

General Terms For Delivery Of Goods (1/2020)

1. Scope and Applicability

1.1. These General Terms apply to all contracts for delivery of 6-500 kV XLPE cable, cable accessories, cable line temperature monitoring systems provided by Estralin (hereinafter – the “Seller”).

1.2. The Buyer shall mean any sole trader, partnership, business, body corporate or other entity detailed in the appropriate section of the Contract and shall include all assigns.

The present General Terms shall prevail over any Buyer’s terms and conditions of purchase, except as agreed in writing and signed by the Seller and the Buyer.

1.3. “The Contract” shall mean the written agreement between the parties concerning sale of the goods, concluded as a single instrument or by exchanging a Purchase Order and Order Confirmation (Order Acknowledgment), and all appendices, including agreed amendments and additions to the said documents. These General Terms shall be considered as an integral part of every Contract. In case of contradictions between the provisions of a particular Contract and these General Terms, the provisions of the Contract shall prevail.

The Buyer shall ensure that all details of the order are correct and the Seller shall not accept any liability for any error or inaccuracy in any Purchase Order.

1.4. The Seller shall sell and the Buyer shall buy the goods, specified in the Contract (hereinafter – the “Goods”).

The Contract shall contain a reference to the Goods which will be exported from the territory of the Russian Federation (including exact name, model, type, etc.) and from the territory of other countries with an indication on the cost and quantity of each type of Goods.

2. Price and Total Value of the Contract

2.1 The Buyer shall pay the price specified in the Contract.

2.2 The price of cable is based on the LME (London Metal Exchange) metal rates. The copper price and/or the aluminum price and/or lead price, Cash Seller & Settlement, shall be fixed in the Contract.

2.3 The Price of cable is formed taking into account the content of metals in the Goods (cables), and the price of these metals. The content of metals in each type of Goods (cables) and the price of metals, according to which the price has been formed, are stipulated in the Contract.

2.4 The price of the Goods (cables) will be recalculated based on metal rates (Cash seller & Settlement) at the London Metal Exchange ruling on the next business day after the advance payment has been fully credited to the Seller’s account. The recalculation will be carried out with due consideration of the difference between the initial LME rates of the metals included in cables and new LME rates according to the following formula:

$$P1=P0 + ((L1Cu - L0Cu) \times V.F.Cu + (L1Al - L0Al) \times V.F.Al + (L1Pb-L0Pb) \times V.F.Pb)) \times (1+CDR)$$

Where:

P1 – adjusted price of cable.

P0 – price of cable according to the Contract.

L1Cu – price of copper according to LME basis on the second day of order confirmation/signing the Contract.

L1Al – price of aluminum according to LME basis on the second day of order confirmation/signing the Contract.

L1Pb – price of lead according to LME basis on the

second day of order confirmation/signing the Contract.

L0Cu – price of copper according to the Contract.

L0Al – price of aluminum according to the Contract.

L0Pb – price of lead according to the Contract.

V.F.Cu – copper content in cable, ton/km according to the Contract.

V.F.Al – aluminum content in cable, ton/km according to the Contract.

V.F.Pb – lead content in cable, ton/km according to the Contract.

CDR (Custom Duty Rate) - the fractional coefficient reflecting import customs duties, calculated as follows:

- for the Goods delivered under the term DDP, Incoterms 2020 it will be calculated individually depending on the country of importation;
- for the other delivery terms CDR = 0.

All the prices have to be expressed in the same currency.

The Parties shall formalize the recalculation in an additional agreement to the Contract, concluded as a single instrument. Upon signature of the additional agreement, the new price for the Goods becomes binding. If the Buyer refuses to sign the additional agreement, the Seller may withdraw from the Contract, and demand damages.

Admissible tolerance (deviations of the actual cable length from the lengths agreed in the Contract) for the delivered cable length is $\pm 1\%$. The Buyer shall pay for actually delivered cable quantity i.e. for the cable lengths, reflected in the shipping documents.

2.5 The mandatory taxes of the Buyer's country of incorporation are included in the cost of the Goods.

3. Delivery terms

3.1 Delivery time and quantities of the Goods are specified in the Contract.

The Buyer may request to reduce the quantity of the Goods in any shipping lot, however with no effect as to the total quantity of the Goods under

the Contract.

