

AS VALMIERAS STIKLA ŠKIEDRA
GENERAL TERMS & CONDITIONS OF PURCHASE

1. TERMS AND DEFINITIONS

- 1.1. The terms used in these General terms & conditions of purchase have the following definitions:

BUSINESS DAY – any day when Latvian banks are open for business, except Saturdays, Sundays or public holidays.

CONDITIONS – the General terms & conditions as set out herein (hereinafter referred to as the GTC), also including any special provisions agreed upon by the Customer and the Contractor in writing or otherwise in accordance with the established practice between the Parties. The GTC may be used separately without the special provisions, in which case any reference to the special provisions in the GTC shall be construed as a reference to any relevant special provisions as agreed between the parties.

AGREEMENT - Agreement between the Customer and the Contractor in writing or otherwise in accordance with the established practice between the Parties regarding the purchase and sale of Goods or the provision of Services, to which these General Conditions or special provisions agreed by the Customer and the Contractor shall apply.

CUSTOMER - joint-stock company „VALMIERAS STIKLA ŠKIEDRA” (incorporated in the Republic of Latvia under reg. No. 40003031676, legal address Cempu iela 13, Valmiera, Valmieras novads, LV-4201, Latvia).

GOODS - the goods stated in the order (including any part of a batch of goods or components intended for them), which the Contractor is obliged to deliver to the Customer in accordance with the Conditions.

SERVICES – the services stated in the order (including any activities related to its provision by the Contractor and/or subcontractors engaged by the Contractor), which the Contractor is obliged to provide to the Customer in accordance with the Conditions.

INCOTERMS - international terms of sale, setting forth the trade terms approved by the International Chamber of Commerce, valid on the date of conclusion of the Agreement and applicable unless otherwise provided in the Conditions.

SPECIFICATION - any specification or technical data sheet for the Goods or Services, including any related plans, drawings or estimates agreed upon in writing by the Customer and the Contractor.

CONTRACTOR - supplier of Goods or Service provider in relation to the Customer.

PARTY – Customer or Contractor severally.

PARTIES – Customer and Contractor jointly.

- 1.2. Principles of GTC interpretation:

Person includes any natural person, legal entity or unincorporated body (irrespective of whether it is a separately incorporated legal entity).

A reference to a party also includes such party's representatives, successors in title and/or assigns, or legal heirs.

Reference to a specific provision also includes any amendments to the specific provision valid at the time of the conclusion of the Agreement.

Any phrase used in the Conditions beginning with the words 'including', 'inclusive of', 'comprising', 'in particular', 'for example' or any other similar expression have explanatory meaning only and do not provide an exhaustive list, and does not limit the meaning of the remaining words before them.

The headings in the GTC are provided for convenience only and shall not be used for interpretation of the text of these GTC.

2. TERMS APPLICABLE TO THE AGREEMENT AND CONDITIONS OF RELATIONSHIP OF THE PARTIES

- 2.1. The Contractor shall sell and the Customer shall purchase the Goods; or the Contractor shall provide and the Customer shall accept the Services based on the Order in accordance with these GTC governing the Agreement, regardless of whether the Contractor refers to the application of other provisions, unless the parties have directly, explicitly and clearly agreed in writing and signed such an application of provisions referred to by the Contractor to the particular Agreement concluded between the Parties.

- 2.2. The Contractor shall be bound by both the Agreement and the Conditions, as well as any other representations, guarantees, explanations, instructions of the Contractor, as well as their employees and any other persons engaged by the Contractor for the completion of the Order, in relation to the storage, application or use of the Goods, as well as any kind of visual materials, including photographs, images and advertising materials, etc. For the truthfulness, compliance, completeness and performance of the representations, guarantees, explanations, instructions, as well as visual materials referred to in this paragraph, the Contractor, assuming the risk, shall be fully liable to the Customer, including for any damages caused to or expenses incurred by the Customer, as well as submitted claims/demands. In order to determine the liability referred to in this paragraph, it is not required to establish the Contractor's wrongful intent or negligence by providing the relevant

representations, guarantees, explanations, instructions or visual materials.

- 2.3. Any issues related to the respective Agreement concluded between the Parties not regulated in the Conditions shall be governed by the laws of the country where the Customer does business. The United Nations Convention on Contracts for the International Sale of Goods (1980 Vienna Convention (CISG)) shall not apply.

- 2.4. Unless the Parties have directly, explicitly and clearly agreed otherwise in writing, the DDP Incoterms for the delivery of Goods shall apply to the place stated by the Customer or to the Customer's warehouse at Cempu iela 13, Valmiera, Valmieras novads, LV-4201, Republic of Latvia, provided that the Customer has not stated another specific address for delivery of the Goods prior to the said delivery. Incoterms shall be applicable insofar as Conditions or the Agreement do not provide otherwise.

