

## GENERAL TERMS AND CONDITIONS OF THE SALES CONTRACT

These General Terms and Conditions of the Sales Contract define the basic principles and procedure of the relationship between **OÜ Thorsteel** and the **Customer** and the general terms and conditions of transactions between the parties.

### Definitions

1. Unless otherwise provided in the General Terms, the following definitions shall apply:
  - a) **Contract** - The contract concluded between the parties is made up of the General Terms and Conditions and the Special Terms and Conditions and their annexes;
  - b) **General Terms and Conditions** - hereby general terms and conditions of sale;
  - c) **Special Terms and Conditions** - the more detailed terms and conditions of sale agreed between the Parties on the basis of the Enquiry and the Offer, which, inter alia, agree on the description, quantity, Product Design and Contract Price of the Products to be manufactured and sold to the Customer.
  - d) **Thorsteel** - OÜ Thorsteel, registration code 11741308;
  - e) **Customer** - a natural or juridical person who buys or has expressed a wish to buy Products sold by Thorsteel;
  - f) **Party, the Parties** - Thorsteel and the Customer, separately and together, respectively;
  - g) **Enquiry** - An enquiry submitted by the Customer to Thorsteel with the description of the Product(s), the quantity and other information necessary for Thorsteel to make an Offer. An Enquiry may include a Product Design from the Customer;
  - h) **Offer** - an offer made by Thorsteel to the Customer in a form that can be reproduced in writing, on the terms and conditions of the purchase and sale of the Products, including the price;
  - i) **Product, Products** - Items manufactured and sold by Thorsteel to the Customer under the Contract;
  - j) **Product Design** - A design for a Product included in an Enquiry or prepared by Thorsteel, which includes drawings and a description of the materials and other information necessary to manufacture the Product. The Product Design shall be prepared usually in two stages: the design (or sketch) stage and the technical drawing stage;
  - k) **GA** - (*general arrangement drawing*) A preliminary technical drawing developed on the bases of the sketch showing the general relationship between the main elements and essential dimensions of a Product;
  - l) **Contract Execution Deadline** - the deadline by which the Product(s) must be ready for delivery to the Customer.

### General provisions

2. The General Terms and Conditions can be found on the Thorsteel website [www.thorsteel.eu](http://www.thorsteel.eu).
3. In the event of any conflict between the General Terms and Conditions and the Special Terms and Conditions, the provisions of the Special Terms and Conditions shall prevail.
4. Where the context so requires, words in the singular in the General Terms and Conditions will be plural and vice versa.

5. The headings of the clauses of the General Terms and Conditions are for convenience only and shall in no way affect the interpretation of the content of the clauses.
6. Each clause of the General Terms and Conditions shall be interpreted in conjunction with the other clauses of the General Terms and Conditions in the light of the meaning and purpose of the General Terms and Conditions.

### **Ordering products**

7. Thorsteel will make an Offer to the Customer on the basis of the Customer's Enquiry and the information provided therein. In the event that the Enquiry does not contain a Product Design or that Product Design is inaccurate, the Product Price stated in the Offer is a loose term which Thorsteel reserves the right to specify at the stage of GA within 5 (five) days after the Customer's approval of the final GA.
8. The Offer will be valid for the period stated in the Offer. In the event that the Offer does not specifically state a period of validity, the Offer shall be valid for 20 (twenty) calendar days from the date of sending the Offer by Thorsteel to the Customer.
9. If the Parties do not draw up a separate document on the Special Terms and Conditions, the Offer confirmed by the Customer shall be deemed to be the Special Terms and Conditions of the Contract concluded between the Parties.
10. If the Customer confirms the Offer orally, the conclusion of the Contract shall be evidenced by an e-mail letter from Thorsteel confirming the conclusion of the Contract and acceptance of the execution of the Contract, which Thorsteel shall send to the Customer no later than 10 (ten) days after the confirmation of the Offer.
11. Thorsteel reserves the right to refuse to make an Offer.

