

GENERAL TERMS AND CONDITIONS FOR EQUIPMENT RENTAL

(hereinafter referred to as “Conditions”)

1. DEFINITIONS

- 1.1. **Company** - Cramo Estonia AS;
- 1.2. **Customer** - the person with whom the Company has concluded the Agreement (legal entity or natural person);
- 1.3. **Party** - the Company or the Customer;
- 1.4. **Agreement** – the Equipment Rental Agreement concluded between the Parties;
- 1.5. **Equipment** - the tools, equipment or other items rented/sold under and listed in the Agreement;
- 1.6. **Jobsite** – the address where the rented Equipment is used;
- 1.7. **Rental Return Form** – verifies return of the Equipment and expiry of the Agreement.
- 1.8. These Conditions and the Rental Return Form are an integral part of the Agreement.
- 1.9. The provisions set out with regard to lease contracts in the Law of Obligations Act are applicable to this Agreement.

2. REPRESENTATIONS AND WARRANTIES OF THE CUSTOMER

- 2.1. By entering into this Agreement, the Customer makes the following representations and warranties:
 - 2.1.1. there are no circumstances and grounds for the occurrence of such circumstances in the future that would exclude, prevent or delay fully or partially the performance of the obligations set out in or arising from the Agreement;
 - 2.1.2. the Client has become acquainted with the rented Equipment before the conclusion of the Agreement, is aware of its technical condition, and of the fact that the Equipment accepted by the Client is in working condition and the Client has no claims.
 - 2.1.3. the Customer has been sufficiently informed and instructed by the Company regarding the use of the Equipment, safety requirements and maintenance;
 - 2.1.4. the Customer has all the necessary and required skills for the technical use of the Equipment;
 - 2.1.5. the Customer agrees with the disclosure of their debts in public debts registers and to third persons.

3. TERM OF THE RENTAL AGREEMENT. TRANSFER AND RETURN OF THE EQUIPMENT

- 3.1. The Agreement is concluded without a term, unless the Parties have agreed differently.
- 3.2. The Agreement enters into force from its signing and expires upon returning the Equipment to the possession of the Company. Submitting a transport order is not considered expiry of the rental agreement.
- 3.3. The first day of rental of the Equipment is the day of concluding the Agreement and the Rental Charge is charged for all days of the week (from the conclusion of the Agreement), unless agreed differently.
- 3.4. Transfer of the Equipment to the Client is confirmed with the Client’s signature on the Agreement or delivery note. The Client’s signature on the Agreement is also a confirmation of the circumstances set out in Article 2.1. of the Conditions.
- 3.5. The Client has the right to return the Equipment to the Company at its own discretion during the Company’s working hours.
 - 3.5.1. Upon returning of the Equipment, the Company issues the Rental Return Form. Only the Client will have the Rental Return Form. The Rental Charge is charged also for the day of the return of the Equipment, unless the return occurred before 09:00 a.m.
 - 3.5.2. The Client agrees that the Company carries out the inspection of the technical condition of the Equipment within 5 working days after its returning. If the Client request immediate inspection, the Company must agree to it. The Company is obliged to allow the Client to be present at the inspection of the Equipment.
- 3.6. If the Agreement has been unilaterally cancelled and the Equipment has not been returned within 10 days, the Company has the right to request compensation to the extent set out in Article 5.2.6.
- 3.7. If the Company discovers that:
 - 3.7.1. the Equipment has become unusable;
 - 3.7.2. the value of the Equipment has decreased significantly (more than the wear and tear resulting from the prudent use of the Equipment), the Company has the right to request from the Client, at its own discretion:
 - 3.7.3. compensation to the extent set out in Article 5.2.6. ;
 - 3.7.4. compensation of expenses resulting from the repairs/ replacement of the Equipment.
- 3.8. The claims regarding returning of the Equipment are reviewed upon the submission of the Rental Return Form.
- 3.9. All notices must be sent in a format that can be reproduced in writing and the Agreement may be changed only on the basis of a written agreement.