3. ORDERS AND SPECIFICATIONS

- 3.1. The Customer's written, directly and explicitly expressed proposal or the Contractor's price offer, or any other relevant document, in accordance with the established practice between the Parties, the Customer's written approval for the purchase of Goods or the receipt of the Services shall be considered as the Order. The Contractor shall be obliged to determine and clarify any information provided in the Order that is unclear, inaccurate or incomplete in the Contractor's opinion. Otherwise, it shall be considered that the Contractor has received all the necessary instructions for the sale of the Goods or the provision of the Services in the Order. Meanwhile, the Customer, based on the Contractor's written request, shall provide the Contractor with the required additional information within a reasonable period of time.

- 3.2. The Order shall be considered accepted when the Contractor confirms the Order in writing or otherwise in accordance with the established practice between the Parties, and at this moment the Agreement shall enter into force. Until then, the Order made by the Customer shall not be binding on the Customer, and the Customer may amend or cancel it. The Contractor shall provide a written response no later than 48 (forty-eight) hours after receiving the Order, otherwise the Order shall be considered confirmed and binding on the Contractor.

- 3.3. The term of delivery of Goods, their quantity, features and quality or the term of Service provision, its content and quality, as well as the specification of Goods or Services, respectively, shall be as provided in the Order (provided that the Contractor has confirmed it in accordance with the procedures established in these GTC).

- 3.4. Insofar as it concerns the Contractor's obligation to produce the Goods or to apply any other operating process to the Goods in accordance with the Specification, or to provide the Services, the Contractor shall familiarise themselves with the Specification before the production of the Goods or the provision of the Services and shall assume all liability, costs, expenses, damage and losses incurred (including any direct, indirect or consequential damages, loss of profit, damage to reputation, as well as all late interest, contractual penalties, fines, legal or other professional services fees), should these arise in connection with any claim brought against the Contractor or the Customer for actual or potential violation of third-party intellectual property rights resulting from or in connection with the fact that the Contractor has been guided by the Specification. This Clause 3.4 shall remain valid even after the termination of the Agreement.

- 3.5. If the Contractor needs to make any kind of changes to the Goods or Service Order or Specification in order to ensure their compliance with the requirements of the effective and applicable laws or due to technological improvements, then the Contractor shall notify them in writing to the Customer before confirming the Order. If the Contractor has failed to notify it in writing to the Customer before confirming the Order and notifies the Customer about it after confirmation of the Order, or if the Customer detects modifications of this nature in the Goods or Services already received, then the Customer may unilaterally reject the Order out of court, requiring the Contractor to refund the payment made by the Customer, if any, without delay, while the Contractor, assuming the risk, shall be liable to the Customer in full, including for any loss and expenses incurred by the Customer in connection therewith (including any direct, indirect or consequential losses, lost profits, damage to reputation).

- 3.6. The Goods and Services shall be in line with the energy efficiency improvement principle. The Customer may withdraw from the Order or the Agreement unilaterally in an out-of-court procedure with an immediate effect by sending the Contractor a written notification thereof if the Goods or Services are not aimed at energy efficiency improvement.

4. PRICE OF GOODS AND SERVICES

- 4.1. The parties mutually agree on the price (contractual price), and it includes all costs that the Contractor shall cover in accordance with this Agreement. Likewise, the price shall include compensation for any intellectual property used in the completion of the Order or included in the outcome of the completion of the Order. Unless the Parties have directly, explicitly and clearly agreed otherwise in writing, the Customer shall not cover the Contractor's costs and expenses related to the Contractor's actions prior to placing the Order (including, in connection with the Contractor's visits, presentations, plans, samples or any similar documents or materials designed and measures implemented).

- 4.2. After the Order has been confirmed and the Parties have agreed on the price of the Goods or Services (the Contractor confirming the price in

writing or the Parties agreeing on the price in writing or in another way in accordance with the established practice between the Parties - depending on which occurs earlier), the Contractor may not increase the price unless the Parties have directly, explicitly and clearly agreed in writing and signed a written agreement on such an increase or on the Contractor's right to raise the price.

- 4.3. The costs of delivery of Goods shall be determined in accordance with DDP Incoterms unless otherwise provided for in Conditions or the Agreement.
- 4.4. Unless the Parties have directly, explicitly and clearly agreed otherwise in writing, any packaging materials for the Goods shall remain the property of the Customer and their cost shall be included in the price of the Goods. However, if the Parties have agreed on the return of the Goods' packaging to the Contractor, the Contractor shall cover any and all expenses related to the return of the said packaging.

