

CONTRACT No. 201.../...

.....201...

Kiiu

GALV-EST AS (hereinafter: PROCESSOR), registry code 10949863, of Kiiu, Kuusalu Rural Municipality, Harjumaa 74601, represented by member of the management board Viktor Jürgenson, who is acting under the articles of association, of the one part, and

.....(hereinafter: CONTRACTING ENTITY), registry code .
....., represented by
, who is acting under the
articles of association, of the other
part, jointly
referred to as the Parties, have entered into the following contract:

1 CONTRACT OBJECT

1.1 The object of the contract is the provision by the PROCESSOR of hot-dip galvanizing service ordered by the CONTRACTING ENTITY, at the price and by the term as agreed upon.

2 GENERAL PROVISIONS

2.1 The Parties are fully independent in their business activities.

2.2 Neither of the Parties is liable for the obligations of the other Party under the contract which are assumed with regard to third parties.

2.3 By entry into this contract, any other contracts and other agreements between the Parties related to this contract shall become invalid.

3 OBLIGATIONS OF THE PARTIES

3.1 The PROCESSOR assumes the obligation to hot-dip galvanize the products supplied by the CONTRACTING ENTITY in accordance with the conditions specified in this contract. The work to be performed must comply with the hot-dip galvanizing quality standard ISO 1461.

3.2 The PROCESSOR undertakes to inform the CONTRACTING ENTITY of any problems which may arise, using the communication channels specified in this contract.

3.3 The CONTRACTING ENTITY shall deliver the products to the galvanizing plant and arrange for their transport therefrom unless an annex to the contract sets out

- 3.5 The CONTRACTING ENTITY undertakes to ensure compliance of the galvanized products with the technical conditions of ISO 14713 concerning the selection of raw steel and the requirements for the construction of the products.
- 3.6 The PROCESSOR shall accept the contact person of the CONTRACTING ENTITY specified in clause 15 as the official representative of the company and shall only abide by the written instructions of such person upon executing the orders and resolving any matters related to logistics.
- 3.7 The PROCESSOR has the right not to hot-dip galvanize the products if those are designed and manufactured without considering the peculiarities of hot-dip galvanizing. Upon the consent and at the expense of the CONTRACTING ENTITY, the PROCESSOR may attempt to improve the eligibility of the products for hot-dip galvanizing.

4 LIABILITY OF THE PARTIES

- 4.1 The Parties shall be held liable for non-performance or undue performance of the obligations assumed by the contract in accordance with legislation of the Republic of Estonia, taking into account the peculiarities set out in this contract.
- 4.2 The CONTRACTING ENTITY shall inform the PROCESSOR of non-compliance of the work with the contractual conditions within one (1) week as of the occurrence of such circumstances.
- 4.3 The expiry date of a written request arising from non-compliance of the work with the contractual conditions shall be two (2) weeks as of delivery of the order to the CONTRACTING ENTITY at the address of the PROCESSOR in Kiiu, Kuusalu Rural Municipality, Harjumaa.

5 COST AND VOLUME OF THE WORK

- 5.1 The cost and volume of the performed work shall be determined by the price offer submitted by the PROCESSOR and approved by the CONTRACTING ENTITY, and is divided, as the work performed during the term of the contract, into one or more orders.
- 5.2 The actual weight of the order shall be determined by the PROCESSOR after galvanizing at the preciseness ± 1 kg. Due to the peculiarities of steel or construction, after galvanizing the weight may increase up to 10% of the pre-galvanizing weight.
- 5.3 Concerning all additional work which the CONTRACTING ENTITY has failed to do or which result from constructional defects of the products, the PROCESSOR shall submit an additional invoice in accordance with the applicable price list or calculation of work.

6 DEADLINE FOR PERFORMANCE OF WORK

- 6.1 The deadline for the performance of the work shall be additionally agreed upon for each order.

