

## WARRANTY TERMS AND CONDITIONS

### 1 GENERAL

#### 1.1 KOKAM warrants that:

- (a) Products are in conformity with the applicable product specifications under the respective KOKAM's proposals as may be amended upon mutual agreement of the Parties (hereinafter referred to as "Product Specifications");
- (b) Such Products are free from defects in material and workmanship.

#### 1.2 KOKAM will repair or replace according to the terms and conditions contained herein within the period set forth in Article 2, if the Product is found not in conformity with the respective Product Specification.

### 2 WARRANTY PERIOD

#### 2.1 The warranty period is the sum of standard warranty period and extended warranty period.

- (a) The standard warranty period for the Products in total is calendar life of 12 months (1 year) (according to the operating condition in **Annex A** attached hereto) from the delivery date.
- (b) Extended Warranty Period for the Battery Cells is calendar life of \_\_ months (\_\_ years) (according to the operating condition in **Annex A** attached hereto) from the date of expiration of Standard Warranty on a pro-rata basis. This Extended Warranty applies to battery cells only and Customer shall reimburse KOKAM for out-of-pocket Travel and Living expenses associated with on-site labor to diagnose or repair the product.

#### 2.2 Any non-conforming or defective items or parts that are repaired or furnished in replacement under the performance of this warranty shall be subject to this warranty terms and conditions to the same extent as the Products initially delivered and the warranty for such parts shall be same in period to that set forth in the Section 2.1 above and shall run to the expiration date of the warranty period of such Products initially delivered.

### 3 WARRANTY CONDITIONS

#### 3.1 The warranty stipulated in Sections 2.1 and 2.2 shall unchangeably continue until the expiration date and are subject to the following conditions, which must be met simultaneously without interruption and proved with documented evidence.

- (a) The Products concerned has been handled, stored, assembled, installed, operated and maintained by the Customer and/or the end-Customer (the "End-Customers") with the adequate care in accordance with the Product Specification and/or installation and operation manual and/or instructions provided by KOKAM and/or his subcontractors to the Customers.
- (b) The End-Customer has performed all planned maintenance activities as stipulated in the related planned maintenance handbooks or other applicable maintenance instructions provided by KOKAM. For the avoidance of doubt, KOKAM shall warrant the Products only for which the End-Customer have performed maintenance work in accordance with above mentioned instructions.
- (c) The Customers shall notify KOKAM of any defect or non-conformity including a detailed description thereof in writing without undue delay after discovery of the defect or non-conformity. Such notification shall constitute a customer claim report accompanied by documented evidence, including, but not limited to causes, related photographs, product details, serial number of Products, description of issue and background.

#### 3.2 The warranty stipulated in Articles 1 and 2 shall not extend to:

- (a) Any failure or damage caused by accident, transportation, force majeure event (e.g. storms, hail, lightning, earth-quake, snow, tornadoes, hurricanes), overvoltage, fire, vandalism, deterioration in the electrical qualities due to conditions that accelerate such deterioration, intentional act, negligence, or failure to use reasonable care whether on the part of the Customers;
- (b) Any defects due to normal wear and tear, corrosion not due to defective or wrong material and/or defective or poor workmanship, accident, negligent or incorrect utilization and/or misappropriation, or any Products modified by the Customers;
- (c) Any failure or damage caused by unauthorized modification, alteration, disassembly of the

Product ; and

(d) Commercially off-the-shelf items and consumables, including, but not limited to the air conditioning units, fire suppression devices, lights, fuses, and gaskets, for which no warranty is granted to KOKAM by the relevant subcontractors or which cannot be warranted by their nature.

3.3 With respect to defects in the components of KOKAM 's Products that have been manufactured by any manufacturer other than KOKAM, the End Customer's sole remedy shall be based on such manufacturer's warranty (if any) and KOKAM hereby assigns such warranties to the End Customer.

3.4 The Customer's sole and exclusive remedy, and KOKAM's total warranty liability for warranty claims are limited to the cost to repair or replace the defective Product.

#### 4 REPAIR AND REPLACEMENT

4.1 The Customer, following to or in the notification to KOKAM as per Clause 3.1(c), shall notify KOKAM by tele-transmission with request for repair or replacement, and KOKAM shall, after making its own determination that such defect or non-conformity is covered under the terms of this warranty, at its own risks and expenses, complete repair or replacement in the shortest period possible.

