

General terms and conditions of contracts of sale/delivery

*Approved by the Management Board of SIA Marcegaglia Baltics Filippo Nicoli
Effective from: 2 May, 2023*

1. DEFINITIONS AND INTERPRETATION

1.1. In these Terms and Conditions the following expressions will have the following meanings given to them in the below-mentioned definitions, unless inconsistent with the context in which they were placed:

- **“Company”** – SIA Marcegaglia Baltics, a Limited Liability Company established under the laws of the Republic of Latvia (registration No. 40003001968) with its registered office at: Starta street 13, Riga, Latvia, LV-1039.
- **“Order Confirmation”** - the Company’s standard form acknowledgement of order or other written form accepted by the Company and signed by the authorised representative of the Buyer, including with secure electronically signature.
- **“Buyer”** - the person(s), firm or company and organizational units with no legal status whose order for the Goods is accepted by the Company.
- **“Contract”** - any contract between the Company and the Buyer for the sale and/or delivery of the Goods formed in accordance with Condition 2.
- **“Goods”** - any goods which the Company supplies to the Buyer (including any of them or any part of them) under a Contract
- **“Terms and Conditions”** - standard terms and conditions of sale set out in this document together with any special terms agreed in writing between the Buyer and the Company.

1.2. The headings in these Terms and Conditions are for convenience only and will not affect the construction or interpretation of the Contract.

2. FORMATION OF A CONTRACT

2.1. Subject to any variations under Condition 2.6, the Contract will be upon these Terms and Conditions and the Order Confirmation.

2.2. Each order or acceptance of a Company’s quotation for Goods will be deemed to be an offer by the Buyer. The Contract is formed when the order is accepted by the Company by way of the Order Confirmation, or in different unequivocal written way accepted by Company.

2.3. Unless otherwise stated, any Company’s quotation is valid for a period of 3 working days only from the date of its issuance, provided the Company has not previously withdrawn it or amended it unless a different validity period is clearly indicated in the quotation. Anyway any Company’s quotation is valid while material is available.

2.4. The Buyer must ensure that the terms of its order and any applicable specification are complete and accurate, and that he has received all necessary information from the Company. The Company is not liable for the orders completed in accordance with incorrect information or data provided by the Buyer and included therefore in the Order Confirmation.

2.5. Placement of the order will be deemed conclusive evidence of the Buyer’s acceptance of these Terms and Conditions.

2.6. Any changes in order can only be made in writing and after acceptance by the authorized employee of the Company and before the Company issues the Order Confirmation.

3. THE GOODS

3.1. The quantity and description of the Goods will be as set out in the Order Confirmation. The Buyer is obliged to immediately control the correctness of the Order Confirmation and to inform the Company of any discrepancies under the pain of recognition that the contents of the Order Confirmation are binding for the Buyer.

3.2. All samples, drawings, descriptive matter, specifications and advertising issued by the Company and any descriptions or illustrations contained in the Company's catalogues or brochures are issued or published for the sole purpose of giving an approximate idea of the Goods presented by or described in them they are binding on Company and they will not form a part of the Contract.

3.3. The Company may, with agreement with the Buyer, make any changes to the specification, design, materials or finishes of the Goods which are required to conform with any applicable safety or other statutory, regulatory or technical requirements.

3.4. Due to the type of packing of the Goods which is the result of production process, the Contract is considered as fulfilled within the weight tolerance in general and per each size.

For ordered Goods following tolerances are applicable:

- for orders ≤ 10 t the tolerance is +/- 30%
- for orders > 10 t and ≤ 30 t the tolerance is +/- 20%
- for orders > 30 t the tolerance is +/- 10%

4. PRICE

4.1. The price for the Goods is the price set out in the Order Confirmation and, unless otherwise stated, is inclusive of any costs of packaging, but exclusive of any costs of the carriage of the Goods and any taxes, in particular value added tax or other applicable sales tax or duty, which will be added to the sum indicated in the Order Confirmation in accordance with binding regulations.

4.2. The Company is entitled to unilateral change the price of the Goods following any changes in the order made both at the request of the Buyer and agreed by the Company, for instance to cover any extra expenses resulting from modifications or to comply with the requirements referred to in Condition 3.3. The Company shall notify the Buyer of any such increase of the price. If the Buyer does not notify the Company of his refusal to accept it within 3 working days from the date when the notice of such a price increase was received, it will be deemed that the Buyer has accepted the increase in the price for the Goods.

