



General Conditions of Sale

1. Scope of Application

These General Conditions of Sale apply to all offers, quotations, order confirmations, orders, contracts, deliveries and services between the Seller and the Buyer. No purchase conditions or other terms of the Buyer shall be applicable. No variation, addition or deletion made to these General Conditions of Sale shall be deemed valid unless otherwise agreed in writing and signed by a duly authorized representative of the Seller.

2. Definitions

"Affiliated company" refers to Telko Oy and any corporation, firm, a public or a limited liability company or other entity that directly or indirectly controls or is controlled by or is under the common control with Telko Oy.

"Agreement" refers to any written or verbal contract or agreement between the Seller and the Buyer in relation to the Goods and/or Services. If there is no written Agreement, the Agreement is concluded when the Buyer's order corresponds to the Seller's offer or the Seller confirms the Buyer's order.

"Buyer" refers to a party that acquires the Goods and/or receives Services from the Seller.

"Goods" refers to all or any part of the products sold or to be sold by the Seller to the Buyer.

"Seller" refers to Telko Estonia OÜ, registry code 10178093, or any Affiliated company which is a party to the Agreement.

"Services" refers to services provided or to be provided by the Seller to the Buyer.

3. Offer

Each quotation and/or offer made by the Seller is valid only for fourteen (14) calendar days from the date such quotation and/or offer was given, unless otherwise stipulated by the Seller in writing.

All documents and information disclosed by the Seller remain the property of the Seller and may not be used by the recipient for any other purpose than for which they were disclosed for by the Seller.

The price stated in the quotation and/or offer is based on the foreign exchange rates valid as at the date of the respective quotation and/or offer.

4. Ownership and Passing of Risk

The Goods shall remain property of the Seller until paid for in full.

The risk of loss of and damage to the Goods shall pass to the Buyer in accordance with the agreed delivery term.

Unless agreed otherwise by the Seller and the Buyer in writing, the quality of the Goods is exclusively defined in the Seller's official product specification. In the extent the Seller sells and/or distributes the Goods produced by other producers, the quality of such Goods is exclusively defined in the respective other producer's official product specifications, submitted by the Seller to the Buyer, unless agreed otherwise by the Seller and the Buyer in writing.

5. Payment Terms

Unless agreed otherwise by the Seller and the Buyer in writing, the Buyer shall pay the Seller for the Goods and/or Services within fourteen (14) calendar days net from the date of the invoice.

In case of late payment, after having notified the Buyer in writing, the Seller may suspend its performance of the Agreement until it receives the payment in full, including the Seller is entitled not to deliver the Goods and/or not to provide the Services. In such case the Buyer is not entitled to present any claims against the Seller, including, but not limited to, claims related to delays with delivering the Goods and/or provision of Services, damage claims, etc.

In case of late payment by the Buyer the Seller shall be entitled to demand from the Buyer payment of interest for any and all delayed payments from the date on which the payment was due until the payment was received by the Seller and compensation for recovery costs (if any). The rate of the late payment interest is eight (8) percentage points above the rate of the main refinancing facility of the European Central Bank in force from time to time.

If the Buyer has not paid the amount due within fourteen (14) calendar days or if the Buyer has notified, or it is otherwise evident, that the Buyer's payment will be significantly delayed, the Seller shall be entitled to use all legal remedies available to it under the Agreement and/or law, including withdraw from and/or cancel the Agreement and to claim compensation for the loss it incurs by notice to the Buyer.

6. Delivery

The Seller may make partial deliveries of the Goods, unless agreed otherwise by the Seller and the Buyer in writing. The Seller is entitled to use third persons (subcontractors) for provision of Services.



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Should the Seller have to postpone delivery of the Goods and/or the provision of the Services for reasons attributable to the Buyer, the Seller has the right to invoice the Buyer for the Goods according to the original delivery and/or for the Services from the original date the Services were to be provided. Furthermore, in such case the Seller shall be entitled to demand from the Buyer compensation for foreign exchange rate losses, storage costs, any loss resulting from the Goods becoming obsolete and any and all other costs caused by the postponement of the delivery of the Goods and/or provision of Services.

7. Limitation of Liability

The Seller shall not be liable towards the Buyer for any (i) loss of profits, (ii) loss of production, (iii) loss of use, (iv) loss of revenue, (v) loss of contract or opportunity, (vi) loss of goodwill, or (vii) for any other special, indirect or consequential loss or damage or punitive damage of whatever nature and in each case whether or not foreseeable or contemplated by the Seller and/or the Buyer and whether or not based on contract, tort (including negligence), breach of statutory duty or otherwise arising out of, or in relation to, the Agreement and the Buyer may not claim such loss or damage from the Seller.

In case of sale of Goods the Seller's aggregate liability for any damage it has caused is limited to the selling price of the relevant Goods paid by the Buyer. The Buyer is not entitled to demand from the Seller compensation of damage exceeding the amount provided herein.

In case of provision of Services the Seller's aggregate liability for any damage it has caused is limited to the sum equal to amount paid by the Buyer for the last four (4) months Services provided by the Seller immediately prior the damage occurred. The Buyer is not entitled to demand from the Seller compensation of damage exceeding the amount provided herein.

