

GENERAL TERMS AND CONDITIONS

for the supply of district heating for use in the course of business

On 9 March 2023, these general terms and conditions were established by the Heating Market Committee, which is a cooperation body between Swedenergy - Energiföretagen Sverige, the associations Fastighetsägarna Sverige, HSB Riksförbund and Hyresgästföreningen, and the housing organisations Riksbyggen and Sveriges Allmännytt.

1. Introductory provisions

1.1. These general terms and conditions concern the supply of district heating used in the course of business or other similar activity (e.g. housing cooperatives). Other terms and conditions cover the supply of district heating for private use and the supply of energy from customers to the district heating network.

1.2. Unless otherwise agreed in writing with the customer, these general terms and conditions will apply. This provision recurs in a number of terms and conditions of these general terms and conditions, but this repetition is not intended to have any meaning other than as a reminder of the provision in this point.

1.3. If the customer is the keeper of the property or part of the property in a capacity other than owner, the provisions of these terms and conditions will apply as appropriate with the necessary changes. The customer must ensure that the supplier is granted the same rights vis-à-vis the property owner as if the customer were the owner of the property.

Definitions

1.4. For the purposes of these terms and conditions

- property: means property of which the customer has ownership or a right of use, including buildings and other installations, regardless of whether the buildings or installations constitute movable or immovable property.

- district heating substation: means equipment which transfers heat from the supplier's installation to the heating system on the property.

- customer's installation: means the installation, of which the customer has ownership or a right of use, which receives and distributes heat and is located inside the property after the supply boundary.

- supply boundary: means the boundary between the supplier's installation and the customer's installation.

- supplier's installation: means the installation, of which the supplier has ownership or a right of use, which produces or distributes district heating and is located before the supply boundary or a third party. The supplier's installation also includes meters and communication equipment for readings, which the supplier owns.

- meter: means the instrument designed for the measurement of heat according to the definition in the currently applicable regulation of the Swedish Energy Markets Inspectorate.

- metering point (delivery point in EIFS 2022:4): means the point at which the heat energy is transferred from the district heating network to the district heating customer's installation.

- in writing: means, in these general terms and conditions, a notification sent by ordinary post, email or other electronic means using the contact information provided by the customer.

2. Installation

General provisions

2.1. The supplier determines the pressure, temperature, other dimensioning data for the district heating supply and the technical design of the district heating substation, and the supplier is entitled to change these. If such changes necessitate measures to maintain the functioning of the district heating substation, the costs will be reimbursed by the supplier, less the increase in value resulting from the replacement calculated as the difference in the value of the replaced and newly acquired equipment.

2.2. A party may not use its installation in such a way that loss or damage or disruption may occur at the other party's installation or for other customers.

2.3. A party must immediately notify the other party of operational disturbances, leaks and other similar circumstances that may affect the other party's installation, and of such circumstances as may affect the agreed terms and conditions.

Supplier's installation

2.4. Following consultation with the customer, the supplier lays the required pipelines to a supply boundary chosen by the supplier and also, if applicable, pipelines to third parties.

If the customer wishes to alter the supply boundary, change the location or increase the capacity, the supplier may arrange for such work to be done against payment to cover the additional costs incurred.

2.5. Any connection to the supplier's installation may not take place without the supplier's permission.

2.6. Within the property, the supplier is entitled to install and maintain meters, control equipment for power limitation and other equipment necessary for monitoring energy use and,

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where applicable, the district heating substation and associated equipment. The customer will pay for the electricity to operate these installations. The location of the equipment will be chosen by the supplier following consultation with the customer, and access will be granted free of charge to the supplier. The meter, which is provided by the supplier, remains its property and may only be handled by it. In an emergency, the customer is entitled to close valves at the supply boundary, even if they belong to the supplier.

The customer must ensure that equipment described above is easily accessible to the supplier.

2.7. If the supplier has installed a meter with a signal output, the customer must be given the opportunity to take his or her own readings, provided that this does not involve a security risk for the supplier or other inconvenience. The connection must follow the supplier's instructions.

Customer's installation

2.8. The customer installs, pays for, owns and is responsible for maintenance of the customer's installation.

2.9. All work taking place on the customer's installation that may significantly affect the agreed pressure, temperatures and other dimensioning data, must be carried out in accordance with the provisions imposed by the supplier.

2.10. The party that paid for the necessary equipment for the meter, such as electrical and pipe installation for the meter, meter board, meter cabinet and meter lines, also pays for the maintenance and replacement of such equipment.

