

## General conditions of sale Merus Power Oyj

(Products, ver 1.0)

### 1 Applicability

These General Conditions of Sale (“General Conditions”) are applicable to the products, spare parts or accessories, delivered, provided and/or installed by Merus Power Oyj (“Products”). The General Conditions shall govern all sales of the Products by Merus Power Oyj (“Seller”) to any buyer or distributor (“Buyer”) provided that a reference to the General Conditions is made in the Seller's offer, acknowledgement of an order or other contract documentation and the General Conditions are made available to the Buyer via internet link or otherwise.

These General Conditions shall not override individual terms and conditions expressly agreed between the parties in any particular written sales contract.

No general or other similar terms or conditions of the Buyer shall be applied to the sales of Products by the Seller when these General Conditions are applicable.

### 2 Orders for Products

Orders shall become binding on the Seller only if accepted in writing by the Seller or a specific written sales contract is duly entered between the parties.

Any Buyer's acceptance of an offer made by the Seller shall be acknowledged in writing by the Seller until the contract is final and binding.

### 3 Delivery Terms

Unless otherwise agreed in writing, the Product shall be delivered ex works at the Sellers plant (Incoterms 2020).

The risk of loss, destruction or deterioration shall pass to the Buyer according to the applicable delivery term (Incoterms) or if not applicable, against the delivery of the Product.

### 4 Regulations in force in the country of destination

Unless otherwise specifically agreed, the Product shall comply with those standards and regulations in force at the place of business of the Seller.

### 5 Delivery time and liability for delay

If the delivery is delayed due to acts, omissions or circumstances attributable to Buyer, the Seller is entitled to extend the time for delivery by a period which is necessary having regard to all the circumstances of the case. This provision shall apply regardless of whether the reason for the delay occurs before or after the agreed time for delivery.

If the delivery is delayed due to acts, omissions or circumstances attributable to Seller, the Buyer is entitled to the liquidated damages calculated based on the duration of the delay as specified in below.

The liquidated damages shall be payable at a rate of 0.5 per cent of the purchase price for each commenced full week of delay. The liquidated damages shall not in any event exceed 15 per cent of the purchase price.

If only part of the Product is delayed, the liquidated damages shall be calculated on that part of the purchase price which is attributable to such part of the Product as cannot in consequence of the delay be used as intended by the parties.

The liquidated damages shall become due at the Buyer's demand in writing but not before delivery has been completed or the contract is terminated under clause 10.

The Purchaser shall forfeit his right to liquidated damages if he has not lodged a claim in writing for such damages within six months after the time when delivery should have taken place.

In case the delay exceeds the maximum amount of the liquidated damages the Buyer is entitled to claim

termination of the contract in accordance with clause 10.

The liquidated damages and the termination shall be the only remedies available to the Purchaser in case of delay on the part of the Seller. All other claims against the Seller based on such delay shall be excluded.

If the Buyer anticipates that he will be unable to accept the delivery of the Product at the time of delivery, he shall forthwith notify the Seller in writing thereof, stating the reason and, if possible, the time when he will be able to accept delivery.

If the Buyer fails to accept delivery at the time for delivery, he shall nevertheless pay any part of the purchase price which becomes due at the time for delivery, as if delivery had taken place at the time for delivery. The Seller shall arrange for storage of the Product at the risk and expense of the Buyer. The Seller shall also, if the Purchaser so requires, insure the Product at the Purchaser's expense.

## 6 Prices and Payments

Unless otherwise agreed, the Products shall be considered sold at the Seller's price lists and payment terms prevailing at the time of delivery of the Products.

The Seller reserves the right to increase any agreed prices in the event of increases in value added tax, customs duties, or other public charges.

Unless otherwise agreed, the payment term shall be 30 days after the date of invoice.

Unless otherwise agreed, the purchase price shall be paid with half at the formation of the sales contract and remaining half when Seller notifies the Buyer that the Product, or the essential part of it, is ready for delivery.

Whatever the means of payment used, payment shall not be deemed to have been effected before the Seller's account has been irrevocably credited for the amount due.

If the Buyer fails to pay by the stipulated date, the Seller shall be entitled to the interest for delayed

amount from the day on which payment was due. The rate of interest shall be as agreed between the parties or otherwise 8 percentage points above the rate of the main refinancing facility of the European Central Bank.

In case of late payment and/or in case the Buyer fails to give an agreed security by the stipulated date the Seller may, after having notified the Buyer in writing, suspend his performance under the contract until he receives payment or, where appropriate, until the Buyer gives the agreed security. Such suspension shall not have effect on any other remedy available to the Seller.

If the Buyer has not paid the amount due within two months, the Seller shall be entitled to terminate the contract by notice in writing to the Buyer and claim compensation for the loss and costs he incurs.

