

Annex 1. General terms and conditions of the heat pump lease contract



Eesti Energia

Valid from 1 January 2023

1. GENERAL PROVISIONS

- 1.1. These general terms and conditions set out the conditions of the heat pump lease contract (hereinafter: the contract) between the lessee and the lessor and form an integral part of the contract.
- 1.2. These general terms and conditions of the heat pump lease contract apply to contracts entered into from 1 January 2023. The previous general terms and conditions of the heat pump lease contract, which are available on the lessor's website, continue to apply to contracts entered into before 1 January 2023.
- 1.3. In case of conflict between the terms set out in the lease offer and the terms set out in these general conditions, the parties must first refer to the terms of the lease offer and then the terms of the general conditions.
- 1.4. The lessee and the lessor are hereinafter also jointly referred to as the parties and separately as the party.

2. RIGHTS AND OBLIGATIONS OF THE PARTIES

2.1. Rights and obligations of the lessor:

- 2.1.1. The lessor installs the heat pump (hereinafter: the device) specified in the lease offer at the location agreed by the parties on the basis of the lessee's request and performs the works necessary for the commissioning of the device and hands over the leased device to the lessee.
- 2.1.2. The lessor has the right to erect auxiliary structures (supports, fencing, shelters etc) to install the device and is obliged to demolish and/or remove any erected auxiliary structures at the end of the lease period, unless otherwise agreed.
- 2.1.3. After installing the device, the lessor removes all waste generated in the installation of the device and eliminates any damage caused by the lessor during the installation.
- 2.1.4. The lessor maintains and operates the device during the lease period in accordance with the lessor's regulations and the manufacturer's instructions.
- 2.1.5. In the event of failures, the lessor restores the device to working order at their own expense and within a reasonable period, except in the case specified in clause 2.2.10, in which case the restoration costs are borne by the lessee.
- 2.1.6. The lessor's activities referred to in the contract are carried out by the lessor or a person or persons authorised by them, and the lessor also has the right to use subcontractors to install, maintain, inspect and dismantle the device.

2.2. Rights and obligations of the lessee:

- 2.2.1. The lessee allows the lessor to install the device at the location agreed by the parties on the basis of the lessee's request. Upon the entry into force of the contract, the lessee is deemed to have given the lessor and the person authorised by them the consent

necessary for the performance of the contract to use the installation site of the device. If the installation site of the device is not owned by the lessee or if there are other owners in addition to the lessee, the lessee obtains all the consents required to perform the contract before the installation of the device is commenced.

The lessee undertakes to ensure that the installation site of the device is usable by the lessor and the person authorised by them for the performance of the contract throughout the validity of the contract.

- 2.2.2. The lessee ensures access to the installation site of the device required for the installation of the device.
- 2.2.3. The lessee obtains all the permits and approvals (the building notice/building permit, the consent of the apartment association etc) required to install and use the device before the installation of the device is commenced.
- 2.2.4. The lessee undertakes to ensure access to the lessor within a reasonable timeframe to maintain the device, check its condition or dismantle it. The lessor informs the lessee in advance of the need to maintain the device, check its condition or dismantle it.
- 2.2.5. The lessee must not relocate, enhance, upgrade, dismantle or otherwise modify the device without the lessor's written consent.
- 2.2.6. The lessee must not remove any codes or other identifying information from the device.
- 2.2.7. The lessee must refrain from activities that could have an adverse impact on the condition and intended use of the device.
- 2.2.8. The lessee ensures that third parties do not have unsupervised access to the device.
- 2.2.9. The lessee must immediately inform the lessor of all malfunctions, damage and other issues of the device of which they are aware.
- 2.2.10. If the Device is damaged due to the lessee's action/inaction, the lessee is obliged to reimburse the lessor for the costs related to restoring the device to working order in accordance with the invoice submitted by the lessor.
- 2.2.11. The lessee must seek the advance approval of the lessor for any activities that may involve the temporary dismantling or relocation of the device. The dismantling and reinstallation of the device are carried out by the lessor or under the supervision of the lessor. The lessee must pay for this work based on the costs incurred.
- 2.2.12. The lessee complies with all the justified and lawful instructions and orders issued by the lessor regarding the fire safety, general rules for use and maintenance of the device, immediately notifies the lessor of any breakdowns, fires etc at the installation site of the device, and takes immediate measures to prevent possible damage from such accidents and to eliminate the consequences of such accidents.