3.2 All deliveries of the Goods under the Contract are subject to Incoterms 2020. The exact place of delivery is indicated in the Contract.

3.3 The risk of loss or damage to the Goods is transferred from the Seller to the Buyer according to Incoterms 2020 rules.

The Seller's obligation to supply the Goods shall be deemed to be fulfilled when it has performed all its obligations arising from Incoterms 2020.

The Seller shall deliver the Goods to the destination point, specified in the corresponding Contract, unless otherwise agreed in writing. The transfer of property in the Goods occurs when the Goods are delivered to the Buyer. The parties shall sign the Act of transfer of property rights under the form contemplated by the Seller within 3 (three) days after delivery.

3.4 If the Buyer wishes the Goods to be delivered to a place of destination other than that specified in the Contract, the Buyer shall bear the costs of such delivery, unless parties agree on the new place of delivery in writing.

3.5 The Seller sends to the Buyer via confirmed email a prior notification of readiness of Goods for shipment and/or of delivery of Goods and readiness for transfer to the Buyer, as may be required by the Contract.

3.6 Unless otherwise provided, the Buyer shall accept the cargo, and sign the documents confirming its acceptance within the time specified in the corresponding notification of readiness directed by the Seller.

4. Terms of Payment

4.1 The Buyer shall pay for the Goods by a bank transfer to the account of the Seller as specified in the Contract. The date of payment is the date of crediting of the funds to the Seller's account.

4.2 Payment is to be made following the order and within the time-limits specified in the Contract.

4.3 The costs connected with payments under the Contract appeared in the bank of the Buyer and

in all its correspondent banks shall be borne by the Buyer, and the costs that arise in the Seller's bank shall be allocated to the latter.

4.4 Unless otherwise agreed, the Buyer shall make an advance payment in the amount defined in the Contract.

5. Letter of Credit, Bank Guarantees

5.1 In order to cover the credit risks which the Seller may be exposed to within the term of the Contract, the Buyer shall issue in favor of the Seller a Letter of Credit covering 100 % of the Contract value. The "Letter of Credit" (L/C) means an irrevocable, documentary letter of credit, issued in the form, agreed with the Seller in advance, by one of the reliable banks, approved by the Seller. The Seller may demand issuance of the covered and/or confirmed L/C.

5.2 The L/C shall be issued in conformance with the Contract and the latest version of the Uniform Customs and Practice for Documentary Credits prior to any supply taking place under the Contract, and shall be valid within thirty (30) days after the last payment under the Contract. After receipt of the last payment the Seller shall return the L/C to the Buyer.

5.3 As an alternative to the L/C, the Buyer may opt to issue in favor of the Seller an irrevocable, unconditional performance bank guarantee for 100% of the Contract value with a validity period within thirty (30) days after the last payment under the Contract. This bank guarantee shall be released by the reliable issuing bank, which has to be previously agreed by the Seller, and shall be subject to the Contract terms and latest version of the ICC Uniform Rules for Demand Guarantees (URDG).

5.4 The Seller shall be entitled to call upon the L/C or to enforce the bank guarantee, should the Buyer fail to make payment under the Contract in a due manner.

5.5 If the Contract provides for any bank guarantees to be issued on the part of the Seller, the Parties agreed that the form of the corresponding bank guarantee shall be that of the issuing bank to be mutually agreed by the Parties,

and that the above security is to be released either for a period not exceeding 24 months or for a term of 24 months with an extension for the required period.

In addition to the above paragraph, the Parties shall generally agree on the type of the bank guarantee, its validity period, amount and terms of submission.

5.6 The bank guarantee submitted by the Seller shall be in line with the Contract terms and latest version of URDG.

5.7 The amount of the bank guarantee specified in Clauses 5.5-5.6 hereof shall be automatically reduced by any payment effected by the guarantor bank thereunder.

6. Packing, Documentation

6.1 All the Goods shall be packed in such a manner as to prevent any damage during transportation taking into account the selected mode of transportation. The Seller shall not be liable for damage resulting from actions of third parties or force-majeure circumstances.

