

PUUMARKET AS
GENERAL TERMS AND CONDITIONS OF PURCHASE

This document has been published and is available online at www.puumarket.ee and upon agreement on paper.

1. DEFINITIONS

- 1.1. **General Terms and Conditions** – this document;
- 1.2. **Buyer** – Puumarket AS;
- 1.3. **Potential Seller** – a third party who negotiates with the Buyer to conclude an Agreement but with whom an Agreement has not yet been concluded;
- 1.4. **Seller** – a person (natural or legal) with whom the Buyer enters into an Agreement;
- 1.5. **Agreement** – a transaction between the Buyer and the Seller under which the Seller sells / undertakes to sell the Goods and/or provides / undertakes to provide a Service to the Buyer;
- 1.6. **Goods** – the object(s) (except immovable property) sold by the Seller to the Buyer under the Agreement;
- 1.7. **Service** – service(s) provided by the Seller to the Buyer under the Agreement;
- 1.8. **Object of the Agreement** – Goods and/or Service;
- 1.9. **Parties to the Agreement** – Buyer and Seller, whereas there can be more than one Buyer and Seller in the Agreement;
- 1.10. **Order the Buyer is Bound by** - a declaration of intent submitted by the Buyer to the Potential Seller at least in a format that can be reproduced in writing, which explicitly states that it is a legally binding order for the Buyer, and which is sufficiently detailed to consider the Agreement concluded within the meaning of law from the moment the Potential Seller gives it its consent. An Order the Buyer is Bound by may be made for a fixed term and in such a case the Agreement shall not be deemed concluded if the Potential Seller does not give its consent within the term. Presumably, the Order the Buyer is Bound by is not in force for more than a one (1) week period;
- 1.11. **Order the Buyer is Not Bound by** – a declaration of intent submitted by the Buyer to the Potential Seller to enter into an Agreement which does not explicitly state that it is a legally binding order for the Buyer;
- 1.12. **Offer the Seller is Bound by** - a declaration of intent submitted by Seller to the Buyer at least in a format that can be reproduced in writing, which is sufficiently detailed to consider the Agreement concluded within the meaning of law from the moment the Buyer gives it its consent. An Offer the Seller is Bound by may be made for a fixed term

and in such a case the Agreement shall not be deemed concluded if the Buyer does not give its consent within the term. Presumably, the Offer the Seller is Bound by is not in force for more than a one (1) week period;

- 1.13. **Offer the Seller is Not Bound by** – a declaration of intent submitted by the Seller to the Buyer, which explicitly states that it is not a legally binding offer for the Seller, and/or which is not sufficiently detailed to consider the Agreement concluded within the meaning of law from the moment the Buyer gives it its consent;
- 1.14. **Claim** – a notice from the Buyer to the Seller of discovering defective Goods or identifying a defective Service, at least in a format which can be reproduced in writing and which contains at least the following information: a reference to the Agreement, a reference to the Goods or the Service, a description of the defects and the manner and time of their discovery;
- 1.15. **Objection to a Claim** – objections to a Claim filed by the Seller to the Buyer in at least a format that can be reproduced in writing and which contains at least the following information: a reference to the Claim and clear and reasoned objections to the defects mentioned in the Claim;
- 1.16. **Agreement Price** – the amount payable by the Buyer to the Seller for the Goods and/or Service agreed between the Buyer and the Seller in the Agreement, which may be adjusted according to the terms and conditions of the Agreement (including the General Terms and Conditions);
- 1.17. **Term of the Agreement** – the term of delivery of the Goods and/or provision of the Service agreed between the Buyer and the Seller in the Agreement. The agreement may also provide for separate deadlines for the fulfilment of secondary obligations or for partial execution of the principal obligation;
- 1.18. **Warranty Period** – is the period from the final acceptance of the Goods by the Buyer until its end in accordance with the General Terms and Conditions during which the Seller's liability is assumed, for any defects of the Goods, the defect of which appears during the Warranty Period, whereas the Warranty Period also includes it when the defect of the Goods occurs after the Warranty Period, but during the Warranty Period, the same type of fault has occurred, of which the Buyer has notified the Seller;
- 1.19. **Buyer's Customer** – a third party with whom the Buyer has entered into an Agreement or has entered into pre-contractual negotiations, being the Seller in this Agreement or otherwise transferor or service provider or a party to the agreement with similar obligations;
- 1.20. **Low Quality Goods** – Goods that do not comply with the terms of the Agreement;
- 1.21. **Low Quality Service** – Service that does not comply with the terms of the Agreement;
- 1.22. **Buyer's Tools** – jigs, fixed installations, moulds, models, films, printing models, and other equipment and tools designed specifically and/or mainly for the manufacture and/or inspection of the Goods and/or for the provision of the Service and that have been acquired by, paid for or the creation or acquisition has otherwise been financed

by the Buyer and that are in the possession of the Seller. The Buyer has the property rights of the Buyer's Tools.

2. INTRODUCTION

- 2.1. The words in capital letters defined in subclauses of Clause 1 have a corresponding meaning within the framework of these General Terms and Conditions. If the same word is used with a small first letter, then the word in question has a common meaning unless it is not a clear error.
- 2.2. The General Terms and Conditions apply to all Agreements as an integral part of the Agreement and reflecting the terms of the Agreement. If it is directly derived from the regulations of the General Terms and Conditions, the General Terms and Conditions also apply to pre-contractual negotiations.
- 2.3. The General Terms and Conditions also apply to other transactions (e.g., barter transactions) in which the Buyer acquires goods or services from the Seller.
- 2.4. Conditions other than the General Terms and Conditions shall apply to the Agreements only if the Buyer and the Seller have agreed so expressly and in a format that can be reproduced in writing, or if it arises from the applicable law.
- 2.5. The General Terms and Conditions of the Seller shall apply to the Agreements only if the Buyer has agreed to this in writing.
- 2.6. The General Terms and Conditions apply to the Agreements without being signed by the Parties to the Agreement. By entering into an Agreement, regardless of the format of the Agreement, these General Terms and Conditions shall be deemed accepted by the Seller and as such shall be an integral part of the Agreement, unless it would be in conflict with law.
- 2.7. The Buyer shall indicate to the Seller the existence and application of these General Terms and Conditions prior to the conclusion of the Agreement or at the latest at the time of the conclusion of the Agreement, giving the opportunity to examine them for a reasonable period. The indication may be in any way or format. Preferably, indication takes place at least in a format which can be reproduced in writing.
- 2.8. If the Buyer modifies the General Terms and Conditions, the General Terms and Conditions shall apply as amended to the Agreements concluded after notification of the amendment from the moment when the Buyer has notified the Seller or the Potential Seller of the changes. Notification can be done in any way and format. Preferably, notification takes place at least in a format which can be reproduced in writing. Agreements already entered into (including agreed but not yet executed orders) are subject to the General Terms and Conditions in the version in force at the time of conclusion of the Agreement (including agreements concerning a specific order), but the Buyer may make the acceptance of the new General Terms and Conditions by the Seller a condition of accepting new orders.