4.3. Invoicing will be based on the weight, theoretical weight or length of the Goods as measured and weighed at the point of dispatch and indicated in the transport document at shipment. Invoicing basis shall be indicated in Order Confirmation.

4.4. The price for the Goods ordered in case of Order with delivery organized by the Company may include transport cost, provided that the tonnage will equal to a complete truck load. In case when the Buyer requests delivery of not full truck load, the Company will include additional cost of transport which will be determined for the specific delivery.

4.5. If the Buyer or its authorized representative collects the Goods at a warehouse and then exports the Goods from the territory of the state where it has collected the Goods, it shall present such documented evidence of the export as the Company may require for the taxation purposes. If such evidence is not presented and/or it is not sufficient to demonstrate the export of the Goods and/or it is not accepted in applicable tax authorities, the Buyer shall cover any costs and expenses related to imposition of VAT.

4.6. The Buyer shall provide the Company with its valid VAT payer's number (as used at the moment of shipment for its taxation in the respective territory of the EU) prior to the delivery. If the Buyer fails to comply with its duty, then, in addition to the purchase price, the Buyer shall pay VAT applicable to the Goods pursuant to the VAT regulations of the country of the Goods shipment.

5. PAYMENT

5.1. The Company will issue the Buyer an invoice pursuant to any valid legal provisions whose condition of payment will be the same as the condition resulting from the Order Confirmation, subject to Condition 5.5, unless the payment is supposed to be made prior to reception of the Goods in case the Company fails to grant a credit limit.

5.2. All payments are due in the currency agreed upon in the Order Confirmation. In case the payment is made in a different currency, the currency exchange rate risk is held by the Buyer who is obliged to pay the difference.

5.3. Time for payment is of the essence.

5.4. The date of payment is the date of the financial means delivery into the Company's account in the agreed currency.

5.5. All sums payable to the Company under the Contract will become due immediately upon termination of the Contract.

5.6. All payments to be made by the Buyer under the Contract will be made in full without any set-off, restriction or condition and without any deduction or withholding for or on account of any counterclaim or any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature, unless the Buyer is required by law to make any such deduction or withholding or it has been previously agreed with the Company.

5.7. If any sum payable to the Company under the Contract is not paid when due then, without prejudice to the Company's other rights under the Contract, Company will be entitled to suspend and cancel future deliveries of the Goods and/or suspend or cancel any discount offered to the Buyer until the outstanding amount has been received by the Company from the Buyer.

5.8. If the Buyer fails to pay on a due date, the Buyer shall pay penalty at the rate of 0.1% (zero point one percent) of the sum overdue per each day of delay. The Company may recover any further damages suffered as a consequence of such failure including, inter alia, any losses related to changes in currency exchange rates, demurrage, any fines imposed on the Company by carriers, authorities or other entities, any additional banking fees and charges, etc.

5.9. The Company is entitled to make a delivery realization conditional on the Buyer's granting a payment security in the form acceptable by the Company, for instance in a letter of credit, guarantee, bank's aval bill, or advance payment.

5.10. The Company is empowered to stop the deliveries of the Goods when the open balance of the Buyer will exceed the credit limit granted to Buyer by the insurer of the Company, or when the credit limit is decreased or cancelled by the insurer.

5.11. Bank charges and costs shall be paid as follows:

5.11.1. the Company shall pay charges and costs of the Company's bank;

5.11.2. the Buyer shall pay charges and costs of other banks.

5.12. Any claims or disputes regarding invoices do not allow the Buyer to delay or set off any payment. Only after the relevant payment is made, the Buyer may raise a claim for recovery of a disputed amount.

5.13. The Buyer shall reimburse the Company for all fees, costs and expenses (including, but not limited to, attorney fees and legal costs) related to recovery or collection of a delayed

payment. If the Buyer fails to pay on a due date, the Company may assign the debt to any third party.

5.14. Despite any provisions of the Order Confirmation to the contrary, the Company shall be entitled to demand the Buyer to make any prepayment or payment within a shorter time or payment of the total Order price or to provide a security at any time if the Company finds it necessary due to the doubts about the Buyer's ability to settle payments, its creditworthiness or due to any other reasons. Such demand shall be delivered to the Buyer.

