLER'S LIABILITY FOR DEFECTS

10.1. Warranty and liability for defects in the Retrofit business:

10.1.1. A pre-condition for the warranty is that the Buyer has filled the Seller's Warranty Registration form.

10.1.2. The Seller makes no warranty or is liable for any defects, except as set forth herein.

10.1.3. The Seller warrants that the products delivered hereunder will be in substantial conformity with quotation and will be free from defects in material and workmanship under normal use and operation.

10.1.4. The normal use and operation shall mean the use of products and vehicles, into which the product is installed, in a way they were intended to be used and other than: in abnormal operating conditions (e.g. the longtime use of the vehicle in idling speed or with a light load), in especially risky and dangerous operating conditions (e.g. the use of a vehicle in areas or premises containing dust, gas, or other elements which are prone to explosions or fire), in such a way that (i) all engine services and maintenance have been carried out in accordance with the manufacturer's guidelines and engine out exhaust opacity levels has been maintained within the manufacturer's and local applicable regulation limits and recorded at each service interval, (ii) major events such as engine malfunctions, especially turbo failure have been recorded and the date and vehicle mileage have been recorded in all services, (iii) only ultra-low sulfur diesel (ULSD) fuel with a maximum sulfur content of <10ppm (parts per million) have been used, (iv) no fuel additives have been used and (v) engine oil consumption have been maximum one (1) liter per ten thousand (10.000) kilometers and the engine has never overfilled with oil and (vi) ash content of lubrication oil is <0,9%.

10.1.5. The warranty and the Seller's liability for defects shall be in force for one (1) year from the date of shipment to the Buyer or two thousand (2.000) hours or one hundred fifty thousand (150.000) kilometers normal use and operation of the product, whichever occurs first. The kilometers driven or hours driven at the time of installation shall be recorded and informed to the Seller in order for the Seller to verify the warranty period.

10.1.6. In retrofit NOxBUSTER, system warranty is void if operated without supply of AdBlue® (DIN 70070)/ DEF or without pressurized air for more than 16 consecutive operating hours.

10.1.7. Performance of exhaust gas after-treatment components (DOC/DPF/SCR/etc) is not warranted if any fuel other than sulfur free EN590 or HVO renewable diesel meeting TS15940 technical specification is used. If fuels other than those stated here are used,

components which are not in contact with the fuel or post combustion components of the fuel, will continue to be covered by the normal warranty.

10.1.8. If the product is being used contrary to the aforementioned normal use and operation and documentation, the warranty and the Seller's liability for defects shall not apply. The Buyer shall inform the Seller of a defect, fault or action covered by the warranty within fourteen (14) days from notice of such defect, fault or action. Otherwise the Buyer's rights based on the warranty shall lapse.

10.1.9. The Seller shall fulfill its warranty obligations at the Seller's sole discretion in such a way that the Seller may repair, replace the faulty product with a new product, or reimburse the Buyer for the price invoiced at the time of shipment.

10.1.10. In case the Buyer's warranty claim is groundless, the products will be returned at the Buyer's expense.

10.1.11. The warranty period shall not in any circumstances be extended by the replacement of any defective goods i.e. the replacement goods shall be warranted in terms hereof only for the unexpired period of the warranty applicable to the replaced goods.

10.1.12. The warranty shall not cover situations where the Buyer has used the Seller's products in another vehicle than what was specified at the time the product was sold, or the Buyer has attached equipment to the Seller's product which is not manufactured by the Seller. This warranty shall not apply to any products which have been repaired or altered, except by the Seller, or which shall have been subject to physical or electrical abuse or misuse.

10.1.13. The Seller does not have any liability for defect outside the warranty for faults or defects in products. The limitations of liability (clause 13) shall apply also to the Seller's warranty.

10.1.14. The warranty shall apply also to services to the extent the services have an impact on the functionality of the product(s).

10.2. Warranty in the OEM business:

10.2.1. The warranty terms set forth in clause 10.1 shall apply where appropriate. In addition the following shall apply:

10.2.2. In case the system designed by the Seller is manufactured by a third party other than the Seller or the Seller's subcontractor, the Seller is not responsible for the manufacture or possible defects or faults caused by a third party.

