

VALMIERAS STIKLA ŠKIEDRA JSC
GENERAL TERMS & CONDITIONS OF SALE

1. INTERPRETATION

1.1. In these Conditions, the following definitions apply:

'BUSINESS DAY' a day (other than a Saturday, Sunday or public holiday) when banks in Latvia are open for business.

'CONDITIONS' means the General terms & conditions set out in this document, hereinafter – GTC, and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between the Buyer and the Seller.

'CONTRACT' means the specific conditions and these GTC between the Seller and the Buyer for the sale and purchase of the Goods. GTC can be used independently without specific conditions, then any reference in GTC to the specific conditions will be interpreted as a reference to any relevant specific conditions written agreed by the parties.

'BUYER' means the person whose Order is accepted by the Seller.

'GOODS' means the goods (including any instalment of the goods or any parts for them) as set out in the Order which the Seller is to supply in accordance with these GTC.

'INCOTERMS' means the International Commercial Terms for the interpretation of trade terms of the International Chamber of Commerce as in force at the date when the Contract is made.

'ORDER' the Buyer's order for the Goods, as set out in the Buyer's purchase order form, the Buyer's written acceptance of the Seller's quotation, or overleaf, as the case may be.

'SPECIFICATION' any specification for the Goods, including any related plans and drawings, that is agreed in writing by the Buyer and the Seller

'SELLER' means JSC "Valmieras stikla šķiedra" (registered in Republic of Latvia with company number 40003031676, whose legal address is Cempu iela 13, Valmiera, LV-4201, Latvija).

1.2. Construction. In these GTC, the following rules apply:

A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

A reference to a party includes its personal representatives, successors or permitted assigns.

A reference to any provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time.

Any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.3. The headings in these GTC are for convenience only and shall not affect their interpretation.

2. BASIS OF THE CONTRACT

2.1. The Seller shall sell and the Buyer shall purchase the Goods in accordance with the Order which is accepted by the Seller, subject to these GTC, which shall govern the Contract notwithstanding the Buyer's reference to application of other terms and conditions unless the application of such terms and conditions referred to by the Buyer has been expressly agreed upon and evidenced by a signature of the parties in writing.

2.2. The Contract constitutes the entire agreement between the parties. The Seller's employees or agents are not authorised to make any representations concerning the Goods unless confirmed by the Seller in writing. In entering into the Contract the Buyer acknowledges that it does not rely on any such representations which are not so confirmed. Furthermore, photographs, illustrations and advertising/publicity matter are produced for the sole purpose of giving an approximate idea of the Goods described in them. They shall not form part of the Contract or have any contractual force.

2.3. Any advice or recommendation given by the Seller or its employees or agents to the Buyer or its employees or agents as to the storage, application or use of the Goods which is not confirmed in writing by the Seller is followed or acted upon entirely at the Buyer's own risk, and accordingly the Seller shall not be liable for any such advice or recommendation which is not so confirmed.

2.4. Except as set out in these GTC, no variation to these GTC, including the introduction of any additional terms and conditions, shall be binding unless agreed in writing between the authorised representatives of the Buyer and the Seller.

2.5. Any typographical, clerical or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by the Seller shall be subject to correction without any liability on the part of the Seller.

2.6. Any questions relating to this contract which are not settled by the provisions contained in the contract itself shall be governed by reference to the law of the country where the Seller has its place of business. The United Nations Convention on Contracts for the International Sale of Goods (Vienna Convention of 1980/CISG) shall not apply.

3. ORDERS AND SPECIFICATIONS

3.1. The Order constitutes an offer by the Buyer to purchase the Goods in accordance with these GTC. The Buyer is responsible for

ensuring that the terms of the Order and any applicable Specification submitted by the Buyer are complete and accurate.

3.2. The Order shall only be deemed to be accepted when the Seller issues a written acceptance of the Order, at which point the Contract shall come into existence.

3.3. The Buyer shall be responsible to the Seller for ensuring the accuracy of the terms of any order (including any applicable Specification) submitted by the Buyer, and for giving the Seller any necessary information relating to the Goods within a sufficient time to enable the Seller to perform the Contract in accordance with these terms.

3.4. The quantity, quality and description of and any Specification for the Goods shall be those set out in the Order (if accepted by the Seller).

3.5. To the extent that Goods are to be manufactured or any process is to be applied to the Goods by the Seller in accordance with the Specification, the Buyer shall indemnify the Seller against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other professional costs and expenses) suffered or incurred by the Seller in connection with any claim made against the Seller for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with the Seller's use of the Specification. This clause 3.5. shall survive termination of the Contract.