5. PAYMENT TERMS

- 5.1. Unless the Parties have directly, unequivocally and clearly agreed otherwise in writing, prepayment for the Goods or Services is not required, and the payment term for the Goods or Services received by the Customer is 60 (sixty) calendar days from the mutual signing of the deed of delivery and acceptance of the Goods or Services and receipt of the invoice issued by the Contractor.
- 5.2. The Parties hereby agree that the Contractor may send invoices electronically to the email provided by the Customer, and such an invoice shall be valid without a signature. The invoice shall be considered received on the second business day after it has been mailed from the Contractor's email address.
- 5.3. The Customer shall make the payment to the bank account provided by the Contractor (in the Agreement, invoice or any other notification by the Contractor).
- 5.4. If the Customer fails to make any payment within the agreed term, the Contractor may request the Customer to pay a contractual penalty for non-performance in the amount of 0.01% of the outstanding amount for each day of delay, however, in total not exceeding 10% (ten percent) of the price for relevant Goods or Services.
- 5.5. The Customer may carry out mutual offsets and any deductions, including late payment interest, liquidated damages, estimated direct and indirect losses, expenses, etc. from any payment payable to the Contractor without the separate consent of the Contractor. By agreement with the Customer on the sale of the Goods or the provision of the Services in accordance with the procedures provided for in these GTC, it shall be considered that the Contractor has given their consent to such deductions.
- 5.6. If the Parties have agreed on prepayment and the total amount of the advance payable under the Order exceeds EUR 10,000.00 (ten thousand euros), the Customer may request the Contractor and Contractor has an obligation to submit to the Customer an irrevocable, first demand prepayment guarantee for the amount to be paid in advance by the Customer, issued by a bank to the Customer's satisfaction in terms of form and content. In this case, until such a bank guarantee is received, the Customer may refrain from making an advance payment and, accordingly, it shall not be considered a delay in the performance of obligations on the part of the Customer, but at the same time, the Contractor shall complete the Order within the agreed period.
- 5.7. When the Goods are delivered in several batches or the results of the work performed as a part of the Services are transferred in parts, the Customer shall make payment based on the invoice issued by the Contractor after receiving all the batches or accepting the results of all the work performed under the Services accordingly, unless the Parties have directly, explicitly and clearly agreed in writing on payment instalments after receiving each lot or accepting each part of the results of the work performed as a part of the Services. If the Parties have agreed, as set out in this paragraph, on payment instalments after the receipt of each batch or the acceptance of individual part of the results of the work within the Services and the Order amount exceeds EUR 50,000.00 (fifty thousand euros), the Customer may request the Contractor and Contractor has an obligation to submit to the Customer an irrevocable, first demand performance guarantee issued by a bank to the Customer's satisfaction in terms of form and content for 10 % (ten per cent) of the total price of the Goods or Services. The Customer may withhold 10 % (ten percent) of each payment as the Customer's performance guarantee in full and in due time (term). From this amount, in addition to other amounts payable to the Contractor, the Customer may make any offsets or deductions including late payment interest, penalties, estimated direct or indirect losses, expenses, etc., to which the Customer is entitled in accordance with Conditions, the Agreement and statutory regulations. If the Customer wishes to exercise the rights referred to in this paragraph to withhold 10% (ten percent) of the payment as security for the proper performance of the Contractor's obligations in full and in due time (term), the Customer shall notify the Contractor of this and the Contractor shall issue the appropriate invoices to the Customer (or make corrections in the issued invoices, if they have already been issued at the time of receipt of the Customer's notification).
- 5.8. Deductions made by the virtue of rights granted to the Customer in clause 5.7, or their balance after all offsets and deductions have

been made, shall be paid by the Customer to the Contractor within 60 (sixty) calendar days from the mutual signing of the final deed of delivery and acceptance of the Goods or Services or within 60 (sixty) calendar days of the submission of the performance guarantee set out in clause 5.7 to the Customer, based on the corresponding Contractor's invoice.

- 5.9. If the Order amount exceeds EUR 50,000.00 (fifty thousand euros), unless the Contractor has not submitted the irrevocable, first demand warranty time guarantee issued by a bank to the Customer's satisfaction in terms of form and content for 10% (ten per cent) of the total price of the Goods or Services to the Customer, the Customer shall pay the Contractor any deductions made exercising the rights granted to the Customer by clause 5.7 or the balance thereof after all the offsets and deductions within 60 (sixty) calendar days after the end of the warranty period and elimination of any shortcomings or defects, or within 60 (sixty) calendar days of the submission of the warranty for the Goods or Services specified in the clause to the Customer based on an invoice issued by the Contractor.
- 5.10. Exercising the rights granted to the Customer in Clauses 5.7-5.9 of these GTC shall not mean the use of another person's money (another person's capital) within the meaning of Section 1759, Paragraph 2 of the Civil Law, and accordingly no interest shall be paid in this regard.
- 5.11. If the Customer expresses objections to the Contractor in accordance with the procedure provided for in Clause 7.3, the Customer shall not be obliged to pay in accordance with the invoice issued by the Contractor and may exercise the rights granted to the Customer in the said clause.
- 5.12. A guarantee issued by any bank with the S&P long-term credit rating at least BBB+ and short-term credit rating at least A-2, or Moody's long-term credit rating at least Baa1 and short-term credit rating at least P-2, or Fitch long-term credit rating at least BBB+ and short-term credit rating at least F2 shall be considered approved without a separate approval of the Customer.