Annex 1. General terms and conditions of the heat pump lease contract



Eesti Energia

Valid from 1 January 2023

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 issues an invoice for the lease fee once per month within the first 12 (twelve) calendar days of the month following the settlement period. Invoices are sent to the lessee's email address, unless otherwise agreed.
- 3.3. The cost of standard installation of the device is included in the lease fee and is not payable separately if the lessee leases the device until the end of the initial lease period specified in the lease offer.
The terms of standard installation are set out in the lease offer. The lessor has the right to charge an additional fee for additional installation work (including additional material) not included in standard installation. Additional installation work and the additional fee are agreed with the lessee before the additional work is carried out.
- 3.4. Clause 3.2 is informative and does not limit the lessor's right to issue invoices later or to send repeat invoices for late payments.
- 3.5. The lessee pays the amounts indicated on the invoice to the lessor's bank account within 14 calendar days of the date the invoice was issued, unless the contract provides otherwise or the parties have agreed on a different payment deadline. The invoice for additional installation works must be paid by the lessee before the installation of the device, unless additional works are arranged during the installation.
- 3.6. Failure to receive the invoice does not release the lessee from paying the lease fee and the default interest on late payment.
- 3.7. The lessor has the right to refuse to install the device and transfer it to the lessee if the lessee has not paid the invoices in time.

4. OWNERSHIP

- 4.1. The device is connected to the installation site of the device (hereinafter: the registered immovable), including the building or civil engineering works, for transitory purposes and does not become an essential part of the registered immovable or the right of superficies. Ownership of the device is transferred to the lessee only if the parties have separately agreed to this.
- 4.2. Where necessary, the lessee informs third parties of the fact that the device belongs to the lessor and is not an essential part of the registered immovable or the right of superficies.
- 4.3. Upon the transfer of the registered immovable, the lessee is obliged to ensure the transfer of the lessee's contractual rights and obligations to the new owner of the registered immovable no later than within 30 days of the conclusion of the real right contract of the registered immovable. The lessee is obliged to inform the lessor of the transfer of the registered immovable at least two months in advance.

- 4.4. The lessee has the right to transfer their contractual rights and obligations to the new owner of the registered immovable only with the lessor's consent.

5. VALIDITY AND AMENDMENT OF THE CONTRACT

- 5.1. The contract enters 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 months starts from the date of installation of the device.
- 5.2. At the end of the lease period, the lessee may choose to:
 - 5.2.1. extend the contract for a new lease period with a discount of up to 50% on the lease fee pursuant to the lessor's new offer;
 - 5.2.2. have the device replaced with a new one in accordance with the valid price list of the lessor and enter into a new lease contract;
 - 5.2.3. purchase the device in accordance with clause 5.3; or
 - 5.2.4. cease leasing the device and give up the device free of charge.
The lessee must inform the lessor of their choice (clauses 5.2.1 to 5.2.4) at least 30 days before the end of the lease period. If the lessee does not inform the lessor of their choice (clauses 5.2.1 to 5.2.4) before the end of the lease period, the contract continues under the same conditions and the lessee undertakes to pay the lease fee in the same amount as before until the lessee informs the lessor of their choice pursuant to clauses 5.2.1 to 5.2.4.
- 5.3. The lessee has the right to purchase the device from the lessor at any time by submitting a corresponding application to the lessor's contact person. Upon receipt of the application, the lessor sends the lessee a price quote for the purchase of the device. Ownership of the device is transferred to the lessee after the lessee has paid the purchase price of the device in full
- 5.4. The lessor has the right to terminate the contract extraordinarily, if: the lessor is unable to install the leased devices; the lessee is in material breach of their contractual obligations, including the obligation to pay the lease fee; the lessee has debts to the lessor arising from other contracts with the lessor; or if the device or a part thereof is destroyed or damaged due to the actions of third parties or force majeure.
- 5.5. The lessee has the right to cancel the contract at any time by notifying the lessor 30 days in advance and paying the residual cost of the standard installation of the device and 12 months' lease fee.

The residual cost of the standard installation is set out in the price list valid at the time of the lease offer. If the lessee cancels the contract after the contract has been extended under clause 5.2.1 (ie after the initial lease period), the lessee is not obliged to pay the residual cost of the standard installation of the device or the 12 months' lease fee. Both parties have the right to cancel the contract at any time if the device has broken or otherwise become non-compliant with the terms of the contract after the extension of the contract under clause 5.2.1.
- 5.6. If, after the installation of the device, the lessor cancels the contract before the expiry of the initial lease period set out in the lease offer due to a material breach of the contract by the lessee, the lessee is obliged to pay the lessor the residual cost of the standard installation of the device and 12 months' lease fee.

