**This document details a purchase and sale agreement (“Purchase Order’ or “PO”) between TROES Corp. (“Supplier”) and \_\_\_\_\_\_\_\_\_\_\_ (“Buyer”)**

# **ACKNOWLEDGEMENT**

* 1. This PO shall become a binding contract subject to these terms and conditions when accepted by both the Supplier and Buyer.

# **SUPPLY OF GOODS AND/OR SERVICES**

* 1. In consideration of payment of the Price by Buyer, the Supplier shall supply to Buyer the Goods and/or perform the Services in accordance with the PO (which includes these PO Terms and Conditions).
	2. The Supplier shall, in supplying the Goods or performing the Services:
		1. not interfere with the activities of Buyer or the activities of any other person at the Delivery Address;
		2. be aware of and comply with and ensure that the employees, representatives and agents of the Supplier are aware of and shall comply with:

all applicable Laws;

all Site standards and procedures, to the extent that they are applicable to the supply of the Goods or the performance of the Services by the Supplier; and

all lawful directions and orders given by a representative of Buyer or any person authorised by Law to give directions to the Supplier;

* + 1. ensure that the Supplier's employees, representatives and agents entering the Buyer premises perform in a safe manner and are properly qualified for and skilled in the performance of their tasks and are of such character so as not to prejudice:

safe working practices;

safety and care of property; and

continuity of work;

* 1. provide all such information and assistance as Buyer reasonably requires in connection with any regulatory investigation in connection with the supply of the Goods or the performance of the Services.

# **AMENDMENTS**

* 1. Buyer may by written Change Order(s), to accommodate any changes that are consistent with the general scope of this PO. If any such change affects the total cost, amount due or the time of performance under this PO, the Supplier shall notify Buyer in writing of such change within ten (10) days of receipt of the change order. Otherwise, the Supplier shall be deemed to have accepted the change order. If the Supplier notifies Buyer of a change in the total cost, amount due or the time of performance within the specified notice period, neither party shall be bound by the change unless agreed to in writing by the parties. Such agreement shall not be unreasonably withheld.

# **DELIVERY**

* 1. The Supplier shall deliver the Goods to the Delivery Addresses by the Delivery Dates below and perform the Services by the Service Dates below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Product** | **Delivery Points** | **Delivery Dates** | **SAT Completetion Dates** |
| Example: 408.3kWh/50kW containerised LFP battery storage system with Grid Tie bi-directional inverter. (BESS) | (Location) | (x days after Suppliers receival of second deposit)  | (x + y days after Suppliers receival of second deposit) |

* 1. The Supplier shall ensure that the Goods are suitably packaged to avoid damage in transit or in storage.
	2. Supplier shall not be held accountable for delays during shipment that are caused by *force majeure* events as defined under article 12.1 herein.

# **TAXES AND DUTY**

* 1. Buyer shall be responsible for all applicable import duties, fees, tariffs and sales taxes (federal/state/municipal).

# **QUALITY**

* 1. The Goods and/or Services shall match the description referred to in the PO and be free from defects in material and/or workmanship.
	2. The Supplier warrants that the Goods are free from defect in design.
	3. The Goods and/or Services shall be fit for the purpose for which goods and/or services of the same kind are commonly supplied or bought and for any other purpose Buyer specifies.
	4. The Goods shall be free of all liens, imperfections in title, claims, charges, damages, restrictions, or other encumbrances.
	5. The Goods shall be of merchantable quality and unless otherwise specified in the PO, shall be new.
	6. To the best of the Supplier's knowledge, the Goods and/or Services used by Buyer do not and shall not infringe any intellectual property rights of any third party
	7. The battery and whole system shall meet System Acceptance Test (SAT); the SAT having been agreed upon between Buyer and Supplier.

# **TERMINATION**

* 1. This PO may be terminated by Buyer in whole or in part with no obligation or liability due to the Supplier's breach of any provision of this PO, including without limitation the Supplier's failure to deliver the Goods or perform the Services in full conformance with the PO. In the event that Buyer claims breach of contract, Buyer must notify the Supplier in writing of the reasons for the breach. Following receipt of such notification from Buyer, the Supplier shall have a period of 30 business days during which it may remedy the breach. If at the end of the 30-day remedy period Buyer still maintains that the contract has been breached, Buyer shall pay only for those items delivered by Supplier in conformance with this PO up to the date of termination.
	2. In the event Buyer terminates this PO without cause, Buyer shall give the Supplier thirty (30) business days' notice of termination and shall pay the Supplier for the Goods delivered and/or Services performed until the date of notice of termination. In any event, any funds deposited along with the PO shall not be refundable.
	3. Upon receipt of the notice of termination from Buyer, regardless of the reason for the termination, the Supplier shall immediately stop all work in progress and use best efforts to mitigate any costs associated with the termination. Should Buyer exercise its' rights under this clause, the Supplier shall create and provide to Buyer a report with the status of the Order at the time the Supplier was notified of the termination. Such report shall include the actions taken by the Supplier fulfilling the Order and the related costs the Supplier has incurred alongside reasonable evidence of such costs having been incurred. Such costs may be reclaimed from Buyer by the Supplier and Buyer shall pay to the Supplier within 30 days from the date of the report and evidence having been submitted to it.