6. TERMS OF DELIVERY OF GOODS AND PROVISION OF SERVICES

- 6.1. The Parties shall set the terms of delivery of Goods and provision of Services separately by agreement with the Customer on the sale of Goods or the provision of Services in accordance with the procedures provided for in these GTC. If the Parties, when agreeing on the sale of the Goods or the provision of the Services, have failed to agree on a term for the delivery of the Goods and the provision of the Services, then the Goods shall be delivered and the Services shall be provided as soon as possible, following the Customer's instructions regarding the possibility of receiving the relevant Goods or accepting the Services at the given time, but in any case no later than the term provided in the reminder sent by the Customer to the Contractor. In any case, if the Contractor wishes to complete the Order before the term, the Contractor shall agree on it in writing with the Customer in advance, and without the consent of the Customer the early completion of the Order shall not be permitted.
- 6.2. The term for the delivery of the Goods or the provision of the Services provided in the Agreement cannot be extended, unless the Parties have directly, explicitly and clearly agreed in writing and signed a written agreement on such an extension.
- 6.3. The Contractor shall ensure that:
- 6.3.1. A delivery note has been prepared for each delivery of Goods stating the Order number and date, all relevant Customer and Contractor reference numbers, type and quantity of Goods (including the Goods code, if applicable), special storage, application and use instructions (if applicable), technical data sheet/specification, test/certificate of compliance, material safety data sheet (MSDS) (applicable to chemicals), and, when the Goods are delivered in several batches, the balance of the other Goods to be delivered;
- 6.3.2. The label includes the expiration date of the material.
- 6.3.3. The type and quantity of packing materials as well the packing materials to be returned are clearly stated in the delivery note, if the Parties have agreed on the return of the packaging materials in accordance with the procedures provided for in these GTC.
- 6.5. If the Contractor has failed to complete the Order (delivery of Goods or provision of Services) within the term provided in the Agreement or has completed it improperly, or it follows from the actual circumstances that the Order will not be completed within the term or will not be completed properly, the Customer may, without consent from the Contractor, engage third parties for the completion of the Order and in this connection deduct the expenses and losses incurred by the Customer from the payments to be made to the Contractor in accordance with the procedures provided for in these GTC. The Contractor shall be obliged to immediately notify the Customer of any possible delay or impossibility of performance of the obligations.
- 6.6. If the Contractor delays the completion of the Order (delivery of Goods or provision of the Services) or delays the elimination of defects or deficiencies, the Contractor shall pay to the Customer late payment interest in the amount of 0.1% of the price of either Goods not delivered in due time (term) or defective Goods or Services not provided in due time (term) or improperly provided for each day of delay. The Customer may withhold the late payment interest from the payments to be made to the Contractor in accordance with the procedures provided for in these GTC, without consent from the Contractor. The payment of late