2.11. The supplier's connection or inspection activities do not relieve the customer of responsibility for the installation or the obligation to correct defects in it.

3. Availability of space for the supplier's installations and access to them

3.1. The customer is obliged to grant the supplier access to the space within the property which is necessary for the supplier's installation.

3.2. The customer must, at the supplier's request and without special compensation, conclude an easement agreement or right of use agreement or help the supplier obtain a utility easement for the supplier's installation on the property. The customer must help with the entry of the easement agreement or right of use agreement in the property register. The costs of entry in the property register and of the utility easement proceedings will be paid by the supplier.

3.3. Points 3.4 to 3.8 do not apply to the extent that the parties have entered into an easement agreement or right of use agreement, or if the supplier has obtained a utility easement, with a different meaning than stated in those points.

3.4. The supplier is entitled to access the property to carry out work on the supplier's installation, such as taking readings/metering, installation, repair, service and maintenance work, unless otherwise specifically agreed. This also includes an entitlement for the supplier to fell trees and cut shrubs which pose a danger or impediment to the supplier's installation. Such work must, if possible, be carried out on weekdays between 08.00 and 18.00. The customer must be notified of the work at least five working days in advance. However, this does not apply to the correction of faults and defects which cannot wait. The supplier must,

at its own expense, carry out the necessary measures to minimise disruptions.

If the work concerns directly load-bearing structural elements or installations that belong to the customer and are important for the functioning of the property, the work may not be carried out without the customer's approval. However, in the event of emergency repairs, a measure may be carried out without approval. In these situations, the supplier must inform the customer of the measure without delay.

3.5. On request, the customer will, in return for a receipt, hand over the keys, codes etc. which are necessary in order to access the property. The supplier will securely store the items that are handed over in this way and will not pass them to unauthorised persons. If the supplier omits to meet its obligations under this point, it will reimburse the customer for any loss or damage in addition to the cost of replacing the lock etc. resulting from such omission.

3.6. The customer must not, without the supplier's approval, construct buildings, alter the ground level or carry out any other measures within the property that impede or impair the functioning or operation of the supplier's installation or hinder access to it.

3.7. If the customer requires the supplier's installation to be moved or otherwise altered within the property, the supplier must help with this unless there is a significant impediment. The costs incurred by the move or alteration must be borne by the customer.

If the move or alteration is due to an instruction from an authority or municipal body to take action on the property (for example, requirements for a lift mechanism, emergency exit etc.) and relates to that part of the supplier's installation which concerns distribution to a third party, the supplier is obliged to arrange for such part to be moved or altered within the property at its own expense unless there is a significant impediment to the move or alteration. These provisions concerning the supplier's responsibility for the costs do not apply if the instruction from an authority or municipal body to take action on the property was triggered by work carried out by the customer to convert or extend the property or by other measures carried out by the customer. In this situation, the customer will bear the cost of the move or alteration.

3.8. If the supplier's installation is not in operation and it is not expected to be used in the future, the supplier must, at its own expense, remove the installation at the customer's request if the installation causes significant inconvenience to the customer and it can reasonably be removed. First, however, sealing of the supplier's installation should be considered.

4. Metering, collection of readings, information about energy use, billing information and billing

Metering

4.1. The heat energy used by the customer is recorded by the supplier's meter.

4.2. If the meter has a flow meter with its own counter and an integration unit, and the readings of the two differ, the readings of the flow meter will be used.

4.3. If a party has reason to doubt that the meter is working properly, it will inform the other party without undue delay.

4.4. The customer is entitled to request a meter inspection. The supplier will then inform the customer of the estimated

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cost of the inspection and the principle on which the responsibility to pay is established. The inspection will be arranged by the supplier, who will certify that the inspection was carried out by an impartial expert.

If the inspection finds that the discrepancy in meter readings exceeds the limits set out in current government regulations, the readings must be corrected and the district heating supply must be considered to correspond to the corrected values. In this case, the inspection will be paid for by the supplier.

If the inspection finds that the meter readings are acceptable, the customer must reimburse the supplier up to a maximum of the costs incurred for the inspection.

Collection of readings

4.5. The supplier will collect the readings for each metering point after the end of each supply period.

The collection referred to in the first paragraph will take place at regular intervals and at least once a month.