3. GENERAL REQUIREMENTS FOR THE SELLER

- 3.1. The Seller must be during the pre-contract negotiations, at the time of signing the Agreement, and until the Seller has fully performed its obligations under the Agreement (including until the end of the Warranty Period):
 - 3.1.1. permanently solvent, not subject to any insolvency proceedings (including, but not only, bankruptcy or reorganisation proceedings);
 - 3.1.2. permanently active in the field of activity in which the Agreement is concluded;
 - 3.1.3. financially credible (incl., but not only, whose equity is positive and whose auditor, when checking the last annual report, if the audit of the annual report is mandatory, has concluded that the Seller is economically sustainable);
 - 3.1.4. directly or indirectly controlled at the level of the partners/shareholders/members and the management (board / supervisory board) in the majority by the same natural persons (final beneficiaries) from the commencement of the pre-contract negotiations until the final fulfilment of the obligations arising from the Agreement;
 - 3.1.5. covered by adequate insurance cover (including producer liability insurance), which is considered normal and reasonable for the persons and activities in this field.
- 3.2. During the pre-contract negotiations, at the time of concluding the Agreement, and until the Seller has fully performed its obligations under the Agreement (including until the end of the Warranty Period), against the Seller:
 - 3.2.1. there are no trials or other similar legal proceedings or real out-of-court dispute that, in case of a negative decision for the Seller, could lead to an infringement of a prohibition listed in Clause 3.1.
- 3.3. In the pre-contract negotiations and in the performance of the Agreement, the Seller acts in good faith and follows reasonable and customary commercial interests and business practices that are normal in business (the Buyer also acts in accordance with the relevant principles).
- 3.4. **If the Seller becomes in conflict with the requirements of Clause 3.1 or 3.2, the Seller shall immediately inform the Buyer thereof in at least a format that can be reproduced in writing.** In such a case, the Buyer has the right to cancel all Agreements and terminate the pre-contract negotiations without incurring any indemnification obligation, unless if it would be clearly contrary to the principle of good faith (e.g., if the Seller / Potential Seller provides the Buyer with sufficient guarantee to fulfil its obligations). The Seller is not entitled to cancel the Agreements in other cases than the ones specified in law.
- 3.5. The Seller undertakes to notify the Buyer at least thirty (30) days in advance during the validity of the Agreement of the following:
 - 3.5.1. The schedule of the sales department and warehouse of the Seller during vacations and holidays;
 - 3.5.2. Change in the Seller's contact person(s) and service staff;
 - 3.5.3. Change in the Seller's name, legal entity's commercial registry code and value

added tax identification number;

- 3.5.4. Changes in the product range offered by the Seller (new products, cessation of production, etc.);
- 3.5.5. Seller's planned downtime.
- 3.5.6. Any other circumstances that impede the performance of the Agreement (e.g., problems caused by difficulties in the supply of raw materials, etc.).

4. ENTRY INTO AN AGREEMENT AND AGREEMENT DOCUMENTS

- 4.1. The Agreement shall be concluded by making an offer at least in a format that can be reproduced in writing and by accepting the offer at least in a format that can be reproduced in writing. Depending on the specific case, either the Buyer or the Seller may be the one making the offer or the one accepting it. If the Agreement is concluded in writing or in a format which can be reproduced in writing as the result of joint negotiations, the Agreement shall be deemed to have been entered into when the Parties have expressly expressed this to each other in writing or in a format which can be reproduced in writing. As far as possible, the Agreement is formally drawn up as a single contract document.
- 4.2. The Agreement is deemed to have been concluded in accordance with the general regulation of the law, except for the specifications and distinctions provided in the General Terms and Conditions, incl. that the Agreement shall not be deemed concluded before the Buyer has expressed with a direct declaration of intent at least in a format which can be reproduced in writing that the Buyer considers itself bound by the terms of the Agreement, whereas with such expression, it must be clear without any doubt, what specific conditions the Buyer wishes to be bound by. In such a case, the terms of the Agreement shall be deemed to be those expressly referred to by the Buyer at least in a format which can be reproduced in writing, and in such a case, the terms that the Buyer's reference does not explicitly include, shall not be applied. The General Terms and Conditions and the provisions of law shall apply to the terms of the Agreement, which are not expressly referred to by the Buyer, if they do not conflict with the General Terms and Conditions. The Agreement shall not be deemed to have been entered into, nor shall the terms be amended, supplemented, or otherwise accepted by the Buyer with tacit approval, deed, oral approval, etc.
- 4.3. As a rule, the Agreement is concluded by the Buyer by submitting an Order the Buyer is Bound by to the Potential Seller, which the Potential Seller accepts unconditionally in at least the same format. If the Potential Seller accepts an Order the Buyer is Bound by conditionally or with amended terms, then the Agreement shall not be deemed to have been concluded until the Buyer expressly expresses at least in a format which can be reproduced in writing that it agrees with the stipulated condition and/or amended terms or supplements.
- 4.4. Acceptance by the Potential Seller of an Order the Buyer is Not Bound by sent to the Potential Seller by the Buyer (including unconditional acceptance) shall not create the Agreement until the Buyer has expressly expressed the desire to enter into the Agreement at least in a format that can be reproduced in writing.

