

# Annex 1 General Terms and Conditions of the Heat Pump Lease Contract

Valid from 01 July 2021

## 1. GENERAL PROVISIONS

- 1.1. These General Terms and Conditions set out the terms and conditions of the Heat Pump Lease Contract (hereinafter referred to as the Contract) entered into between the Lessee and the Lessor, and they form an integral part of the Contract.
- 1.2. In the event of a conflict between the terms and conditions set out in the lease offer and the terms and conditions set out in these General Terms and Conditions, the Parties shall first proceed from the terms and conditions set out in the lease offer and then the General Terms and Conditions.
- 1.3. The Lessee and the Lessor are hereinafter jointly referred to as the Parties, separately as the Party.

## 2. RIGHTS AND OBLIGATIONS OF THE PARTIES

### 2.1. Lessor's rights and obligations:

- 2.1.1. The Lessor shall install the heat pump (hereinafter referred to as the Equipment) specified in the Lease Offer at the location provided in the Lease Offer and perform the necessary work for the commissioning of the Equipment and hand over the Equipment for lease to the Lessee.
- 2.1.2. The Lessor has the right to erect auxiliary facilities for the installation of the Equipment (supports, railings, shelters, etc.) and the obligation to demolish and/or remove the erected auxiliary facilities, unless otherwise agreed.
- 2.1.3. After installing the Equipment, the Lessor shall remove all rubbish from the installation of the Equipment and shall eliminate the damage caused by the Lessor during the installation of the Equipment.
- 2.1.4. The Lessor shall maintain and operate the Equipment during the term of the Contract in accordance with the Lessor's regulations and the manufacturer's instructions.
- 2.1.5. In the event of a failure of the Equipment, the Lessor shall restore the equipment to good condition at its own expense and within a reasonable time, except in the case specified in Clause 2.2.10, in the event of which the Lessee shall bear the restoration costs.
- 2.1.6. The Lessor has the right to check the condition of the Equipment and the right to perform remote technical supervision or monitoring of the Equipment in order to prevent any malfunctions of the Equipment and to ensure the continuous operation of the Equipment.
- 2.1.7. The Lessor's activities specified in the Contract shall be performed by the Lessor or its authorized person(s), including the Lessor's right to use subcontractors for the installation, maintenance, inspection and dismantling of the Equipment.
- 2.1.8. The Lessor has the right to unilaterally reduce the Lease Fee each time after the end of the Lease Period, provided that the Lessee continues to use the installed Equipment and the Parties have not cancelled the Contract pursuant to the procedure provided in Clause 5.1.
- 2.1.9. The Lessee has the right to request a new Lease Offer from the Lessor to replace the Equipment with a new or

newer equivalent Equipment every time the Lease Period ends.

### 2.2. Lessee's rights and obligations:

- 2.2.1. The Lessee allows the Lessor to install the Equipment to the location of installation of the Equipment provided in the Lease Offer. Upon the entry into force of the Contract, the Lessee shall be deemed to have given the Lessor and its authorized person the consent necessary for the performance of the Contract for the use of the installation location of the Equipment. If the location of the installation of the Equipment is not owned by the Lessee or there are more owners in addition to the Lessee, the Lessee shall obtain all necessary consents for the performance of the Contract before starting the installation of the Equipment. The Lessee undertakes to ensure the use of the location of the installation of the Equipment for the performance of the Contract by the Lessor and its authorized person during the entire period of the Contract.
- 2.2.2. The Lessee shall ensure the necessary access to the location of the installation of the Equipment.
- 2.2.3. The Lessee shall obtain all necessary permits and approvals (including the construction notice / building permit, consent of the apartment association, etc.) required for the installation and use of the Equipment before commencing the installation of the Equipment.
- 2.2.4. The Lessee undertakes to ensure that the Lessor has access to the Equipment each time for maintenance, inspection or dismantling within a reasonable time. The Lessor shall give the Lessee prior notice of the need to maintain, inspect or dismantle the Equipment.
- 2.2.5. The Lessee may not relocate, improve, upgrade, dismantle or otherwise alter the Equipment without a written permission of the Lessor.
- 2.2.6. The Lessee may not remove codes or other identifying information from the Equipment.
- 2.2.7. The Lessee undertakes to refrain in all respects from activities that may have a negative impact on the condition and intended use of the Equipment.
- 2.2.8. The Lessee shall ensure that third parties do not have unattended access to the Equipment.
- 2.2.9. The Lessee shall immediately notify the Lessor of any malfunctions, damage or other problems related to the Equipment known to it.
- 2.2.10. If the Equipment is damaged as a result of the Lessee's actions/omissions, the Lessee is obliged to reimburse the Lessor for the costs related to the repair of the Equipment, according to the invoice submitted by the Lessor.
- 2.2.11. The Lessee undertakes to coordinate, in advance with the Lessor, all activities in the course of which it may be necessary to temporarily dismantle or move the Equipment or its parts. The disassembly and reassembly of the Equipment is performed by the

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Lessor or under the supervision of the Lessor. The Lessee shall pay for these jobs on a cost basis.