# **INTELLECTUAL PROPERTY RIGHTS**

* 1. The Supplier grants to Buyer a non-exclusive, perpetual, irrevocable, transferable, fully paid up, worldwide right, royalty free license with respect to the use of any software (not including source code) incorporated in the Goods in conjunction with the use or sale of the Goods. **(only keep this in the template if the PO is issued by contractors (EPC, installer, etc.) and system will be transferred to the end-user)**
	2. Subject to the payment by the Buyer of the fees in respect of the Microgrid Controller Software, The Supplier grants to the Buyer the use of the Microgrid Controller Software for the Buyer's business purposes. In the event that the Buyer fail to make payment for said applicable payment for the Microgrid Controller Software, Supplier will immediately notify the Buyer in writing of such non-payment. Upon receipt of such written notice, the Buyer shall have (10) days to make the required payment and in the event that payment is not made within such period, the Supplier has the right to discontinue the use of the Microgrid Controller Software. **(only keep this in the template if Microgrid Controller Software is purchased in the PO)**

# **LIMITATION OF LIABILITY**

* 1. The maximum liability of Buyer to the Supplier, and of the Supplier to Buyer, arising out of the PO regardless of the basis of liability or the form of action shall not exceed fifty percent (50%) of the total price stated in the PO. **(subject to change considering variables of the PO)**
	2. TO THE EXTENT PERMITTED BY LOCAL LAW, IN NO EVENT SHALL SUPPLIER BE LIABLE FOR ANY LOST REVENUES, LOST PROFITS, INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, EVEN IF THE BUYER HAS BEEN INFORMED OF THEIR POSSIBILITY.

# **CONFIDENTIALITY**

* 1. Neither party shall disclose any information from the source party which is of a proprietary, confidential or technical nature ("Confidential Information") to any third party following the date of initial disclosure unless such disclosure is lawfully required by any governmental agency, is otherwise required to be disclosed by applicable law or is necessary in any legal proceeding establishing rights and obligations under the PO.
	2. Each party agrees not to provide copies of the PO or otherwise disclose the terms of the PO to any third party without the prior written consent of the other party unless for their internal use.

# **FORCE MAJEURE**

* 1. In the event the performance in whole or in part by either party or any obligation under this PO shall be prevented or delayed by any act of god, reason of governmental decision, war whether declared or not, hostilities, act of the public enemy, civil commotion, sabotage, fire, any natural disasters, explosion, epidemics, quarantine restrictions, strike and lockout or any other event beyond the reasonable control of the party concerned (hereinafter referred to as the "Eventuality"), the affected party shall give notice to the other within five business (5) days from the date of occurrence thereof, and shall include in such notice the anticipated period of the Eventuality (where possible) and performance of this PO shall be resumed as soon as possible after such Eventuality has come to an end or ceased to exist, provided that if the performance in whole or in part of any obligation under this PO is delayed by reason of any such Eventuality for a period exceeding forty five (45) days, the parties shall review in good faith the desirability and conditions of terminating this PO on an equitable and non-punitive basis.

# **INSURANCE AND CONTRACT SECURITY**

* 1. The Supplier shall procure and maintain the insurance policies as required by law and reasonably requested by Buyer at its own expense with an insurer mutually agreeable to Buyer and shall not cancel or make any material change to such insurance policies without the prior written consent of Buyer.
	2. Within 30 days of the parties executing this Contract, the Buyer shall provide a letter of credit equal to 70 percent of the Contract Price, which shall be maintained until 70 percent of the Contract Price has been paid. Such letter of credit shall be substantially in the form attached hereto as Schedule “A”, with the applicable information correctly inserted. **(only keep this section when BUYER negotiates DIFFERENT PAYMENT TERMS and they would prefer/suggest letter of credit [LOC])**

# **APPLICABLE LAW AND DISPUTE RESOLUTION**

* 1. This PO shall be governed by the laws of the province of Ontario, Canada. If any dispute or difference whatsoever arises between the parties concerning matters relating to the PO or any provision thereof, the parties herein shall use their best endeavours to resolve the dispute or difference amicably. Failing which the same shall then be finally resolved by reference to the court of law of Ontario, Canada.

# **RELATIONSHIP OF PARTIES**

* 1. Neither party undertakes by the PO or otherwise to perform or discharge any liability or obligation of the other party whether regulatory or contractual or to assume any responsibility whatsoever for the conduct of the business or operations of the other party. Nothing contained in the PO is intended to give rise to a partnership or joint venture between the parties. The Supplier is acting solely as an independent Supplier and not as an agent of Buyer and vice versa.

# **ASSIGNMENT**

* 1. The Supplier may not assign or delegate its rights and obligations under the PO without the prior written consent obtained from Buyer.
	2. Buyer shall be permitted to assign this PO, in whole or in part, to any of its Affiliates or Clients, with prior notice to, but without the prior consent of, Supplier. The Buyer shall be permitted to assign the warranty attached hereto as Schedule “B” to one or more entities to which the Products are transferred, conveyed and/or assigned by Buyer with prior notice to, but without the prior consent of, Supplier provided that such Products are not de-installed and re-installed in connection with any such transfer, conveyance and/or assignment. **(only keep this in the template if the PO is issued by contractors (EPC, installer, etc.) and system will be transferred to the end-user)**

# **SEVERABILITY**

* 1. If any provision of the PO is invalid or unenforceable under any statue, regulation, ordinance, executive order or other source of law, such provision shall be deemed reformed or deleted as the case maybe, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule and the remaining provisions of the PO shall remain in full force and effect.