3.6. The Seller reserves the right to make any changes in the Specification of the Goods which are required to conform with any applicable statutory or EC requirements or, where the Goods are to be supplied to the Seller's Specification, which do not materially affect their quality or performance.

3.7. No Order which has been accepted by the Seller may be cancelled by the Buyer except with the agreement in writing of the Seller and on terms that the Buyer shall indemnify the Seller in full against all loss (including loss of profit), costs (including the cost of all labour and materials used), damages, charges and expenses incurred by the Seller as a result of cancellation.

3.8. If the Buyer cancels the order without reasonable justification and the Seller has already produced the Goods fully or partly, the Buyer has to pay for the Goods already produced, as well as additional 20% of the purchase price for expenses incurred by the Seller for processing the order and for loss of profit.

3.9. Any changes in the specifications of the product, services and supplies that are made due to technological improvements or legal requirements remain reserved during the delivery term, provided that there are no significant modifications in the nature of ordered goods and the changes in quantity does not exceed 10% from the initial amount ordered.

4. PRICE OF THE GOODS

4.1. The price shall be agreed upon between the parties (contract price) and it includes any costs which are at the Seller's charge according to this contract. However, should the Seller bear any costs which, according to this contract, are for the Buyer's account (e.g. for transportation or insurance under FCA, EXW, FAS or FOB), such sums shall not be considered as having been included in the price agreed upon between the parties.

4.2. Unless otherwise agreed in writing, the price does not include indirect taxes including, but not limited to VAT, sales tax, excise duties that are to be borne by the Buyer.

4.3. The Seller reserves the right, by giving notice to the Buyer at any time before delivery, to increase the price of the Goods to reflect any increase in the cost to the Seller which is due to any factor beyond the control of the Seller (such as, without limitation, any foreign exchange fluctuation, currency regulation, alteration of duties, significant increase in the costs of labour, materials or other costs of manufacture), any change in delivery dates, quantities, or specifications for the Goods which is requested by the Buyer, or any delay caused by any instructions of the Buyer or failure of the Buyer to give the Seller adequate information or instructions.

4.4. Except as otherwise stated under the terms and of any quotation or in any price list of the Seller, and unless otherwise agreed in writing between the Buyer and the Seller, all prices are given by the Seller on an ex works basis, and where the Seller agrees to deliver the Goods otherwise than at the Seller's premises, the Buyer shall be liable to pay the Seller's charges for transport, packaging and insurance.

4.5. Packaging materials shall become the property of the Buyer and their charge is included in the price of the goods. As an exception to the aforementioned rule are the re-usable packages and bobbins, which after the delivery of the goods shall be returned to the Seller (1:1) in serviceable condition.

5. TERMS OF PAYMENT

5.1. The payment of the purchase price of the Goods, unless otherwise agreed, shall become due with the delivery of the Goods.

5.2. Aside from Clause 5.1., the payment of the price and of any other sums due by the Buyer to the Seller shall be on open account and time of payment shall be 30 days from the date of invoice. The Buyer shall be deemed to have performed its payment obligations when the respective sums due have been received by the Seller's bank in immediately available funds.

5.3. If the parties have agreed on a prepayment, without further indication, it will be assumed that such prepayment, unless otherwise agreed, refers to the full price of the goods, and that the prepayment must be

received by the Seller's bank in immediately available funds at least 30 days before the agreed date of shipment or the earliest date within the agreed shipment period. If the prepayment has been agreed only for a part of the contract price, the payment conditions of the remaining amount will be determined according to the rules set forth herein.

- 5.4. If the Buyer fails to make any payment on the due date the Buyer has an obligation to pay the interest on arrears in amount of 0,01% from unpaid Value for each delay day.
- 5.5. Parties agrees, that the Seller is entitled to send the invoices electronically via e-mail, and this invoice will be valid without signature. The invoice is delivered, when it is sent out from the Seller's e-mail address.
- 5.6. The Buyer shall pay all amounts due under the Contract in full without any set-off, counterclaim, deduction or withholding (except for any deduction or withholding required by law). The Seller may at any time, without limiting any other rights or remedies it may have, set off any amount owing to it by the Buyer against any amount payable by the Seller to the Buyer.

