



## PROVENTIA LTD.'S GENERAL TERMS AND CONDITIONS OF SALE FOR PROVENTIA TEST SOLUTIONS

### 1. SCOPE OF THE TERMS AND CONDITIONS

1.1. Proventia Ltd. (hereinafter the "Proventia") applies these general terms and conditions to the sale of all products and services related to its Proventia Test Solutions business.

1.2. The terms and conditions shall apply unless specifically agreed otherwise in writing. In case there are any special terms and conditions in Proventia'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 Proventia's products and/or services, and which are in conflict with these terms and conditions, or which are additional to Proventia's conditions, are void and null and not binding on Proventia.

1.4. In case of discrepancies, and unless specifically agreed otherwise, the order of priority shall be: (1) commercial terms in Proventia's order confirmation, (2) commercial terms in Proventia's offer, (3) these general terms and conditions.

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

### 2. DELIVERY TERMS

All deliveries shall be FCA, Oulunsalo, Finland, or FCA Proventia'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

Proventia 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 Proventia'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 Proventia'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 a minimum of 12 % pa.

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 Proventia. Proventia 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. Proventia 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, Proventia has the right to reschedule the delivery date or the date for performing the services.

### 7. CHANGES AND CANCELLATION POLICY

7.1. Proventia reserves the right to make technical modifications (based on considerations relating to product design, manufacturing techniques or technological development). Additional costs caused by changes in design or delivery times will be charged from the Buyer (including but not limited to

storage costs). In case the changes cause additional work, the delivery time shall be extended accordingly.

7.2. The Buyer shall not have the right to cancel or reschedule any orders unless otherwise agreed in writing. In case the parties agree upon a cancellation or rescheduling, the Buyer shall compensate Proventia for any and all costs caused by the rescheduling or cancellation (including but not limited to materials, labor costs and work done). Further, if changes in versions or order cancellations will cause non-marketable and unused Buyer specific materials, those will be charged to the Buyer.

### 8. INSPECTION AND ACCEPTANCE

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 Proventia of possible defects or faults within said time period. If Proventia receives no notification of faults or defects within the time period, the products and/or services shall be deemed accepted. The parties may also agree upon a separate acceptance procedure in which case the terms of the agreed procedure shall prevail.

### 9. PRODUCT LIABILITY

Proventia shall be liable for any damage to persons or to property according to mandatory product liability legislation. The limitations of liability set forth in these terms and conditions shall apply to the extent permitted by applicable law.

### 10. OVERSTOCK AND OBSOLETE MATERIALS

In case Proventia 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 solely attributable to Proventia, and provided that Proventia cannot reasonably use the materials in any other business, the Buyer is obliged to reimburse Proventia for the acquired materials added with a 5 % interest.

### 11. WARRANTY AND PROVENTIA'S LIABILITY FOR DEFECTS

11.1. Warranty is 12 months after delivery of the products, excluding wear parts and consumables, and excluding any components, parts, software or services provided by, or on behalf of the Buyer. The warranty is valid only when the product is used for the purpose specified and in accordance with the operation and maintenance instructions provided. The Buyer agrees and understands that the product cannot be used unless it can be connected to a power grid, and that such connection is to be done by the Buyer. Proventia does not warrant or guarantee any that the product can be connected to a public power grid or the facility grid in question, but that the matter is dependent on the local practices. In addition, the limited warranty terms shall apply:

11.2. Proventia warrants that the products supplied by Proventia, excluding any products, components, materials or software provided by the Buyer (or on behalf of the Buyer), are free from defects in material or workmanship for a period of twelve (12) months from the date of the final acceptance of the product or if no separate final acceptance procedure is used from the date of installation of the product or readiness for final acceptance, or if no installation is required for the product, from the date of delivery of the product. However, the maximum warranty period is eighteen (18) months from the date of delivery of the product from Proventia's site. If during the warranty period a product is found to have a defect, Proventia shall repair or replace, at its discretion, such product or its part within a reasonable time. Products or parts repaired or replaced by Proventia under the warranty including labor shall be warranted for the remainder of the original warranty period of the product. On request, defective parts shall be delivered to Proventia or stored for later inspection. The title to defective parts shall transfer to Proventia upon delivery of the replacement part.

11.3. In order for the product warranty to be in effect, the Buyer is required to perform preventive maintenance of the products in accordance with Proventia's and Proventia's supplier's or sub-supplier's instructions, as well as any other instructions provided to the Buyer from other suppliers. Buyer understands that failure to comply with any instructions or preventive maintenance obligations may cause damage to the product and in case the Buyer does not comply with the preventive maintenance procedures during the warranty period, the warranty for the products supplied by Proventia shall lapse.

