CESC C&I Mercury 261 System Limited Warranty Service Terms

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Consistent Energy Storage Concept.
CESC GmbH

1. General Terms

This Warranty shall be the sole and exclusive warranty granted by Seller and shall be the sole and exclusive remedy available to Buyer to the extent permissible by law. Correction of defects, in the manner and for the period of time described herein, shall constitute complete fulfillment of all liabilities and responsibilities of Seller to Buyer or other end-users with respect to the Product(s) (as defined below) and shall constitute full satisfaction of all claims, whether based on contract, negligence, and strict liability otherwise.

In no event shall Seller 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 Seller or its employees or contractors or other service providers authorized by Seller. Seller shall not be liable or in any way responsible for any incidental or consequential loss. Seller's aggregate liability in damages or otherwise shall not exceed the invoice amount actually paid by Buyer for the applicable Product(s).

In case the warranty conditions in this Document are inconsistent with the sales contracts between the Buyer and CESC, the terms in the sales contracts shall prevail.

1.1 Definition of ESS and related Product(s)

This warranty applies to CESC's Energy Storage Systems (ESS), including both DC-side components and, where applicable, AC-side components. It also applies to auxiliary equipment(optional) related to the energy storage system.

The covered DC-side components include, but are not limited to, the batteries, cooling system, fire protection system, battery management system (BMS), wiring, and enclosures. The complete scope of the DC-side supply is detailed in Exhibit A (Supply List).

If supplied, the AC-side components include the power conversion system (PCS), transformer, auxiliary transformer, and their respective enclosures.

The auxiliary equipment includes, but is not limited to: meters, current transformers (CT), AC combiner cabinets, on-grid/off-grid switching cabinets, grid connection cabinets, etc.

1.2 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 regard 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 is reasonably unforeseeable, unavoidable, or

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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 Sellers, general changes in market conditions for raw materials, components, shipping costs, changes in import duties.

1.3 Severable

If a Section, provision, or clause of this Warranty, or the application thereof to any person or circumstance, is held invalid, void, or unenforceable, such shall not affect and thus shall leave all other Sections, provisions, clauses, or applications under this Warranty and therefore validly binding.

2. Warranty

Limited standard warranty for the complete machine is ***5 years in total***. Specific details are outlined in the table below. Please note that warranty does not cover consumable accessories and auxiliary equipment to the main unit.

NO.	Items	Period	Remark
1	Liquid Cooling Unit	5 years	
2	PCS	5 years	
3	Distribution Box	5 years (enclosure), 5 year (components)	
4	Cabinet	5 years	
5	Fire Protection	5 years	
6	BMS/EMS	5 years	
7	Dehumidifier	5 years	
8	Auxiliary Equipment (The products listed	1 year	Components: Meter, CT,etc. Other Internal components of the cabinet： AC Combiner Cabinet, On-

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	here are optional extras selected according to the project's specific requirements.)		grid/Off-grid Switching Cabinet, Grid Connection Cabinet, etc.
		3 years	Outer housing: AC Combiner Cabinet, On-grid/Off-grid Switching Cabinet, Grid Connection Cabinet, etc.
9	Battery Performance	The warranty period is determined by whichever condition 1 or 2 comes first	Condition 1: **8,000 cycles**(with the remaining cell capacity ≥70% of rated capacity under conditions of 25±2°C, 0.5P charge/discharge, 100% DOD, and 30-minute rest between cycles). Condition 2: **10 years from delivery**(under conditions of 25±2°C, 0.5P charge/discharge, 1 cycle/day, the remaining cell capacity ≥70%, and average static SOC <50%).

Tab. 2.1 Product Warranty

NOTE: For all non-human-induced, non-consumable hardware failures and process defects, replacement parts and related services will be provided free of charge.

2.1 Warranty Start Date

The Warranty Start Date shall be either of the following, whichever comes first:

a. Six(6) months after on-site acceptance of the Products.

b. Commercial Operation Date (COD) of the Products.

And during such warranty period, the Product(s) from Seller shall:

a. Free from defects in design, material, workmanship, and manufacturing that materially impede their functioning.

b. Conform to the specifications and the drawings applicable thereto.