In addition to the arrangements in the first and second paragraphs, the supplier will collect the readings for each metering point when the following events occur:

1. a new connection,
2. a permanent disconnection,
3. a change of meter,
4. a customer moves out and
5. a customer moves in.

Readings must also be taken if one of the parties changes or a new supply contract is signed.

The readings will be collected remotely unless otherwise indicated in the currently applicable regulation of the Swedish Energy Markets Inspectorate.

Information about energy use

4.6. No later than 15 days after the end of the supply period mentioned in point 4.5 above, the supplier must provide information to the customer about the amount of heat energy supplied for the supply period.

The supplier will provide the readings using a method determined by the supplier, for example via internet-based media (My pages), on the bill, by SMS text message, email, paper printout or as agreed with the customer. The information about energy consumption must state when the readings were collected.

Billing

4.7. The metered and supplied heat energy will be billed in arrears, based on the readings collected and reported. Unless otherwise agreed with the customer, billing will take place at least once a quarter.

The supplier must offer electronic billing to the customer.

4.8. If the price changes, the new price may be applied from the estimated reading at the time the new price takes effect.

If a reading is missing or unreliable

4.9. Irrespective of the above, if a meter reading to be used for billing is missing or unreliable or if errors have occurred in the collection of readings, the supplier must base billing on estimated energy consumption.

The supplier must inform the customer that billing is based on estimated energy consumption and how the reading was calculated. The supplier must also provide the customer with information explaining why a meter reading could not be obtained during normal collection of readings.

4.10. If billing is based on estimated energy consumption, the supplier must use the customer's previously metered energy consumption and his/her use profile and other known factors in the calculation. The bill must contain information about how the reading was calculated.

4.11. If errors have occurred in metering, collection of meter readings, calculation of energy consumption or billing, they must be corrected, but not if more than three years have passed from the time the error became known by both contracting parties. However, if either party has manifestly known of circumstances with relevance for metering, calculation of energy consumption or billing, without notifying the other party, errors may be corrected over a longer period of time.

Billing information

4.12. The customer's bill must be designed with a clear layout. The bill must contain the information specified in the currently applicable regulation of the Swedish Energy Markets Inspectorate.

Information about historical energy use

4.13 The supplier must provide the customer, at no extra cost, with information about energy consumption covering at least the last three years or the duration of the supply contract, if shorter. This information must correspond to the periods for which billing information was generated.

4.14 The supplier must also provide the customer, at no extra cost, with information about energy consumption per day, week, month and year, for a period covering at least the last two years or the duration of the supply contract, if shorter.

4.15 Information about historical use as described in points 4.13 and 4.14 will be made available quarterly if requested by the customer and otherwise at least two times a year. The information will be provided using a method determined by the supplier, for example via internet-based media (My pages), on the bill, by SMS text message, email, paper printout or as agreed with the customer.

5. Payment and security

5.1. Payment must be received by the supplier no later than the due date stated on the supplier's bill, which cannot be less than 30 days after the supplier sent the bill.

5.2. If payment is not made on time, the supplier is entitled to claim from the customer, in addition to the billed amount, interest in accordance with the Swedish Interest Act (1975:635), and reimbursement of the costs associated with the delay. This also includes costs for payment reminders and debt collection claims.

5.3. If the supplier has cause to fear that the customer will not meet his/her payment obligations, the supplier is entitled

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to request acceptable security or prepayment for continued supply.

6. Impediments to performance of the supply contract

A party is not obliged to perform the supply contract if such performance is significantly hampered as a result of impediments that are beyond its control. Impediments include war, government decisions, major operational disruptions, labour conflict, fire, disruption of public transport or other circumstances that neither party has caused, that have a significant impact on performance of the supply contract, that could not have been foreseen and whose negative impact could not reasonably have been eliminated.

7. Cut-off, suspension and limitation of supply

7.1. If the customer omits to pay charges which are due or to otherwise meet his/her obligations under the supply contract, and the omission is not insignificant, the supplier may cut off the supply to the customer if the supplier is unable to remedy the situation with a written request. However, the supply may not be cut off if this entails a risk to the health of third parties.

7.2. If the omission relates to payment, the customer must be given a reasonable time, at least 15 days from a written request, to pay before the supply may be cut off.

7.3. Reconnection will not take place until the reason for the cut-off no longer exists and the supplier's costs for disconnection and reconnection are reimbursed by the customer.

7.4. The supplier is entitled to suspend the supply of district heating to the customer in order to carry out a measure intended to avoid personal injury or substantial damage to property or to guarantee a reliable supply. The supplier is also entitled to temporarily suspend the supply in order to extend the district heating system.