6. DELIVERY

- 6.1. The term of delivery shall run from the day, which is provided in the confirmation of the order, but not before the Buyer has provided all documents, approvals, releases or before the agreed payment has been received. The delivery time must be expressly agreed.
- 6.2. The term of delivery may be extended in the event of occurrence of measures within industrial actions, particularly strikes and lockouts, as well as unforeseen obstacles beyond the Seller's control, such as operational breakdowns, delays in receiving important materials, as far as the effect of such obstacles on the delivery concerned can be clearly demonstrated. The same conditions apply if the suppliers of the Seller fail to fulfil their obligations towards the Seller due to events of force majeure. The contractual term of delivery shall be extended by the duration of such measures or obstacles.
- 6.3. The Seller shall not be liable for the consequences of the aforementioned circumstances if they occur during the extended period of delivery term. The Seller shall notify the Buyer as soon as possible about the occurrence of such obstacles.
- 6.4. The Seller shall ensure that:
 - 6.4.1. each delivery of the Goods is accompanied by a delivery note which shows the date of the Order, all relevant Buyer and Seller reference numbers, the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the Order is being delivered by instalments, the outstanding balance of Goods remaining to be delivered; and
 - 6.4.2. if the Seller requires the Buyer to return any packaging materials to the Seller, that fact is clearly stated on the delivery note.
- 6.5. If the Seller fails to deliver the Goods, its liability shall be limited to the costs and expenses incurred by the Buyer in obtaining replacement goods of similar description and quality in the cheapest market available, less the price of the Goods. The Seller shall have no liability for any failure to deliver the Goods to the extent that such failure is by reason of any cause beyond the Seller's reasonable control or the Buyer's failure to provide the Seller with adequate delivery instructions that are relevant to the supply of the Goods.
- 6.6. The Seller reserves the right to deliver up to ten per cent more or ten per cent less than the quantity of Goods ordered without any adjustment in the price, and the quantity so delivered shall be deemed to be the quantity ordered.
- 6.7. Where the Goods are to be delivered in instalments, each delivery shall be invoiced and paid for separately.
- 6.8. The Buyer must accept the delivery of the Goods without delay.

7. RETENTION OF TITLE AND PASSING OF THE RISK

- 7.1. The goods shall, notwithstanding delivery and the passing of risk in the goods, remain the property of the Seller until the complete payment of the price.
- 7.2. In case of a delayed payment, the Seller is entitled to take back the delivered goods upon prior notification to the Buyer and the Buyer has an obligation to return the delivered goods to the Seller.
- 7.3. The Buyer must bear all risks of Goods loss, damage or deterioration of the goods from the time they have been placed at the Buyer's disposal according with Incoterms and/or this contract. If the Buyer refuses to accept the delivered goods, all risks of loss, damage or deterioration passes to the Buyer from the moment of refusal to accept the delivered goods.
- 7.4. Until such time as the title in the Goods passes to the Buyer, the Buyer shall:
 - 7.4.1. store the Goods separately from those of the Buyer and third parties so they remain readily identifiable as the Seller's property;
 - 7.4.2. maintain the Goods in satisfactory condition and keep them insured against all risks for their full price from the date of delivery; and
 - 7.4.3. give the Seller such information relating to the Goods as the Seller may require from time to time.
- 7.5. Until such time as the property in the Goods passes to the Buyer (and provided the Goods are still in existence and have not been

resold), the Seller shall be entitled at any time to require the Buyer to deliver up the Goods to the Seller and, if the Buyer fails to do so forthwith, to enter upon any premises of the Buyer or any third party where the Goods are stored and repossess the Goods.

- 7.6. In the event of the Seller repossessing the Goods, the Buyer shall be liable (notwithstanding the discharge of the Contract) to pay the difference between the price of the Goods and their value on repossession and in the event of the Seller being entitled to repossess the Goods but being unable to do so for any reason whatsoever, the Buyer shall pay to the Seller the full price thereof, less in each case any amount previously paid by the Buyer for the Goods under this Contract.
- 7.7. The Buyer shall not be entitled to pledge or in any way charge by way of security for any indebtedness any of the Goods which remain the title of the Seller, but if the Buyer does so all moneys owing by the Buyer to the Seller shall (without prejudice to any other right or remedy of the Seller) forthwith become due and payable.