## 7 Taxes and duties and permissions

The Buyer is liable for the acquisition of all necessary import or other necessary governmental permits imposed by the Buyer's country or any country other than the Seller's. Any customs duties, stamp duties, registration fees, taxes and governmental charges, except those for the Seller's country, to be paid for or at the coming into force or on the execution of the contract shall be borne by the Buyer. In jurisdictions in which the Seller has a duty to collect such duties, fees, charges or taxes, the Buyer shall pay to the Seller the full amount of these or prove that it is exempted from such taxation. Such duties, fees, charges or taxes are not included in the price unless specifically otherwise agreed.

## 8 Retention of Title

The Product shall remain property of the Seller until paid for in full to the extent that such retention of title is valid under the relevant law.

The Buyer shall at the request of the Seller assist him in taking any measures necessary to protect the Seller's title to the Product.

The retention of title shall not affect the passing of risk under clause 3.

## 9 Liability for Defects

The Seller shall remedy any defect or nonconformity (hereinafter defect(s)) resulting from faulty design, materials or workmanship.

The Seller shall not be liable for defects arising out of materials provided or a design stipulated or specified by the Buyer.

A precondition for the Seller's liability is that the Buyer has carefully followed the instructions for use as well as the installation and maintenance instructions given by the Seller. The Seller shall only be liable for defects which appear under the conditions of operation provided for in the contract and under proper use of the Product.

The Seller shall not be liable for defects caused by circumstances, which arise after the risk has passed to the Buyer, e.g. defects due to normal wear and tear, damage in transport, faulty use or maintenance or storage, too high or too low temperature, unsuitable installation place, incorrect installation, faulty connection, lack of cleanness, polluted electric network, faulty repair by the Buyer or to alterations carried out without the Seller's consent in writing. The Seller shall neither be liable for defects or due to outer forces or circumstances beyond the Seller's immediate control.

The Seller's liability is limited to defects which appear and be notified to the Seller within twelve (12) months from the date the Product was introduced into use, or eighteen (18) months from the date the Product was delivered to the Buyer, whichever is earlier.

After a defect in the Product or a part thereof has been remedied, the Seller shall be liable for defects in the repaired or replaced part under the same terms and conditions as those applicable to the original Product or a period of six months, whichever is longer.

Buyer shall notify the Seller of the defect in writing within 14 days from the date of delivery, or if the defect could not have been discovered immediately upon delivery, within thirty (30) days after discovery of the defect.

The notice shall include the description and details of the defect, the use of the defected product, the electrical installation drawing and other conditions for use of the defected product.

Where the defect is such that it may cause damage, the Buyer shall immediately inform the Seller in writing. The Buyer shall bear the risk of damage to the Product resulting from his failure so to notify. The Buyer shall take reasonable measures to minimize damage and shall in that respect comply with instructions of the Seller.

If the Buyer fails to notify the Seller in writing of a defect within the time limits set forth above in this clause, he shall lose his right for claims based thereof.

On receipt of the notice by the Buyer for a defect the Seller shall at his own cost remedy the defect without undue delay.

Repair shall be carried out at the place where the Product is located unless the Seller deems it more appropriate that the Product is sent to him or a destination specified by him.

If the defect can be remedied by replacement or repair of a defective part and if dismantling and re-installation of the part do not require special knowledge, the Seller may arrange that the defective part is sent to the Buyer or a destination specified by the Buyer. In such case the Seller shall have fulfilled his obligations in respect of the defect when he delivers a duly repaired part or a part for replacement to the Buyer.

The Buyer shall at his own expense provide access to the Product and arrange for any intervention in equipment other than the Product, to the extent that this is necessary to remedy the defect.

Unless otherwise agreed, the Buyer shall bear any additional costs which the Seller incurs in relation to the remedying the defect, which are caused due to the Product being located in a place other than the destination of the original delivery.

Defective parts which need to be replaced shall be made available to the Seller and shall be his property.

If the Seller has been given a notice for a defect and no defect is found for which the Seller is liable, the Seller shall be entitled to compensation for the costs he incurs as result of the notice.

The repair or replace of the defective Products or a part thereof shall be only remedy available to the Buyer due to the defective Product and when successful repair work has been undertaken by the Seller, this shall comprise a settlement in full of the Seller's liabilities for the defect.

If the Product has not been successfully repaired after reasonable efforts by the Seller;

(i) the Buyer shall be entitled to a reduction of the purchase price in proportion to the reduced value of the Product, provided that under no circumstances shall such reduction exceed 15 per cent of the purchase price, or

(ii) where the defect is so substantial as to significantly deprive the Buyer of the benefit of the contract as regards the Product or a substantial part of it, the Buyer may claim termination of the contract in accordance with clause 10 in respect of such part of the Product as cannot in consequence of the defect be used as intended by the parties.

## 10 Termination

The Buyer is entitled to terminate the contract;

(i) if the delay in delivery continues after the maximum amount of liquidated damages specified in clause 3 has been reached, or

(ii) if there is a substantial or significant defect in the Products as referred to above under clause 9, which has not been successfully repaired.

The termination of the contract shall take effect by written notice of the Buyer to the Seller. Such notice shall be made without delay and latest after one month after the conditions for termination have become present.