- 2.2.12. The Lessee shall comply with all legitimate and lawful precepts and orders of the Lessor concerning the fire safety, general rules of use and maintenance of the Equipment, and shall immediately notify the Lessor of all accidents, fires, etc. at the installation site and take immediate measures to prevent possible damage due to the accident and eliminate the consequences of the accident.

## 3. LEASE FEE

- 3.1. The Lessee undertakes to pay the Lease Fee in accordance with the procedure agreed in the Lease Offer.
- 3.2. The Lessor shall invoice the Lease Fee once a month during the first 12 (twelve) days of the calendar month following the settlement period. Invoices shall be submitted to the Lessee's e-mail address, unless otherwise agreed.
- 3.3. Clause 3.2 is informative and does not limit the Lessor's right to submit invoices later or recurring invoices for late payments.
- 3.4. The Lessee shall pay the amounts shown on the invoice to the bank account of the Lessor within 14 calendar days from the issuance of the invoice, unless the Parties have agreed on a different payment term.
- 3.5. Failure to receive the invoice shall not release the Lessee from the payment of the Lease Fee and default interest arising from late payments.
- 3.6. The Lessor has the right to refuse to install the Equipment and to hand over the Equipment to the Lessee if the Lessee is late in paying the invoices.

## 4. OWNERSHIP

- 4.1. The Equipment is connected to the location of the installation of the Equipment (hereinafter the Property), including the building or structure, for a temporary purpose and does not become an essential part of the Property or the right of superficies. The ownership of the Equipment shall be transferred to the Lessee only if the Parties have separately agreed on it.
- 4.2. If necessary, the Lessee undertakes to inform third parties of the fact that the Equipment belongs to the Lessor and is not an essential part of the Property or the right of superficies.
- 4.3. Upon the transfer of the Property, the Lessee is obliged to ensure the transfer of the Lessee's rights and obligations under the Contract to the new owner of the Property no later than within 30 days from the conclusion of the real right contract of the Property. The Lessee is obliged to notify the Lessor of the transfer of the Property at least 2 months in advance.
- 4.4. The Lessee has the right to transfer its rights and obligations arising from the Contract to the new owner of the Property only with the consent of the Lessor.

## 5. VALIDITY AND AMENDMENT OF THE CONTRACT

- 5.1. The Contract shall enter into force upon signature by the Parties, unless the Parties have agreed in the Lease Offer to enter into the Contract in some other form. The Lease Period is specified in

the Lease Offer and the calculation of the months starts from the date of installation of the Equipment. The Parties have agreed that if a Party does not notify the other Party no later than 30 days before the end of the Lease Period of its wish to terminate the Contract, the Contract shall be extended by one Lease Period each time.