6.2 Along with each shipment, the Seller shall deliver to the Buyer, or to the person indicated by the Buyer, the following documents:

- a copy of export declaration for each shipping lot;
- an invoice indicating the total value of the Goods in the shipping lot;
- a packing list specifying gross weights, net weights;
- a certificate of origin, if necessary.

6.3 Each Cable drum should have a standard permanent notice containing the following information in English:

- i. Consignee;
- ii. Consignor;
- iii. Type of cable;
- iv. Cable Length;
- v. Drum No;
- vi. Year of Manufacture;

- vii. Gross weight kg;
- viii. Net weight kg;
- ix. Overall dimensions; ;
- x. Rolling Direction.

7. Inspection, Acceptance

7.1 If the Goods are produced in the Russian Federation, the Buyer may at times and day previously agreed with the Seller, inspect the production site and witness the production of the Goods. With a view to take part in the inspection, the Buyer shall provide a list of its representatives in advance, to make it possible for the Seller to facilitate the inspection at least one of the Buyer's representatives shall be able to speak English at the necessary and sufficient level. The Buyer takes over all the costs associated with visiting of the factory.

If the Goods are produced outside the territory of the Russian Federation, an inspection may be possible under a special agreement with the Seller.

7.2 Inspection of the Goods with regard to their compliance to the Contract (quality requirements, quantity requirements, drawings, etc.), applicable laws and regulations shall be performed by the Buyer prior to installation. The packages containing the Goods can be opened by the Buyer only in the presence of the authorized representative of the Seller..

7.3 The Parties' representatives shall inspect all the Goods at the installation site or at any other site where the Goods are located before the installation in order to verify the conformity of the Goods to the quality requirements and compliance to the Contract, drawings, applicable laws, and regulations.

7.4 Should the defects of the Goods be discovered at the inspection of the Goods, they shall be reflected in a bilateral act signed by both Parties. In such a case the Buyer may do one of the following:

7.4.1 to accept the Goods and demand a proportional price reduction. In this case the Seller has to refund the funds paid (if necessary) within

35 (thirty five) calendar days after the moment of receiving a written demand by the Seller;

7.4.2 to reject the defective Goods and demand their replacements within a reasonable time. The Seller must replace the Goods within 60 (sixty) business days after the date of receipt of the appropriate written demand, unless other period is specified in the Contract.

7.5 Upon opening of the packages containing the Goods and completing their inspection at the installation site, the Buyer may demand any replacements of the Goods only under warranty provisions in accordance with Clause 8 hereof.

7.6 Where the Buyer exercises its rights subject to Clause 7.4.2, the Seller shall pay the costs of transfer of the Goods, as well as those related to the Goods' documentation and subsequent receipt.

8. Warranty, Guarantee

8.1 The Seller warrants that the Goods will be, at the time of delivery, new, unused, of merchantable and satisfactory quality, fit for their intended use, and free from all the defects in design, material or workmanship. The Seller further warrants: (i) good title to and unencumbered use of the Goods worldwide; (ii) that the Goods and any work performed by Seller will conform to the conditions, contained or referred to in the Contract and (iii) that, in manufacturing and repairing the Goods, Seller has and will exercise reasonable skill, care and due diligence and shall carry out all work in accordance with good engineering and professional practice.

8.2 The warranty period for the Goods is specified in the Contract.

8.3 If the Goods, in whole or in part, are found to be defective or nonconforming to drawings, design or specifications during the installation, commissioning or maintenance within the warranty period, the Buyer must, within five (5) business days in the country of incorporation of the Seller, notify the Seller in writing and send the photographs of the defects. Upon being notified, the Seller may do both or either of the following: (i) request the additional photographs from the

Buyer for distant examination and (ii) send a representative to analyze the defects at site within five (5) full business days, as per the laws of the Seller's country of incorporation. If the Seller decides to send its representative to the site, the Parties shall jointly analyze the defects found by the Buyer, and sign the Non-Conformity Certificate.