5.15. The Company shall be entitled to suspend delivery, if the Buyer fails to make any advance payment agreed upon in the Order Confirmation or if the Company has a reasonable doubt about Buyer's ability to pay any amount when it becomes due and payable under the agreed Order Confirmation or there is a breach of the Agreement on the part of the Buyer that remains uncured. Further, if the Buyer fails to pay on a due date for a lot of the Goods, the Company shall be entitled to suspend delivery of any other lots of the Goods to the Buyer until the amount overdue is paid in full.

5.16. Payment of penalties does not release the Buyer from fulfilment of its obligations in accordance with the Agreement.

5.17. The Company may issue and submit invoices to the Buyer in electronic form by email in accordance with the Regulations for transmission of invoices in electronic form (as amended from time to time) which are available on the Company's website and included herein by reference. The Buyer agrees to receive invoices in electronic form, any such invoice shall be deemed to be valid for the Parties and has the same legal effect as if it was signed and submitted in paper format.

5.18. If payment for the Goods consignment is to be made after its shipment, the Company will determine the amount of the credit limit applicable to the Buyer within which the Goods may be delivered. The amount of the credit limit depends on prior accuracy of Buyer's payment performance, on availability of a certain insurance limit extended to the Buyer by the Company's insurance company or other financial institution, and on other factors at the Company's discretion. The Company may change the credit limit unilaterally during the term of the Agreement. The credit limit shall not be exceeded. If the outstanding amount of the price of the Goods delivered (or to be delivered) to the Buyer has reached (or reaches as a result of such delivery) the applicable credit limit, the Company may unilaterally suspend the delivery of the Goods without any liability to the Buyer for the delay in delivery until the payment for all the Goods delivered earlier is made.

6. DELIVERY

6.1. Delivery of the Goods will be organized pursuant to conditions of delivery as defined in these Terms and Conditions and Order Confirmation.

6.2. The Buyer will collect/take delivery of the Goods within 14 days of the Company giving it notice that the Goods are ready for collect/delivery (in case of lack different accepted agreements), subject to provisions of the Condition 6.8.

6.3. All delivery times are quoted in the Order Confirmation and are estimates only. The Company will use reasonable endeavours to deliver each of the Buyer's orders for the Goods within the time stated in the Order Confirmation and, if no time is stated, then within a reasonable time. If, despite those endeavours, the Company is unable for any reason to fulfil any delivery or performance on the specified date, the Company will be deemed not to be in breach of the Contract, nor (for the avoidance of doubt) will the Company have any liability to the Buyer for direct, indirect or consequential loss (all three of which terms include, without

limitation, pure economic loss, loss of profits, loss of business, depletion of goodwill and like loss) howsoever caused (including as a result of negligence) by any delay or failure in delivery except as set out in Condition 6.4.

6.4. Any delay in delivery will not entitle the Buyer to cancel the order unless and until the Buyer has given 30 days written notice to the Company requiring the delivery to be made calculated from the day of receiving of such written notice and the Company has not fulfilled the delivery within that period. If the Buyer cancels the order in accordance with this Condition 6.4 then: the Company shall not be liable for any loss claimed by the Buyer in connection with such delay; and the Company will refund to the Buyer any sums which the Buyer has paid to the Company in respect of that order or part of the order which has been cancelled by the Buyer by fault of the Company.

6.5. In case when the Company is responsible for organizing the transport basing on the Contract, the Buyer is obliged to unload the Goods within 4 hours from the moment of arrival of the Goods at the place of destination set in the Order Confirmation. In case of delay with unloading of the Goods the Company is empowered to charge the Buyer the contractual penalty of 20 EURO of every started hour of delay with unloading. Notwithstanding of the penalties charged, the Buyer undertakes to reimburse all proven damages and expenses incurred by the Company as a result of the delay in unloading.

6.6. The Buyer will provide at its expense adequate and appropriate equipment and manual labour for loading or unloading the Goods at the place where delivery of the Goods in accordance with any applicable legislation, regulations and best practice, including without limitation, relevant Health & Safety legislation, good practice and established custom. Company holds no responsibility for Goods damage during unloading.

6.7. If the Buyer fails to take delivery of any of the Goods when they are ready for delivery or to provide any instructions, documents, licences or authorisations required to enable the Goods to be delivered on time (except solely on account of the Company's default), the Goods will be deemed to have been delivered on the due date and (without prejudice to its other rights) the Company may store or arrange for storage of the Goods until their actual delivery in accordance with Condition 6.8.