7.5. If district heating can only be supplied to a limited extent, the available district heating will be distributed among customers according to objective criteria. The supplier is entitled, if necessary, to install equipment for such distribution in or next to the district heating substation.

If the supplier wishes to set up the equipment in the customer's installation, the supplier must obtain the customer's approval. If the customer does not agree to allow equipment to be set up in the customer's installation, the following applies:

If the supplier instead sets up the equipment outside the customer's installation, the customer will reimburse the supplier half the documented additional cost, up to a maximum of half the currently applicable price base amount according to the Swedish Social Insurance Code, excluding VAT.

Reimbursement is only payable if:

- a. the customer, after at least three contact attempts, did not respond to the supplier's request to set up equipment in the customer's installation, or
- b. the customer refuses the supplier's request without an acceptable reason. For example, an acceptable reason may be that equipment in the customer's installation would have a negative impact on guarantees issued by another party or would cause other serious inconvenience to the customer.

7.6. If either party anticipates anything other than a short-term suspension of the supply/receipt of the supply, the other party must be notified well in advance by a personal message, email, notices or other appropriate means.

8. Compensation for loss or damage

8.1. The supplier is obliged to compensate for loss or damage it causes to the customer's property or installation through carelessness when carrying out work at the supplier's installation. The supplier is also liable for loss or damage caused to the property or the customer's installation due to neglect or inadequate care of the supplier's installation.

8.2. If loss or damage is caused to the customer's land in connection with the inspection, maintenance, reconstruction and/or repair of the supplier's installation, the supplier must reinstate the land to its original or equivalent state. If the land cannot be reinstated to its original or equivalent state and this entails not-insignificant loss or damage for the customer, the supplier must pay reasonable compensation for the loss or damage.

8.3. The customer is entitled to compensation for loss or damage resulting from any disruption or limitation of the supply which is not due to the circumstances described in points 7.1, 7.4 and 7.5 if the loss or damage is due to the supplier's carelessness.

8.4. The supplier will only pay compensation for personal injury or damage to property. The entitlement to compensation does not include exclusively financial loss or consequential loss or damage following personal injury or damage to property, unless such loss or damage is caused by gross negligence on the part of the supplier.

8.5. The customer must notify the supplier of claims for compensation without delay and at the latest within two years from the time the loss or damage occurred. If this does not happen, the customer loses his/her entitlement to compensation for the loss or damage.

8.6. The injured party must take reasonable steps to limit the loss or damage. If that party omits to do so, the compensation may be reduced accordingly.

8.7. If the supplier appoints a contractor to meet its obligations to the customer in full or in part, including installation, repair, service and maintenance work, the supplier will be responsible for the work of the contractor as if it were its own work.

9. Validity of and changes to the general terms and conditions

9.1. These general terms and conditions are valid until further notice.

9.2. The supplier is entitled to replace these general terms and conditions with a new version, provided that the changes are decided in consultation between the above-mentioned trade associations or are necessitated by law or other regulation. If it is decided to amend these general terms and conditions, notification must be provided at least two months before the new terms and conditions enter into force.

9.3. Unless otherwise agreed, the supply agreement will end at least three months after the customer's written notice to terminate or 12 months after the supplier's written notice to terminate. The supplier must have just cause to give notice

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to terminate. Examples of just cause include a material breach of contract by the customer or a significant, non-temporary deterioration in the commercial conditions under which the supplier is able to provide district heating in accordance with the supply contract.

10. Price changes

10.1. Unless otherwise agreed, price changes must not occur more frequently than once a year. Price changes cannot apply retroactively. The supplier is entitled to change the applicable price terms unilaterally. The supplier must notify the customer in writing of the change no later than two months before the date on which the new terms are due to take effect.

10.2. However, the price changes described in 10.1 may occur more often than once a year if this is justified by external factors – such as changes to taxes and charges, force majeure or significant changes caused by government decisions that change the conditions for pricing.

11. Negotiation and mediation according to the Swedish District Heating Act (SFS 2008:263)

According to the Swedish District Heating Act, the customer is entitled to request negotiation and, under certain conditions, to apply for mediation concerning the price of district heating or the capacity of a connection to the district heating system.

12. Assignment of contract

The customer may not assign this contract without the supplier's written consent.

13. Disputes

Disputes will be settled by a general court in Sweden.