8.4 If the Non-Conformity Certificate indicates that the defect is attributable to the Seller's fault, or the Seller confirms that after being present at the site or after distant examination of the defect, then, without prejudice to any other right or remedy available to the Buyer, the Seller shall do the following: (i) to replace or repair the defective Goods or a part thereof, (ii) to pay the costs for inspection of the Goods, for the return shipment of defective Goods and for the delivery of the replacement Goods or part of the Goods to the Buyer (excluding import duties, which will be paid by the Buyer), and (iii) to provide a supervisor for installation of the replacement Goods or part of the Goods at the Seller's cost.

8.5 The Seller shall repair or replace, at the Seller's discretion and expense, the defective Goods as soon as reasonably possible, taking into account production and delivery capacities and depending on the nature and quantity of the defective Goods once the Non-Conformity Certificate has been signed by the Parties or once the defects are found to be through the fault of the Seller. As an alternative to repair or replacement of the defective Goods, the Seller may refund the purchase price of the defective Goods to the Buyer.

8.6 If the Goods are replaced, the warranty period as for the replaced Goods will continue running, equal to the original one, after the date of the Certificate of Acceptance of the replaced Goods. If the Seller fails to replace the Goods within a reasonable time, the Buyer may replace the Goods at the Seller's expense.

8.7 The Seller fulfills its warranty obligations towards the Buyer at the moment of replacement of the defective Goods, without liability of the Seller for other expenses and costs (including but not

limited to costs for preparing the installation site and civil works).

8.8 The Seller shall not be responsible for lost profits and other damages, including but not limited to special, indirect or consequential damages, losses pertaining to reductions in income, reduced consumption, power loss, capital costs and production downtime.

8.9 Unless otherwise agreed in the Contract, the warranty will only be valid provided that:

(i) the Seller's authorized installers have supervised the cable laying / installation of the Goods or installed the Goods, or supervision / installation of the Goods has been carried out by the qualified installer approved by Seller, and

(ii) the Buyer has followed the instructions set out in the "ETI- 15-06 Transport and Storage of 110-500 kV XLPE cables and accessories" ((available at the website <http://estralin.com/>) and applicable installation manuals of the Seller .

8.10 The Seller also can completely disclaim any warranty obligations in cases where:

- The Buyer (or a third party) does not implement or cancel the technical decisions of the Seller during the installation of the Goods;
- The Buyer (or third person) performs some works that may affect the quality of the Goods without prior written consent of the Seller. In such case, the Seller has also the right to withdraw his staff from the site;
- The Buyer (or third party) damages the Goods during installation or adjustment works.

9. Liability

9.1 In the event of full or partial refusal of the Goods in violation of the Contract, the Buyer shall pay the Seller a penalty in the amount of twenty (20) percent of the value of the rejected Goods.

9.2 In the case of delayed delivery, the Seller shall pay the Buyer a liquidated damages at the rate of 0,1 % of the value of delayed Goods, for each day of delay, subject to a maximum of 10% of the total Contract value.

9.3 In the case of delayed payment, the Buyer shall pay the Seller a penalty at the rate of 0,1 % of delayed amount for each day of delay, subject to a maximum of 10% of the total Contract value.

9.4 The liability of either Party under the Contract, including all applicable penalties and damages, shall not exceed in aggregate one hundred (100) percent of the total Contract value.

9.5 If the Seller has to pay fines for violation of the currency legislation of the Russian Federation as the result of breaching the Contract by the Buyer, the Buyer must compensate the Seller the amount of these fines in full within ten (10) calendar days from the date of receiving of such demand.

10. Commencement Date, Termination

10.1 The Contract comes into force upon signing of a single document by both Parties or after the Seller's written Order Confirmation (Order Acknowledgment), and terminates on the date set forth therein, unless terminated earlier, subject to the provisions of Clause 10.3 hereof.

10.2 The delivery obligations of the Seller shall enter into force, and the delivery period set forth in the Contract shall start running only after:

- all technical data coordination;
 - provision of an L/C or a bank guarantee for the total Contract value; and/or
 - advance payment in the amount agreed in the Contract;
- depending on whichever of the above-mentioned events occurs later.

10.3 In case of termination of the Contract in whole or in part under any provision thereof, the Buyer shall pay the Seller without prejudice to any other remedy the Seller may have:

- the outstanding balance of the Contract value which has been duly delivered;
- the costs incurred by the Seller up to the date of termination, including those associated with the plus the lost profits. termination, including those associated with the Goods which are not then in a deliverable status, plus the lost profits.