- 4.5. If the Potential Seller submits to the Buyer an Offer the Seller is Bound by, Agreement shall be deemed to have been concluded from the moment the Buyer has accepted it at least in a format that can be reproduced in writing.
- 4.6. If the Potential Seller submits to the Buyer an Offer the Seller is Not Bound by, the Agreement shall be deemed concluded from the moment the Buyer accepts it at least in a format that can be reproduced in writing and the Potential Seller has in turn accepted the Buyer's consent in the same format once again. Presumably, the Potential Seller has time to accept the Buyer's consent in turn within two (2) working days in order to conclude the Agreement.
- 4.7. The Agreement documents (i.e. documents reflecting the content of the Agreement) are the General Terms and Conditions and terms expressed at least in a format which can be reproduced in writing (generally contained in the offer and in the order) for which the Buyer has expressly stated its desire to be legally bound by them.
- 4.8. The Seller undertakes to give the Buyer feedback on orders generally within two (2) working days, unless otherwise agreed or unless otherwise specified in the order.
- 4.9. After the Agreement has been concluded, the terms of the Agreement may not be amended without the consent of the other Party, which shall be expressed in at least the same format as the Agreement has been concluded in. Nevertheless, the Buyer has the right to amend the technical specification of the Goods purchased under the Agreement if there is a justified need to do so by notifying the Seller at least in a format that can be reproduced in writing. Upon receipt of the respective notice, the Parties to the Agreement undertake to immediately negotiate and agree on what such amendment of the terms and conditions entails and to amend the Agreement accordingly. In such a case, the Buyer undertakes to compensate the Seller for all reasonable costs and direct losses caused by the changes (the Seller's lost income is not subject to compensation). If no agreement is reached within a reasonable time, both Parties have the right to withdraw from the Agreement.

5. TERM OF THE AGREEMENT AND FOLLOWING IT

- 5.1. The term of the Agreement is generally expressly stated in the documents of the Agreement.
- 5.2. The Seller is obliged to perform its principal obligation (i.e., the obligation to deliver the Goods or to provide the Service) arising from the Agreement. The Agreement may also provide for separate deadlines for the fulfilment of secondary obligations or for partial execution of the principal obligation. If the Agreement (including the General Terms and Conditions) does not expressly stipulate the term of the Agreement or the terms of the secondary obligations, then the requirements of the law must be complied with and in any case the obligation must be fulfilled within a reasonable time.
- 5.3. Unless otherwise provided in the documents of the Agreement, the Buyer shall not be obliged to accept the performance of the Agreement from the Seller prematurely or late, or in parts, unless the refusal would be contrary to the principle of good faith.
- 5.4. In the event of a delay in performance of the Agreement, the Buyer shall have all rights

arising from law, including, but not limited to, the right to claim compensation for any damage that the Buyer incurs in connection with the late performance. In doing so, the Seller acknowledges that a breach of the Agreement will very likely lead to obstacles to the Buyer's business, which may result in extensive damages, including loss of reputation that is difficult to measure.

- 5.5. Considering the previous Clause, the Parties to the Agreement have agreed that in addition to other remedies arising from law and the Agreement, the Buyer shall be entitled to claim a contractual penalty of a quarter of a percentage of the amount payable by the Buyer to the Seller per day for each day of delay in the event of a delay. Payment of a contractual penalty does not preclude compensation for damage exceeding the amount of the contractual penalty.
- 5.6. The Seller is obliged to inform the Buyer immediately, at least in a format that can be reproduced in writing, if there is a risk that the Seller will be unable to fulfil its obligations by the term of the Agreement by notifying the Buyer of the reasons for the delay and the deadline by which the Seller will be able to fulfil its obligations. In this case, the Buyer has the right to cancel the Agreement or withdraw from the Agreement (except if it were contrary to the principle of good faith) and to use other remedies provided by law.

6. QUALITY REQUIREMENTS AND ENVIRONMENTAL REQUIREMENTS FOR THE OBJECT OF THE AGREEMENT

- 6.1. The Goods and/or the Service must fully comply with all quality requirements and other terms and conditions so that the Buyer could use it according to the purpose of the Goods and/or the Service. The Seller is expected to know the manner, terms and purpose of using the Goods and/or the Service. The Seller has the right and, if necessary for the performance of the Agreement, the obligation to require the Buyer to describe the manner, terms and purpose for the use of the Goods and/or the Service, which the Buyer is obliged to do in such a case. Nothing herein shall oblige the Buyer to disclose to the Seller or Potential Seller, or to any third party, any commercial or industrial secrets or any other confidential information.
- 6.2. The Goods and/or the Service shall be subject to the relevant quality requirements arising from the documents of the Agreement. If and to the extent that the documents of the Agreement do not contain specific quality requirements, the Goods shall have at least the higher average quality and expected characteristics normally required in trade and comply with the laws, regulations and administrative provisions, especially regarding safety, occupational health and safety and prevention of accidents, in force at the place of destination of the Goods, at the Buyer's registered location, and at the Seller's registered location (in that order), as well as existing standards (such as EU standards and internal company standards) and guidelines, adhering to state-of-the-art technology standards and generally recognised technology rules and all conditions based on it.
- 6.3. If, in addition to the documents of the Agreement, the Buyer has also accepted the sample of the Goods, its characteristics cannot be changed (i.e., function, recipe,

appearance, properties, materials, production methods and place of manufacture, etc.) without the written consent of the Buyer. In doing so, the Contracting Parties shall take into account that the Seller is the specialist in the respective field when making the Goods and providing the Service, and the Seller shall immediately inform the Buyer and propose any necessary changes in the characteristics of the Goods or the Service if this is necessary for the Goods or the Service to meet all the required conditions. At the same time, acceptance of the sample by the Buyer shall not affect the Seller's liability for the compliance of the Goods with the terms of the Agreement (including warranty liability). The Seller does not have the right, without the explicit consent of the Purchaser, expressed at least in a manner that can be reproduced in writing, to deliver, as performance of the Agreement, to the Buyer Goods made by a third party instead of the Seller (so-called substitute goods) or made in another Seller's factory or other manufacturing site than the sample of the Goods that the Buyer has accepted.

- 6.4. If the Buyer finds that the characteristics of the Goods or Service should be changed, the Buyer has the right to make a corresponding proposal to the Seller, who must immediately respond to such a proposal and, taking into account the characteristics of the Goods or the Service, amend the Buyer's proposal or explain why changing the characteristics is not appropriate.
- 6.5. If the Parties have not agreed otherwise, the quality requirements of ISO 9001 will apply to the quality of the Goods and the Goods must comply, in particular, with the technical specification, the declaration of conformity, the certificate issued by the manufacturer, and the safety data sheet. The Seller shall follow all EU directives and regulations on CE marking in force for the Goods and, in cases where EU legislation is not applicable, all other relevant national and international applicable laws. Declaration of Conformity to this effect with the relevant documentation (for non-EU Sellers) is an integral part of the Agreement. If the Buyer purchases several items of the same type or that are similar within the framework of a single Agreement, each article of the Goods must have the same quality and other characteristics (whereas quality fluctuation is considered a breach of the Agreement) whereas the minimum quality fluctuation of the Goods and the like is also significant breach of the Agreement (see also requirements in Clause 6.3).
- 6.6. If the Buyer enters into several successive Agreements with the same Seller or with Sellers belonging to the same group, with each Agreement, the Goods shall always comply with all the same quality and other requirements as in the previous Agreements. Changes in the quality or other characteristics of the Goods may only occur if the Buyer has expressed a clear request for such changes in a form that can at least be reproduced in writing.
- 6.7. At the request of the Buyer, the Seller is obliged to provide a certificate of conformity for the Goods, which contains the information required by the Buyer. At the request of the Buyer, the Seller is required to provide a proof of preferential origin (for non-EU Sellers). Supplies from non-EU countries must comply with the preferential rules of origin set out in the relevant EU preferential agreement.
- 6.8. The Buyer has the right to enter the territory and premises of the Seller and/or Potential Seller for the purpose of checking manufacturing, quality, and other compliance with

