

TERM SHEET
WOELFLING WIND FARM

TERM SHEET
MAINTENANCE CONTRACT
WOELFLING-LÈS-SARREGUEMINES WIND FARM
FRANCE

between

FERME EOLIENNE STEAG 1 SAS
- hereinafter referred to as the “COMPANY” -

and

[●]

- hereinafter referred to as the “BIDDER” -

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THIS TERM SHEET is signed on [•].

BETWEEN:

(1) **Ferme Eolienne STEAG 1 SAS** , [address].

- hereinafter referred to as the “**Company**” -

and

(2) **[Bidder]**, [address]

- hereinafter referred to as the “**Bidder**” -

The Company and the Bidder shall be referred to collectively as the “**Parties**” and each individually as a “**Party**”.

RECITALS

- (A) The Company operates the Woelfling Wind Farm (“**Project**”) in Wœlfing-lès-Sarreguemines with a total of five (5) wind turbines.
- (B) The Company intends to award the necessary maintenance, monitoring and repair contract to the Bidder. The final award decision by the Company shall be made on the basis of this Term Sheet.

A. General provisions

I. Subject of the contract: Term Sheet

- 1. This term sheet regulates the essential key points for the award decision by the Company. On the basis of this term sheet, the Maintenance Contract to be drawn up (that contract hereinafter referred to as the “**Individual Contract**”) shall be concluded with the Company.
- 2. As the basis for the negotiations on the Individual Contract, the Parties have drawn upon the following draft contract:
 - a) Bidder’s sample contract (issue date _____), which was an attachment to the supplier’s tender dated _____.
- 3. The Parties are aware that the Individual Contract has not yet been finally negotiated at the time of signing of this term sheet and still requires adjustments to the contents and language in some places. This applies in particular to the sample maintenance contract provided by the Bidder. The term sheet only regulates those points which are necessary

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for a final submission of tender bid by the Bidder, and for the final evaluation of the tender and the award decision of the Company, in a final and binding manner. With regard to these points, a subsequent adjustment of the negotiated conditions from the individual contracts is not possible.

4. The Parties agree that the points still open for discussion between the Company and the Bidder on individual contractual provisions at the time of conclusion of the Term Sheet shall have no relevance to the submission of the binding offer by the Bidder or the award decision of the Company. The Company and the Bidder shall reach an amicable agreement on these points subsequent to the conclusion of this Term Sheet.

II. Conditions for the conclusion of the Individual Contract

The conclusion of the Individual Contract requires the following conditions to be fulfilled:

1. Affirmative board decisions by the Company's shareholders
2. [...]

III. Binding effect

1. The Company shall inform the Bidder of the fulfilment of all conditions mentioned in section A.II. The Parties undertake to conclude the Individual Contract by _____.
2. If the conditions specified in section A.II are not fulfilled by _____, the Bidder shall notify the Company of the extent to which an appropriate adjustment of the negotiated Individual Contract is required. The Parties shall seek a mutually agreeable solution in good faith. If an amicable adjustment of the Individual Contract is not possible, the Bidder and the Company may withdraw from this Term Sheet. There shall be no claims between the Parties for compensation of the resulting damage or for compensation for wasted expenditure.
3. In the event of a withdrawal from this Term Sheet as provided for in the foregoing clauses, neither party shall be entitled to the conclusion or performance of any individual contract.

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B. Essential contractual components of the Maintenance Contract

I. Term

The term of the Maintenance Contract shall commence on 6 January 2023. The term shall end 5 years after commencement, considering extension option for another 5 years (at Company's convenience).

II. Scope of supplies and services (included in the fee)

The scope of supplies and services under the Maintenance Contract shall comprise:

- (i) Regular maintenance of all components included in the supply contract according to the manufacturer's specifications:
 - Wind turbines including all components (also rotor blades and converters)
 - Transformer and switchgear station
 - Personnel transport system
 - Goods cranes
 - Climbing ladders and safety cages
 - Fire extinguishing system (if included in the scope of supplies and services)
- (ii) Periodic inspection according to manufacturer's specifications (excluding inspections by the Accredited Inspection Body)
 - Personnel transport system
 - Goods cranes
 - Climbing ladders and safety cages
 - Fire extinguishing system (if included in the scope of supplies and services)
 - Fire extinguishers,
 - Rescue equipment and first aid kit
- (iii) Oil management (gearbox and hydraulic system)
 - Regular oil sampling
 - Oil change
- (iv) Wear parts and consumables
 - Oil and grease
 - Cooling media
 - Pads for azimuth brakes etc.
- (v) Remote monitoring 24/7
 - Permanent monitoring of the equipment
 - Immediate processing of incoming fault reports and online troubleshooting (if possible)
 - Triggering of on-site service call if necessary
- (vi) Drive train monitoring (CMS system, if included in the scope of supplies and services)