- payment interest shall not release the Contractor from the performance of their obligations or from the full compensation of all expenses and losses incurred by the Customer in connection with such late payment by the Contractor.
- 6.7. If the Contractor, the Contractor's employee or any other person engaged by the Contractor for the completion of the Order (including a subcontractor or supplier) fails to comply with or violates any traffic, work safety or fire safety requirements while delivering or unloading the Goods or providing the Services in the Customer's territory, the Contractor, in addition to compensation of all direct and indirect losses, shall pay the Customer a contractual penalty EUR 1,000.00 (one thousand euros) for each such violation or EUR 5,000.00 (five thousand euros), if such violation has caused any significant damage to the Customer's property or the health of a Customer's employee.
- 6.8. The Contractor may engage subcontractors for the completion of the Order solely with the prior written consent of the Customer to engagement of a particular subcontractor. The Customer may refuse to agree to the engagement of a subcontractor. If the Contractor engages a subcontractor for the completion of the Order without the consent of the Customer, the Customer may deem such performance improper, and this shall serve as a basis for refusing to accept the completion of the Order. The Contractor hereby states and guarantees that the Goods delivered to the Customer are free from any third-party rights, alienation, pledges, etc. and that it shall be liable for any Customer's losses resulting from any falsehood of this statement or guarantee. It is not required to establish the Contractor's wrongful intent or negligence to determine the liability set forth in this clause.
- 6.9. The Contractor shall bear full responsibility for the actions and omissions of the subcontractor and any other person engaged by the Contractor for the completion of the Order as their own.
- 6.10. The Contractor shall ensure that all persons involved in the completion of the Order have the skills, qualifications and permits required for the completion of the Order (including licences, certificates, etc.) and, upon the request of the Customer, immediately, but no later than within 5 (five) business days, shall submit to the Customer their derivatives prepared in accordance with the procedures specified in the regulatory acts of the Republic of Latvia, presenting the originals upon request. The Customer may request the Contractor to suspend the completion of the Order until the aforementioned documents are submitted to the Customer, and such suspension of the completion of the Order shall not serve as a basis for extending the completion deadline.
- 6.11. If the Contractor uses the Customer's materials in the production of the Goods or in the provision of the Services, the Contractor shall be responsible for them (including storing, preventing damage, destruction or loss) acting as a good and careful manager, and until the Goods or results of the work performed as a part of the Services have been accepted by the Customer shall assume the risk of their destruction, damage, loss by accident or due to force majeure.
- 6.12. If the amount of the Services exceeds EUR 10,000.00 (ten thousand euros), the Contractor shall insure:
- 6.12.1. their civil liability in accordance with the requirements of regulatory enactments (including insurance against direct and indirect losses that the Customer may incur), with a coverage of at least EUR 2,000,000.00 (two million euros);
- 6.12.2. The works to be performed as part of the Services, the materials to be used and all the Contractor's other contractual obligations for an amount no less than their replacement value.
The insurance referred to in this paragraph shall be valid until the end of the Service warranty period.
- 6.13. If the Customer submits claims to its insurer due to the Contractor's non-performance or improper performance, the Contractor shall, at the Customer's request, reimburse the Customer for any excess paid or payable by the Customer in connection with it in accordance with the terms of the Customer's insurer.
- 7. PROCEDURE FOR ACCEPTANCE OF GOODS AND SERVICES, TRANSFER OF TITLE AND RISKS**
- 7.1. Unless the Parties have agreed on other procedures for acceptance of Goods and Services, the Customer shall accept the Goods by signing a deed of delivery and acceptance, waybill, CMR or another delivery document (hereinafter referred to as the Deed of Delivery and Acceptance) and Services by signing the deed of delivery and acceptance and as set out in this section of the GTC.
- 7.2. If the Customer detects an obvious defect or deficiency in the Goods or any part thereof (for example, damage to the packaging, inconsistency in quantity, which can be detected without unpacking the Goods, etc.), the Customer may refuse to accept the Goods by making a note on a defect or deficiency in the deed of delivery and acceptance. In this case, the return of the Goods to the Contractor shall be arranged by the Contractor at their own expense.
- 7.3. Regarding any defects or deficiencies of the Goods or any of their parts, as well as any other inconsistencies with the Agreement or Appendices thereto, the requirements of these GTC or any other rules or standards, except for those referred to in Clause 7.2, the Customer may raise objections within 30 (thirty) calendar days from signing of the deed of delivery and acceptance for the Goods. In that case, the Customer may:
- 7.3.1. withdraw from the Order or the Agreement unilaterally in an out-of-court procedure with an immediate effect by sending the Contractor a written notification thereof, and return all Goods (even if defects or deficiencies have been established only in part of them) at the Contractor's expense and, in turn, the Contractor shall return the funds received for the Goods (in the event of advance payment) to the Customer within 5 (five) business days from such request from the Customer; and/or
- 7.3.2. require the Contractor to eliminate the detected defects and deficiencies within the time limit that the Parties separately agree on, but if the Parties have not separately agreed on such a time limit, then in any case - no later than within 5 (five) business days from the Customer's request; and/or
- 7.3.3. require the Contractor to reduce the price of the Goods accordingly; and/or
- 7.3.4. exercise other rights provided for in regulatory acts.
- 7.4. In the cases provided for in Clauses 7.2-7.3 of these GTC, the Contractor shall also compensate the Buyer for any direct and indirect losses and expenses incurred in connection with delivery of defective or non-compliant Goods.
- 7.5. Title to the Goods, as well as any risks related to damage, deterioration or loss of the Goods, shall pass to the Customer at the moment of acceptance of the Goods - the moment of mutual signing of the deed of delivery and acceptance of the Goods.
- 7.6. If the Customer detects a defect or deficiency in the provided Services or the results of the work carried out therein, the Customer may refuse to accept the Services and, accordingly, refuse to sign the deed of delivery and acceptance by raising objections to the Contractor, and at their discretion:
- 7.6.1. withdraw from the Order or the Agreement unilaterally in an out-of-court procedure with an immediate effect by sending the Contractor a written notification thereof, and the Contractor shall return the funds received for the Services (in the event of advance payment) to the Customer within 5 (five) business days from such a request from the Customer; and/or
- 7.6.2. require the Contractor to eliminate the detected defects and deficiencies in the Services provided or the results of work carried out as a part of it within the time limit that the Parties separately agree on, but if the Parties have not separately agreed on such a time limit, then in any case - no later than within 5 (five) business days from the Customer's request; and/or
- 7.6.3. require the Contractor to reduce the price of the Services provided accordingly; and/or
- 7.6.4. exercise other rights provided for in regulatory acts.
- 7.7. In the case referred to in Clause 7.6 of these GTC, the Contractor shall also indemnify the Buyer for all direct and indirect losses and expenses incurred in connection with defects or deficiencies in the Services provided or the results of the work performed therein.
- 7.8. The Contractor's liability shall not be limited to the value of the Goods or Services.
- 7.9. The Customer shall not be obliged to prove the Contractor's wrongful intent or negligence to determine the Contractor's liability in the manufacture, delivery or provision of the Services.
- 7.10. If the Parties have a dispute about the reasonableness of the Customer's objections regarding defects or deficiencies in the Goods or the results of the work performed as a part of the Services, each of the Parties may conduct an expert examination engaging an expert selected by the Customer for the out-of-court resolution of the dispute. In this case, the costs of the expert examination shall be borne by the Party to which the expert's conclusion is unfavourable.
- 7.11. Together with the Goods or the results of the work performed as a part of the Services, the Contractor shall also transfer to the Customer an indefinite, irrevocable, international permission (licence) to use the intellectual property objects included in the Goods or the results of the work performed as a part of the Services with the right to transfer this permission (licence) to third parties. The Contractor agrees that any and all intellectual property objects (including materials, information, specifications, drawings, samples, technologies, inventions, know-how, etc.) developed or created in the course of completion of the Order or contained in the Goods or the results of work performed as a part of the Services shall be the property of the Customer.
- 8. SUSPENSION AND TERMINATION OF THE AGREEMENT**
- 8.1. The Customer may unilaterally withdraw from the Agreement with an immediate effect in an out-of-court procedure, by notifying the Contractor in writing, in all cases provided for in the Agreement, regulatory acts and these GR, as well as in the following cases (when at least one of them occurs):
- 8.1.1. An insolvency or legal protection proceedings have been initiated for the Contractor, the Contractor suspends or terminates all or a substantial part of their business, or is in danger of suspension or termination of such a business or a substantial part of it;
- 8.1.2. The Contractor's financial position deteriorates to such an extent that, in the opinion of the Customer, the Contractor's ability to properly perform the obligations stipulated in the Agreement is endangered.
- 8.2. The Customer may at any time withdraw from the Order or the Agreement on Goods delivery unilaterally in an out-of-court procedure with an immediate effect and request the cancellation of the delivery of the Goods by sending the Contractor a written notification thereof. In