10.4 Payments, acceptances, deliveries or any other part of performance of the Contract cannot be withheld or suspended by the Buyer for any reason whatsoever, except with the written consent and sufficient compensation due to the Seller for such changes of the Contract.

10.5 If the contractual obligations of either Party have not been performed on expiration of the Contract as per Clause 10.1, under the initiative of the Seller the Parties shall take prompt actions in order to formalize the extension of the Contract as soon as possible.

11. Force Majeure Circumstances

11.1 Neither Party will bear responsibility for a partial or complete incapability to execute its obligations on account of force-majeure circumstances, including without limitation fires, floods, earthquakes, hurricanes, tsunamis, pandemics, epidemics, military operations, coups d'état, terrorist attack, strikes, directions, orders and other administrative actions of the governments, blockades, embargos for export or import, governmental restrictions or any other acts or inaction of government, any other natural disasters, which prevent either Party from fulfilling its obligations arising from the Contract. In that case the validity of the Contract is prolonged for the period of these circumstances.

11.2 If such circumstances or their consequences last for more than sixty (60) calendar days in aggregate, either Party may terminate the Contract forthwith by written notice without liability.

11.3 The Parties agree to pay for the deliveries performed until the occurrence of the Force Majeure event.

11.4 The Party that is unable to perform the obligations must inform the other Party about that in writing immediately after the occurrence or termination of a Force Majeure event, but no later than three (3) calendar days after the above-stated moment. The particulars of the notification, including beginning of Force Majeure

circumstances and their duration and termination as well as consequences where possible, shall be confirmed by the corresponding documents of the Chambers of Commerce and Industry or other authorized official body of the country of the relevant Party.

12. Arbitration and Applicable Law

12.1 The Contract is governed by the substantive Swiss law without regard to provisions relating to the conflict of laws rules.

12.2 The Seller and the Buyer shall take measures to settle all disputes and differences which may arise under the Contract by means of negotiations and amicable resolution.

12.3 In case when the Parties do not come to an agreement on some issue, any dispute, controversy or claim arising out of or in connection with the Contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce.

The arbitral tribunal shall be composed of a sole arbitrator.

12.4 The proceedings should be held in English. Arbitration decision will be final and binding upon both Parties. Place of arbitration shall be Stockholm, Sweden.

12.5 In case of any discrepancies between the provisions of the Contract and applied rules for the interpretation of terms of Incoterms 2020, the provisions of the Contract will be subject to application.

12.6 Any other matters which are not expressly referred to in the Contract should be dealt with under applicable law.

13. Miscellaneous

13.1 The preferable language of the Contract is English.

13.2 Any amendments to the Contract must be agreed in writing.

13.3 Neither Party may assign or transfer the Contract or part thereof, or any rights and obligations under the Contract to a third party without the prior written consent of the other Party.

13.4 The Contract will constitute the entire agreement between the Parties, and supersedes any and all preliminary agreements, correspondence and negotiations between the Parties relating to the Contract subject matter.

13.5 Unless otherwise agreed in the Contract, official holidays and weekend days are defined according to the legislation of the Buyer's country.

13.6 Notifications, invoices and other documents related to the Contract shall be deemed duly served if made in writing and sent by registered mail or e-mail to the addresses agreed by the parties in the Contract. All correspondence under the Contract by default will be carried on in English language.

13.7 Outgoing documents, transmitted by either Party to the Contract via facsimile or e-mail means of communication, shall stand effective and legally binding till the moment of receiving the originals that shall be sent by the corresponding Party via express mail within 10 (ten) calendar days. Any document, forwarded by the above means of electronic communication, shall be regarded as received by the other Party on the day, following its transmission.

13.8 All the information contained in the Contract is considered as a commercial secret of the Parties. Neither Party may disclose or transfer to a third party such information unless the Parties have agreed otherwise in writing or such information was publicly available before its disclosure. The Parties shall take all the necessary measures to keep the commercial secret information confidential.

13.9. The Seller may include the general information on the project in its reference list.