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- (vii) Fault clearance and repairs
 - Elimination of all faults that make it necessary to travel to the site
 - Repairs including materials, expenses, working time and all necessary tools
- (viii) Professional disposal of all waste materials created in accordance with applicable re-cycling and waste management law
- (ix) Technical advice / support
- (x) Reporting
 - Monthly reports
 - Servicing/maintenance and repair reports
 - CMS evaluation,
 - Oil analyses
 - Inspection reports on blade surveys, endoscopy, drive train alignment, etc.
- (xi) Software updates
- (xii) IT security (immediate notification to the Company and ensuring all precautions are taken to protect the wind farm)

III. Optional scope of supplies and services

The Company may optionally request the following services by means of a separate order:

- (i) [•] ;
- (ii) [•] ;
- (iii) [•] .

If the Bidder sees opportunities for performance upgrades or optimizations, it shall point these out to the Company.

For the optional services the Parties agree already now on the following prices:

to (i) _____;

to (ii) _____;

to (iii) _____.

For optional services, which are to be charged on the basis of a time sheet, the Parties agree here and now on the following wage rates:

.....

.....

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The Bidder shall submit a tender for the requested optional services to the Company within 14 days of receiving a relevant request from the Company.

IV. Availability

The Company and Bidder agree on a [time/energy] availability guarantee of [●] % according to Annex [●] [Availability Guarantee] (to be provided by the supplier) including bonus/deduction arrangements in cases of exceeding/falling below the availability.

V. Annual fee

The Company and the Bidder agree on a total annual fee for the term of the Maintenance Contract consisting of a minimum fee per wind turbine (basic fee) and a revenue-based fee per kWh in the amount of:

- (i) Fixed Fee: EUR/year
- (ii) Variable Fee: EUR/MWh

VI. Payment

The Company and the Bidder agree on a quarterly payment method for the annual fee. Quarterly payments shall be made by the Company within 30 days of receipt of the relevant invoice by the Company.

VII. Warranty for defects

The Company and Bidder agree on a warranty period for defects of [●] years.

VIII. Bonds and security

The Bidder shall provide the Company with a security for the performance of the Contract in the amount of 1.5 times the minimum fee/year (section B.V above); limited to the term of the Maintenance Contract.

IX. Liability

The Bidder and Company agree on a liability clause as follows:

[...]

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C. Concluding provisions

I. Transferability

The Company shall be entitled to transfer this Term Sheet to the wind farm project company at any time without the consent of the Bidder. The Company shall inform the Bidder of any transfer without delay.

II. Applicable law

This Term Sheet shall be governed by French law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (UN Sales Convention).

III. Arbitration clause

All disputes arising in connection with this Term Sheet or its validity shall be finally settled by a sole arbitrator in accordance with the Rules of Arbitration of the German Arbitration Institute (DIS) without recourse to the ordinary courts of law. The place of arbitration shall be Paris, France. The language of the arbitral proceedings shall be English.

IV. Secrecy

The Company and the Bidder concluded a non-disclosure agreement on [●], to which explicit reference is hereby made.

V. Miscellaneous

1. Should individual provisions of this Term Sheet be or become invalid or contain a loophole, this shall not affect the Term Sheet as a whole. In this case, the Parties undertake to replace the ineffective provisions or the loophole with a provision that comes as close as possible to the economic intent.
2. Unless this Term Sheet provides otherwise:
 - (a) Neither the Term Sheet nor the performance by the Parties of their respective obligations thereunder shall constitute a partnership between them;
 - (b) The Parties are not authorized to bind any other party as their agent or otherwise; and
 - (c) The Parties do not have a fiduciary relationship; both Parties are free to act as they see fit and to pursue unhindered for their own account, independently or jointly with others, any business or activity whatsoever.
3. There are no oral side agreements to this Term Sheet. Amendments and/or additions to this Term Sheet shall only be effective if made in writing. This shall also apply to the amendment of this clause on written form itself.

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This Term Sheet shall be executed in duplicate (2 counterparts), each counterpart being deemed an original.

[Place], [Date]

Company

Name:
Title:

Name:
Title:

Bidder

Name:
Title:

Name:
Title:

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Annexes

Annex (A)	[●]
Annex (B)	[●]
Annex (J)	[●]
Annex (K)	[●]
Annex [●]	Availability Guarantee (Annex to the Maintenance Contract)