4.2 KOKAM shall, at its sole discretion, decide whether to proceed with the warranty repair or warranty replacement of the Product; provided, however, that KOKAM's liability shall be limited to the extent of delivery of replaced or repaired Products to the Customers. The terms "replacement" and "repair" for the purpose of this Article 4 shall be understood as follows:

(a) Repair

(1) In case any Products as delivered by KOKAM is opened and closed for the purpose of repair including renewal of any consisting parts, such disassembling/ re-assembling will be performed by the Customer at Customer's expense or by KOKAM at additional cost.

(2) Any work required to enable and provide access to the Product for the purpose of repair, including but not limited to any work required to make possible the disassembling/re-assembling of the Products itself as described in the previous paragraph shall be at the Customer's cost.

(b) Replacement

(1) Replacement constitutes dismounting or causing to be dismounted by KOKAM or the Customers, if so requested by KOKAM, of any part of the Product in the same condition as delivered by KOKAM, for the purpose of return to KOKAM or KOKAM's subcontractor(s) for renewal or repair followed by re-delivery to and reassembling by KOKAM or the Customers, if so requested by KOKAM.

(2) Freight charges with respect to the replacement or repaired part shall be borne by the Customer. Dismounting and re-assembling activities of any part of the Products themselves shall be by the Customer at Customer's cost or by Kokam at additional cost.

4.3 If the Customer wishes to have the Product repaired at KOKAM and Kokam agrees to, it must obtain a Return Material Authorization ("RMA") number from KOKAM prior to shipment of such Product back to KOKAM. Return shipment of the Products shall be at the Customer's expense. Returned Products will be subject to inspection and final determination of KOKAM as to whether or not the returned Products are defective. If the inspection shows that the Product is found to be defective, KOKAM will repair or replace the defective Product; provided, however, that if returned Product is determined to have been used outside of the Product Specifications and/or Warranty Terms and Conditions herein, repair or replacement charges will apply to the Customer's. All replaced Product and all parts removed from repaired Product become the property of KOKAM.

#### 5 DISCLAIMER OF ALL OTHER WARRANTIES

5.1 THE WARRANTIES IN THESE WARRANTY TERMS AND CONDITIONS ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR PARTICULAR PURPOSE. NO AGREEMENT VARYING OR EXTENDING THE FOREGOING WARRANTIES WILL BE BINDING KOKAM UNLESS IN WRITING AND SIGNED BY A DULY AUTHORIZED OFFICER OF KOKAM. WHERE THE INITIAL END USER AND KOKAM'S DIRECT BUYER ARE DIFFERENT, THESE DISCLAIMERS APPLY TO KOKAM'S DIRECT BUYER AS WELL.

5.2 TO THE EXTENT PERMITTED BY APPLICABLE LAW, KOKAM'S LIABILITY FOR ANY CLAIM WHETHER IN

CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE FOR ANY LOSS OR DAMAGES ARISING OUT OF, IN CONNECTION WITH, OR RESULTING FROM PRODUCTS SHALL IN NO EVENT EXCEED THE ENTIRE PURCHASE PRICE ALLOCABLE TO THE PRODUCTS OR PART THEREOF WHICH GIVE RISE TO THE CLAIM. IN NO EVENT SHALL KOKAM BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, WHETHER IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF PRODUCTS OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, DELAYS, AND CLAIMS OF CUSTOMERS OF CUSTOMER OR OTHER THIRD PARTIES FOR ANY DAMAGES.

## **6 GOVERNING LAW AND DISPUTE RESOLUTION**

- 6.1 Any claims arising out of or relating to this warranty will be governed by the laws of the Republic of Korea without giving effect to its conflict of law rules. The UN Conventions on Contracts for the International Sale of Goods shall be excluded.
- 6.2 The Parties will try in good faith to settle any dispute relating to this warranty within thirty days after such dispute arises.
- 6.3 If any such dispute, controversy or claim has not been resolved by negotiation, the Parties agree and consent that such any dispute, controversy or claim shall be finally settled by arbitration in Seoul, Korea according to the Rules of Arbitration of International Chamber of Commerce (ICC). The number of arbitrators shall be one appointed in accordance with said rules. The place of arbitration shall be Seoul, Korea. The language to be used in the arbitral proceedings shall be English. Any arbitration award shall be final and binding upon the parties concerned.

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## Annex A

### Operating Condition of Battery Cells

- (1) [Charge CC-CV, 1C-rate, 4.15V, 1/20C cut off, Discharge CC, 1C-rate, 3.4V cut off]
- (2) **Battery Operating Temperatures:**
  - (a) Standard operation range: 25±5 °C
  - (b) Maximum operation temperature: 35 °C
  - (c) Minimum operation temperature: 15 °C
- (3) **Battery Storage temperature (@SOC 0-100%) - This temperature range is only for the storage purpose.**
  - (a) -20°C to 35°C