7 TERMS OF PAYMENT

- 7.1 The PROCESSOR undertakes to submit invoices by post in accordance with the delivery notes accompanying the goods.
- 7.2 The CONTRACTING ENTITY undertakes to pay on the basis of the submitted invoice within calendar days as of the receipt of the goods from the date of signing the delivery note and/or invoice/delivery note. The CONTRACTING ENTITY agrees to the drawing up of the delivery note and invoice by the PROCESSOR upon completion of the products.
- 7.3 Upon failure to comply with the deadline for performance of work specified in clause 6.1, the PROCESSOR undertakes to refund 0.1% of the cost of non-executed order for each day exceeding the deadline for execution of the order, but not more than 10% of the total cost of the order. Concerning the penalty sanctions, the CONTRACTING ENTITY shall submit its invoice to the PROCESSOR who is required to pay the submitted invoice within 14 calendar days.
- 7.4 Upon exceeding the term for payment of the invoice submitted under clause 5.1, the CONTRACTING ENTITY is required to pay penalty sanctions at the rate of 0.1% of unpaid overdue amount per day, but not more than 10% of the total cost of the performed work. The penalty sanction is deemed to be paid first, only thereafter the principal debt is deemed to be paid.
- 7.5 The credit limit established by the PROCESSOR for the CONTRACTING ENTITY shall be EEK
- 7.6 The ownership of the product or service shall transfer from the PROCESSOR to the CONTRACTING ENTITY after the amount indicated in the invoice has been fully credited to the bank account of the PROCESSOR.
- 7.7 The CONTRACTING ENTITY shall deliver the goods to the PROCESSOR's warehouse in Kiiu (with DDU conditions), the CONTRACTING ENTITY can receive the finished products from the PROCESSOR's warehouse in Kiiu (EXW Incoterms), unless an annex to the contract or a price offer sets out additional delivery terms for either Party. If the CONTRACTING ENTITY uses a different legal person to transport the goods to the warehouse of the PROCESSOR, the CONTRACTING ENTITY shall appoint the transport company that has performed the transport as the representative of the CONTRACTING ENTITY in the case of each order and the PROCESSOR shall deliver the goods to the transport company as the official representative of the CONTRACTING ENTITY. The signature of the representative of the transport company on the delivery note is binding for the CONTRACTING ENTITY and marks the moment of delivery of the goods from the PROCESSOR to the CONTRACTING ENTITY.

8 PROVISION OF GUARANTEES

- 8.1 The PROCESSOR shall be liable for and guarantee the compliance of the performed work with the standard ISO 1461 in the case if the CONTRACTING ENTITY has

also guaranteed the selection of steel and the preparation of construction in compliance with the conditions of standard ISO 14713.

9 COMPENSATION FOR DAMAGES

- 9.1 If a product is damaged or is fully deteriorated due to the fault of the PROCESSOR, the PROCESSOR shall compensate the CONTRACTING ENTITY for the price of the product on the basis of the actual calculation. The defects do not include thermal deformations and other defects which may arise while the product is naturally treated during hot-dip galvanizing and which the CONTRACTING ENTITY must take into account upon selecting steel, designing and manufacturing the product.
- 9.2 If wrong selection of steel, designing or manufacturing result in the need for repeated galvanizing of the product, which is also accompanied by the removal of the previous zinc layer, the PROCESSOR shall add the corresponding additional cost to the price for galvanizing the product. If the defects in designing or manufacturing the product lead to dangerous situations in the hot-dip galvanizing process (e.g. explosions in the galvanizing bath), which is also accompanied by defects to the equipment, the PROCESSOR may demand from the CONTRACTING ENTITY the compensation for the repair cost of the equipment.

10 FORCE MAJEURE

- 10.1 Force majeure circumstances are understood as circumstances beyond the control of the parties, such as: war, natural disasters, fires, strike, export and import prohibitions, etc., which obstruct the performance of the Contract or render it impossible. As a result of such circumstances, if the performance of the conditions of the Contract proves to be partially or fully impossible, the Parties of the contract release each other from liabilities and sanctions related to non-performance of the contract and damage occurred.
- 10.2 Upon occurrence of force majeure, the Parties are required to inform the other Party thereof not later than within five (5) days after occurrence of such circumstances and the deadlines for performance of the obligations specified in the contract shall be extended by the time period when such circumstances exist.

11 RESOLUTION OF DISPUTES

- 11.1 In case of any disagreements or discrepancies which the Parties fail to resolve by mutual negotiations, the corresponding matter shall be referred to a court and the problems shall be resolved in a court of the location of the respondent in accordance with legislation of the Republic of Estonia and on the basis of this contract.

12 TERM OF THE CONTRACT, ITS AMENDMENT AND TERMINATION

- 12.1 This contract is valid until 31 December 201... and shall be automatically renewed by one year unless one of the Parties gives the other Party at least one month's notice of the wish to terminate the contract or amend the conditions of the contract.

12.2 The contract cannot be terminated if one Party has not performed all its duties to the other Party.

12.3 This contract is made in two copies in Estonian on four pages and shall take effect as of its signing. The price offer is also deemed to be an annex to this contract, being an integral part thereto.

12.4 Both Parties shall have one copy of the contract and both copies have equal legal power.

13 INFORMATION OF THE PARTIES

PROCESSOR

GALV- EST AS

REG. NO 10949863

Kiiu, Kuusalu Rural

Municipality, Harjumaa

74601

Bank account

EE432200221021923314

Swedbank

Bank account

EE432200221021923314

SEB Pank AS

Communication channels for
providing information

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CONTRACTING ENTITY

REG NO.....

Communication channels for
providing information

Phone

Fax

E-mail

Member of the Management Board

Member of the Management Board

15 CONTACT PERSONS

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