this case, the Contractor shall immediately suspend the completion of the Order and the Parties shall agree in writing on:

- 8.2.1. Cancellation of the Order and direct compensation of damages and/or the incurred expenses, provided that at the moment of the request of the Customer to cancel the Order, such have been caused or incurred and the Contractor is able to prove them,
or
- 8.2.2. Continuation of the completion of the Order if the Parties are unable to agree on the cancellation of the Order or any obligation of the Parties arising from it or the liability of the Customer or the extent of it.
- 8.3. The Customer may at any time withdraw from the Order or the Agreement on Service provision unilaterally in an out-of-court procedure with an immediate effect by notifying the Contractor in writing 5 (five) business days in advance. In this case, the Contractor shall immediately stop the provision of Services and the Parties, based on the mutually signed Service deed of delivery and acceptance, shall make mutual settlements for the Services provided at the time of the Customer's withdrawal.
- 8.4. Termination of the Agreement, irrespective of its reason, shall not affect the rights, remedies, duties and obligations of any Party that are binding on them at the time of termination of the Agreement.
- 8.5. The provisions of the Agreement, directly or indirectly applicable even after the termination of the Agreement, shall remain in effect.

9. GUARANTEE PROVISIONS

- 9.1. Unless the Parties have agreed on a longer warranty period, the warranty period for the Goods or the results of the work performed as a part of the Services shall be set at 24 (twenty-four) calendar months from the mutual signing of the deed of delivery and acceptance of the Goods or the results of the work carried out as a part of the Services. If the work being performed within the Services is construction work, the warranty period shall be 60 (sixty) calendar months (10 (ten) years for any load bearing structures) of the signing of the final commissioning and acceptance certificate, unless the Parties have directly, unequivocally and in writing agreed to different warranty period.
- 9.2. During the warranty period set out in the Clause 9.1 of these GTC, the Customer may require the Contractor to replace the Goods or to eliminate the detected defects and deficiencies in the Goods or the results of work carried out as a part of the Services within the time limit that the Parties separately agree on, but if the Parties have not separately agreed on such a time limit, then in any case - no later than within 10 (ten) business days from the Customer's request.
- 9.3. The warranty shall not apply to cases where the damage to the Goods or the results of the work carried out as a part of the Services provided was caused by failure to follow the instructions for use. If documents (including instructions for use, operating rules, etc.) are required for the use of the Goods or the results of the work carried out as a part of the Services, the Contractor shall hand them to the Customer free of charge in written form (electronically or printed) agreed by the Parties, in Latvian or English, along with the Goods or the results of work carried out as a part of the Services. If the Contractor fails to perform the obligation referred to in this clause, when the Customer contacts the Contractor during the warranty period, the Contractor may not rely on use contrary to such documents (for example, instructions for use, operating rules, etc.).
- 9.4. The Contractor's responsibility and the provisions contained in Clauses 7.4, 7.7-7.10 herein shall also apply during the entire warranty period.