10.2.3. The warranty shall begin once the Buyer has completed the Seller's approved season testing as field test (two systems, minimum 500 hours of usage). Before the tests are completed, the warranty shall not be in force.

11. INTELLECTUAL PROPERTY RIGHTS ("IPR")

11.1. Definition of IPR. IPR shall mean all forms of protection of intellectual property rights provided by then current legislation including patents, utility models, design patents and designs (whether or not capable of registration), chip topography rights and other like protection, copyright, trademark and any other form of statutory protection of any kind, and applications for any of the foregoing respectively as well as any trade secrets and knowhow. Furthermore intellectual property rights shall include models, software, ideas, works, proposals for adjustments, and research results as well as drawings, layouts of products, tooling, and any documents related to the before mentioned.

11.2. IPRs in the Retrofit business. Any and all IPRs shall remain the property of the Seller and no IPRs shall transfer to the Buyer. The Seller has the sole and exclusive right to commercially exploit said IPRs. No exploitation rights or licenses shall be granted unless expressly agreed in writing.

11.3. IPRs in the OEM business. No IPR shall transfer to Buyer unless specifically agreed separately in writing. The aforesaid shall also concern any designs or services ordered and paid by the Buyer. Unless otherwise agreed, in these cases the Buyer shall receive the right to use the ordered design and the application's end result, but the Buyer shall not have the right to manufacture or have manufactured by a third party for commercial purposes any products which are within the scope of the design and the application.

12. FORCE MAJEURE

12.1. The Seller shall not be liable for delays in delivery or failure to manufacture or deliver (a) due to causes beyond the Seller's reasonable control; (b) due to acts of God, acts of the Buyer, acts of civil or military authority, priorities, fires, strikes, floods, epidemics, quarantine, restrictions, war, riot, delays in transportation or car shortages; (c) due to inability due to causes beyond the Seller's reasonable control to obtain necessary labor, materials, components or manufacturing facilities, or accidents to machinery; or (d) due to any other commercial impracticability.

12.2. In the event of such a delay, the delivery date shall be postponed for a period equal to the time lost by reason of such delay. The Seller shall, where feasible, promptly advise the Buyer of the occurrence of such cause of delay, and of its effect upon delivery.

13. LIMITATION OF LIABILITY

13.1. The maximum liability of the Seller shall at all times be limited to the purchase price of the products and/or services (VAT excluded), however a maximum of 200.000 Euros per order.

13.2. The liabilities of the Seller, except for product liability based on mandatory legislation, shall terminate at the latest upon the expiry of the warranty period.

13.3. In no event shall the Seller be liable for any indirect, consequential, incidental, unforeseeable, or special damages of any kind, or for any liquidated damages. Further the Seller shall not be liable for any loss of profit, loss of business revenue, or failure to realize expected savings, which arise out of or in connection with the products or services.

14. IMPORTATION AND EXPORTATION

14.1. The Buyer shall comply with all applicable export control laws and shall not, directly or indirectly export, re-export, resell, ship, or divert any product, material, service, technical data, or software furnished hereunder to any person, entity, project, use, or country, in violation of the laws or licensing requirements of any appropriate national authority.

14.2. The Buyer shall indemnify and hold the Seller harmless from any and all claims, demands, cost, fines, penalties, fees, expenses, or losses arising from the Buyer's failure, intentional or unintentional, to comply with the foregoing paragraph.

15. CONFIDENTIALITY

The Buyer and the Seller agree to keep confidential all information received from one another which have been marked as confidential or which are by the information's nature considered confidential.

16. APPLICABLE LAW AND DISPUTE RESOLUTION

16.1. These general terms and conditions are governed by and construed in accordance with the laws of Finland excluding its choice of law provisions.

16.2. Any and all disputes arising between the Buyer and the Seller shall be settled in arbitration in accordance with the arbitration rules of the Finnish Central Chamber of Commerce by a sole arbitrator. The arbitration proceedings shall be held in Helsinki, Finland in the English language.