8. TERMINATION AND SUSPENSION

- 8.1. If the Buyer becomes subject to any of the events listed in clause 8.2, the Seller may terminate the Contract with immediate effect by giving written notice to the Buyer.
- 8.2. For the purposes of clause 8.1, the relevant events are:
 - 8.2.1. the Buyer suspends, or threatens to suspend, payment of its debts, or is unable to pay its debts as they fall due or admits inability to pay its debts;
 - 8.2.2. a person becomes entitled to appoint a receiver over the Buyer's assets or a receiver is appointed over the Buyer's assets;
 - 8.2.3. (being an individual) the Buyer is the subject of a bankruptcy petition or order;
 - 8.2.4. the Buyer suspends, threatens to suspend, ceases or threatens to cease to carry on all or a substantial part of its business;
 - 8.2.5. the Buyer's financial position deteriorates to such an extent that in the Seller's opinion the Buyer's capability to adequately fulfil its obligations under the Contract has been placed in jeopardy;
 - 8.2.6. the credit insurance and/or internal Seller's credit limit do not cover or will not cover the Contract amount.
- 8.3. The Seller has a right to terminate the Contract with 30 days' prior notification to the Buyer.
- 8.4. On termination of the Contract for any reason the Buyer shall immediately pay to the Seller all of the Seller's outstanding unpaid invoices and interest.
- 8.5. Termination of the Contract, however arising, shall not affect any of the parties' rights, remedies, obligations and liabilities that have accrued as at termination.
- 8.6. Clauses which expressly or by implication survive termination of the Contract shall continue in full force and effect.

9. NON-CONFORMITY OF THE GOODS AND WARRANTY

- 9.1. The Buyer shall examine the goods immediately after their arrival at the place of business of the Buyer or any other agreed place of examination and shall forthwith notify the Seller in writing of any lack of conformity, specifying the nature of the lack of conformity of the goods within a reasonable time from the date when the Buyer discovers or ought to have discovered the lack of conformity. After the Buyer has inspected the delivered goods it is obliged to accept the goods. In any case if the Buyer has not forthwith notified the Seller in writing of any lack of conformity of the goods after the arrival of the goods at the place of business of the Buyer or the otherwise agreed place of examination, the Buyer shall be deemed to have accepted the goods delivered and the Buyer shall have no remedy for lack of conformity, including, but not limited to a right to bring an action before any judicial or arbitral tribunals, claim or request compensation for any damages or use it as a defence or justification of non-performance under this contract.
- 9.2. Goods will be deemed to conform to the contract despite minor discrepancies, which are usual in the particular trade or through course of dealing between the parties.
- 9.3. Where goods are non-conforming, the Seller shall at its option and provided it can do so without unreasonable delay and without causing the Buyer unreasonable inconvenience:
 - 9.3.1. replace the goods with conforming goods, without any additional expense to the Buyer, or
 - 9.3.2. repair the goods, without any additional expense to the Buyer.
- 9.4. If the Seller does not take back the non-conformity Goods, the Buyer is obliged to destroy the defective Goods with prior Seller's acceptance and send to the Seller the destruction act as evidence.
- 9.5. All and any liability of the Seller for non-conformity of the goods shall be limited to the amount of the price of the delivered goods, unless agreed otherwise.
- 9.6. The Seller warrants that the delivered goods will be free from any defects, provided that during the transportation they have been stored in their original packaging in closed rooms.
- 9.7. During a period of 6 months after the delivery of goods the Buyer shall be entitled to demand the remedy of defects (subsequent improvements). If the Seller is unable to remedy the defects or if any subsequent improvements are unreasonable, the Buyer shall be entitled to a replacement instead of a subsequent improvement.
- 9.8. The warranty does not apply where damage to the goods is caused by factors other than faulty manufacture, parts or workmanship such as normal wear and tear, abuse, mishandling, accident or other actions, which are contrary to normal use of the goods.

9.9. As regards any claims made after the 6-month period as prescribed in Clause 9.7., the Seller shall only be liable for the damaged goods, if the damage is caused by the wilful misconduct or gross negligence of the Seller.

9.10. The Buyer shall promptly inform the Seller of any claim made against the Buyer by its customers or third parties concerning the goods delivered or industrial or intellectual property rights related thereto.

9.11. FORCE MAJEURE

9.11.1. A party is not liable for a failure to perform any of its obligations in so far as it proves:

- that the failure was due to an impediment beyond its control, or
- that it could not reasonably be expected to have taken the impediment and its effects upon its ability to perform into account at the time of the conclusion of the contract, or
- that it could not reasonably have avoided or overcome the impediment or its effects.

9.11.2. A party seeking relief shall, as soon as practicable after the impediment and its effects upon that party's ability to perform become known to it, give notice to the other party of such impediment and its effects on that party's ability to perform. Notice shall also be given when the ground of relief ceases.

Failure to give either notice makes the party thus failing liable in damages for loss which otherwise could have been avoided.

9.11.3. Without prejudice to article 6.5., a ground of relief under this clause relieves the party failing to perform from liability in damages, from penalties and other contractual sanctions, from the duty to pay interest on money owing as long as and to the extent that the ground subsists.