6.8. In case the Buyer delays reception of Goods exceeding 14 days, the Company may charge the Buyer with a contractual penalty for storage amounting to 0.1% price of the Goods with delayed reception for each day of delay, calculated 14 days upon information that the Goods were ready for reception.

6.9. In case when the Buyer will not collect ordered Goods in agreed time described in Condition 6.2, the Company, after additional call to the Buyer to collect Goods within following 3 working days, is empowered to withdraw from the Contract and charge the Buyer with contractual penalty in amount of 20 % of net value of the ordered Goods. Without prejudice to the penalty, the Company shall be entitled to keep any advance payment already carried out by the Buyer (if any). The withdrawal from the Contract may be executed within 60 days from the information to the Buyer that the Goods are ready for collection.

6.10. The Company may deliver Goods, per order, in separate parts. Each separate part of delivery will be invoiced and paid for pursuant to provisions of this Contract.

6.11. Each part of delivery will form a separate Contract and no cancellation, termination or expiration of any Contract relating to a part of delivery will entitle the Buyer to reject or to withdraw from any other Contracts or parts of delivery.

6.12. The Goods delivery will be realized by means of a carrier or forwarder indicated by the Company, unless otherwise stated in the Contract according to valid INCOTERMS, into the

6.13. The Buyer is obliged to precisely inspect the Goods during their reception in relation to its quantity, compliance with the specification described in the order and against any possible visible defects. The Buyer, after checking of the Goods signs the receipt of its delivery waybill, CMR or other similar document indicated by the Company, which confirms the compliance of the Goods with the terms of the order. In case discrepancies or defects occur, should be take the sharp photo images and/ or video of such Goods directly in the carrier`s vehicle in which the Goods arrived and photo images of the carrier`s vehicle state registration number a written protocol should be issued and signed by authorized employees of the Buyer and driver. Reservations as to the amount or status of the packaging/protection should be noted on the document CMR. Absence of the signature of the driver on discrepancies/defects protocol and transport document can be reason to reject to claim.

6.14. The Company shall not be liable for:

6.14.1. any damage caused to the Goods or sustained by a carrier or other third parties because of defective loading (int.al. overloading of the vehicle, improper or insufficient trimming and inadequate distribution of the cargo);

6.14.2. any costs of storing the Goods in a warehouse, wharf age, placing the Goods under canvas, surveillance, stoppage, procuring extra transport, demurrage, temporary unloading etc., caused due to instructions or documents or failure to provide such instructions or documents by the Buyer.

6.15. The Company shall deliver the Goods of ordinary quality stipulated by respective standards or technical conditions referred to in the Order Confirmation.

6.16. The risk of loss or damage to the Goods during delivery should be interpreted in accordance with the agreement at the conclusion of INCOTERMS.

6.17. The Company shall at any time be entitled to reject or withdraw acceptance of any cargo vehicle or vessel nomination where the acceptance of such nomination would place the Company in a position of non-compliance with, or in contravention of all sanctions laws and trade restrictions imposed by the EU, UN, and if applicable US. The Buyer shall in such cases nominate a suitable fully contractual substitute cargo vehicle or vessel.

7. RETENTION OF TITLE

7.1. Any delivered Goods shall remain the property of the Company until any payments related to the Agreement due to the Company are settled. The title to the Goods shall be transferred to the Buyer after the settlement of any residual indebtedness.

7.2. Until the time the title to the Goods is transferred to the Buyer in full, the Buyer may resell or process the Goods only, if the Buyer has received the Company`s invoice for those Goods and is not in breach of any of provisions of the Agreement and in such a case the following provisions are in effect:

7.2.1. If the Goods are processed, combined or mixed by the Buyer with other goods belonging to the Buyer, then the Company has the entire ownership of the new goods. If the Goods are processed, combined or mixed by Buyer with other goods belonging to other suppliers, then Company has a joint ownership right in the whole value of the new goods with such suppliers. In such case, Company`s ownership shall be calculated on the basis of the ratio of the invoiced value of the Goods to the invoiced value of all goods, which were used for manufacturing of the new goods.