### **Execution of the order and deadline for execution**

12. In the event that the Customer has not provided Thorsteel with a Product Design in sufficient detail, Thorsteel shall prepare a Product Design and coordinate it with the Customer prior to commencing manufacture of the Products.
13. The Product Design already agreed by the Customer can be changed during production only with the consent of Thorsteel.
14. The Customer shall be fully responsible for the accuracy, completeness and relevance of the Product Design, the conceptual design, the instructions and any other information provided by the Customer to Thorsteel. Thorsteel shall not be liable for the usability, suitability for installation, coherence and performance of the Product for its intended use if the Product Design and/or the data and instructions on which it is based have been provided to Thorsteel by the Customer and the Parties have not agreed in the Special Conditions to Thorsteel's obligation to verify the data. Thorsteel shall not be liable for the Product Design prepared by Thorsteel even if the Customer terminates the Contract and prepares the Products on the basis of the Product Design without Thorsteel's consent.
15. In case the Customer wishes to change or upgrade the Product Design and/or the quantities of the ordered Products, Thorsteel will inform the Customer of the new Contract price and the deadline for performance of the Contract, which will be considered as a new Offer. The terms and conditions which are not amended or modified shall remain in force as agreed in the original Contract.
16. Pending the approval of a new Offer by the Customer, Thorsteel's performance of the Contract shall be suspended and if the Customer takes more than 3 (three) working days to approve a new Offer, the time taken for the approval of the Offer and the time taken to recalculate the workforce and

- production line schedule, which is expected to be one month, shall be added to the time for performance of the Contract, unless Thorsteel notifies the Customer otherwise.
17. If the Customer does not accept the new Offer and also renounces the Products agreed upon in the current Contract, Thorsteel shall be entitled to charge the Customer the full Contract price, from which Thorsteel shall deduct only the cost of the materials not used for the manufacture of the Products. In such a case, Thorsteel may deliver the incomplete Products to the Customer with the agreement of the Parties, or dispose of them in any manner.
  18. Thorsteel shall have the right to unilaterally change the term of performance of the Contract if the Customer has failed to fulfil its obligations under the Contract and/or has not provided the conditions necessary for the delivery of the Products and/or has not answered Thorsteel's questions necessary for the performance of the Contract.

### **Prices and payment terms**

19. The price of the Contract and the conditions for payment are set out in the Special Terms and Conditions. VAT shall be added to the price in accordance with the VAT rate in force in the Republic of Estonia.
20. If the Customer does not confirm the Offer, Thorsteel shall be entitled to charge a fee for the preparation of the initial Product Design delivered to the Customer. The amount of the fee will depend on the time taken to prepare the Product Design, but will not exceed 5% (five percent) of the Contract price set out in the Offer.
21. The price of the contract includes design, materials and works according to the specification in the Offer.
22. Unless otherwise agreed by the Parties, the Customer undertakes to pay the Contract price in two instalments:
  - a) 50% (fifty per cent) of the Contract price shall be paid within 7 (seven) days from the date of the confirmation of the Offer / conclusion of the Contract by the Customer;
  - b) 100% (one hundred per cent) of the Contract price must be paid at the time of completion of the Products, but no later than two working days prior to delivery of the Products to the Customer unless agreed otherwise.
23. Thorsteel will invoice the Customer for the amount due. The Customer shall pay the invoice within the time limit indicated thereon.
24. All sums due and payable by the Customer shall be deemed to have been duly paid to Thorsteel when the corresponding amount has been credited to Thorsteel's bank account.
25. Thorsteel shall be entitled to charge interest on overdue amounts due by the Customer at a rate of 0.066% (zero point zero sixty six per cent) for a legal entity Customer and 0.06% (zero point zero six percent) for a consumer who is a natural person for each day of delayed payment from the date the obligation becomes due until the date the overdue amount is paid in full.
26. The Customer does not have the right to make unilateral deductions, set-offs, etc. from the amounts due by it.