As consequence of the termination the Seller shall return the purchase price to the Buyer to the extent it

has been paid and the Buyer shall have no further payment obligations thereto.

The Buyer shall return the Product and/or parts thereto to the extent they have been delivered to the Buyer and the Seller shall have no further obligations with respect of the delivery of the Product

The Buyer shall be entitled to compensation for direct costs and/or damages caused by the termination based on the defective Product. However, such compensation shall not exceed 15 percent of the purchase price attributable to the defective Product. The Seller pays the compensation against the evidence of the amount of such damage or costs suffered by the Buyer. With respect of the termination based on the delay, the liquidated damages specified in clause 5 shall be sole remedy of the Buyer.

The remedy agreed herein in this clause 10 shall be the sole remedy for the Buyer available in case of termination of the contract.

## 11 General Limitation of Liability

The liability of the Seller in any case and for any damages shall always be limited to an amount equal to the price of the Product or its part or component which has caused the damage.

The Seller shall in no event be liable for any special, incidental or consequential losses or damages, such as loss of profits, waste of energy or time, loss of use or liabilities to third parties.

## 12 Product Liability

Without prejudice to the mandatory provisions of the applicable law, the Seller shall be liable for personal injury and damage to property only if it is proved that such damage or injury was caused by the Seller's gross negligence.

The Buyer shall hold the Seller harmless from and against any liabilities exceeding those assumed above.

## 13 Force Majeure

Either party shall be entitled to suspend performance of his obligations under the contract to the extent that

such performance is impeded or made unreasonably onerous by Force Majeure, meaning any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties such as fire, war, extensive military mobilization, insurrection, requisition, seizure, embargo, restrictions in the use of power, currency and export restrictions, epidemics, natural disasters, extreme natural events, terrorist acts and defects or delays in deliveries by sub-contractors caused by any such circumstance referred to in this clause.

A circumstance referred to in this clause whether occurring prior to or after the conclusion of the contract shall give a right to suspension only if its effect on the performance of the contract could not be foreseen at the time of the conclusion of the Contract.

The party claiming to be affected by Force Majeure shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance. If a party fails to give such notice, the other party shall be entitled to compensation for any additional costs which he incurs and which he could have avoided had he received such notice.

If Force Majeure prevents the Buyer from fulfilling his obligations, he shall compensate the Seller for expenses incurred in securing and protecting the Product.

Either party shall be entitled to terminate the contract by notice in writing to the other party if performance of the contract is consequently suspended due to Force Majeure for more than six months.

#### **14 Industrial Property Rights**

The Buyer acknowledges that all trademarks, trade names, patents, industrial designs, drawings, plans, know-how, software and other intellectual property, whether registered or not, relating to the Products are and shall remain the exclusive property of the Seller and shall not be used, distributed, licensed, disclosed or registered by the Buyer or any third party without prior written consent from the Seller.

The Buyer undertakes not to manufacture a copy or a modification of or in any other way to exploit directly or indirectly the Product or any part of it. All know-how, samples, models, designs, software and

drawings relating to the Product are strictly confidential and shall remain the sole property of the Seller and the Buyer shall not copy, use or disclose the same or any part thereof without the prior written consent of the Seller.

The Buyer shall not alter or tamper with any markings or labels of the products without prior written consent from the Seller, except when the Buyer is required to do so under applicable laws and regulations.

The Buyer shall not use for its own benefit or disclose to any third party any of the Seller's trade secrets relating to the Product.

#### **15 Drawings and technical information**

All drawings and technical documents submitted by one party to the other, shall remain the property of the submitting party.

Drawings, technical documents or other technical information received by one party shall not, without the consent of the other party, be used for any other purpose than that for which they were provided for. They may not, without the consent of the submitting party, be otherwise used or copied, reproduced, transmitted or communicated to a third party.

#### **16 Anticipated non performance**

Each party shall be entitled to suspend the performance of his obligations under the contract, where it is clear from the circumstances that the other party is not going to perform his obligations. A party suspending his performance of the contract shall forthwith notify the other party thereof in writing.

#### **17 Assignment**

The Buyer shall not without prior written consent of the Seller assign his rights or obligations arising out of the contract to a third party. The Seller shall be entitled to assign its rights and obligations arising out of the contract to any of its subsidiary companies and any of its receivables under the contract to a financial institution for refinancing purposes.

## **18 Governing Law and Settlement of Disputes**

These General Conditions and all sales contracts to which Merus Power Oyj is a party shall be governed by and construed according to substantive laws of Finland excluding its choice of law provisions.

Any dispute, controversy or claim arising out of or relating to the contract, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The place for arbitration shall be Tampere, Finland, and the arbitral tribunal shall consist of a sole arbitrator.

Notwithstanding the foregoing, the Seller shall be entitled at its discretion to have recourse to Pirkanmaa District Court (Tampere, Finland) or any court having jurisdiction over the Buyer on claims arising out of matured debts.