2.2 Extended Service Coverage

We provide extended warranty services, which can prolong coverage up to ***the 10th year of equipment operation***. The extended warranty period becomes effective immediately upon the expiration of the standard warranty.

Under extended warranty, applicable product terms and conditions apply. The scope of the extended warranty is detailed in ***Article 2***.The extended warranty scope and service standards refer to ***Appendix A: C&I Mercury261 System Spare Parts List, Appendix B: EMS Project List***.

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NOTE: ***Neither the standard warranty nor the extended warranty includes routine maintenance services.*** For routine maintenance services provided by CESC, please refer to the ***Appendix C: Maintenance Service Scope and Quotation*** for detailed service content and pricing.

When utilizing extended warranty services, we provide technical support with fees based on the following standards:
The overall extended warranty cost for ***years 5 to 10 of equipment operation*** is ***40% of the unit's selling price***.
NOTE: ***The above prices are reference baseline prices. For specific countries, please contact sales. Final prices shall be subject to the extended warranty agreement.***

2.3 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 Seller ("Technical Specification"); provided that a "Defect" does not include issues or damages arising as a result of the followings:

a. 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 Seller) that is not in accordance with Technical Specification;
b. Arose from normal wear and tear in the operation of the Product(s).
c. Serial Defect. Serial Defect means more than fifteen percent (15%) of the delivered products are defective as to the same component or have a comparable cause within any successive 2 years. CESC will remedy or replace components affected by the Serial Defect of the supplied Products; Claims related to serial defects shall submitted to CESC in writing and include accompanying photos and a detailed description of the defects. To understand the root causes of the serial defects, CESC shall have the right to analyze the affected Products or materials within a reasonable time.

2.4 Repair and Replacement

Seller will either repair or replace the Product(s) confirmed to be defective by Seller free of charge if the defects are not one of the cases listed in Warranty Exclusions defined in ***Article 5***. If necessary, the materials for repair or replacement will be provided by Seller. During the standard 5-year warranty period, the replaced parts maintaining the original warranty period, while under extended warranty, the replaced parts subject to their own warranty terms.

If a product fault is found within the warranty scope, the customer should contact
CESC hotline to report the fault and provide the following information:

a. Brief description of the fault, including but not limited to input and output.
b. parameters, alarm ID, cause ID, and run logs.
c. Product serial number.
d. Purchase receipt.

The above information is the condition for reporting faults.

3. Performance Guarantee

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To the extent that the Buyer's use, operation, or maintenance of the Product(s) conforms to Technical Specification, Seller guarantees the degradation curve and the period as set forth in Technical Specification from the Warranty Start Date defined in ***Article 2***.

3.1 Limitation on Performance Guarantee

Any Defect found in any Product Components other than Battery Cells will not be covered under the Performance Guarantee but will be exclusively warrantied by Seller in accordance with ***Article 2***. The preceding sentence shall not constitute nor be construed by either Party to limit Buyer's rights under ***Article 2*** to make a claim for repair or replacement of Battery Cells due to a Defect.

3.2 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 ***Exhibit B (Capacity Test Procedure)***. Following the test, the Bank Capacity shall be tested and recorded by the test method given in ***Exhibit B***. The power measurements shall be collected at the Measurement Point. The measured power from the system 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 ***Exhibit B***.

3.2 Reports and Audits

a. Report on Capacity Test Results. No later than fifteen (15) business days after the completion of the Capacity Test, Buyer shall provide to Seller a written report of the Capacity Test.
b. Audit Rights. Seller 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 Seller within five (5) business days following receipt of a written request from Seller for such information.
c. Test Result Review. Not later than five (5) business days following receipt of the report provided by Buyer, Seller may request in writing that Seller and Buyer review the Capacity test result 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 test result of Capacity within thirty (30) days following receipt by Buyer of Seller's request for such review.