### **Delivery of products and notification of defects**

27. Delivery of the Products means the delivery of the Products to the Customer or to a person authorised by the Customer to receive the Products (including the carrier).

28. The Customer is obliged to take delivery of the Products at the agreed time and place of delivery. The parties may agree to deliver the Products in instalments.
29. If the Parties have agreed that Thorsteel undertakes to deliver the Products to the Customer, the Customer shall be obliged to accept the Products at the agreed time. In the event of a delay in acceptance, Thorsteel shall be entitled to claim damages from the Customer, including additional transport costs, storage costs and related labour costs.
30. The risk of accidental destruction of or damage to the Products and title to the Products shall be deemed to have passed to the Customer or the carrier appointed by the Customer at the time of delivery of the particular Products delivered. Receipt of the Products shall be evidenced by the signature of the Customer or a person authorised by the Customer (for example, the carrier ordered by the Customer) on the delivery-acceptance report or delivery note indicating the name and quantity of the Products.
31. Immediately upon receipt of the Products, the Customer is obliged to inspect the Products and their packaging thoroughly and to ensure that all parts of the Products are undamaged and in conformity with the Order. The Customer shall submit any claims to Thorsteel within 5 (five) working days from the date of receipt of the specific Products delivered, by notifying Thorsteel in a form that can be reproduced in writing. Failure by the Customer to notify Thorsteel of any deficiencies within the aforesaid period shall be deemed to constitute due performance of Thorsteel's obligations and acceptance by the Customer. The foregoing does not exclude or limit the Customer's rights under the warranty or the right to exercise any remedies provided by law.
32. If the Parties have also agreed on the installation of the Products by Thorsteel, the Customer undertakes to ensure that suitable conditions are created for the installation of the Products (structural readiness of the premises, adequate room temperature, free and safe access, access to electricity, lighting, water, sewage and compressed air).
33. Without prejudice to the provisions of the General Conditions or the Specific Conditions, the Products are not returnable, refundable or replaceable because they are Products manufactured on the basis of a Product Design specifically designed for the Customer and cannot be expected to be used for any other purpose.
34. Variations in the tone, gloss and finish of the Products, as well as stains or other aesthetic differences which do not affect the functionality of the Product, shall not be considered as defects. Their elimination shall not be required and shall not constitute grounds for the Customer to refuse acceptance of the Product, to reduce the price or to exercise any other remedy.

### **Protection of intellectual property**

35. All intellectual property rights (including copyright, industrial design rights, utility model rights, copyright related rights and all other similar or related intellectual property rights) in the Products and the related Product Design (including sketches, drawings and other project documentation, instructions) prepared by Thorsteel, unless the Product has been manufactured on the basis of the Product Design provided by the Customer. No modification or addition to the Product or related documentation in any way shall give rise to any intellectual property rights or any other rights of claim against Thorsteel, or any right to Thorsteel's intellectual property, by the Customer (including its employees or other third party collaborators and contractors).
36. If the Product is manufactured on the basis of an original Product Design submitted by the Customer, Thorsteel shall own the intellectual property rights only to the extent that Thorsteel has further developed, supplemented, improved or otherwise edited the original Product Design at the request or with the consent of the Customer. Thorsteel shall not own any intellectual property rights in the original Product Design submitted by the Customer.