the terms of the Agreement and to take product samples or carry out any other checks necessary to verify that the manufacturing and quality of the Goods are presumed to conform to the terms of the Agreement. In doing so, the Seller undertakes to ensure that its contractual partners (subcontractors) grant the Buyer the same right of checking. Such checks, regardless of their results, do not exclude or reduce the Seller's liability for breach of the Agreement.

- 6.9. The Goods and the production of the Goods must comply with all applicable environmental and other requirements and be safe for both humans and nature.
- 6.10. The rules set above for Goods apply also to the Service, to the extent and degree that they are inherently applicable.

7. TRANSFER OF POSSESSION AND OWNERSHIP OF GOODS AND CONSIDERING THE SERVICE PROVIDED

- 7.1. The possession of the Goods shall be transferred in accordance with the provisions of the Agreement. Goods must be handed over free of any Seller's own or third party's rights to the Goods or other restrictions. Together with the possession of the Goods, the risk of accidental destruction and damage to the Goods is also transferred. In the event that the Agreement refers to Incoterms delivery clauses, the possession of the Goods and the risk of accidental destruction and damage to the Goods will be transferred according to the delivery clause.
- 7.2. Unless the Agreement provides otherwise, the place of transfer of the possession of the Goods shall be deemed to be the Buyer's location or the address indicated by the Buyer in the order. If the place of transfer of the possession of the Goods is the place of the Buyer, the Goods shall be transferred to the Buyer on the basis of the invoice-delivery note / delivery note, if the consignee is a legal or natural person other than the Buyer, the Goods shall be delivered to the Buyer only on the basis of the delivery note. If the consignee is a legal or natural person other than the Buyer, the Buyer shall inform the Seller of the name of the consignee and the data necessary for its identification.
- 7.3. The Seller undertakes to hand over to the Buyer with the Goods:
- 7.3.1. A delivery note, which must include a reference to the Buyer's order / Agreement that regulates the sale of the particular Goods, the name of the Buyer who has placed the order, the quantity of the Goods; name of the Goods, manufacturer's code for the Goods, shipping address, shipping package quantity;
- 7.3.2. The list of spare parts in the local language of the place of delivery of the Goods and also in English/Russian at the Buyer's request;
- 7.3.3. The Goods must in any case be accompanied by comprehensive and complete documentation in the local language of the place of delivery of the Goods and, if this is not possible, in English;
- 7.4. In addition, the Seller is obliged to provide all the documents, instructions, drawings and other documentation necessary for the use, implementation, etc. of the Goods

without separate demand and in full, in accordance with the purpose of the Goods and the intended use for which the Buyer needs the Goods, for installing, assembly, processing, storing, operating, maintaining, inspecting and repairing. In addition, upon request, the Seller shall promptly notify of the name of the manufacturer, importer or main supplier concerned.

- 7.5. The Seller undertakes to mark the Goods and the package of the Goods in accordance with the marking enabling the identification of the Goods (name of the goods, manufacturer's product code, batch number, date of manufacture and/or expiry date, EAN code) and European Union standards, unless the Parties to the Agreement have agreed other minimum (stricter) labelling requirements. In the case of Goods transported by sea, the transport documents and invoices of the Goods shall bear the name of the shipping company and the ship and any other information enabling the vessel to be identified.
- 7.6. The Goods must be packaged in accordance with the terms of the Agreement. Notwithstanding any other agreement between the Parties, the Goods shall in any case and always be packed in such a way as to avoid any damage to the Goods during transportation and/or loading and unloading of the Goods from the means of transport. The Seller also undertakes to deliver the Goods to the Buyer by means of transport that enables the Buyer to unload the Goods at the place indicated by the Buyer with a forklift truck. The Buyer has the right to make proposals to the Seller regarding the packaging of the Goods if the Buyer discovers that there is a risk of damage to the Goods in future cases. The Seller undertakes to accept the recyclable packaging of the Goods at its own expense in accordance with the general practice, if the Buyer so requests.
- 7.7. Unless the Parties have agreed otherwise, the Seller shall undertake to package and label all deliveries separately according to the orders submitted by the Buyer.
- 7.8. The Service is deemed to be provided in accordance with the provisions of the Agreement.
- 7.9. The Parties to the Agreement shall sign a written act about the Goods being regarded as delivered and/or the Service being regarded as provided; the act must be signed by the representatives of both Parties, unless it is agreed that an act/confirmation expressed in a manner that can be reproduced in writing is sufficient.
- 7.10. The transfer of ownership of the Goods shall take place simultaneously with the transfer of possession unless otherwise agreed.
- 7.11. Acceptance of the Goods and/or the Service by the Buyer shall not affect the Buyer's right to invoke the Seller's breach of the Agreement and the right to use remedies.
- 7.12. In a situation where the Goods or the Service is hardware and/or software, it may not contain copy protection, expiration dates, or similar restrictions, and shall be free of any third-party rights. In doing so, the Seller grants to the Buyer a transferable right for the use of the supplied software, which is unlimited in geography and time. The Seller is obliged to provide hardware and software and spare parts maintenance services for at least 7 years after the Agreement has been performed in accordance with the

Agreement and to inform the Buyer from time to time of the latest hardware and software releases (if any).