4. Service Levels & Response Times

Service Category	Response Time	On-site Arrival	Resolution Timeline
Critical Failure (System outage, severe safety risk)	Remote response within 4 hours	On-site within 2 business days	Temporary restoration within 72 hours after arrival
General Failure (Partial performance	Remote response within 24 business hours	On-site within 5 business days	Repair/replacement within 10 business days

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degradation, no safety impact)			after arrival
Technical Consultation/Optimization	Reply within 48 hours	As mutually agreed	As mutually agreed

Response Time: Period from seller's acknowledgment of failure report to initial remote response.
On-site Arrival Time: Time required for technical personnel to arrive at location when physical presence is necessary.
Resolution Timeline: Target duration for either temporary restoration or complete repair.
Spare Parts Replacement Time:

a. Parts available in German warehouse - Dispatch within 5 business days
b. Parts shipped from China - Dispatch within 10 business days

- Customer Service Claim：support@cescpower.com
- Hotline：0049 228 929 43770

5. Warranty Exclusions

The preceding support services are only applicable to CESC-produced equipment. The hardware equipment beyond the agreed scope is not covered by CESC's service scope.

In all cases, whether on the basis of contract, warranty, tort (including liability for fault and strict liability) or any other theory and legal claim, CESC does not assume any liability for any consequences arising from the installation, use, or poor performance of its products, any indirect loss, collateral damage, or punitive damages arising from any defect or breach of warranty. including, but not limited to, loss of profits, damage to goodwill or business reputation, or loss of delay. The total amount of CESC's responsibility for damages or otherwise shall not exceed the purchase price paid by the original Buyer for the Products.

Widely used vulnerable parts and consumables are not covered by CESC's service scope.

If CESC cannot fulfill the service commitment within the promised time due to non- CESC reasons, the customer shall exempt CESC from the SLA fulfillment responsibilities and relevant compensations. If on-site services are required, travel time shall be excluded from SLA time.

Faults caused by the following reasons are not covered by CESC's service scope:

a. The storage or handling of improper materials may cause product drop or collision damage. For example, the storage of improper materials may expose the battery to an environment below -40 degree Celsius or above 60 degree Celsius.

b. Battery packs are damp or wet due to outdoor storage.

c. Storage, installation, charging, operation, and control of the energy storage system not in accordance with the user manual, including placing the equipment in an environment below -30 degrees or above 50 degrees. Failures caused by failure to comply with the operating environment or external power parameters required

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by the written system specifications.

d. Caused by force majeure (such as natural disasters, fires, or wars)

e. Faults due to natural aging and wear.

f. Faults caused by engineering quality of joints.

g. After the system is installed or shutdown during operation, no auxiliary power is supplied for more than 24 hours, causing condensation and moisture inside the cabinet.

h. If the system does not run for a long time or has been shut down for more than three months, the minimum single-cell voltage is below 2.8V (as displayed by the BMS), causing serious battery attenuation.

i. Over-range lightning strikes caused by system design problems.

j. The products are modified without CESC's written approval.

k. Failure to feedback product problems within the warranty period.

l. CESC hardware or data is damaged due to negligence, irrelevant operations, or intentional damage.

m. Performance unqualified/unqualified items due to laws and regulations update.

n. defects that are not currently recognized by technology at the time the product is sold.

o. Do not provide authorization to operate data via network access and refuse to install firmware updates.

p. Physical access to the system is not granted on site.

q. System damages caused by improper operations of a third-party or customer, including those in transportation, installation, and improper adjustment, alteration, and removal of identification marks If the ESS is used as a backup power device for medical treatment, it may cause personal injury, loss of life, or catastrophic property loss. CESC shall not be liable for any loss.

r. This is directly caused by customer infrastructure problems：

- Serial number of the product has been altered, removed, or cannot be clearly identified;
- The claimant fails to make the Products or associated devices available for inspection, testing and correction;
- The products are relocated without CESC’s site inspection and confirmation.

Note：Please operate and maintain the equipment in accordance with the instructions provided in the product user manual.

6. Product Storage

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The Parties acknowledge and agree that, if Buyer stores the Equipment prior to installation for a period longer than two (2) months following the date the Equipment was delivered to the Point of Destination and accepted by Buyer, then Buyer agrees to store Equipment in a temperature-controlled environment in accordance with ***Exhibit C (Equipment Storage Requirement)***.

The Equipment stored at the temperature ranges as referenced in Exhibit C shall be subject to degradation as listed therein. In the event of any Equipment stored for more than six (6) months , then Buyer will be responsible for checking the battery voltages in the Equipment (and every six (6)-month period, as applicable) per seller's instruction ***Exhibit D (Battery Voltages Test Procedure)*** and submit the results to Supplier for review.