# **ENTIRE AGREEMENT**

* 1. The PO constitutes the entire agreement between the Supplier and Buyer with respect to the matters contained in the PO and supersedes all prior oral or written representations and agreements.
	2. Notwithstanding anything to the contrary contained herein, the PO shall not constitute a waiver or release of, any rights and claims against the Supplier arising out of or relating to any fraud or duress in contraction with the formation of this PO or a breach or anticipatory breach of any previous existing contract between the Supplier and Buyer.

# **SUBMISSION OF INVOICES**

* 1. Any invoice not received by Buyer within 3 months or otherwise mentioned in the contract from the month to which that invoice relates to (or, from the date of issuance of the invoice), Buyer shall be under no obligation to pay for any amounts owing under any such late invoice issued by the Supplier to Buyer.

# **CONTACT DETAILS OF THE PARTIES**

* 1. All communications including change orders given by Buyer to Supplier shall be confirmed in writing by email to Louis Liu, Chief Accountant, TROES Corp. Email address: admin@troescorp.com
	2. All communication from Supplier to Buyer shall be copied to: **Name, Title, Address, E-mail Address**

# **Data Collection**

* 1. Buyer shall make available the following cable entries for the Supplier’s Energy Storage System:
* *Modbus TCP/RTU* communication cable for battery management system/power conversion system/environment monitoring system. (total of three for each system) **(only keep this in the template if Microgrid Controller Software is purchased in the PO)**
* *480VAC, 3 phase power* connection from transformer/grid to power conversion system.
	1. The following Information Collection Sheet shall be completed by Buyer and signed off by both parties. **(Only keep this in the template if, BUYER makes the order BEFORE confirming project details)**
* *TROES XXX Project Microgrid Controller Information Collection Sheet (See Schedule “C”)* **(only keep this in the template if Microgrid Controller Software is purchased in the PO)**
* *TROES XXX Project Information Collection Sheet (See Schedule “D”)*

**Remainder of this page left blank**

1. **Purchase Order Details**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Special Notes** | **Unit Price US$** | **Units** | **Total Price US$** |
| XkWh/XkW containerised LFP battery storage system with Grid Tie bi-directional inverter. (BESS) | **Hardware**: (refer to BESS Bill of Materials, below)* Battery Pack with UL/UL1973 certification (BMS included)
* PCS fully compliant with all necessary US certification for grid integration including UL 1741
* All breakers and disconnects with appropriate US grid compliance certificates
* NEMA 3R equivalent container
* 2-year warranty
* Cloud based communication with API or Modbus
* CIF to Port of X (Supplier will be responsible for up to USD$x of transportation cost, Buyer will be responsible for any amounts in excess of USD$x.)
* All labour costs up to delivery to port are included
 | $x | x | $x |
|  | **Total PO Value Including delivery to ports mentioned above. In-Country transportation and delivery is not included.** | **$x** |

|  |  |  |
| --- | --- | --- |
| **Description** | **Special Notes** | **Recurring $/Annum USD** |
| Remote Monitoring System | * Subject to change depending on the available internet connection, local mobile data provider plans etc.
 | $x |
| BESS + Microgrid Controller Maintenance | * Price subject to change depending on the receival of TROES XXX Project Microgrid Controller Information Collection Sheet (See Schedule “C”) **(Only keep this in the template if, BUYER makes the order BEFORE confirming project details)**
* With a 2.5% escalator per annum
 | $x |

**ESS Bill of Materials**

|  |
| --- |
| * Battery pack integrated with BMS
 |
| * System control cabinet and software
 |
| * Outdoor cabinet with rack, HVAC and Fire Suppression system
* Power Conversion System
 |
| * Microgrid Controller **(only keep this in the template if Microgrid Controller Software is purchased in the PO)**
* DC disconnector and AC disconnector
 |

Requirements: Technical Specifications

* **Technical Specifications to be inputted here, if needed.**
1. **Requirements: Commercial**
* The following assumes that PO is signed by XXX.
* The unit is to be delivered to Port of XXX X days after Supplier’s receival of second deposit (This unit will be forwarded to project site at the expense of Buyer)
* Power converter type testing and fault testing reports will be forwarded by the Supplier prior to shipment from factory.
* Supplier will submit a Factory Acceptance Test (FAT) report to the Buyer prior to shipment from factory.
* The price includes start and full commissioning of each system.
* Buyer agrees to display the Supplier’s name plate on the exterior of each container.
1. **Payment terms:**
	1. US$XXXto be invoiced upon PO signing, net 10-day terms and will be considered as a deposit towards the PO.
	2. US$XXX to be invoiced upon Buyer’s receival of product shop drawing for the beginning of hardware manufacturing and will be considered as the second deposit towards the PO, net 10-day terms.
	3. US$XXX on factory exit; terms net 10-day.
	4. US$XXX to be invoiced upon Buyer’s receival of SAT completion (TROES Corp. Site Acceptance Test Form, Schedule “E”), terms net 10-day.
	5. Annual recurring subscription fee for BESS + Microgrid Controller Maintenance and Remote Monitoring to be invoiced upon system commission completetion date and annually, net 10-day payment terms. **(only keep this in the template if Microgrid Controller Software is purchased in the PO)**
	6. Should the Purchase Order be cancelled by the Buyer, then all funds paid to that point shall not be refunded.
	7. Other costs and expenses: provision and maintenance of contract security as per article 13.2 of PO.
* Buyer is responsible for all applicable duties, import tariffs and sales taxes. These are not included in the above PO price.
* Supplier will be responsible for up to USD$x of transportation cost, Buyer will be responsible for any amounts in excess of USD$x. Supplier to provide Buyer with shipping quotation prior to execution of this Contract.
* If, at the request of the Buyer, the system is held for shipment at the factory exit, a storage charge of $50 per day will be payable by the buyer for the number of days the system is held, with a minimum charge of 3 days.
* Any costs or expenses under this section that are payable by the buyer will be due net 15 days Overdue accounts will be charged a fee of 1% per month on the outstanding balance.