4. RENTAL CHARGE AND FINANCIAL OBLIGATIONS

- 4.1. Upon the devaluation of the euro or its replacement with other means of payment, the calculation of sums will be based on the devaluation rate (added) and in case of introduction of another currency, the exchange rate of the Bank of Estonia.
 - 4.1.1. The Rental Charge is calculated 7 days a week (unless agreed differently) and paid on the basis of invoices that are sent twice a month.
 - 4.1.1.1. The Company has the right to increase the rental charge by notifying thereof 30 days in advance.
 - 4.1.2. The invoices are issued with a 7-day deadline for payment, unless agreed differently with the rental agreement. The invoices are sent to the address/e-mail address set out on the Agreement.
 - 4.2. The Company has the right to charge the Client a fine for delay in the amount of 0.5% per day on outstanding sums. The Client is obliged to compensate costs related to the collection of the outstanding rental charge/ claim for indemnity etc.

- 4.3. The Rental Charge does not include expenses related to the transport, assembly/disassembly as well as fuel, greasing agent and other daily maintenance activities.
- 4.4. The Rental Charge does not include transport costs. The transport order must be made 2 working days in advance. Cramo Estonia AS has the right to add 20% to outsourced transport services.
 - 4.4.1. The Agreement sets out the price of one-way transport (from Cramo to the Jobsite) and does not contain costs for return transport. Cramo Estonia AS has the right to charge for the return the minimum of the same price as for transport to the Jobsite.
 - 4.4.2. Upon cancellation of the Agreement by the Company if the Client fails to return the Equipment, the Client is obliged to compensate the expenses related to recovery or cost of the Equipment.

5. RIGHTS AND OBLIGATIONS OF THE CLIENT

- 5.1. The Client has the right to:
 - 5.1.1. use the Equipment independently according to the Agreement;
 - 5.1.2. file an objection against an invoice issued by the Company within five (5) days from issuing the invoice;
 - 5.1.3. cancel the Agreement prematurely by notifying thereof 10 days in advance.
- 5.2. The Client is obliged to:
 - 5.2.1. pay the rent and perform other obligations in accordance with the Agreement;
 - 5.2.2. use the Equipment according to its intended purpose;
 - 5.2.3. if the rented Equipment breaks down, notify the Company thereof immediately, i.e. on the day of discovering the breakdown. The Client has no right to repair the Equipment. If the breakdown indicated by the Client proves to be baseless (e.g. it arises from the Client’s lack of skills to use the Equipment), the Client is obliged to indemnify damages related to the above;
 - 5.2.4. indemnify damages caused to the Equipment in the Client’s possession upon first request from the Company;
 - 5.2.5. upon expiry of the Agreement, return the Equipment to the Company in a condition that is not worse than the condition it was in at the time of its transfer to the Client, taking into account normal wear and tear; use the Equipment prudently, incurring the necessary costs at the Client’s own expense in order to preserve the condition of the Equipment;
 - 5.2.6. in the event the Equipment is lost, becomes unusable, is destroyed etc., pay the Company a compensation in the amount that corresponds to the retail price of similar new Equipment, unless the Equipment can be restored. Upon restoration pay the cost of the repairs.
 - 5.2.7. return the rented Equipment in a cleaned condition or compensate the cleaning expenses;
 - 5.2.8. not to give the Equipment to sub-lease or to third persons without the written consent of the Company;
- 5.3. inform the Company in writing of the change of the Jobsite where the Equipment is used within five (5) working days;
- 5.4. apply all measures within the Client’s power to preserve the Equipment (i.e. prevent theft, loss, destruction etc. of the Equipment) and handle the Equipment prudently;
 - 5.4.1. observe the regular maintenance schedule and ensure access for maintenance as well as inform the Company of the need for maintenance;
- 5.5. Taking the rental Equipment out of the territory of the Republic of Estonia is prohibited without the consent of the Company. Contractual penalty is 50% of the price of the Equipment. If Articles 5.2.8.; 5.3. are breached, the contractual penalty is 15% of the price of the Equipment.