Except for the express provisions of the Agreement, and to the maximum extent permitted by applicable law, the Seller disclaims and excludes all warranties, terms and other conditions, including but not limit to any warranty, term or other condition, regarding amounts, quality, type of product, description, composition, fields of use, fitness for a particular purpose, package, merchantability, correspondence or non-correspondence with description and/or regulations, conformity and/or non-conformity with the contractual conditions, in each case whether implied by statute, common law, custom, collaterally or otherwise. The Buyer has at any time the full responsibility to ensure suitability of the Goods and do necessary tests before use. The Seller shall

not be liable for damage to property caused by the Goods or any damage caused by using the Goods.

Seller does not undertake any warranty or liability (express or implied) of fitness or suitability of Goods for any specific purpose (even if known to Seller). Seller assumes no product liability except as imposed by mandatory law. The Seller guarantees only the conformity of a Good with the official product specification of the relevant Good presented by the Seller.

The Buyer shall immediately at the delivery inspect the Goods, and if the Goods do not conform to the Agreement, immediately notify the Seller thereof. The Seller shall not be liable for any non-conformity of the Goods, if the Buyer has not notified the Seller of the non-conformity within eight (8) calendar days as of the date of delivery of the relevant Goods to the Buyer. If the Buyer notifies the Seller of the non-conformity of the Goods within eight (8) calendar days as of the date of delivery of the relevant Goods to the Buyer and the relevant Goods do not conform to the Agreement, then the Buyer may demand replacement of the relevant Goods. In such case the Seller is entitled to either replace the relevant Goods or return the Buyer the net sales price of the relevant Goods, provided that the Buyer immediately returns to the Seller all such Goods and that all such Goods are in the same condition as they were when delivered to the Buyer.

The Seller shall not be liable for any non-conformity of the Services to the Agreement, if the Buyer has not notified the Seller of the non-conformity within eight (8) calendar days as of the date of provision of the relevant Services. If the Services do not conform to the Agreement, then the Buyer may demand re-performance of the relevant Services as provided in the Agreement. In such case the Seller is entitled to either re-perform the relevant Services in the relevant part or return the Buyer the net sales price of the relevant Services in the relevant part.

The Buyer will indemnify and hold the Seller harmless to the extent that the Seller incurs liability towards a third party for any damage and/or loss for which the Seller is not liable towards the Buyer according to the Agreement.

8. Assignment of the Agreement

The Buyer shall not be entitled to assign the Agreement, including any rights and/or obligations provided in the Agreement, in whole or in part, without the Seller's prior written consent. The Seller shall be entitled to assign the Agreement, including any rights and/or obligations provided in the Agreement, in whole or in part, to any Affiliated



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company, also to assign any rights provided in the Agreement to any third party, without the consent of the Buyer. The Seller shall be entitled to use subcontractors when performing its obligations.

9. Amendments of the Agreement

The Agreement and its appendices may only be amended by a written agreement signed by duly authorized representatives of the Seller and the Buyer.

10. Force Majeure

Non-performance by a party is excused if it is caused by force majeure. Force majeure are circumstances which are beyond the control of the party and which, at the time the Agreement was entered into, the party could not reasonably have been expected to take into account, avoid or overcome the impediment or the consequences thereof which the party could not reasonably have been expected to overcome.

11. Amending the General Conditions of Sale and Termination of the Agreement

The Seller may at any time amend General Conditions of Sale by notifying the Buyer thereof at least twenty one (21) calendar days in advance.

In case of sale of Goods the Seller is entitled to, in addition to the grounds provided in law, withdraw from the Agreement if: (a) the Buyer breaches the Agreement and does not remedy the respective breach within fourteen (14) calendar days as of receipt of the relevant notice from the Seller; and/or (b) the Buyer has not paid the amount due within fourteen (14) calendar days; and/or (c) if the Buyer has notified, or it is otherwise evident, that the Buyer's payment will be significantly delayed. In case of withdrawal from the Agreement by the Seller, the Buyer shall compensate the Seller any and all costs and/or damage that arise to the Seller as a result of the withdrawal.

In case of sale of provision of Services the Seller is entitled to, in addition to the grounds provided in law, cancel the Agreement if: (a) the Buyer breaches the Agreement and does not remedy the respective breach within fourteen (14) calendar days as of receipt of the relevant notice from the Seller; and/or (b) the Buyer has not paid the amount due within fourteen (14) calendar days; and/or (c) if the Buyer has notified, or it is otherwise evident, that the Buyer's payment will be significantly delayed. In case of cancelling the Agreement by the Seller, the Buyer shall compensate the Seller any and all costs and/or damage that arise to the Seller

as a result of cancelling the Agreement and pay the Seller for the Services that had been provided by the Seller by the time of cancellation.

Either party will be entitled to terminate the Agreement by notice in writing to the other party if performance of the Agreement is suspended due to Force Majeure reasons for more than six (6) months. In such a case neither party is liable to compensate the other party for damage caused by non-compliance with the Agreement due to force majeure.

12. Governing Law, Dispute Resolution

The Agreement is governed by and construed in accordance with the laws of the Republic of Estonia, except the conflict of laws rule. The United Nations Convention on Contracts for the sale of Goods (adopted on 16 September 1988 and including any enactment or enforcement of such convention in any jurisdiction) is not applied to the Agreement.

Unless resolved through mutual negotiations, any dispute, controversy or claim arising out of or relating to the Agreement, or the breach, termination or validity thereof, shall be finally settled by Harju county court in Tallinn, Estonia.