Within ten (10) Business Days after receiving the results, Supplier shall determine if a recharge is required and, if required, Buyer shall perform a recharge at Buyer's cost in accordance with Supplier's instructions.

Failure by the Buyer to comply with the storage requirements set forth in this Agreement may result in the warranty for the affected Equipment being voided.

After the BESS is shipped to the Staging Warehouse or Project Site and accepted by the Buyer, the Seller requires that the BESS need to be stored in a temperature-controlled environment within the temperature ranges between -25℃ and 40℃ and at a humidity of 80% or less.

7. Product Disposal And Warranty Transfer

The warranty may be transferred when the ownership of the Products changes, provided that the Products remain installed in their original location. However, it is necessary to inform CESC in writing and sign a tripartite supplementary agreement. In this way, the new owner can continue to benefit under this warranty.

If the Products are relocated to another site, regardless of whether ownership of the Products changes, the original product warranty agreement terminates. CESC will conduct on-site inspections of the Products at the old and new location prior to installation to determine the transfer ability of the warranty and note any damage caused by the transfer, and sign a new product warranty agreement with the product owner or transferee. CESC shall not bear any costs associated with the re-installation of the Products including installation, commissioning and above mentioned site inspection (such as labor cost, travel cost and accommodation cost) etc.

The warranty only covers the repair or replacement of a defective Product. the repaired or replaced product will continue the original remaining warranty period. In either case it shall not constitute a renewal of the warranty period.

The Buyer shall be responsible for the disposal of the Product(s). And the cost on the disposal of the Product(s) which shall be borne by the Buyer or the final owner of the Product(s).

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8. Claim Procedure

- If the Buyer intends to file a claim under this Warranty or Performance Guarantee, the Buyer shall, in accordance with the procedure set out in ***Exhibit E*** (Service Flowchart), submit a written notice to the Seller's after-sales email address （support@cescpower.com） and the designated Account Manager. The notice shall specify each claim and its supporting evidence, attach the Buyer's original proof of purchase, and state the serial number(s) of the affected Product(s).

Claiment's Obligations. Claimants should:

a. The Products must be used according to the specifications and environment specified in the Products' user manuals for its intended purpose. If any defects are found, the Products need to be safeguarded to prevent further damage.

b. The claimant must allow CESC's service personnel, upon arrival at site, free access and permits to perform any on-site services as required. The claimant must also ensure that the site is free from hazards or obstructions, and that all safety precautions are followed at the site. CESC shall have no liability in the event access to the products could not be provided at the agreed time. In such cases, the claimants hall be invoiced for, and must pay, any costs incurred by CESC as a result of rescheduling the site visit.

c. The claimant must validate the performance of third-party equipment or controllers and ensure that it does not adversely impact on-site service.

d. As a condition to provide warranties for a specific project, the Buyer shall save the necessary data of the project and ensure that CESC has the access to these data. This includes the data of BMS, PCS and other data which are necessary for evaluating the operating conditions of the energy storage system.

9. For Claims Not Covered By Warranty

a. If the On-site Inspection Report or Recovery Report confirms that the failure caused exceeds the scope of the warranty coverage, the claimant shall be responsible to for covering the associated expenses, including the service fees, travel disbursements, freight and material fees.

b. If the equipment or parts returned to CESC are free of defects or are not covered by this warranty, the claimant shall be liable for the associated expenses, including the service fees, travel disbursements, freight and material fees.

c. If the claimant has paid deposit in advance, the above related expenses shall be deducted from the deposit within three (3) months from the date of issuance of the On-site Inspection Report or Recovery Report and the balance shall be duly returned to the claimant.

d. In the event that the claimant fails to pay the above related expenses at due date, CESC reserves the right to reject further warranty claims for all Products installed at the same project site until the fees are paid in

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full.

10. Applicable Law and Dispute

This Policy is governed by the laws of the jurisdiction in which it is enforced. Any dispute arising out of or in connection with this Policy shall be resolved through amicable negotiation between the parties to this Policy, and if the dispute cannot be resolved through negotiation within a reasonable period after the occurrence of the dispute, the dispute shall be referred to arbitration in accordance with the rules of a locally recognized arbitration institution mutually agreed upon by the parties.

