

GENERAL SALES AND DELIVERY TERMS – SSI SCHÄFER, LATVIA

1. Definitions

1.1. *Agreement* means the documents listed in clause 3, including the order of documents referred to in clause 3.1. below.

1.2. *Party or Parties* means the Purchaser and SSI or both.

1.3. *Place of Delivery* means the place where the supply is to be delivered, as described in SSI's order confirmation.

1.4. *Purchaser* means any legal person purchasing Supply from SSI and/or referred to as "purchaser" in SSI's order confirmation.

1.5. *Purchaser's Order* means the document submitted by the Purchaser to SSI, containing all technical and commercial specifications and descriptions.

1.6. *Order Confirmation* means the written order confirmation submitted by SSI to the Purchaser.

1.7. *SSI* means SSI Schaefer SIA.

1.8. *Technical Specifications* means all specifications, standards and data sheets, diagrams and drawings contained or referred to in the Order Confirmation, and with which the supply must comply.

1.9. *Third Party* means any legal person who is not a party to the Agreement.

1.10. *Supply / Supplies* means all equipment (including software) and material and / or service SSI is selling to the Purchaser.

1.11. *Intellectual Property Rights* means all copyrights, including database rights and other neighbouring rights, and all industrial property rights, such as patents, utility models, design rights, trademarks, in all relevant cases whether registered or not, and in all cases irrespective of the jurisdiction in which the intellectual property exists.

2. Application

2.1 Unless otherwise agreed in writing, these General Sales and Delivery Terms apply to all Supplies provided by SSI to the Purchaser. SSI is not bound by any conditions, requirements or terms set out by the Purchaser, unless SSI has distinctly accepted such conditions in writing.

3. Order of documents

3.1 Unless otherwise agreed in writing, the Agreement between the Parties shall consist of the following documents:

- 3.1.1. Order Confirmation;
- 3.1.2. These General Sales and Delivery Terms;

- 3.1.3. SSI's quotation, specifications and drawings attached or referred to in the Order Confirmation; and
- 3.1.4. Purchaser's Order.

In the event of any ambiguity or inconsistency between the documents of the Agreement, the document referred first in clause 3.1 shall prevail.

4. Contract price

4.1 Unless otherwise agreed in writing, the contract price of component parts is a lump sum. In the case of system sales, the contract price is payable by instalments of 30 % on the entering into the Agreement, 30 % on delivery of the material, 30 % on completion of the assembly, and 10 % on the delivery.

4.2 Any taxes and duties incurred in connection with the import to the Purchaser's country are payable by the Purchaser.

5. Payment

5.1 Payments must be made within 30 days as from the date of invoice.

5.2 If the Purchaser fails to pay within the agreed due date, interest equivalent to the official discount rate of the Central Bank of Latvia plus 8 % per annum will be added to the debt.

5.3 In case of non-payment or late payment, SSI is entitled to suspend the production or the installation of the Supply until due receipt of the payment.

5.4 If the Purchaser has not paid the amount due within three months, SSI is entitled to terminate the Agreement without notice, claiming compensation for any loss suffered in that connection.

6. Delivery

6.1 The time and the place of delivery are specified in the Order Confirmation. Terms of the delivery shall be DAP (Incoterms 2020), unless otherwise agreed in writing.

6.2 If the Purchaser fails within a reasonable period to fulfil its contractual obligations under the Agreement, including the obligation to approve of drawings, Technical Specifications, etc. in due time, SSI is entitled to postpone the date of delivery by a period corresponding to the delay displayed by the Purchaser, with addition of 14 days.

6.3 If a delay in delivery is caused by force majeure, see clause 12, the delivery time will be extended by a period corresponding to the period legitimately affected by force majeure.

6.4 If delivery has not taken place by the agreed date of delivery for reasons solely attributable to SSI, i.e. without

any contributory act or omission on the part of the Purchaser, the Purchaser is entitled to liquidated damages for delay, counting from the agreed date of delivery.

6.5 The agreed liquidated damages are payable at a rate of 0.5 % of the net contract price for each full week of delay. However, the total amount of liquidated damages may not exceed 5 % of the net contract price. If the delivery is divided into partial deliveries, the liquidated damages shall be calculated from the net contract price of each delayed part of delivery, however not exceeding 5 % of the total net contract price.

6.6 THE AGREED LIQUIDATED DAMAGES SET OUT IN CLAUSES 6.5. AND 6.4. SHALL BE THE SOLE AND ENTIRE COMPENSATION THE PURCHASER IS ENTITLED FOR REGARDING DELAYS IN RELATION TO THE AGREEMENT.