**Agreement signee:**

|  |  |
| --- | --- |
| For the “Supplier” \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_NAME: Vienna Zhou, CEOTEL #:416 606 8819EMAIL: vzhou@troescorp.com ADDRESS: 401 Bentley Street, Unit 3, Markham, Ontario, Canada L3R 9T2 | For the “Buyer”\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_NAME: TEL #: EMAIL: ADDRESS:  |

**Schedule “A” – Letter of Credit Draft**

**Schedule “B” – Warranty**

Warranty Terms and Conditions

**For battery energy storage system from TROES**

Dear Customer,

We are delighted that you have purchased this TROES product and believe that you have made a good decision. This document describes the terms and conditions of your TROES product warranty (“Warranty”). In accordance with your purchase agreement, your Warranty terms are as follows:

System Production Code:

Installation Location:

Warranty Period: to

If **Performance Guarantee** is included in the contract,

Performance Guarantee Period:

Your Performance Guarantee Specifications (Section 3)

* Installed Capacity:
* Requested Usable Capacity:
* Maximum Power Output:
* 70% EOL means: 70% of Initial Usable Capacity or kWh as measured on the DC side
* Augmentation required to meet Performance Guarantee specifications. Yes/No

o If “Yes”, then augmentation plan, which will be attached, must be implemented.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Guaranteed cycles** | **Temperature range** | **C-rate (discharge current)** | **EOL (End-Of-****Life)** | **Charging/ discharging frequency** | **Performance Guarantee** |
|  |  |  |  |  |  |

1. **General Terms**
	1. In no event shall Supplier be liable, or in any way responsible, for any damages or defects in the Product(s) that are caused by repairs or attempted repairs performed by anyone other than Supplier or its employees or contractors or other service providers authorized by Supplier. Supplier shall not be liable or in any way responsible for any incidental or consequential loss. Supplier’s aggregate liability in damages or otherwise shall not exceed the invoice amount actually paid by Buyer for the applicable Product(s).
	2. Communications and Notices. All notices, claims, requests, demands and other communications that the Parties may give to each other pursuant to this Warranty shall be in writing and shall be email- delivered or mail-delivered to the receiving Party.
	3. Definition of Product(s). The Product(s) in this Warranty shall only cover the equipment or system which supplied by TROES.
	4. Force Majeure. Neither Party shall be held responsible for any delays nor non-performance of its obligations hereunder that are attributable to Force Majeure. With regards to the occurrence of a Force Majeure event, the Parties’ obligations (except those relating to confidentiality and payment for Product already delivered) shall be suspended during the pendency of the Force Majeure event, and adjustments shall be made to the delivery schedule or other terms as agreed upon by the Parties for the period of the Force Majeure event and subsequent recovery therefrom. “Force Majeure” means the occurrence of any event which is outside of the reasonable control of the affected party and not due to the fault or negligence of a Party, which are reasonably unforeseeable, unavoidable, or insurmountable, and which prevent the total or partial material performance by either Party. A Force Majeure event shall include, without limitation: war, a serious fire, flood, typhoon, earthquake, acts of terrorism, or other events as reasonably mutually agreed upon by the Parties in writing. The Party claiming Force Majeure shall promptly inform the other Party in writing and shall furnish within ten (10) days thereafter sufficient proof of the occurrence and duration of such Force Majeure. The Party claiming Force Majeure shall also use commercially reasonable efforts to terminate the Force Majeure and shall promptly consult with the other in order to find an equitable solution and minimize the consequences of such Force Majeure. As soon as the non-performing Party can resume performance of its obligations hereunder, that Party shall give the other Party written notice to that effect and shall promptly resume performance. The burden for proving the existence of a Force Majeure event shall be on the Party claiming relief from such Force Majeure. The following, without limitation, shall not be considered a Force Majeure event: the inability of a Party to make payments as and when due, the inability of a Party to obtain raw materials or components from Suppliers; general changes in market conditions for raw materials, components, shipping costs; changes in import duties.
	5. Defect. For this Manufacturer Warranty, defect shall mean any defect(s) in design, engineering, materials and equipment that does not conform to the Product(s) specifications, the user instructions or other technical conditions, including, but not limited to operation manuals or tolerances provided by Supplier (“Technical Specification”); provided that a “Defect” does not include issues or damages arising as a result of the followings:
2. Arose due to operation or maintenance of the Product(s), or equipment incorporating the Product(s), by or on behalf of the Buyer (other than the Supplier) that is not in accordance with Technical Specification; or
3. Arose from normal wear and tear in the operation of the Product(s).
	1. Repair and Replacement. Supplier will either repair or replace the Product(s) confirmed to be defective by Supplier free of charge if the defects are not one of the cases listed in Warranty Exclusions defined in Section

6. If necessary, the materials for repair or replacement will be provided by Supplier. The repair or replacement of the Product(s) or the supply of additional Product(s) DOES NOT cause the beginning of new Warranty terms and the Warranty Period for the Product(s) that have been repaired or replaced shall not exceed the remaining period of the original Warranty. In the case where, after the expiry of the Warranty Period, Buyer commences any replacement works using Product(s) at its own costs, the Warranty for such replaced components will remain effective for the period of one (1) year from the date of repair or replacement

# Basic Warranty

This limited Warranty covers defects resulting from defective parts, materials or manufacturing, if such defects are revealed during the earlier of either: (i) the period of 36 months from the date of installation and commissioning, or (ii) the period of 38 months from the date the product was shipped from the factory.