6. RIGHTS AND OBLIGATIONS OF THE COMPANY

- 6.1. In addition to the rights and obligations set out in the law and Agreement, the Company has the right to:
 - 6.2. terminate the Agreement unilaterally, request return of the Equipment and/or compensation of the damages caused and/or compensation of the Equipment if:
 - 6.2.1. the condition of the Equipment is worsened due to the activities or inaction of the Client and/or there is a risk that the Equipment is lost, damaged or becomes unusable;
 - 6.2.2. if the Client fails to notify of the change in the Jobsite where the Equipment is used or has notified of a wrong Jobsite, files for bankruptcy, has failed to pay the invoices or on any other basis set out in the law.
- 6.3. The Company is obliged to notify of the cancellation of the Agreement in writing 5 (five) days in advance.

7. LIABILITY

- 7.1. The risk of accidental destruction of the Equipment, as well as the obligation to compensate damages caused by a major source of danger related to the possession of the Equipment is transferred to the Client from the transfer of the possession of the Equipment to the Client.
- 7.2. The Client fully and unconditionally liable for preserving the Equipment from the transfer of the possession from the Company to the return of the Equipment to the Company.
- 7.3. The destruction and loss of or damages to the Equipment due to reasons independent of the Client shall not be the basis for decreased or exemption from liability under Article 7.2.
- 7.4. The Company is not liable for the potential damages caused as a result of breakdown, use or inability to use the Equipment;
- 7.5. The Company is not liable for the material damages that the rented Equipment may cause and/or the Client may sustain due to the breakdown of the Equipment, unless the Parties have agreed differently.
- 7.6. A 10-year term is applicable for the expiry of the submission of claims arising from the rental agreement.

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8. EXPIRY OF THE AGREEMENT

8.1. The Agreement expires:

8.1.2. in case of an Agreement concluded without a term, upon the returning of the Equipment by the Client;

8.1.3. upon the destruction of the rented Equipment;

8.1.4. on other bases set out in the law.

8.2. The Agreement may be cancelled:

8.2.1. upon an agreement between the Parties;

8.2.2. on the bases set out in the Agreement or law;

8.2.3. on the bases set out in Articles 6.2.; 6.2.1.; 6.2.2.

9. SETTLEMENT OF DISPUTES

9.1. If no agreement is reached, disputes are settled in the court of the Republic of Estonia.

10. SURETY OF A MEMBER OF THE BOARD

10.1. If the Client is a legal entity and upon signing the Rental Agreement the Client represented by a Member of the Board, the said Member of the Board will be provides surety to Cramo Estonia AS for all obligations undertaken by the Client under the Rental Agreement.

10.2. The scope of liability is up to € 25,000.

11. INSURANCE

11.1. The Company is the Policyholder. If the Equipment rented to the Client is insured, the respective indication is set out on the Rental Agreement. Additional fee is calculated until the expiry of the Agreement.

11.2. The Client confirms that they have received and read the valid insurance conditions of IF P&C Insurance AS.

11.3. Upon loss (theft, robbery) or destruction of, damages etc. to the Equipment, the Client is obliged to inform the Company thereof immediately in a format that can be reproduced in writing as soon as possible, but not later than within 3 days from the occurrence of the loss event or discovering it.

11.4. Observe the requirements set out in the Insurance Conditions for preserving the Equipment (remove keys, a location with guarding and security system), and the use/due diligence conditions set out in the Rental Agreement as well as the user manuals issued by the manufacturer of the Equipment.

11.5. Establish the circumstances of the event on site: photos, explanations, keep the remains of the Equipment and present them together with the application.

11.5.1. If the Client fails to present documents set out in Articles 11.3. and 11.5. within 5 days after the event has occurred, the Client is obliged to pay the entire amount of loss.

11.6. Payment of the insurance indemnity is decided by the Insurer. Should the Insurer refuse to pay the indemnity, the Client is obliged to indemnify the damages.

11.7. The insurance premium is calculated on the basis of the price list price.

11.8. The Customer's deductible is €2,000, which must be paid upon the Company's first request. The insurance is valid only on the territory of the Republic of Estonia.