8. REVIEWING OBLIGATION AND TESTING OF GOODS

- 8.1. The Buyer undertakes to review the Goods in reasonable time after receiving the Goods, taking into account the quantity of the Goods, the nature of the items and other circumstances. Generally, a period of fourteen days from receipt of possession by the Buyer is deemed reasonable.
- 8.2. If the Buyer receives possession of the Goods through a third party (e.g., the Goods are handed over to the carrier), the reasonable time of the reviewing obligation shall be counted from the time that the Goods are available for reviewing for the Buyer's representative who has an employment relationship with the Buyer or who has been explicitly authorised by the Buyer to review the Goods.
- 8.3. The Contracting Parties do not expect the Buyer to be able to identify all defects in the Goods during the review of the Goods, in particular hidden defects or such deficiencies, the detection of which is not immediately identifiable as a result of conventional reasonable reviewing (e.g., in the case of a large quantity of Goods, the quantity of Goods or the conformity of each individual item with the terms of the Agreement). The Seller accepts that in the cases when the Goods are used by the Buyer for the manufacture of its products (e.g., chemicals, etc.), the Buyer is expected to have the first opportunity to discover the defects of the Goods only after the Buyer has used the Goods in its production activities, therefore the Buyer will become aware of the defects (incl. can notify the Seller thereof) only after using the Goods, which may be a considerable period after the Goods are received from the Seller.
- 8.4. If the item is subject to testing, the Seller shall bear all relevant material and personnel costs of testing. The Seller shall notify the Buyer of its willingness to test at least one week in advance in a manner that can be reproduced in writing and agree with the Buyer on the date of testing. If the Goods are not submitted on that date, the Seller shall bear the Buyer's personnel costs that are related to the testing. If repeated or additional testing is required due to identified defects, all relevant material and personnel costs are borne by the Seller. If the Goods are materials used as raw materials, the Seller shall bear the material and personnel costs of such inspection.
- 8.5. The rules set above for Goods apply also to the Service, to the extent and degree that they are inherently applicable.

9. NOTIFICATION OF THE SHORTCOMINGS OF THE AGREEMENT

- 9.1. The Buyer shall inform the Seller within a reasonable time of any defects in the Goods that the Buyer discovers by sending a Claim to the Seller. Generally, a period of fourteen days from the discovery of a defect is considered reasonable.
- 9.2. If there are repeated defects in the Goods or items of the Goods or if several items of the Goods transferred within the framework of the Agreement are defective, it is sufficient for the Buyer to notify the Seller of the defects at least once within a reasonable period of time, and in such case, the Buyer shall not be obliged to notify the

Seller again after each subsequent same or similar defect has been discovered. In such a case, the Buyer shall inform the Seller of any defects discovered by that time with a summary notice within a reasonable time after the Buyer can reasonably assume that no such defects will be discovered in respect of the Goods transferred under the same Agreement (e.g., the whole lot of the Goods has been reviewed). However, such summary notification does not exclude the possibility of further notification of defects later.

- 9.3. After receiving the Claim, the Seller generally has the right to inspect the defective Goods and to file an Objection to a Claim within a reasonable time. Generally, fourteen days are considered a reasonable time. The Seller has no such right and opportunity if, for objective reasons, this is not possible or would be economically impractical (e.g., connecting the defective Goods with the Buyer's products and transfer is financially less damaging than not doing so), the Buyer will record the defects in some other way (e.g., photo, witness statements, etc.).
- 9.4. If the Buyer identifies significant violations of the Agreement and submits a Claim to that effect to the Seller and the Seller does not submit an Objection to a Claim within a reasonable period of time, or submits objections which it has not sufficiently and credibly explained, the Buyer has the right to withdraw from or cancel all outstanding Agreements, the object of which are items analogous to the ones regarding which the Buyer has submitted a Claim. In any case, the Buyer has the right to use other remedies provided by law.
- 9.5. The Seller shall not have the right to suspend performance of the Agreements or otherwise violate the Agreements in the event of a Claim by the Buyer without the corresponding request from the Buyer.
- 9.6. If the Buyer transmits to the Seller a declaration of intent stating that the Seller has violated its contractual obligation (in particular the Claim) and there is a delay in the delivery of this declaration of intent or if the declaration of intent is lost upon delivery, the declaration of intent will be deemed received at the time it would have been received under normal circumstances, if the contracting Party which has communicated it proves that it has made a declaration of intent and has chosen a reasonable manner of transmission.
- 9.7. The rules set above for Goods apply also to the Service, to the extent and degree that they are inherently applicable.

10. AGREEMENT PRICE, INVOICES AND PAYMENT

- 10.1. The Buyer undertakes to pay the Agreement Price to the Seller in the amount stipulated in the Agreement, provided that the Seller has duly performed the Agreement. The Buyer has the right to withhold and/or reduce the payment of the Agreement Price according to the grounds prescribed by law if the Seller violates the Agreement.
- 10.2. Among other things, but not only, the Buyer will not be obliged to pay the Agreement Price before:

- 10.2.1. The Buyer has definitively accepted the Goods or the Service in accordance with the Agreement and
- 10.2.2. the Buyer has received a proper invoice from the Seller for the payment of the Agreement Price.
- 10.3. Unless expressly agreed otherwise in the Agreement, the agreed Agreement Price includes the packaging, transport, transport insurance, customs declaration (if applicable) and unloading of the Goods, as stated in the delivery clause "DAP place of performance of the Agreement" (see next Clause).
- 10.4. The place of performance of the Agreement is the destination of Goods agreed in the Agreement; if the destination is not indicated, the place of performance is the registered place of business of the Buyer. Support point for joint marketing activities Väike-Männiku 11, Tallinn, Estonia. The Buyer shall also be entitled to receive the Goods directly from the Seller's location, as per the FCA delivery clause. In this case, the shipping costs and other costs that would be added in case of the DAP delivery clause in comparison with the FCA clause will be deducted from the Agreement Price. Upon such request, the Buyer shall inform the Seller thereof in good time. In such a case, the ownership of the Goods and the risk shall pass to the Buyer upon delivery of the Goods.
- 10.5. The Agreement Price shall be deemed to have been duly paid from the moment when the Buyer has made a payment order to its account administrator in the respective amount.
- 10.6. The invoices are not sent with the Goods but sent separately to the Buyer unless otherwise agreed. Invoices must contain a reference to the Agreement, otherwise the Buyer has the right not to accept the invoice. Additional services or defects of the Goods or the Service are invoiced separately. If the invoices do not comply with the requirements set out in this Clause or elsewhere in the Agreement or in the law, the Buyer may request the submission of a new correct invoice and the non-compliant invoice shall not be paid, but the correct invoice shall be payable from receipt. For intra-EU supplies, each invoice must contain the TARIC code and the net weight of the Goods as well as the VAT numbers of the Parties to the Agreement.
- 10.7. Unless the Parties to the Agreement have agreed otherwise, the Seller undertakes to forward the invoice to the Buyer at the e-mail address indicated in the order of the Goods.
- 10.8. If the invoice submitted by the Seller reaches the Buyer later than within four (4) days from the date on which the invoice is indicated to have been created on the invoice, the Buyer shall have the right to delay payment of the invoice for as many days as the invoice is delayed. Invoices received by the Purchaser up to the 4th day shall be payable by the due date on the invoice, provided that the term indicated on the invoice is compatible with the Agreement.
- 10.9. Unless the Parties to the Agreement have agreed otherwise, the Buyer shall be entitled to pay the Agreement Price within 45 days of the receipt of the proper invoice and/or the final acceptance of the Goods or Service, whichever is later.