- 5.2. The Lessee has the right to purchase the Equipment from the Lessor at any time by submitting a corresponding application to the Lessor's contact person. Upon receipt of the application, the Lessor shall send the Lessee a price quote for the purchase of the Equipment. The ownership of the Equipment shall be transferred to the Lessee after the Lessee has paid the purchase price of the Equipment in full.
- 5.3. The Lessor has the right to extraordinarily terminate the Contract if the Lessor is unable to install the leased Equipment, if the Lessee materially violates the obligations arising from the Contract, including the obligation to pay the Lease Fee, if the Lessee has debts to the Lessor arising from other contracts with the Lessor, or if the Equipment or its part is destroyed or damaged as a result of acts of third parties or force majeure. The Lessor also has the right to remotely switch off the Equipment if the Lessee has a debt to the Lessor.
- 5.4. The Lessee has the right to cancel the Contract at any time by notifying the Lessor 30 days in advance and paying the installation cost of the Equipment and the 12-month Lease Fee provided in the Lease Offer.
- 5.5. The Lessee who is a natural person has the right to withdraw from the Contract without giving a reason within 14 days from the delivery of the Equipment to the Lessee. In order to withdraw from the Contract, the Lessee shall submit a corresponding application to the Lessor's contact person by e-mail. Upon withdrawal from the Contract, the Lessee is obliged to reimburse the Lessor for the installation costs of the Equipment and the Lease Fee provided in the Lease Offer according to the time the Equipment was used.
- 5.6. In the event of cancellation of the Contract in the cases provided for in Clause 5.4 and withdrawal from the Contract in the cases provided for in Clause 5.5, the Lessor shall instruct the Lessee on how to return the Equipment to the Lessor. Withdrawal from the Contract and cancellation of the Contract shall be at the expense of the Lessee and the Lessee shall reimburse the Lessor for the usual costs of returning the goods, taking into account the imperative restrictions arising from legislation.
- 5.7. If during the term of the Contract the Lessee's ownership or possession of the location of the installation of the Equipment terminates, the Parties shall enter into negotiations to transfer the Contract (with amendments to the Terms and Conditions of the Contract, if needed) to the new owner or possessor of the installation location of the Equipment, or terminate the Contract. If the Lessee, the Lessor and the new owner or possessor do not reach an agreement satisfactory to all parties, the Lessee has the right to continue the performance of the Contract or to cancel it on the basis of Clause 5.4.
- 5.8. Upon expiry of the Contract or early termination of the Contract, the Lessor shall dismantle the Equipment at its own expense, unless the Lessee purchases the Equipment under the conditions provided in the Contract or in the cases provided in Clauses 5.3-5.5. If the dismantling of the Equipment is hindered by circumstances beyond the Lessor's control, the Lessor shall have the right to dismantle the Equipment no later than within 3

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months from the end of the effect of the impending circumstances. The Lessor is not obliged to carry out any restoration work at the installation site after the Equipment has been dismantled.

5.9. The Lessor shall have the right to unilaterally amend these General Terms and Conditions of the Contract. If the provisions are changed to be more unfavourable to the Lessee upon amendment of the General Terms and Conditions, the Lessee shall have the right to cancel the Contract by notifying the Lessor within five business days of receiving the notification of the amendments to the General Terms and Conditions.

## 6. CONFIDENTIALITY

6.1. Confidential information (hereinafter Confidential Information) is any information obtained during the conclusion of the Contract, regardless of the form, context or medium through which the information was obtained by the Party, including the representative of the Party.

6.2. Confidential Information is not information that:

6.2.1. Regardless of the actions or omissions of the Party (including representative of the Party) receiving information, is or will be available to public without violating the Contract.

6.2.2. Was in the possession of the Party (including representative of the Party) receiving information, or was provided to it in a legal manner from a source that did not have an obligation of maintaining the confidentiality of the information with regard to the other Party.

6.3. The Parties are obliged to:

6.3.1. Ensure the confidentiality of Confidential Information during the validity of the Contract and indefinitely after the termination of the Contract on any basis;

6.3.2. Use Confidential Information only for the purpose of performing the Contract.

6.4. The Parties have the right to disclose Confidential Information for the purpose of performing the Contract to their representatives, provided that:

6.4.1. Confidential Information is disclosed to the representative only to the extent necessary for the representative to perform the Contract;

6.4.2. The Party has entered into a confidentiality agreement with the representative;

6.4.3. The representative has been informed of the nature of the Confidential Information.

6.5. The Parties shall ensure that the representatives of the Parties comply with the obligation of confidentiality arising from this Contract.

6.6. Representative of the Party is:

6.6.1. An employee of the Party, a member of the board, a subcontractor;

6.6.2. An undertaking belonging to the same corporate group as the Party, as well as an employee, member of the board or subcontractor of such undertaking;

6.6.3. Other natural person or legal entity acting on behalf of the Party or an undertaking belonging to the same corporate group as the Party.

6.7. The Parties have the right to disclose Confidential Information in cases provided by law. If a Party, on the basis of a legal act, must disclose the Confidential Information of the other Party, it must make reasonable efforts in order to provide the other Party with the notification concerning such disclosure at least 10 (ten) business days in advance, limit the amount of Confidential Information to be disclosed as much as possible, and disclose Confidential Information to the extent only truly required in accordance with the legal act.

6.8. The Parties have the right to disclose the fact of entering into the Contract.

## 7. LIABILITY OF THE PARTIES

7.1. The Parties shall be liable to the other Party for damage caused by non-performance or improper performance of the obligations arising from the Contract. In the event of a breach of the Contract, the Parties have the right to use all legal remedies arising from the law and the Contract together, provided that the simultaneous application of legal remedies is not in conflict with the law.

7.2. The Parties shall be liable for the actions and omissions of the subcontractors involved in the performance of the Contract just as for their own actions and omissions.