Warranty services will be provided under the following condition: Customer must Immediately and effectively notify TROES about device’s defects and cease any use of the system without undue delay.

The device is considered defective if it fails to perform the functions as indicated in the operation manuals, technical specifications or any other similar documents supplied with the equipment, and the failure is due to internal device characteristics. The basic warranty guarantees performance of the system for the aforementioned period.

If a component is covered, and more than 25% of the guaranteed cycles have been used, or it has been more than 38 months from the date of purchase, TROES will replace the component with a comparable new TROES replacement component on a *pro rata* basis. This means that the customer will be responsible for paying a portion of the cost. The TROES service representative will determine the portion for which the customer will be responsible by multiplying the percentage of the original guaranteed cycles remaining, by the current selling price at the customer location or the price in the current TROES Base Price List, whichever is lower. The customer also will be responsible for paying in-full the cost of removing and replacing the component by the technical support representative.

The Warranty does not cover consumables or parts of limited regular functionality due to their natural wear and tear nor does it cover any software by third party manufacturers or vendors that is installed on the system. TROES shall not be held responsible for the loss and restoration of any software or data.

If the product is found to be defective during the Warranty period due to material and/or workmanship defects (from the time of the original purchase), TROES or a TROES service partner will either repair or replace the product or its defective part at its own discretion. TROES will assume the costs of any materials replaced or repaired. The customer will pay for additional charges (Please see Section 7), beyond the one-time service and one-time travel cost under the maintenance contract. Any replaced products and parts become the property of TROES.

# Extended Basic Warranty (Optional)

NOT PURCHASED. TROES offers an optional Extended Basic Warranty whereby the customer may choose to purchase additional Warranty with coverage duration options of 1,2, 3, or 4 years, for a maximum of 8 years of extended Warranty in total.

The Warranty extension means Extra Warranty Period provided after the expiry of the 2-year Basic Warranty. Terms and conditions for the Extended Basic Warranty:

* + Eligibility: The Extended Basic Warranty must be purchased by the earlier of: (i) within 2 weeks of the commissioning of the system, (ii) no more than 8 weeks after the product was shipped from the factory.

Your sales representative will furnish the full Warranty Extension Price upon request.

TROES offers a Post-Purchase Service – Maintenance Agreement to ensure that the system runs within an optimal operation regime, and proper (in fashion and time) maintenance takes place. This Agreement is essential to maintain the validity of the Extended Warranty and is supplemented by a Remote Monitoring System to enable monitoring, diagnostics, and reporting of the system.

# Performance Guarantee (Optional)

NOT PURCHASED. Subject to the exclusions and limitations in Section 6, this 10-year performance guarantee is an additional benefit offered by TROES and covers the capacity of the energy storage system, particularly the lithium battery cells. It does not cover software (either from TROES or third parties). The 10-year performance guarantee is provided at an additional cost and Post-Purchase Service – Maintenance Agreement is required to maintain the validity of this Guarantee. Please contact your TROES sales representatives or send email to sales@troescorp.com to get more details.

Our customers are aware that as the energy storage system ages, the storage capacity will decrease, depending on charging frequency and temperature. Generally speaking, the service life of energy storage system in projects, refers to the capacity limit of a certain percentage (for example. 70%) of the nominal capacity reached.

The 10-year performance guarantee considers the constant decrease in storage capacity and full charge cycles over time. The guarantee begins with the delivery of the energy storage system. On this basis, TROES generally guarantees the following number of charge cycles while observing the respective temperatures.

***If purchased, your specific Performance Guarantee terms are listed on the first page of this warranty document and may differ from the standard performance guarantee offering presented in Table 1 below.***

***Our basic warranty guarantees performance of the system for the basic warranty period.***

Table 1. Standard Performance Guarantee Terms

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Guaranteed cycles** | **Temperature range** | **C-rate (discharge current)** | **EOL (End-Of-****Life)** | **Charging/ discharging frequency** | **Performance Warranty** |
| 3000 | 25°C± 10°C | ≤1C | 70% | Once a day | Max 10 years |

TROES guarantees that the System Performance will maintain at least 70% of its initial useable capacity for a period of up to ten (10) years after the product’s (battery packs specifically) departing the factory or until the System has completed 3000 cycles of usage, whichever is earlier. This guarantee is void if the customer has violated the specified operating conditions for the Product.

Data Logging Requirement. The buyer must allow the TROES’ Remote Monitoring System to log and archive system data at all times in order to maintain any Warranty or Guarantee in full force and effect.

The Buyer shall provide copies or access to such data to Supplier upon Supplier’s request for the same.

In the event that the Buyer fails to provide such operational data, and to the extent that it becomes impossible to perform the diagnosis or failure analysis required in connection with any Performance Guaranty Claim, Supplier shall perform an error diagnosis at the Project Site.