- 10.10. Payment of the Agreement Price does not mean that the Buyer accepts the performance of the Agreement by the Seller as appropriate (i.e., regardless of whether the Buyer has paid the Agreement Price, the Buyer may have all objections regarding the appropriateness of the performance of the Agreement).
- 10.11. In the event of delay in payment of the Agreement Price by the Buyer, the Seller shall have the right to demand a default interest of zero point zero five percent of the delayed amount per day for each day of delay.
- 10.12. In the absence of any other agreement, it is assumed that the general price list of the Goods and/or Services agreed between the Seller and the Buyer is valid for at least 1 (one) year. The Seller is obliged to inform the Buyer of any changes in the price list and to approve the new prices with the Buyer one (1) month before they become effective. The new prices will come into force upon signing the respective written agreement between the parties. If no agreement is reached, both parties have the right to terminate further cooperation, which does not justify termination or failure to perform the already concluded Agreements. If the Seller has not notified the Purchaser of the change in the price list at least one (1) month in advance, then the price list valid until then will be extended for a period that is same in length, which is presumably one (1) year.

11. INTERNATIONAL AGREEMENT

- 11.1. If the performance of the Agreement requires the receipt of import or export licenses or other official authorisations or validations or approvals and/or any certificates, etc. from third parties, timely receipt and submission thereof is the Seller's responsibility for which the Seller is fully responsible.

12. OWNERSHIP OF INTELLECTUAL PROPERTY, BUYER'S TOOLS AND OTHER ISSUES

- 12.1. Intellectual property arising in the course of the conclusion and performance of the Agreements shall be owned by the Buyer to the extent necessary for the Buyer in view of the purpose of the Agreement and the reasonable and justified interests of the Buyer, unless otherwise agreed by the Parties in a format that can at least be reproduced in writing. Among these, the Buyer owns all the intellectual property arising from the fact that the Seller creates any works, inventions, utility models, etc. in the performance of the Agreement. The intellectual property of a Party to the Agreement, which belonged to it prior to entering into the pre-contractual negotiations, shall remain its sole property and the other Party to the Agreement shall not acquire any rights, except as otherwise expressly provided for in the Agreement. Notwithstanding the foregoing, the Buyer shall not acquire any intellectual property rights under the Agreement to the extent that the law excludes (in particular the rights inherent to the author's person). To the aforementioned rights, the Seller grants the Buyer a non-exclusive license by entering into the Agreement to the extent necessary for the Buyer in view of the purpose of the Agreement and the reasonable and legitimate interests of the Buyer.
- 12.2. The Seller is required to take all appropriate measures to ensure that the Seller's subcontractors, contractors, employees, etc. are covered by contracts so that the terms

and conditions set forth herein would also be applicable to them.

- 12.3. The Seller is obliged to inform the Buyer immediately of any potential situations and threats that become known to the Seller, which may jeopardise the fulfilment of the terms and conditions herein.
- 12.4. The Seller is responsible for enabling the Buyer to freely use and sell the Goods as part of their products or as accessories, or separately, all over the world, irrespective of patent or any other intellectual property protection rights, and that such Products and Goods of the Buyer may be exported without restriction, unless the Parties to the Agreement have agreed otherwise in writing. At the request of the Buyer, the Seller is obliged to provide the Goods with corresponding certificates, consents, declarations, etc. If after the conclusion of the Agreement it becomes evident that the Goods are subject to an export restriction or any third party's right or other restriction (except for an obviously insignificant restriction) that prevents the Buyer from using the Goods freely, the Buyer has the right to withdraw from the Agreement without any indemnification obligation to the Seller. In such a case, the Seller is obliged to compensate the Buyer for any resulting damage.
- 12.5. The Buyer is responsible for any disputes regarding the intellectual property of the Goods under the following conditions:
 - 12.5.1. The Buyer shall be liable for intellectual property issues related to the Goods if the Goods have been manufactured accurately and exclusively in accordance with the Buyer's instructions and in accordance with the drawings and other guidance documents provided by the Buyer.
- 12.6. Excluding in the case specified in Clause 12.5, the Seller undertakes to ensure that the use and/or sale of the Goods is not a violation of the intellectual property of any person in Estonia or elsewhere and is responsible for any related damage (including loss that originally occurs to the Buyer). In the event that a dispute with a third party arises in the matter, the Seller undertakes to participate in the dispute at its own expense and to compensate the Buyer for the respective costs of the Buyer.
- 12.7. The Seller is obliged to continuously ensure the Buyer access to the Buyer's Tools. The Seller is obliged to mark the Buyer's Tools in such a way that it would be clear that they are owned by the Buyer and must be kept separate from the Seller's tools that are not used to make the Goods or provide the Service.
- 12.8. The Seller is obliged to insure the Buyer's Tools and keep them insured at least in their replacement value for the entire period that they are in the possession of the Seller. The respective insurance agreement must indicate the Buyer as the beneficiary.
- 12.9. The Seller is forbidden from using the Buyer's Tools for its own or for a third person's purpose, or in any way modify or destroy them without the Buyer's written permission.
- 12.10. The Seller undertakes to take care of the Buyer's Tools prudently and to carry out maintenance as necessary. The Seller undertakes to inform the Buyer immediately, at least in a format that can be reproduced in writing, if the Buyer's Tools have become damaged and/or need to be repaired, renewed, etc. The Seller is not entitled to charge

the Purchaser a separate fee for the maintenance of the Buyer's Tools, with the assumption that the fee is included in the Agreement(s) Price.

- 12.11. Each time there is a need for the Seller to produce or acquire a Buyer's Tool, it will be agreed beforehand at least in a format which can be reproduced in writing who is required to pay for these, in what sum, in what order, and under what conditions. If the respective agreement has not been concluded beforehand then the Buyer shall not be obliged to pay a separate fee for the manufacture or acquisition of the Buyer's Tool, but such costs shall be deemed to be covered by the payment for the Goods or the Service. Also in the aforementioned case, the Buyer has the property right of the Buyer's Tool and all related rights.
- 12.12. The Seller undertakes to issue the Buyer's Tools to the Buyer immediately upon receipt of the Buyer's request. The Seller has the right to keep the Buyer's Tools in its possession for as long as they are directly required for the performance of the Agreement. The Seller does not have the right to charge the Buyer a separate fee for the storage of the Buyer's Tools, the fee being assumed to be included in the Agreement(s) Price.
- 12.13. All documents and materials made available to the Seller or Potential Seller by the Buyer for the purpose of manufacturing the Goods or providing the Service shall remain the property of the Buyer and shall not be used, reproduced, or made available to third parties for any other purpose by the Seller or Potential Seller. Upon request, they are immediately returned to the Buyer with all copies and reproductions thereof.