10. FORCE MAJEURE

- 10.1. The Party shall not be liable for the consequences of their non-performance, such as a delay in the performance of obligations, and shall be released from the obligations of the Party related to such a delay (payment of late interest or contractual penalty for delayed performance and/or compensation of damages), if this Party can prove that such non-performance is related to force majeure circumstances, such as natural disaster, pandemic, war, embargo,
 - which did not occur as a result of the actions of the Party or a person under its control; and
 - which the Party could not foresee at the time of concluding the Agreement; and
 - which not only makes it difficult for the Party to perform their obligations, but makes it impossible; and
 - which cannot be avoided and the consequences of which cannot be overcome (when all of the above occurs).The spread of the Covid-19 infection, the state of emergency declared in connection with it or any other related events shall not be considered to be force majeure circumstances.
- 10.2. The Party requesting release from liability for the consequences of non-performance shall notify the other Party of the occurrence of force majeure circumstances immediately, but no later than within 7 (seven) calendar days. If a Party fails to notify the occurrence of force majeure in accordance with the procedures set forth in this paragraph, it shall not be exempted from liability for the consequences of non-performance.
- 10.3. The exemption from liability for a delay in performance and an exemption from the Party's obligations related to such a delay as

stipulated in Clause 10.1 herein shall be valid as long as the circumstances of force majeure set out in the said paragraph and which are associated with such delayed performance persist. If these conditions persist for more than 1 (one) calendar month, the Party that suffers non-performance from the other Party may unilaterally withdraw from the Agreement in an out-of-court procedure, alternatively the Parties agree on other possible ways of performance or on the termination of the Agreement, if the performance of obligations is no longer feasible.

11. GENERAL PROVISIONS

- 11.1. TRANSFER OF RIGHTS AND OTHER ACTIVITIES: The Customer may at any time assign, transfer, pledge, provide as a guarantee security, transfer to subcontractors or otherwise dispose of all or part of their rights or obligations under this Agreement. The Contractor may not assign, transfer, pledge, provide as a guarantee security, transfer to subcontractors or otherwise dispose of all or part of their rights or obligations under this Agreement without a prior written consent from the Contractor.
- 11.2. NOTICES:
 - 11.2.1. Any notice that either Party is required or permitted to give to the other Party under these GTC shall be made in writing and mailed to the other Party's registered office or principal place of business, or to such other address as is provided to the notifying party in accordance with the provisions of this clause.
 - 11.2.2. The notification or any other information shall be considered to have been received: (i) when submitted in person – at the moment when it is delivered to the address referred to in Clause 10.2.1; (ii) when mailed by priority mail or another next business day delivery service, on the 7th business day after mailing; (iii) when delivering by courier service, once the courier's delivery notice has been signed; or (iv) when sent by email, on the next business day after sending.
- 11.3. SEVERABILITY: If any provision of the Agreement becomes invalid, unlawful or unenforceable as a whole or in part, such provision shall be amended to the minimum extent necessary to make it valid, lawful, and enforceable. If it is not possible to make such amendments, the relevant provisions or part thereof shall be excluded. Any amendments to or exclusion of the provisions or part of them provided for in this paragraph shall not affect the validity and enforceability of the remaining provisions of the Agreement. If any of the provisions of the Agreement becomes invalid, unlawful or unenforceable as a whole or in part, the Parties shall agree in good faith to make amendments to such provisions so that they would become lawful, valid and enforceable after the introduction of the amendments and, insofar as possible, ensure the achievement of the economic result envisaged in the original provisions.
- 11.4. DATA PROTECTION: If documents or information containing personal data are obtained in the course of performance of the Parties' obligations, the Parties may process the data obtained in the course of performance of the Parties' obligations solely for the purposes of ensuring the performance of the Parties' obligations, likewise, the Parties, when transferring personal data to each other, assure that they comply with all applicable legislation, including Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and the requirements for the processing and protection of such data set out in the laws and regulations of the Republic of Latvia.
- 11.5. EMBARGO: The Contractor hereby certifies that the Goods to be delivered to the Customer or the materials used in the completion of the Order were not produced in any of the countries (and/or have not been exported from such countries) in respect of which international sanctions have been imposed –restrictions regarding the subject of sanctions adopted in accordance with the international law by the United Nations Organization or the European Union, or another international organisation of which Latvia is a member, and which are directly applicable or implemented in Latvia in accordance with the procedures provided for in Law on International Sanctions and National Sanctions of the Republic of Latvia; and/or national sanctions – restrictions set regarding the subject of sanctions in accordance with Latvian regulatory enactments and international law by the Cabinet of Ministers pursuant to the procedures provided for in the Law on International Sanctions and National Sanctions of the Republic of Latvia.
- 11.6. WAIVER OF RIGHTS: A waiver of any rights or remedies provided for in this Agreement or by law shall be effective only when made in writing and shall not be deemed a waiver of rights in the event of any subsequent breach or default. Failure or delay of a Party to exercise any of the rights or remedies provided for in this Agreement or by law shall not be considered a waiver of such or other rights or remedies, nor shall it prevent or limit any further exercise of these or other rights or remedies. A single or partial exercise of such rights or remedies shall not prevent or limit the future exercise of such or other rights or remedies.
- 11.7. ANTI-CORRUPTION PROVISIONS: As part of performance of the Agreement, the Contractor undertakes to comply with and ensures that the Contractor's representatives, employees and subcontractors comply with the Code of Conduct for Suppliers as prepared by the Customer (available on the Customer's website: <https://www.valmieraglass.com/en/supplier-code-of-conduct/>). The Contractor shall not pay,