Supplier acknowledges that operating log data may be lost through no fault of Buyer or Supplier (including, but not limited to, due to a Force Majeure Event and/or grid or storm outages) and agrees that exceptional independent days of missed data logging will not prevent a claim under this Capacity Performance Guarantee. In such event, Supplier and Buyer shall work in good faith in analyzing the available historical trends to determine the amount of discharge throughput that shall be accounted for in calculating the battery performance values.

Capacity Test. In order to make a claim under the Performance Guarantee, the ESS shall be tested by the Buyer in accordance with the Test Procedures defined in ***Appendix B (Capacity Test Procedure)***. Following the test, the Bank Capacity shall be calculated by the equation given in ***Appendix B***. The power measurements shall be collected at the Measurement Point. The measured power from the system BMS for the battery bank shall be recorded with a minimum resolution of two (2) seconds. The battery bank shall be fully operational and in good working condition before the Test Procedure execution. The test shall be invalid if, during the Test Period, the ESS is operated outside of the specified Test Conditions in ***Appendix B***.

Reports and Audits.

Report on Capacity Test Results. Not later than fifteen (15) business days after the completion of the Capacity Test, Buyer shall provide to Supplier a written report of the Capacity Test.

Audit Rights. Supplier shall have the right to review all data reasonably necessary to verify the Capacity calculation provided by Buyer. The Buyer shall provide such information to Supplier within five (5) business days following receipt of a written request from Supplier for such information.

Test Result Review. Not later than five (5) business days following receipt of the report provided by Buyer, Supplier may request in writing that Supplier and Buyer review the Capacity calculation set forth in such report together with applicable underlying data in respect of the ESS that support the information set forth in such report. The Parties shall use commercially reasonable efforts to agree upon the underlying data and the calculation of Capacity within thirty (30) days following receipt by Buyer of Supplier’s request for such review.

# Claim Conditions

Warranty services are only provided if TROES is informed of the product defect in writing within the Warranty period. The Warranty begins upon the earlier of (i) commissioning of the system, or (ii) two (2) months after the delivery of the energy storage system to the customer site.

# Warranty Exclusions and Limitations

TROES is obligated under this performance Warranty only to repair or replace products which are subject to these Warranty terms and conditions.

TROES is not liable for material or immaterial losses or damages which may arise, either directly or indirectly or as a result of products or services of this Warranty or otherwise, such as the purchase price, loss of profits, loss of income, loss of data, material damages or damages resulting from the unavailability of the product or associated components. Incidental costs for defective products, such as technician fees or delivery and transport costs shall be borne by the customer.

Any Warranty service is excluded:

1. if the energy storage system was not installed or operated according to the terms of use and installation: damages must not be caused by unusual wear-and-tear and / or improper or incorrect use) and/or the damages on the device were not caused by a material and/or manufacturing defect (the energy storage system must not be exposed to incorrect or unusual vibrations, voltages, power

and temperatures);

1. if the energy storage system was not used for a stationary application but other functions;
2. if the customer does not inform TROES of the defect within the Warranty period starting from the time of handover;
3. if the customer does not notify TROES of any Warranty claims within seven (7) days of becoming aware of the product deficiency.
4. if the serial number on the product can no longer be identified or has been modified;
5. if the customer disputes a TROES finding of no fault and the customer cannot present a report from a certified test institute that proves the defect, taking measuring errors into consideration;
6. if the device was damaged during transport but was still used by the customer.
7. if the energy storage system has not been operated for at least 6 months;
8. if force majeure (e.g. natural catastrophes, such as flooding, fires, earthquakes, lightning or other abnormal environmental conditions, war, etc.) has resulted in damage to the energy storage system;
9. if there is improper repair or Warranty service performed by someone other than TROES, or the customer attempted to open and repair the product by him/herself;
10. if the customer does not grant TROES or a third-party provider continuous access to the performance data of the memory in the energy storage system and/or if the customer manipulates the data.
11. if the customer refuses to install software updates provided by TROES.

# Additional Charges

7.1. Travel

The annual fee covers one-time travel cost during a year, usually the on-site travel occurs during the 12-month regular inspection, the extra travel cost will be billed separately.

7.2. Onsite labor

The annual fee covers one-time on-site service during a year, usually the on-site service occurs during the 12-month regular inspection, the extra onsite service will be billed separately.

7.3. Parts

The annual fee covers HVAV filters, AC cables, DC cables, communication cables. Battery cell or battery packs, PCS components are excluded etc.

To avoid extra onsite labor and travel cost, customer shall assign on-site personnel to cooperate with TROES staff to provide regular remote inspections as required.

# Product Disposal

The Buyer shall be responsible for the disposal of the Product(s). And the cost on the disposal of the Product(s) shall be borne by the Buyer or the final owner of the Product(s). In case the Buyer need TROES support in disposal or recycling, please contact TROES hotline:1888-998-7637: or email TROES to service@troescorp.com

# Assignment

This Warranty may be assigned by Buyer to a third party who is the subsequent owner of the Product, without the prior consent of Supplier, (such consent not to be unreasonably withheld, conditioned or delayed); provided that the new Warranty holder must send to Supplier a completed Notice of Assignment under which Buyer assigns, conveys and sells its rights, title, and interests in the Warranty to such third party.

9.1. Notice of Assignment

Notice of Assignment should cover the assignee’s company name, contacts, etc. A Warranty assignment with or without a performance guarantee shall be effective upon

Supplier’s execution of the Notice of Assignment.