13. BREACH OF AGREEMENT, EXCUSABILITY AND ITS CONSEQUENCES

13.1. Breach of Agreement

13.1.1. If the Seller does not respect the Term of the Agreement (regardless of the length of the delay), hands over and the Buyer receives defective Goods or Service (except for Goods or Service with an insignificant defect), then there exists a material breach of the Agreement and the Buyer has the right to use any remedies, including those, the use of which requires substantial breach of agreement. Among other things, but not only, in this case the Buyer is entitled to:

13.1.1.1. cancel the Agreement or withdraw from the Agreement;

13.1.1.2. reduce Agreement Price;

13.1.1.3. refrain from fulfilling its obligations under the Agreement until the Seller is in breach of its obligations;

13.1.1.4. claim damages (including loss of income);

13.1.2. If the Seller otherwise violates the Agreement (i.e. not substantially), the Buyer shall have the right to use all remedies provided by law, including remedies mentioned in Clauses 13.1.1.2–13.1.1.4 above.

13.1.3. Whereas, the Buyer has the right to use remedies at its own discretion, either

separately or separately, immediately or later and in the order in which the Buyer decides to do so. The Buyer has no right to use remedies that are contrary to the principle of good faith or the law (including the simultaneous use of mutually exclusive remedies).

14. SALES SUPPORT

- 14.1. The Seller undertakes to plan joint marketing activities for the presentation of the Goods offered by the Seller, for training, advertising and promotional activities at the Buyer's location in accordance with the plan and budget agreed between the Parties. The sales support planned for joint marketing activities will be paid by the Seller to the Buyer in money by agreement between the parties, but not less frequently than once a year.
- 14.2. The Seller is obliged to provide the Buyer with promotional materials (catalogues, leaflets and samples of goods (stands, goods for stands), instruction materials for resale in the local language and at the request of the Buyer also in English/Russian free of charge, and to update the promotional material within a reasonable time after the change. If the Seller has not supplied the Purchaser with the aforementioned materials, the Seller shall compensate the Buyer for all expenses incurred by the Buyer in connection with the non-compliance of instruction materials given herein.
- 14.3. At the request of the Buyer, the Seller shall organise training and training courses for the sales personnel of the Buyer (also, if necessary, for end users and customers of the Buyer).

15. WARRANTY AND LIABILITY

- 15.1. The Warranty Period for all Goods delivered under the Agreement shall be at least twenty-four (24) months from the date of final acceptance of the Goods, unless the Parties have agreed otherwise in at least a format that can be reproduced in writing.
- 15.2. It is assumed that any defect in the Goods occurring during the Warranty Period was present at the time when the risk of accidental destruction and damage of the Goods was transferred to the Buyer and such Goods are Low Quality Goods for which the Seller is liable. The Seller shall also be liable for any non-compliance with the terms and conditions of the Agreement that emerged after the expiry of the Warranty Period if the defect was present at the time of delivery.
- 15.3. The Buyer's acceptance statement and/or the receipt of the Goods will always be subject to a reservation, i.e. the Goods are deemed to be finally accepted only if no quantitative deficiencies and/or defects are subsequently identified. The Goods shall be deemed to be finally accepted from the moment when the Goods have been duly received by the Buyer.
- 15.4. The Seller is responsible for ensuring that the Goods are of the correct type and quality and comply with all the terms and conditions agreed in the Agreement (including the General Terms and Conditions), i.e. primarily Goods are suitable for their intended use

(i.e. the Seller's warranty obligation includes parts produced, services provided, etc. by the Seller's sub-suppliers) and also comply with all requirements arising from law or other legislation.

- 15.5. In the case of Low Quality Goods, the Seller undertakes to immediately repair the Goods or to replace the Low Quality Goods with Goods in compliance with the Agreement its own expense and to compensate for any damage to the Buyer. The Buyer may require that the Low Quality Goods shall not be replaced or repaired but that all damage shall be compensated if, despite replacement or repair, substantial damage would be caused to the Buyer.
- 15.6. The damage referred to in the previous Clause and to be compensated shall include, but is not limited to:
 - 15.6.1. the Agreement Price paid or payable by the Buyer to the Seller for the Low Quality Goods;
 - 15.6.2. all costs incurred by the Buyer or required to be made to third parties in connection with the Low Quality Goods (e.g., Buyer's Customers' claims, contractual penalties for delay, additional labour costs of the Buyer, etc.);
 - 15.6.3. reputational damage that the Buyer incurs because the Buyer has sold or is obliged to sell or has otherwise transferred or is obliged to transfer products containing the Low Quality Goods to the Buyer's Customer, and therefore the goods are non-compliant with the agreement between the Buyer and the Buyer's Customer or have caused a delay in the performance of the respective agreement;
 - 15.6.4. compensation for the value of finished goods produced from supplied Low Quality Goods / raw materials;
 - 15.6.5. any other damage.
- 15.7. "Labour costs of the Buyer" specified in Clause 14.6.2 are EUR 50 per hour of work and this amount multiplied by the corresponding extra working hours shall be compensated by the Seller; the Buyer shall notify the Seller of the working hours at least in a format which can be reproduced in writing within a reasonable time after the sum of working hours has been identified. Such notification may be made in several parts.
- 15.8. In addition to damage specified in Clause 14.6.2, the Buyer has the right to demand compensation of one hundred (100) euros (EUR) for the administration of each claim that the Buyer's Customers have submitted to the Buyer. This amount includes only the cost of labour for additional office staff involved in the administration of claims. This amount does not include any additional labour costs incurred in connection with the Low Quality Goods delivered by the Seller (e.g., additional visual checks on lines, etc.) that are subject to compensation in accordance with Clause 14.7.
- 15.9. In case the reputational damage specified in Clause 14.6.3 cannot be clearly assessed in monetary terms in any other way, then reputational damage will be calculated as

double the sum that equals the sum of agreements that the Buyer has sold to those Buyer's Customers who filed claims, on average per month in the past year. If there has been a business relationship between the Buyer and the Buyer's Customers for a shorter period, the average price of the agreement will be calculated according to the actual duration of the business relationship.