37. The Customer shall not copy, distribute, modify or use any Thorsteel's intellectual property, including the Product Design (including preliminary drafts), without the prior consent of Thorsteel, which must be provided at least in a form that can be reproduced in writing. The Customer shall also not be entitled to sell, (sub-)license or otherwise transfer Thorsteel's intellectual property rights to third parties. The provisions of this clause shall also apply in the event that the Customer fails to confirm the Offer or the Parties fail to execute the Order for any other reason.
38. In the event of a breach of clauses 37 of the General Terms and Conditions by the Customer, Thorsteel shall be entitled to demand immediate remedy of the breach, refraining from further breaches and a contractual penalty of up to EUR 100 000.
39. Upon specific agreement of the parties, Thorsteel may grant to the Customer a non-exclusive license to the Product Design, in which case the Customer shall be entitled to use Thorsteel's intellectual property for the agreed purposes. In such case, Thorsteel shall not be liable for the timeliness, accuracy, completeness, fitness for purpose or quality of the licensed subject matter and any claims by the Customer against Thorsteel regarding the timeliness, accuracy, completeness, fitness for purpose or quality of the licensed subject matter shall be excluded.

## **Warranty**

40. The warranty provided by Thorsteel applies only to manufacturing defects in the Products manufactured by Thorsteel.
41. Thorsteel grants a warranty for the Products for a period of 12 (twelve) months from the date of delivery of the Products to the Customer.
42. The warranty does not cover wear and tear resulting from normal use.
43. The warranty also does not cover defects in the Products if the defects have occurred or have arisen due to circumstances caused by the Customer or a third party, or for other reasons beyond Thorsteel's reasonable control or will, including but not limited to:
  - a) Failure to follow instructions in documents or instructions accompanying Products;
  - b) From external causes and culpable actions;
  - c) Improper use of Products;
  - d) Installation, configuration and/or modification of the Products, repair by any person not qualified to perform such work and not approved by Thorsteel;
  - e) inadequate maintenance or treatment with substances prohibited by the maintenance instructions;
  - f) power failures and disturbances, lightning, flood, earthquake, fire, accidental breakdown or any other circumstance beyond Thorsteel's control;
  - g) defects caused by other factors over which Thorsteel has no control, such as (but not limited to): mechanical damage (dropping, bumping, hitting, scratching, dirt), deformation, vibration, mechanical damage caused by the Customer or a carrier chosen by the Customer's authorised representative, fire, mass disorder, epidemic or other force majeure event;
  - h) Installing or operating products or parts thereof in locations where there is an obvious risk of damage.
44. The warranty does not apply to consumables (including filters, seals, packaging, etc.), documentation or consumables (oils, lubricants etc.). The colour, surface finish or gloss of the Product or its parts may vary slightly from that originally agreed or may change during use, but this does not affect the use or quality of the Product or its parts and is not covered by the warranty.
45. In order to exercise the rights under the warranty, the Customer must contact Thorsteel without undue delay, but no later than 30 (thirty) days from the date on which the claim arose, or the time at which the Customer should reasonably have discovered the defect. The warranty claim must be submitted at least in a form that can be reproduced in writing and must contain the following

- information: the address where the Product is located; a precise description of the defect; if possible, any additional information that may be necessary to analyse the defect.
46. To verify the validity of the warranty, the Customer must provide Thorsteel with the original documents if Thorsteel so requests: Contract, invoice(s), proof of payment of invoice(s);
  47. In the event of a problem under warranty, Thorsteel undertakes to remedy the defects at its own expense. In the event of the impossibility or impracticality of the repair, Thorsteel shall have the option of replacing the Product or refunding the cost thereof.
  48. Repair or replacement of Products under warranty does not extend the applicable warranty period, i.e., Thorsteel does not provide a new warranty for replaced Products.
  49. The guarantee expires: at the end of the period or if the circumstance referred to in section 43 of the Product is established.
  50. This warranty does not exclude or limit the rights of Customer to seek other remedies at law.