9.2. Assignment Limitations

Notwithstanding anything to the contrary in this Article, this Warranty shall not be assigned to any of the following: (i) more than one (1) Entity at a time; (ii) Supplier’s competitors: Fluence, Tesla, Sungrow-Samsung SDI, NEC, BYD, Clou, Samsung SDI, LG Chemical, CATL, Panasonic, Lishen, EVE, Higee, Toshiba, Mitsubishi and their successors/assigns; or (iii) any other battery manufacturer and hardware integrator (regardless of size, type or application) including, without limitation, ones used for the electric vehicle, automotive applications and/or stationary storage applications. “Entity” means any individual, entity, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association, or other entity or governmental authority.

This Warranty shall be transferable by Buyer to a new legal owner of the Product(s), provided that:

* + 1. Such a new owner also takes possession of the original proof of purchase,
		2. The Product(s) remain in their required using conditions and specifications, and
		3. None of the provisions this Warranty shall have been breached by Buyer prior to the assignment of ownership.

For the avoidance of doubt, the transfer of this Warranty does not amend the original Warranty Start Date, or the applicable periods specified herein.

# Fulfillment

TROES will decide on the measures to rectify the defect at its own discretion. Parts are to be repaired or the product is to be replaced based on replacement with a product of the same quality but not necessarily the same type, either a new product or a repaired product that functions like a new product. TROES is authorized to repair the parts or have the repairs carried out. If the product is worn out before the Warranty period expires, TROES can either provide a new product or a replacement product with a comparable quality and specifications as the worn-out product. TROES will replace the product so that at least the guaranteed minimum performance is restored.

The product handed over by the customer becomes the property of TROES after the replacement. The Warranty for the repaired or replaced parts will be included in the remaining Warranty period.

# Miscellaneous

The contact for all questions and Warranty claims is:

TROES Corp., 401 Bentley Street, Unit 3, Markham, ON, L3R 9T2, Canada. TEL: 1(888)998 7637.

# Email: service@troescorp.com

These Warranty terms and conditions apply to the end consumer and are enclosed with the product. Warranty claims are only transferable after obtaining permission from TROES.

This Warranty is governed exclusively by Canadian consumer law. The place of fulfillment is Markham, Ontario. The legal enforcement of claims under this Warranty must be made within one year, starting from

the date of notification of claims under this Warranty against the guarantor, otherwise it is excluded.

Customers may be entitled to legal rights regarding the sale of goods according to law. This Warranty does not limit your possible statutory rights or your rights arising from the purchase contract.

Only the end consumer is entitled to make claims which are named under this Warranty.

# Severability

If any clause of this Warranty is invalidated by a Court of Law Ontario, Canada the remaining provisions of this Warranty will still be in effect.

# Appendix A. Warranty Service Guide

* 1. This document contains all related processes for Product Warranty.
	2. Responsibilities & Procedures for Warranty Services are specified as follows:



* + 1. End-User will notify TROES, of any defects or damages in the Product to be provided with Warranty Service, by phone call or e-mail. TROES will have received notification (alarms or otherwise) from the Remote Monitoring System.
		2. TROES will provide End-User of the action plan within Two (2) working days (48hrs) after receiving above notification from the End-User TROES for sending a service engineer to the End-User ( ) will be issued by TROES, thereafter. For the areas where TROES cannot cover shall be covered by local installers nearby End-User.
		3. TROES will attempt to complete the repair within Seven (7) working days after receiving the above notification from the End-User. Service Engineer will explain to the End-User which party is responsible for purported defects or damages and the repair cost incurred, and attain the consent of the End-User before the repair is made. Every Warranty Service is provided free of charge within the Product Warranty Period, subject to the limitations described in Section 5, unless it arose out of the End-User’s misuse, natural disaster or it is turned out to be “Non-defective” as inspected by the Service Engineer. In such cases, defects shall be repaired or replaced at End-User’s cost as specified in the Warranty Terms.

Appendix B: Capacity Test Procedure

It is necessary to test the capacity of the BESS before making a Performance Guarantee.

The power measurements shall be collected at the Measurement Point. The measured power from the system BMS for the Bank shall be recorded with a minimum resolution of two (2) seconds. The Bank shall be fully operational and in good working condition before the Test Procedure execution. The test shall be invalid if, during the Test Period, the ESS is operated outside of the specified Test Conditions.

The Test Procedure will not operate any components of the Product outside of the safe recommended ranges of the Supplier or in any way to violate the Product Warranty or damage the Product or Product Components. The ESS shall be in working condition before executing the Test Procedure; provided, if the test is being conducted in connection with making a Warranty claim (including pursuant to the Capacity Performance Guarantee), the Supplier shall be required to put the ESS in workable condition prior to the Buyer conducting the test and submitting a Warranty Claim. All Battery Modules shall be available to operate during the Test.