- 15.10. Damage incurred during the Warranty Period and damage that has occurred after the end of the Warranty Period, but that is related to an event during the Warranty Period, or any other damage for which the Seller is liable, shall be compensated by the Seller to the Buyer immediately after receiving the respective notice from the Buyer and in any case within 30 days. Such notification may be made in several parts.

16. LIMITATION OF LIABILITY

- 16.1. Neither Party shall be liable if the infringement is excusable under applicable law.

17. CONFIDENTIALITY OF THE AGREEMENT

- 17.1. Contracts are confidential (except for the General Terms and Conditions) and publication of the terms of the Agreement to third parties is prohibited. The Parties have the right to disclose the terms of the Agreement to their auditors, accountants and legal advisers, provided that such persons are covered by the respective confidentiality obligation. The Parties also have the right to disclose the terms of the Agreement in court proceedings for the protection of their rights in a dispute with another Party to the Agreement, but in such a case the party is obliged to disclose only the necessary information and make every reasonable effort to protect the other party's interest regarding confidential information.
- 17.2. The Seller undertakes to keep confidential any information that becomes known to it in connection with the Agreement or in pre-contract negotiations, unless it is publicly available or otherwise legally known to it without the obligation to maintain confidentiality. The Seller will only use the information that has become known to it for the purpose of performing the Agreement. The Seller shall also keep confidential the drawings, samples, models, moulds and other production documents and tools provided by the Buyer which remain the Buyer's physical and intellectual property. The Seller protects all such data and documents from third party access and obliges its personnel working with these to perform the same confidentiality obligation. The provisions on confidentiality and data protection will remain in force even after the performance of this Agreement and upon the end of the term of the validity of the Agreement.
- 17.3. The Seller is permitted to refer to the contractual business relationship with the Buyer in information and advertising materials only with the prior express written consent of the Buyer.

18. ASSIGNMENT OF THE AGREEMENT AND SUBCONTRACTING

- 18.1. The Seller shall not be entitled to assign the Agreement to any third party or to subcontract for the performance of the Agreement without the express consent of the Buyer, which shall be expressed at least in a format that can be reproduced in writing.

The Seller has the right to use partial subcontracting for performance of the Agreement if the use of such subcontracting is normal and foreseeable in the performance of the respective Agreement. In the aforementioned case, the Seller is obliged to inform the Buyer in advance of partial subcontracting. The Seller shall be fully liable to the Buyer for the subcontractor like it is jointly and severally liable with the subcontractor for its own activities.

18.2. The Buyer has the right to assign the Agreements to third parties without the consent of the Seller, unless the Parties have agreed otherwise in at least a format that can be reproduced in writing. The Buyer shall not knowingly harm the Seller's rights by assigning the Agreements. If the assignment of the Buyer's Agreement puts at risk the fulfilment of the Buyer's obligations to the Seller, the Seller has the right to demand the guarantee of the Buyer's fulfilment of obligations, which the Buyer is obliged to give or give up the assignment or remain jointly and severally liable.

18.3. The Seller has the right to assign the financial claims against the Buyer to a third party, but in such case the Seller is obliged to inform the Buyer in advance.

19. THE CREATION OF COMMON PRACTICE AND MODIFYING AND CANCELING IT

19.1. If the Parties conclude Agreements for the purchase of the same or similar Goods or for the provision of same or similar Services for more than three consecutive times and in a period longer than three months, the Parties shall thereby consider a permanent business relationship as established between them, which results in the following legal consequences:

19.1.1. The Seller is obliged to enter into Agreements following the established practice (incl. prices, deadlines, submission and acceptance of offers, etc.) during the current permanent business relationship until the Seller has notified the Purchaser at least three months in advance of the wish to change the established conditions or terminate the permanent business relationship;

19.1.2. The Buyer is not bound by a permanent business relationship and the Buyer has the right to terminate a permanent business relationship or to propose to conclude the Agreement on terms other than the established terms without notice.

19.2. The conduct of the Parties and the established practice cannot change the terms of the Agreement. The terms of the Agreement may be amended only in the same format as the Agreement.

19.3. The Buyer's silence or action (action or omission) may not be attributed a binding legal effect to the Buyer.

20. GENERAL PROVISIONS

20.1. The Seller undertakes to appoint at least one (1) contact person responsible for the management of the activity(s) under the Agreement(s) and to ensure the availability of at least one (1) contact person by telephone or electronically throughout the Seller's working hours. The name(s) of the contact person, the number(s) of the means of communication and the e-mail and regular address shall be specified in the Agreement.

20.2. If any provision of these General Terms and Conditions is void under the law, it does not affect the validity of other provisions. In such a case, instead of the void provision, a condition that is as close as possible to the content of the void provision for it to be in accordance with the law shall be applied.

21. LAW THE AGREEMENT IS SUBJECT TO

21.1. The Agreement is subject to the substantive law of the Republic of Estonia. The Agreement is not subject to the United Nations Convention on Contracts for the International Sale of Goods (CISG).

22. SETTLEMENT OF DISPUTES AND COMPETENT JURISDICTION

22.1. The Parties to the Agreement shall try to settle the disputes arising from the Agreement through negotiations. If disputes arising from the Agreement cannot be settled by negotiations between the Parties to the Agreement, the dispute shall be finally settled in the Arbitration Court of the Estonian Chamber of Commerce and Industry in Tallinn on the basis of the rules and regulations of the Arbitration Court.

22.2. The composition of the Arbitration Court, which settles the dispute, will be composed of 3 (three) members. The Parties undertake to select one arbitrator within the term set by the Council of the Arbitration Court of the Estonian Chamber of Commerce and Industry. Each Party to the Agreement shall propose to the arbitrator chosen by them to choose a third arbitrator, together with the arbitrator chosen by the other Party to the Agreement; the third arbitrator shall be the Chairman of the Arbitration Court for the settlement of the dispute. If the arbitrators selected by the Parties to the Agreement have not selected a third arbitrator within the deadline of the Council of the Arbitration Court of the Estonian Chamber of Commerce and Industry, the Council of the Arbitration Court of the Estonian Chamber of Commerce and Industry shall appoint a third arbitrator who shall be the Chairman of the Arbitration Court. If the Parties to the Agreement do not form an Arbitration Court in accordance with the provisions of this Clause and the rules and regulations of the Arbitration Court, the Arbitration Court shall be formed by the Council of the Arbitration Court of the Estonian Chamber of Commerce and Industry.