9.11.4. If the grounds of relief subsist for more than 3 months, either party shall be entitled to declare the contract terminated without notice.

10. GENERAL

10.1. ASSIGNMENT AND OTHER DEALINGS: The Seller may at any time assign, transfer, mortgage, charge, subcontract or deal in any other manner with all or any of its rights or obligations under the Contract. The Buyer may not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights or obligations under the Contract without the prior written consent of the Seller.

10.2. NOTICES:

10.2.1. Any notice required or permitted to be given by either party to the other under these GTC shall be in writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

10.2.2. A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 10.2.1; if sent by pre-paid first-class post or other next working day delivery service, on the 7th Business Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by fax or email, one Business Day after transmission.

10.3. SEVERANCE: If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Contract. If any provision or part-provision of this Contract is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

10.4. DATA PROTECTION: The Seller takes the Buyer's privacy seriously and will only use your personal information to manage your account and provide the products and services you have requested from us. However, from time to time, we would like to contact you by email with details of other products and services we provide. If you do not want to receive additional offers, please notify your contact person at our company.

10.5. EMBARGO: These commodities were produced in the UNITED STATES or EUROPEAN UNION and are only approved for export to the Seller's approved Client's (Buyer) state. It is the Buyer's responsibility to receive approval from the exporting state's export control authorities, if these commodities are to be re-exported to the UN, EU or UNITED STATES sanctioned parties or countries.

10.6. WAIVER: A waiver of any right or remedy under the Contract or law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy

shall prevent or restrict the further exercise of that or any other right or remedy.

10.7. ANTI-CORRUPTION: In connection with this Contract, the Buyer will not, and will procure that its officers, directors, employees, or any other party acting on its behalf (including without limitation, subcontractors or agents) will not pay, offer, promise to pay or authorise the payment of, directly or indirectly, any bribe, gift, monies, financial or other advantage or anything else of value in violation of, or that would cause the Seller or its officers, directors, employees and/or affiliates to be in violation of, any applicable foreign or domestic anti-bribery and anti-corruption laws and regulations, as amended from time to time ("Anti-Corruption Laws"). The Buyer agrees to keep full and accurate books and records of all payments made in respect of any transaction or business effected in connection with this Contract. Where the Seller determines in good faith that the Buyer has breached this Clause and/or Anti-Corruption Laws, the Seller may terminate this Contract immediately upon written notice to the Buyer. The Buyer shall indemnify and hold harmless the Seller from and against all claims, actions, proceedings, suits, investigations, penalties and fines of any kind resulting from any such breach. This Clause shall survive any termination or expiry of this Contract.

10.8. THIRD PARTY RIGHTS: A person who is not a party to the Contract shall not have any rights to enforce its terms.

10.9. GOVERNING LAW: The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the law of Republic of Latvia.

10.10. JURISDICTION: Each party irrevocably agrees that the courts of Republic of Latvia shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Contract or its subject matter or formation (including non-contractual disputes or claims).

10.11. CONFIDENTIALITY: The Buyer undertakes to not to disclose to third parties (and ensure that the Buyer's employees and partners do not disclose to third parties) information that is considered to be the Seller's commercial secret or inside information, to take all necessary and reasonable steps to ensure that no third parties have direct or indirect access to that information.

The Confidential Information includes, but is not limited to:

- any information about the suppliers and clients of the Seller, products, specifications, production procedures, any know-how, trade secrets, any financial information, as well as any other information that is not public, including also information about shareholders, their decisions, marketing strategies, ongoing and completed negotiations, plans, finance, procedures, clients' relationships, sale indicators, business plans and sale results, related companies or branch offices, computer software, databases;
- any information which is intended only for internal use within the company and which if obtained by competitors may cause losses to the Seller;
- any information, which the Buyer should reasonably expect the Seller would regard as confidential and the Seller has not stated otherwise in writing.

If the Buyer intentionally or unintentionally violates the prohibition to disclose the Confidential Information, the Buyer shall be liable for any and all the Seller's losses (including, but not limited to, also indirect losses, lost profit, etc.) that are caused by disclosing any such Confidential Information and it shall remedy the breach and pay contractual penalty in the amount of EUR 150,000.00 (one hundred and fifty thousand euros). It is not required to establish the Buyer's wrongful intent or negligence in disclosing the Confidential Information to determine the liability set forth in this clause.

The confidentiality obligations of the Buyer referred to in this clause shall remain in force during the term of the Agreement, as well as following the termination thereof.