7.2.2. the Buyer may resell the Goods only in the ordinary course of business. Use of the Goods for execution of service contracts or contracts for work, labor and material is regarded as a resale. In case of resale, depending on the circumstances, the Buyer shall be deemed to

be the authorized person of the Company and it shall be considered that the Buyer has performed the assignment to resell free of charge.

7.2.3. The Buyer's receivables arising out of the resale of the Goods shall be deemed assigned as security exclusively to the Company and (where applicable) an assignee of the Company's claim rights. The Buyer is authorized to collect the receivables from reselling, unless the Company (or the assignee of the Company's claim rights) withdraws such an authorization in case of any doubt about the Buyer's solvency or financial credibility or if the Buyer is in delay with any of its payments. If the Company (or the assignee of the Company's claim rights) withdraws the authorization to the Buyer of collecting the receivables, the Buyer shall (i) inform its debtors immediately about the assignment to the Company and that the purchase price is payable to the Company, and (ii) give the Company all information and documents necessary in order to establish and confirm the Company's rights with respect to the Buyer's debtors and third parties. The Buyer shall notify the Company without delay about any garnishment or any other actions adversely affecting the Goods or any rights in respect of them undertaken by third parties.

7.2.4. The Buyer shall have the sole liability for, and shall bear all risks and costs associated with the loading, transportation, unloading, correct handling and suitable storage of the Goods and the new goods as described above. In addition, the Buyer shall (i) take a general liability all risks insurance policy, at its own cost, including coverage as to the deterioration or theft of all or a part of the Goods or of the new goods and (ii) provide to the Company, at its first request, a certificate confirming both such insurance coverage and the payment of the insurance premium related thereto. This regulation prevails over application of the Incoterms 2010.

7.3. The Buyer may not pledge or otherwise encumber the Goods to which the Company retains the title.

7.4. The Buyer shall immediately notify the Company of any sequestration or impairment of Company's rights to the Goods by a third party. The Buyer shall cover any expenses related to the removal of the impairment of Company's rights or restitution of its rights to the Goods if the said expenses cannot be recovered from the third party.

7.5. If the Buyer fails to pay the price, interest or penalty for late payment, damages or any other payment due for more than one month, the Company may execute its title over the Goods and take them back without prior notice to the Buyer. In the event of payment delay the Buyer may not take any steps (neither resale, nor processing) which may affect the Goods.

7.6. If the Buyer is located in Germany the following shall apply:

7.6.1. The products shall remain the property of the Company until any and all claims of the Company arising from its business relationship with the Buyer have been paid in full.

7.6.2. In the case of current accounts, this retention of title shall serve as security for the claim for the balance to which the Company is entitled.

7.6.3. The Buyer shall only be allowed to sell the products subject to retention of title ("Products subject to Retention of Title") within normal and proper business transactions. The Buyer is not entitled to pledge the Products subject to Retention of Title, grant chattel mortgages on them or make other dispositions endangering the Company's title to such products. The Buyer hereby assigns its receivables arising from the resale of the Products subject to Retention of Title to the Company, and the Company hereby accepts such assignment. Should the Buyer sell the Products subject to Retention of Title after processing or transformation or joining or mixing of such Products subject to Retention of Title with other goods or together with other goods, this assignment of receivables shall only be agreed

a safety margin of 10 % of this price. The Buyer is granted the revocable authorization to collect in trust the claims assigned to the Company in its own name. The Company may revoke such authorization and the right to resell the products if the Buyer is in default of the performance of material obligations such as making payment to the Company.

7.6.4. Any processing or transformation of the Products subject to Retention of Title by the Buyer shall always be performed for the Company. If Products subject to Retention of Title are processed with other goods, the Company shall acquire joint ownership of the new goods in the ratio of the value of the Products subject to Retention of Title to the other processed goods at the time of processing. The new goods created by way of processing shall be subject to the same provisions as applicable to the Products subject to Retention of Title.

7.6.5. Should the Products subject to Retention of Title be joined or mixed with other goods, the Company shall acquire joint ownership of the new goods in the ratio of the value of the Products subject to Retention of Title to the other goods at the date of joining or mixing. Should the joining or mixing of the goods occur in such manner that the Buyer's goods are to be viewed as the main goods, the parties agree that the Buyer assigns proportionate joint ownership to the Company. The Buyer shall hold the joint ownership created in such manner in custody for the Company.