1. Test Conditions (at Bank level)

|  |  |  |
| --- | --- | --- |
| Parameter | Value | Unit |
| Maximum Charge Power | 30% of the BESS rated power | kW |
| Maximum Discharge Power | 30% of the BESS rated power | kW |
| Maximum State of Charge (“SOC”) | 100% (for capacity test only) | % |
| Minimum SOC | 0% (for capacity test only) | % |
| Minimum Rest Period | 30 | min |
| Temperature Range | 23±5 | ℃ |
| Minimum Metering Accuracy | 0.5 | % |

1. Test Procedure.
	1. Charge or discharge of the BESS to between 50% and 80% SOC and hold it resting for a period of 24 hours before the Capacity Test for balancing.
	2. The BESS shall be charged at no greater rate than the Maximum Charge Power defined in the Test Conditions until reaching its 99% SOC. Then, switch to CV mode and charge the BESS until the charging current reaches the cut-off limit (≤10A).
	3. The BESS shall be left in standby at rest (power = 0) for at least 30 minutes in accordance with the Test Conditions.
	4. Record the initial SOC, voltage, and the readings of the meter at the output point of the BESS or other points agreed by the parties.
	5. The ESS shall be discharged at no greater rate than the defined Maximum Discharge Power in accordance with the Test Conditions until the ESS reaches the 3% SOC. Then, switch to CV mode and discharge the BESS until the charging current reaches the cut-off limit (≤10A).
	6. Record the final SOC, voltage, and the readings of the meter at the output point of the BESS or other points agreed by the parties.
	7. If the Capacity measured does not meet the Guaranteed Capacity requirement based on the first cycle, repeat one more time of items (a) to (e) after 1-hour rest.

~~~~**Schedule “C” – TROES Project Microgrid Controller Information Collection Sheet (Only keep if PLACED order BEFORE project details are confirmed (Replace with latest Microgrid Controller Information Collection Sheet))**

|  |  |
| --- | --- |
| **Customer** |  |
| **Microgrid Controller Function Description** |
|       |
| **Grid connection** | [ ] On-grid [ ] Off-grid [ ] On&off-grid |
| **Internet Infrastructure** | [ ] Available [ ] Not Available |
| **BESS charging power source** | [ ] Grid [ ] Solar [ ] Wind[ ] Generator(Fuel type:      ) Other Power Source:       |
| **Condition(s) BESS start charging from above mentioned source** |       |
| **Condition(s) BESS start discharging to load** |       |
| **Solar Communication Protocol** |       |
| **Documents Required**(Please send in Attachements) |
| 1. Inverter Specification
 |
| 1. Solar Specification
 |
| **Additional Notes** |
| Please specify solar panels connection (# of panels in serial, # in parallel) |
| **Declaration** |
| **I hereby declare that the information provided is true and correct.** | Print name SignatureDate |
| **To be completed by TROES** |
| **Components connected to Microgrid Controller****(e.g. disconnector, relay, etc.)** |       |
| **Confirmation** |
| **I hereby confirm that the information provided by customer is valid for product manufacturing.** | Print name SignatureDate |



**Schedule “D” – TROES Project Information Collection Sheet**

|  |  |
| --- | --- |
| Detail #1 |  |
| Detail #2 |  |
| Detail #3 |  |

|  |  |
| --- | --- |
| By signing this document, I acknowledge that I have delivered all the stated deliverables | By signing this document, I acknowledge that I have received all the stated deliverables |
| Buyer signatories Name and Signature | Supplier Product Name and Signature |
| Date:  | Date:  |

**Schedule “E” – TROES Corp. Site Acceptance Test Form**

**Production Code**

**Vendor Name Shown**  TROES Corp.

**Purchase Order**

**Account No.**  **Account Name**

**Product Commissioning Completed Time**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Item No. | Content | Requirement | Actual result | Condition Acceptable Unless Indicated Otherwise |
| Functional checking | 1 | BMS power up | Connect the AC power and turn the knob switch or air switch to the ON position, the BMS can be powered up normally and the touch screen can be lit normally. |  |  |
| 2 | Screen communication signal checking. | The screen communication is normal, such as the abnormal screen page will prompt. |  |  |
| 3 | System function checking | The system could be charged and discharged normally. |  |  |
| 4 | System power-up checking | If there is no abnormality in the system, click the start button, the green light of the main control box is always on, the running indicator of the battery cabinet control box can be lit normally. |  |  |
| 5 | System operation checking – cell level | Do a full charge/discharge cycle, the voltage, current, power and temperature of each battery cells have no obvious abnormal values, and whether the battery cells have an abnormal state. When the system is in a static state, the voltage, current and temperature on the main surface of the screen have no obvious abnormal values. If the voltage of the cell is normal, it will be between 2.5V and 3.8V. And the voltage difference between any battery cells should lower than *0.4VDC*. The temperature is approximately the same as the ambient temperature, and the current fluctuates around 0A. |  |  |
| 6 | System operation checking – battery pack level | Do a full charge/discharge cycle, the voltage, current, and temperature of the battery pack information page have no obvious abnormal values, the BSU communication status is normal, and the battery pack has no abnormal state. |  |  |
| 7 | System operation checking – system level | Do a full charge/discharge cycle, the voltage, current, power and temperature of the system have obvious abnormal values, and system have no abnormal state. |  |  |
| 8 | DC/DC checking | After short pressing the start button, disconnect the AC power supply, the battery system DC/DC can supply power to the BMS normally. |  |  |
| 9 | E-Stop function checking | After taking the E-STOP, the contactors of each battery pack are disconnected, the green light of the main control box flashes, and there is no voltage at the load end of the battery system. |  |  |
| 10 | TCP/IP communication checking | The system's TCP/IP interface can communicate normally with the EMS; |  |  |
| 11 | System warning/error indicating checking. | Manufacturing fault (such as unplugging the communication line), the green light of the main control box is Blinking (or the fault indicator is lit), can the battery cabinet control box fault indicator be lit. |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

I certify that the goods and/or services described above have been installed and commissioning completed as shown. Unless noted otherwise, all items are satisfactory.

Signature in ink by authorized person

 Date Received