Annex 1. General terms and conditions of the heat pump lease contract



Eesti Energia

Valid from 1 January 2023

5.7. A lessee who is a natural person has the right to withdraw from the contract within 14 days of the conclusion of the contract without giving any reason. In order to withdraw from the contract, the lessee must email the corresponding statement to the contact person of the lessor.

Upon withdrawal from the contract under this clause, if the device has already been installed, the lessee is obliged to reimburse the lessor for the residual cost of the standard installation of the device, the fee for additional installation works, if the parties had arranged it, and the lease fee for the time the device was used.

5.8. Upon cancellation of the contract under clause 5.4 or 5.5, the lessor instructs the lessee on how to return the device to the lessor. Withdrawal from and cancellation of the contract is at the expense of the lessee, and the lessee must reimburse the lessor for the usual costs of returning the goods, taking into account imperative restrictions arising from legislation.

5.9. If the lessee's ownership or possession of the installation site of the device ceases during the term of the contract, the parties enter into negotiations to transfer the contract (with amendments to the terms and conditions, if necessary) to the new owner or possessor of the installation site of the device, or to 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 pursuant to clause 5.5.

5.10. Upon expiry or early termination of the contract, the lessor dismantles the device at their own expense, unless the contract is terminated under clauses 5.3 to 5.5. The lessor dismantles the device no later than three (3) months after the expiry of the contract. The lessor is under no obligation to carry out any repair work at the installation site of the device after the dismantling of the device.

5.11. The lessor has the right to unilaterally amend these general terms and conditions of the contract. If amending the provisions of the general terms and conditions makes them more unfavourable to the lessee, the lessee has the right to cancel the contract by notifying the lessor within five business days of receipt of the notification of amendments to the general terms and conditions.

6. CONFIDENTIALITY

6.1. Confidential information (hereinafter: confidential information) is any information learned by a party, including the party's representative, in the course of entering into and performing the contract, regardless of the form, context or medium through which the information was acquired.

6.2. Confidential information is not information that:

- 6.2.1. regardless of the actions or inactions of the party (or their representative) receiving the information, is or becomes publicly known without breach of the contract.
- 6.2.2. was in the possession of the party (or their representative) receiving the information or was lawfully made known to that party by a source who did not have an obligation of confidentiality to the other party in respect of that information.

6.3. The parties undertake to:

6.3.1. keep the confidentiality of confidential information during the term of the contract and indefinitely after the termination of the contract for any reason;

6.3.2. use confidential information only for the purposes of performing the contract.

6.4. The parties have the right to disclose confidential information to their representatives for the purposes of performing the contract, provided that:

6.4.1. the representative is disclosed confidential information 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 about the nature of the confidential information.

6.5. The parties ensure that the representatives of the parties comply with the parties' obligation of confidentiality under this contract.

6.6. The representative of the party is:

6.6.1. a party's employee, member of a management body, or subcontractor;

6.6.2. an undertaking belonging to the same group of undertakings as the party and an employee, a member of the management body, or subcontractor of said undertaking;

6.6.3. any other natural or legal person acting on behalf of a party or an undertaking belonging to the same group of undertakings as the party.

6.7. The parties have the right to disclose confidential information in cases set out in legislation. If a party is obliged by law to disclose confidential information of the other party, they must make a reasonable effort to inform the other party of such disclosure at least 10 (ten) business days in advance, limit the extent of confidential information to be disclosed as much as possible and disclose confidential information only to the extent required by law.

6.8. The parties have the right to disclose the fact of having entered into a contract.

7. LIABILITY OF THE PARTIES

7.1. The parties are liable for damage caused to the other party 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 exercise all remedies arising from law and the contract, provided that the simultaneous use of remedies does not conflict with law.

7.2. The parties are liable for the action and inaction of subcontractors involved in the performance of the contract just as they are liable for their own action and inaction.

7.3. The party compensates the other party for the direct material damage caused by the breach of their obligations under the contract. Loss of income and non-patrimonial damage is not subject to compensation.

Annex 1. General terms and conditions of the heat pump lease contract



Eesti Energia

Valid from 1 January 2023

7.4. The lessor is not liable for exceeding the agreed deadlines if it is due to:

7.4.1. the action or inaction of the lessee, including the lessee's instructions;

7.4.2. delays not caused by the lessor in applying for the permits/approvals required for the installation of the device.