7.6.6. The Buyer shall provide the Company at all times with all desired information concerning the Products subject to Retention of Title or receivables assigned to the Company under this contract. The Buyer shall immediately notify the Company of any attachments of or claims to the Products subject to Retention of Title by third parties and shall provide the necessary documents in this regard. The Buyer shall at the same time advise the third party of the Company's retention of title. The costs of a defense against attachments and claims shall be borne by the Buyer.

7.6.7. Customer is obliged to treat the Products subject to Retention of Title with care for the duration of the retention of title.

7.6.8. Should the realizable value of the securities exceed all of the Company's claims that are to be secured by more than 10 %, the Buyer shall be entitled to demand a release to such extent. Should the Buyer be in default of material obligations such as payment to the Company, and should the Company rescind the contract, the Company may, notwithstanding any other rights, request surrender of the Products subject to Retention of Title and may make use of them otherwise for the purpose of satisfying its matured claims against the Buyer. In such case, the Buyer shall grant the Company or the Company's agents immediate access to the Products subject to Retention of Title and surrender the same.

8. WARRANTY, EXCLUSION OF LIABILITY AND INDEMNITY

8.1. In case of the Buyer's written notice, within a period of 3 months from the date of delivery of Goods, of a complaint concerning defects or damage to the Goods which originated from the Company and for which the Company holds sole responsibility, the Company – if it accepts the said complaint – will provide activity to exchange or fix the defected or damaged Goods for Goods which are free of defects, or to return the price in form of discount its appropriate part communicated already by Buyer. This obligation will not apply where:

8.1.1. the Goods have been improperly altered in any way whatsoever, or have been subject to misuse or unauthorized repair;

8.1.2. the Goods have been improperly installed or connected;

8.1.3. any maintenance requirements relating to the Goods have not been complied with;

8.1.4. any appropriate condition as to storage of the Goods have not been complied with in all respects; or

8.1.5. the Buyer has failed to notify the Company of any defect or suspected defect within 3 working days of the delivery where the defect should be apparent on reasonable inspection, or within 3 days of the same coming to the knowledge of the Buyer where the defect is not one which should be apparent on reasonable inspection when the Goods were delivered, and in any event the submission of warranty claims against the Company may take place no later than 3 months from the date of delivery.

8.2. The Goods being under the claim shall not be used or sold without written acceptance of the Company.

8.3. Any claim shall be submitted with the enclosure of the following documents:

8.3.1. a notice of claim indicating: name of the Goods as per the Order Confirmation, quantity under the claim, number of the Order Confirmation, data allowing to determine what Goods are under the claim, subject of the claim (shortage, non-conformity as to the quality, etc.) with reference to a relevant report referred to in Clause 8.3.3 below, demand of the Buyer and (where demand is made in monetary value) calculation of losses;

8.3.2. a debit-note;

8.3.3. a report drawn up with participation of the Independent Inspection Society or a representative of the Company, evidencing the subject of the claim;

8.3.4. photo images of the Goods under the claim; and

8.3.5. other documents required in accordance with the Agreement.

8.4. Any quality claims shall relate only to such quantity of the Goods that were actually in the possession of the Buyer at the moment of their mutual inspection with participation of the Company's representative, or, if such inspection was not held, to such quantity as indicated in a warehouse keeper's certificate issued for the date of their inspection carried out by the Independent Inspection Society.

8.5. The Company may participate in any inspection of the Goods and verify, at the place where the Goods are located, if the Buyer's claim is correct and the Buyer shall provide to the Company an immediate opportunity of doing so and render assistance by all possible means.

8.6. If the claim is not valid or the Company is not liable for the claimed lack of conformity, all cost and expenses of re-weighting of the Goods, sampling and other operations connected with the inspection of the Goods, irrespective of where such operations were carried out, shall be covered in full amount by the Buyer. If the claim is valid and the Company is liable for the lack of conformity, such costs and expenses shall be compensated by the Company.

8.7. No set-off by the Buyer, including set-off regarding the Company's invoices, is allowed unless with Company's prior written consent.

8.8. The right to possession of the returned Goods, if already passed onto the Buyer, passes again onto the Company.

Exclusion of Liability

8.9. In the event of Company's in execution or inappropriate execution of any obligations, Company's liability in relation to the Buyer is limited to the obligation of redressing actual damage (*damnum emergens*), yet exclusively in the amount which does not exceed the value of inappropriately executed or not executed order. The Company shall not be deemed liable for any indirect or consequent damage caused by the Products, included, by way of example, (direct or indirect) loss in earning, loss in turnover, withdrawal of products.