11. Confidentiality

Neither Party shall reveal or disclose any knowledge, information, or any other details regarding this Policy to any third party. This obligation is not limited to matters that are designated “Confidential” by both Parties. The terms and conditions of the Non-Disclosure Agreement (“NDA”) separately executed on Buyer have been fully incorporated herein.

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Exhibit A: Supply List

No.	items	specification description	UNIT	QTY
1	261KWh battery cabinet	261KWh，728~936V-DC 1000*1440*2380 (mm)	**unit**	1
1.1	Enclosure	1000*1440*2380 (mm)，Protection class: IP55	**set**	1
1.2	Battery pack	314AhCell,1P52S，Nameplate capacity: 52.25kWh；	**set**	5
1.3	Swith gear	Cluster control box, including BCMU, circuit breaker, fuse, contactor, current sensor, etc	**set**	1
1.4	PCS	AC:125KW/230V/400V,50/60Hz/3W+N+PE DC:650～950V,203A	**set**	1
1.5	Thermal management System	5kW cooling capacity;Including liquid cooling piping system	**unit**	1
1.6	Fire Fighting System	Including the pack and rack aerosol+water sprinkler,smoke detector as well as temperature detector and H_2 detector	**set**	1
2	EMS	The real time monitoring, operation, control, reliable, efficient and safe operation and performance optimization of the BESS system	**set**	1
2.1	Local controller	The BESS Controller mainly realizes the rapid control of multiple sets of PCSs, taking these PCSs as a whole to complete the specific functions.	**Pcs**	1

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Exhibit B: Capacity Test Procedure

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

The power measurements shall be performed at the Measurement Point.the measured power from the system 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 Seller 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 Seller shall be required to put the ESS in workable condition prior to the Buyer conducting the test and submitting a Warranty Claim. In particular all Battery Modules shall be available to operate during the Test.

1) Test Conditions (at Bank level)

Parameter	Value	Unit
Maximum Charge Power	50% of the BESS rated power	kW
Maximum Discharge Power	50% 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	10	min
Temperature Range	25±5	℃
Minimum Metering Accuracy	0.5	%

2) Test Procedure

Charge or discharge the BESS to between 50% and 80% SOC and idle it for a period of 24 hours before the Capacity Test for balancing.

The BESS shall be charged at no greater rate than the Maximum Charge current defined in the Test Conditions until reaching its 99% SOC. Then, switch to CV (constant voltage)mode and charge the BESS until the charging current reaches the cut-off limit (≤10A).

The BESS shall be left in standby at rest (power = 0) for at least 10 minutes in accordance with the Test Conditions.

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.

The ESS shall be discharged at no greater rate than the defined Maximum Discharge current in accordance with the Test Conditions until the ESS reaches the 3% SOC.

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.

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If the Capacity measured does not meet the Guaranteed Capacity requirement based on the first cycle, repeat one more time the steps (a) to (e) after a 1-hour rest period.

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Exhibit C: Equipment Storage Requirement

After the Battery Product are shipped to the Point of Destination and accepted by the Buyer, the Equipment needs to be stored in a temperature-controlled environment within the temperature ranges between 0℃ and 25℃ and at a humidity of 60% or less.

Exposure to Temperature during Storage (before Product is operational) may result in the capacity degradation set forth below:

Temperature Range	Capacity Degradation [%] / Month
0 ~ 25℃	0.5% / Month
26℃ ~ 40℃	1.375% / Month
41℃ ~ 50℃	3.5% / Month

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Exhibit D: Battery Voltages Test Procedure

Step 1: Visual Inspection

Check for physical damage, water ingress, leakage, or excessive dust.

Step 2: Battery Pack Voltage Measurement

Open the battery cabinet door and record the battery pack ID (e.g: BC-01).

Measure the voltage of each battery pack in sequence:

Probe contact time: ≤3 seconds per measurement (to prevent self-discharge).

Normal voltage range: 145-180V.

Mark abnormal packs (voltage deviation >±5% of nominal value).

Step 3: Data Recording

Complete the 《Battery Health Inspection Form》 (template below):

Battery Pack ID	Voltage (V)	Temp. (°C)	Internal Resistance (mΩ)	Inspector
BC-01	96	25	27	Zhang San

Record the testing process via video (focus on abnormal points).