7.5. Breach of contractual obligations is excusable if it was caused by force majeure. Force majeure is a circumstance which could not be influenced by the party and which, at the time of the conclusion of the contract, the party could not reasonably have been expected to take into account or avoid or overcome or the consequences of which they could not reasonably have been expected to overcome.

7.6. The party whose performance of the contract is hindered by force majeure is obliged to immediately notify the other party thereof.

7.7. If the lessee delays payment of the invoice, the lessor has the right to claim:

7.7.1. a default interest from a Lessee who is a legal person in the amount of 0,2% of the amount due for each day of delay until the payment of the amount due in full;

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

The default interest is calculated from the day following the due date and ends on the day of payment of the amount due (included).

7.8. If the invoice is not paid by the due date, the lessor has the right to send a reminder to the lessee at the price specified in the price list of the lessor.

7.9. If the lessee, without good reason, does not allow the lessor to dismantle the device (eg does not allow the lessor or their representative access to the device or otherwise prevents the dismantling) and does not return the device within three (3) months of the expiry of the contract, the lessor has the right to claim from the lessee compensation for residual cost of the device in accordance with the price list valid at the time of the lease offer. The residual cost of the device decreases in accordance with the price list for each year the device is used. The lessee has the right to prove that the actual residual cost of the device was lower than specified in the price list.

7.10. Clause 7.9 does not preclude the lessee's possibility to return the device after three (3) months from the expiry of the contract. Returning the device releases the lessee from the obligation to pay the residual cost of the device laid down in clause 7.9, but the lessee is obliged to pay the lease fee for the device for the period during which the device was in the lessee's possession from the termination of the contract until the return of the device.

8. NOTIFICATION PROCEDURE

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 to change the terms and conditions of the contract, unless otherwise provided in the contract.

8.2. In the event of a change in the contact persons or their details, the parties do not enter into an agreement to amend the contract, but notify each other of any change in such details by e-mail.

8.3. Notices, confirmations, claims and other communication (hereinafter: the notice) sent under the contract are formalised at least in a form reproducible in writing, unless otherwise stated in a particular clause of the contract.

8.4. A notice submitted under the contract is deemed to have been properly submitted if it is in Estonian and sent by email, in which case it is deemed to have been received by the other party upon sending of the email if it occurs on a business day between 9:00 and 17:00 and otherwise at 9:00 on the first working day following the day of sending, unless a notice of non-delivery of the email has been received from the server and the notice has been sent to the other party's email address or the other party's contact person at the email address of that contact person.

9. FINAL PROVISIONS

9.1. The parties declare that by entering into the contract they have not violated any provision of law, rules or regulation, or other legislation applicable to them, or any of the obligations assumed by them under previously concluded contracts and agreements, and that they have the necessary authorisations, licence and competence to enter into the contract under the terms and conditions and procedure stipulated herein.

9.2. Terms and definitions used in the contract in the singular have the same meaning in the plural and vice versa, unless the text or meaning of the contract provides otherwise.

9.3. If a provision of the contract is found to be void in whole or in part due to non-compliance with the law of the Republic of Estonia, the validity of the remaining provisions or parts thereof will not be affected. The parties must do their utmost to replace the invalid provision with a valid provision, which corresponds to the content and purpose of the contract.

9.4. If a party is forced to incur expenses (including expenses for the assignment of the right of claim) in order to recover the debt from the other party, the other party undertakes to reimburse all expenses incurred in recovering the debt. Of the amounts paid to cover the debt, first the interest on arrears is deemed to have been paid, then the expenses related to collecting the debt (including legal costs) and finally the principal debt.

9.5. The lessor processes the lessee's personal data in accordance with the lessor's policy on customer data processing, which is available on the lessor's website <https://www.energia.ee/et/avaleht>.

9.6. All disputes arising from the contract will be resolved by the parties through negotiation.

9.7. Disputes arising from the contract which cannot be settled by agreement of the parties are settled in a court of the lessee's place of residence or location on the basis of the legislation of the Republic of Estonia. If, after entering into the contract, the lessee settles abroad or transfers their place of business or registered office abroad or if the lessee's place of business, residence or registered office is not known at the time of filing

Annex 1. General terms and conditions of the heat pump lease contract

Valid from 1 January 2023

the action, the dispute will be settled in a court of the Republic of Estonia on the basis of the legislation of the Republic of Estonia. The aforementioned does not preclude the right of the parties to submit an application for an expedited payment order procedure in accordance with the jurisdiction provided for such proceedings.