8.10. In any case, the Company's liability originating from all legal titles is limited only to cases of willful misconduct or a gross negligence of the Company, and to those cases when based on unconditionally valid legal provisions the Company's liability may not be excluded nor limited.

Indemnity

8.11. The Buyer agrees to indemnify the Company from liability related to third parties in case the damage suffered by a third party results from a direct or indirect violation, negligence, non-performance or inappropriate performance of the Contract provisions by the Buyer.

9. FORCE MAJEURE

9.1. The Company will not be held responsible for non-performance or inappropriate performance of the Contract if it is caused by force majeure. The Parties jointly agree that force majeure would be any event beyond the reasonable control of the Company including, without limitation, strikes, lockouts or other industrial disputes (whether involving the work force of the Company or otherwise), protest, act of God, war, or national emergency, an act of terrorism, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, explosion, flood, storm, epidemic, transport delays or default of suppliers or subcontractors and the Company will be entitled to a reasonable extension of time for performing such obligations.

9.2. The Buyer undertakes to be aware of all sanctions laws and trade restrictions imposed by the EU, UN, and if applicable US, and, as may be amended from time to time, warrant to comply with them in all respects related to the performance of this Contract.

If the Buyer or any of its affiliates, or its ultimate beneficial owners becomes a subjects of above mentioned laws and restrictions, the Company, without any consequences, is entitled to terminate the Contract or, if the Company finds acceptable, to postpone fulfilment of contractual obligations until all restrictions are lifted.

10. TERMINATION

10.1. The Company may by written notice terminate the Contract immediately if the Buyer is in material breach of the Contract or the Company has doubts concerning the Buyer's financial solvency, his insolvency has been stated, an application for declaration of bankruptcy relating to the Buyer or any other company entering the Buyer's capital group has been filed, or enforcement, bankruptcy, reconstruction or liquidation proceedings have been commenced, the Buyer does not settle any debts for the benefit of the Company or other creditors, the Buyer has ceased or is likely to cease his economic activity (formally or practically) or the Buyer faces a situation equal to the aforesaid events in another jurisdiction which he is subject to.

10.2. Subject to Conditions 6.4 the Buyer may not cancel the Contract at any time prior to delivery without the prior written consent of the Board of Directors of the Company.

If the Buyer cancels the Contract other than in accordance with Conditions 6.4, the Buyer shall indemnify the Company in full against all costs, expenses, liabilities, direct, indirect or consequential loss and damages which the Company incurs as a result of or in connection with the cancellation of the Contract by the Buyer made in whatever manner (including as a result of negligence). The Company will also have right to demand the Contract to be executed by the Buyer on general terms, and to claim compensation for the Buyer's delay and for the other tangible or intangible damage incurred by the Company.

10.3. The Company is empowered to withdraw from the whole or a part of the Contract basing on important reasons, which can be understood in particular by:

- lack of possibility to insure the value of the Contract (granting of the credit limit by the Company's insurer)
- basing on the reasons beyond the control of the Company and related to delivery of raw material.

The Company is empowered to execute the above right to withdraw from the Contract in time period from sending the Order Confirmation to the Buyer to date of realization of the Order indicated on the Order Confirmation.

11. GENERAL PROVISIONS

11.1. If any condition or part of the Contract is found by any court, tribunal, administrative body or authority of competent jurisdiction to be illegal, invalid or unenforceable then that provision will, to the extent required, be severed from the Contract and will be ineffective without, as far as is possible, modifying any other provision or part of the Contract and this will not affect any other provisions of the Contract which will remain in full force and effect.

11.2. The Contract, Terms and Conditions and specific provisions included in the Acknowledgement of Order or their amendments form an integral part of the Parties' agreement.

11.3. Any notice in connection with the Contract will be made in writing and addressed by registered mail to the other party at its registered office or another address indicated in the Contract, or by email.

12. JURISDICTION

12.1. The governing law for the Contract is Latvian law with exclusion of collision law and UN Convention on Contracts for the International Sale of Goods made in Vienna on 11 April 1980.

12.2. Any disputes of the Parties concerning the Contract, including the formation, performance, non-performance, inappropriate performance, termination or interpretation hereof, will be settled by a Latvian court with jurisdiction over the registered office of the Company.