### **Responsibility**

51. If the Customer refuses to pay the amount due, Thorsteel shall be entitled, in addition to the claim for performance of the Contract:
  - a) refuse to execute the outstanding Contract - including delivery of the Products to the Customer, and to charge the Customer a storage fee to cover the costs of storing the Products in (if necessary rented) storage facilities, the amount of which shall be notified by Thorsteel to the Customer by e-mail;
  - b) assign a debt claim to a third party;
  - c) require the Customer to reimburse the costs, including legal fees, incurred in connection with the recovery of the debt.
52. Thorsteel shall have the right to withdraw from or terminate the Contract upon 7 (seven) days' prior notice if the Customer is more than 14 days late in paying the first instalment of the Contract price in full, or more than 30 (thirty) days late in making any other payment, or if the Customer has indicated that it does not intend to pay the Contract price in full or in part when due.
53. In the event of termination of the Contract pursuant to clause 52 of the Contract, Thorsteel shall be entitled to charge the Customer the full price of the Contract, from which Thorsteel shall deduct only the cost of the material not used for the manufacture of the Products, if the material stocked for the manufacture of the Products can and should be used for other purposes. Thorsteel may in such case, with the agreement of the parties, deliver the incomplete Products to the Customer or dispose of them in any manner. However, Thorsteel's disposal of the material or the Products shall not release the Customer from its obligation to pay the fees due and any interest accrued thereon. Thorsteel shall also retain the right to recover from the Customer any loss suffered by the Customer as a result of breach of the Contract.
54. The Customer has the right to withdraw from the Contract on the grounds set out in the Law of Obligations Act of the Republic of Estonia.
55. Either Party shall have the right to terminate the Contract in the event of bankruptcy or insolvency of the other Party.
56. Thorsteel shall have the right to terminate the Contract without notice if Thorsteel becomes aware that the Customer is included in an international sanctions list or if Thorsteel suspects that the ordering of the Products may be for the purpose of money laundering or terrorist financing or if Thorsteel suspects that the Products constitute strategic Products and the Customer does not prove otherwise.

## Other conditions

57. Confidentiality. From the moment of the Customer's contact, the Party is obliged to keep confidential the following information about the other Party, which has become known to it in the course of the exchange of information between the Parties: technical data, drawings, pricing and other information requested to be kept confidential by the other Party (hereinafter "**Confidential Information**"). The obligation of confidentiality shall remain in force indefinitely. Confidential Information is not information that: (1) is in the public domain; or (2) has been obtained from a third party without breach of confidentiality; or (3) is subject to disclosure in accordance with applicable law. Confidential Information may be disclosed only to those persons who need to know Confidential Information in order to perform their duties in connection with the performance of the Contract, provided that such persons are under an obligation to keep the information confidential. In the event of a breach of the obligation of confidentiality, the Party affected shall be entitled to claim from the Party in breach of the obligation of confidentiality a contractual penalty of up to EUR 10 000 and compensation for damages in excess thereof.
58. Force majeure. Breaches of contractual obligations caused by force majeure shall not be considered to be breaches. Force majeure is a circumstance beyond the control of the Party and which the Party could not reasonably have been expected to take into account at the time of the conclusion of the Contract, or to avoid or overcome the hindrance or its consequences. The other Party must be informed immediately in writing of the occurrence of force majeure. In the event of force majeure, the Parties agree to modify the time limits by the period of the occurrence of such circumstances. In the event of force majeure lasting more than two (2) calendar months, the Parties shall be entitled to withdraw from or terminate the Contract.
59. Dispute resolution. All disputes between the Parties shall be settled by negotiation. If the Parties cannot reach an agreement, the dispute shall be settled by the Harju County Court on the basis of the General and Special Terms and Conditions and the legislation in force in the Republic of Estonia.
60. Exchange of information. Notices between the Parties are deemed to have been served when they have reached the Party's contact person, whose details are specified in the Special Terms and Conditions. A communication shall be deemed to have been received three days after its transmission or on the day on which the other Party acknowledges receipt of the communication. The Customer undertakes to notify Thorsteel immediately of any changes to its representatives or contact details, at least in a form that can be reproduced in writing.

These General Terms and Conditions shall enter into force on 01.01.2025 and shall remain in force until amended or revoked by Thorsteel.