offer, promise to pay or approve any payment, direct or indirect, in connection with this Agreement, and shall ensure that their officers, managers, employees, and any other person acting on their behalf (including, but not limited to, subcontractors or representatives) shall not pay, offer, promise to pay or approve any direct or indirect payments that could be considered a bribe, gift, monetary funds, financial or another type of benefit, or any other benefit, that in terms of its value would violate or would cause the Customer or their officials, managers, employees and/or related parties to violate the applicable international or national anti-bribery and anti-corruption laws and regulations with all their relevant amendments (hereinafter referred to as the "Anti-Corruption Laws"). The Contractor hereby agrees to keep full and accurate records of all payments for any transaction made in connection with this Agreement. If the Customer reasonably determines that the Contractor has violated this clause and/or the provisions of the Anti-Corruption Laws, the Customer unilaterally withdraw from the Order or the Agreement with an immediate effect in an out-of-court procedure by notifying the Contractor in writing. The Contractor shall compensate the Customer for any damages and indemnify them in relation to any kind of claims, demands, legal proceedings, lawsuits, investigations, penalties or fines arising from any such violation. This clause shall survive any suspension or termination of this Agreement.

- 11.8. **CERTIFICATE OF SANCTIONS COMPLIANCE AND ORIGIN OF FUNDS:** The Parties hereby certify that no international sanctions have been imposed on their board and/or council members, beneficial owners, parent/subsidiary companies, persons with rights to represent or other persons related to the completion of the Order or payment thereof – restrictions regarding the subject of sanctions adopted in accordance with international law by the United Nations Organization or the European Union, or another international organisation of which Latvia is a member, and which are directly applicable or implemented in Latvia in accordance with the procedures provided for in Law on International Sanctions and National Sanctions of the Republic of Latvia; and/or national sanctions – restrictions set regarding the subject of sanctions in accordance with Latvian regulatory enactments and international law by the Cabinet of Ministers pursuant to the procedures provided for in the Law on International Sanctions and National Sanctions of the Republic of Latvia; and/or sanctions of a member state of the European Union or the North Atlantic Treaty Organization (NATO) affecting significant financial and capital market interests. The Parties hereby guarantee that they shall immediately notify the other Party in the event that any of the sanctions referred to in this clause have been imposed on the Party's board and/or council members, beneficial owners, parent/subsidiary companies, persons with rights to represent or other persons related to the completion of the Order or payment thereof. In that case, the Agreement shall be considered null and void from the moment the sanctions have been imposed. The Parties hereby assure that no criminally obtained financial funds shall be used in any payments made between the Parties, nor shall any payments made between the Parties be used for money laundering purposes. If, in connection with the occurrence of any of the circumstances referred to in this clause, the Party's access to the bank's current accounts in which the other Party has deposited funds in performance of their contractual obligations is blocked or restricted, or in connection with this, the possibilities to transfer funds to the account provided by the Party are restricted, the settlement obligations of the other Party shall be considered duly performed. For the truthfulness and performance of the representations and guarantees referred to in this paragraph, each Party, assuming the risk, shall be fully liable to the other Party, including for any damages caused to or expenses incurred by the other Party, as well as submitted claims/demands. In order to determine the liability referred to in this paragraph, it is not required to establish the wrongful intent or negligence of the Party by providing the relevant representation or guarantee.
- 11.9. **SUSTAINABILITY:** The Contractor is obliged, at the Customer's request and within the specified time period, to provide, without additional fees, the information necessary for the analysis of supply chains within the framework of the existing Order or Agreement between the Customer and the Contractor.
- 11.10. **THIRD-PARTY RIGHTS:** A person who is not a party to this Agreement may not apply its provisions.
- 11.11. **GOVERNING LAW:** This Agreement and any dispute or claim arising out of or in connection of this Agreement, its subject-matter or drafting (including non-contractual disputes or claims) shall be governed and construed in accordance with the laws of the Republic of Latvia.
- 11.12. **JURISDICTION:** Each party hereby irrevocably agrees that the courts of the Republic of Latvia shall have exclusive jurisdiction to resolve any dispute or claim arising out of or in connection with this Agreement, its subject-matter or interpretation (including the non-contractual disputes or claims).
- 11.13. **CONFIDENTIALITY:** The Contractor undertakes to not to disclose to third parties (and ensure that the Contractor's employees and subcontractors do not disclose to third parties) information that is considered to be the Customer'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 Customer, 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 Customer;
- any information, which the Contractor should reasonably expect the Customer would regard as confidential and the Customer has not stated otherwise in writing.

If the Contractor intentionally or unintentionally violates the prohibition to disclose the Confidential Information, the Contractor shall be liable for any and all the Customer'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 Contractor's wrongful intent or negligence in disclosing the Confidential Information to determine the liability set forth in this clause.

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