**11.4.** Condition for this warranty is that a written notification is provided to Proventia immediately and at the latest within thirty (30) days from the discovery of the defect with a detailed product information (incl. photographs) and explanation of any alleged deficiencies, and that such product is made available for Proventia's, or as the case may be, its subcontractor's inspection. Proventia shall make the final determination as to the existence and cause of any alleged defect.

**11.5.** The warranty covers only parts and labor. Customary lodging and travel expenses resulting from the warranty work shall be paid by the Buyer.

**11.6.** Excluded from the warranty are the following: (a) normal wear and tear and consumable parts; (b) defects attributable to the operation and maintenance of the product that is erroneous, incorrect, inadequate or contrary to the operating instructions; (c) defects attributable to environmental conditions or a change in conditions that is detrimental or hazardous to the product operation (including but not being limited to changes or deviations in power distribution networks, fuels, water supply networks, and other matters related to infrastructure); (d) defects attributable to the product being repaired and/or installed and/or modified by someone other than Proventia or an authorized representative of Proventia, or contrary to instructions given by Proventia or an authorized representative of Proventia; (e) defects attributable to changes in the Buyer's setting (such as additional construction work, building of infrastructure, etc.) and (f) defects attributable to third party products.

**11.7.** The warranty shall be void if the product is without Proventia's prior written consent: (a) dismantled and/or reinstalled; or (b) resold to a third party.

**11.8.** No warranty is made with respect to custom products or products produced to Buyers specifications except as specifically stated in writing by Proventia in the contract for such custom products.

**11.9.** PROVENTIA MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, AND PROVENTIA EXPRESSLY EXCLUDES AND DISCLAIMS ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

**11.10.** These terms shall be applied worldwide.

## **12. BUYER'S OBLIGATIONS**

**12.1.** Buyer shall be responsible for ensuring the following matters: any permissions (governmental or other), ensuring the product can be connected to the local public power grid (or facility power grip), connecting the product to the local public (or facility) power grid, ensuring compliance with any local laws and regulations (including local work safety regulations and rules), and making necessary investigations about any possible noise nuisance. For the avoidance of doubt, under no circumstances shall Proventia be liable for any of the aforementioned matters unless specifically agreed otherwise in writing.

**12.2.** Buyer shall immediately after placing its purchase order, or well in advance, inform Proventia in writing of any applicable local rules, regulations and laws relating to the instalment of the product, such as work safety regulations, transport arrangements, waste disposals, etc.

**12.3.** Buyer shall contribute to the processing of the purchase order(s) by e.g. by naming a responsible person, having sufficient resources and personnel available, and fluent information sharing. Buyer understands that delays from the Buyer's side can lead to difficulties in fulfilling the purchase orders.

**12.4.** Buyer shall ensure that when the product is in Buyer's premises, the product(s) are sufficiently insured.

**12.5.** Buyer shall inform Proventia immediately if it becomes or is in danger of becoming insolvent and shall use its best efforts to mitigate any damage or loss.

## **13. INTELLECTUAL PROPERTY RIGHTS ("IPR")**

**13.1. 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.

**13.2.** Any and all IPRs related to the product shall remain the property of Proventia and no IPRs of Proventia shall transfer to the Buyer. Proventia has the sole and exclusive right to commercially exploit said IPRs. No exploitation rights or licenses shall be granted unless expressly agreed in writing.

**13.3.** No IPR of Proventia 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.

**13.4.** The Buyer shall not reverse engineer, disassemble, decompile, alter, modify, adapt, create derivative works, translate, deface or convert into human readable form all or any part of any materials or information provided by Proventia unless expressly authorized to do so in writing.

## **14. FORCE MAJEURE**

**14.1.** Proventia shall not be liable for delays in delivery or failure to manufacture or deliver (a) due to causes beyond Proventia'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 Proventia's reasonable control to obtain necessary labor, materials, components or manufacturing facilities, or accidents to machinery; or (d) due to any other commercial impracticability.

**14.2.** 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. Proventia shall, where feasible, promptly advise the Buyer of the occurrence of such cause of delay, and of its effect upon delivery.

## **15. LIMITATION OF LIABILITY**

**15.1.** The maximum liability of Proventia shall at all times be limited to the purchase price of the products and/or services (VAT excluded), however a maximum of 10 % of the value of the product or its relevant order giving rise to a claim.

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

**15.3.** In no event shall Proventia be liable for any indirect, consequential, incidental, unforeseeable, or special damages of any kind, or for any liquidated damages. Further Proventia 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.

## **16. IMPORTATION AND EXPORTATION**

**16.1.** 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.

**16.2.** The Buyer shall indemnify and hold Proventia 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.

## **17. CONFIDENTIALITY**

The Buyer and Proventia 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.

## **18. APPLICABLE LAW AND DISPUTE RESOLUTION**

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

**18.2.** Any and all disputes arising between the Buyer and Proventia 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.