7.3. A Party shall compensate the other Party for direct patrimonial damage caused by a breach of the obligations provided for in the Contract. Loss of income and non-patrimonial damage shall not be compensated.

7.4. The Lessor shall not be liable for exceeding the agreed time limits if the time limit is exceeded due to:

7.4.1. The Lessee's actions or omissions, including the Lessee's instructions;

7.4.2. Delays not due to the Lessor in applying for permits/approvals required to carry out the installation of the Equipment.

7.5. A violation of obligations arising from the Contract is excusable if it was caused by force majeure. Force majeure is a circumstance beyond the control of the Party, and, proceeding from the principle of reasonability, it could not be expected from the Party that it would take such circumstance into consideration at the moment of entry into the Contract, or avoid it, or overcome the impediment or its consequence.

7.6. The Party whose activities in performing the Contract have been hindered by force majeure must immediately make it known to the other Party.

7.7. If the Lessee delays the payment of the invoice, the Lessor has the right to demand:

7.7.1. A 0.2% default interest of the amount due for each day of delay from a Lessee who is a legal entity until the amount due is paid in full;

7.7.2. A 0.066% default interest of the amount due for each day of delay from a Lessee who is a natural person until the amount due is paid in full;

Default interest calculation shall begin on the day following the due date and shall end on the date of payment of the amount due (inclusive).

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7.8. If the invoice is not paid by the due date, the Lessor has the right to send the Lessee a reminder at the price provided in the Lessor's price list.

## 8. SUBMISSION OF MESSAGES

8.1. The contact persons of the Parties have the right to resolve issues related to the performance of the Contract. The contact persons do not have the right to terminate the Contract or change the Terms and Conditions of the Contract, unless otherwise provided in the Contract.

8.2. In the event of changes to the contact persons or their data, the Parties shall agree not to amend the Contract but notify each other of changes in such data by e-mail.

8.3. Messages, confirmations, claims, etc. communications submitted on the basis of the Contract (hereinafter referred to as the Message) shall be formalized at least in a form that can be reproduced in writing unless otherwise provided by a specific clause of the Contract.

8.4. A Message submitted under the Contract shall be deemed to have been duly submitted if it has been prepared in Estonian and sent by e-mail, in which case the Message shall be deemed to have been received by the other Party upon sending the e-mail if it takes place on a business day at 9:00-17:00, and in other cases on the next business day at 9:00 after sending, if the server has not sent a message about non-delivery of the e-mail and the Message was sent to another e-mail address or to the Contact Person of the other Party at the e-mail address of that Contact Person.

## 9. FINAL PROVISIONS

9.1. The Parties confirm that by entering into the Contract, they have not violated any law, article of association or other legal act applicable to them or any obligation assumed by them in previous contracts and arrangements, and they have the necessary powers, permits and competence to enter into the Contract under the conditions and pursuant to the procedure provided by it.

9.2. The terms and definitions given in singular in the Contract also mean plural, and vice versa, unless the text or meaning in the Contract provides otherwise.

9.3. If any of the provisions of the Contract turn out to be completely or partially invalid due to their contradiction to legal acts of the Republic of Estonia, they will not affect the validity of other provisions or their parts. The Parties shall do their best to replace a void provision with a valid one corresponding to the content and idea of the Contract.

9.4. If one of the Parties is forced to bear expenses related to the collection of a debt from the other Party (including expenses related to waiving the right of claim), the other Party undertakes to compensate for all of the expenses related to the collection of the debt. From the amounts paid for covering the debt, overdue default interest shall be regarded as paid first, then the expenses related to the collection of debt (including legal aid expenses), and lastly the principal debt.

9.5. The Lessor processes the Lessee's personal data in accordance with the Lessor's Customer Data Processing Principles available on the Lessor's website <https://www.energia.ee/et/avaleht>.

9.6. All disputes arising from the Contract shall be attempted to be resolved through negotiations by the Parties.

9.7. Disputes arising from the Contract that the Parties are unable to resolve by agreement shall be settled in the local court of the Lessee on the basis of the legislation of the Republic of Estonia. If the Lessee settles abroad or transfers its place of business or registered office abroad after entering into the Contract, or if the Lessee's place of business, residence or registered office is not known at the time of filing the action, the dispute shall be settled in a court of the Republic of Estonia on the basis of the legislation of the Republic of Estonia. The foregoing shall not preclude the right of the Parties to file an application in expedited payment order procedure in accordance with the jurisdiction provided for such proceedings.