Step 4: Fault Reporting (If Applicable)

Submit abnormal findings via the MES system (Path: Equipment Mgmt → Battery Maintenance).

For critical issues (e.g., voltage <85V), trigger a Priority P1 Work Order.

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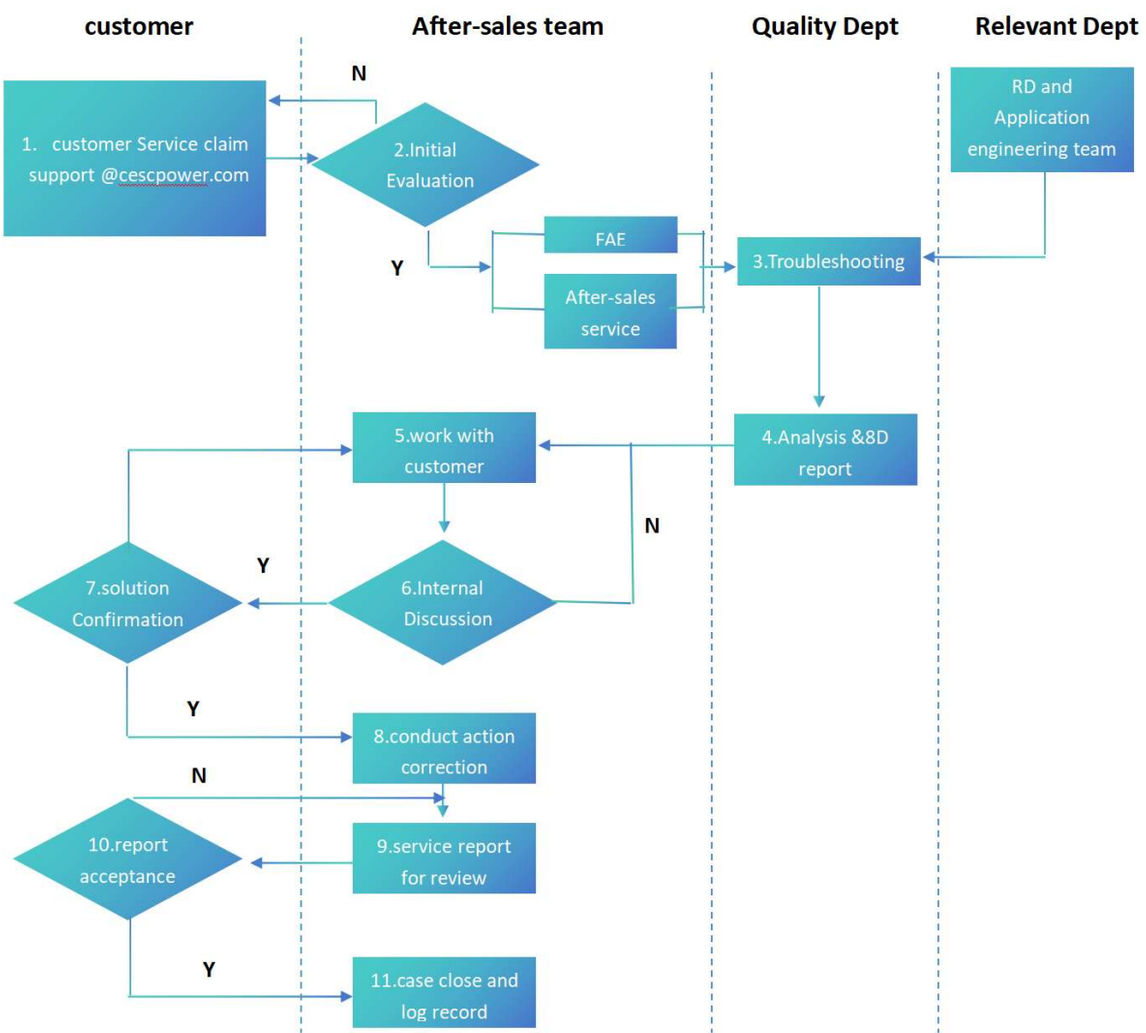
Exhibit E: Service Flowchart



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