6.7 The liquidated damages under this clause 6 fall due for payment at the Purchaser's demand in writing but not until the delivery has taken place or the Agreement has been terminated.

6.8 The Purchaser forfeits its right to liquidated damages under this clause 6, if the Purchaser fails to make a demand in writing for the agreed liquidated damages (i) within six months after having established a delay giving such right; or (ii) upon the final delivery date, whichever occurs first.

6.9 If the Purchaser fails to receive the delivery, the Purchaser shall nevertheless pay the agreed delivery instalment. Further, SSI shall arrange storage of the Supply for the Purchaser's account and risk, until the delivery has taken place. If requested in writing by the Purchaser, SSI shall also take out insurance for the stored Supply for the Purchaser's account, which the Purchaser shall compensate to SSI against invoice.

6.9 If the Purchaser terminates the Agreement in full or in part, the Purchaser is entitled to compensation for any direct loss suffered as a result of such termination. Such compensation, including any unpaid or accrued liquidated damages for delay, must not, however, exceed 10 % of the part of the net contract price relating to the part of the Supply giving grounds for termination of the Agreement.

6.10 The liquidated damages together with the right to terminate the Agreement with the consequential right to limited compensation are the only remedies available to the Purchaser in case of SSI's delay. Accordingly, the Purchaser is not entitled to raise any other claims to SSI due to SSI's delay.

6.11 If the Purchaser anticipates being unable to accept delivery by the

agreed date of delivery, the Purchaser shall immediately notify SSI thereof in writing. Such notice must state the reason for why the Purchaser is unable to accept delivery in due time, and, if possible, also an indication of when the Purchaser expects to be able to accept delivery.

6.12 Unless the Purchaser's failure to accept delivery may be attributed to force majeure, see clause 12, SSI is entitled to request the Purchaser in writing to accept delivery within a reasonable deadline fixed by SSI. If the Purchaser fails to accept delivery within such deadline, SSI may terminate the Agreement in whole or in part, subject to 14 days' prior notice. SSI is in that case entitled to compensation for any loss suffered due to the Purchaser's failure to accept delivery.

7. Product information, drawings and descriptions

7.1 All information and data contained in general product descriptions and price lists, whether in electronic or any other form, shall be understood solely as a description of the goods. Technical Specifications are only binding on SSI if explicitly so stated and referred to in the Order Confirmation.

7.2 All drawings, Technical Specifications or other technical documents relating to the Supply or the performance thereof and submitted by either Party to the other Party prior to or concurrently with the entering on this Agreement shall remain the property of the submitting Party.

7.3 Drawings, Technical Specifications or other technical information received by either Party may not without the other Party's explicit consent be applied for any other purpose than for the performance of the Parties' mutual obligations under this Agreement. Accordingly, any material comprised by this provision may not without the submitting Party's explicit consent be copied or otherwise disclosed to any Third Party, unless any such disclosure relates exclusively to the performance of the Parties' Agreement.

7.4 On delivery, at the latest, SSI shall provide the Purchaser with the information, drawings, and specifications, etc. required for permitting and enabling the Purchaser to construct, commission and maintain the Supply. Any information, operator's manuals and instructions, etc. comprised by this provision must be supplied in one copy, unless otherwise stated in the Agreement. SSI is not obligated to provide detailed drawings of the Supply.

7.5 SSI (or, where applicable, its licensors) shall retain all Intellectual Property Rights in any Supplies,

including to any modifications made thereto.

7.6 Intellectual Property Rights in Purchaser-specific data generated by a Supply will vest in the Purchaser. The Purchaser, however, grants SSI the right to use such data, e.g., collected as part of, diagnostics or the provision of ongoing Supplies, to create aggregate data from which the Purchaser may no longer be specifically identified. Any Intellectual Property Rights in such aggregate data shall vest exclusively in SSI.

7.7 As regards any Supply that is or incorporates software, the Parties intend and agree that such software is licensed and not sold, and that the words "purchase", "sell" or similar or derivative words are understood and agreed to mean "license", and that the word "Purchaser" or similar or derivative words are understood and agreed to mean "licensee". Notwithstanding anything to the contrary contained herein, SSI or its licensor, as the case may be, retain all rights and interest in software provided hereunder.

7.8 The Purchaser shall not delete or in any manner alter the trademarks or any copyright, trademark, or other proprietary rights notices of SSI or its licensors affixed on or in any Supply (including software).

7.9 The Purchaser shall not reverse engineer, copy, disassemble, decompile, translate, or adapt any Supply that is or incorporates software, save as expressly permitted by applicable mandatory laws.

8. Variations

8.1 SSI is not entitled without the Purchaser's written consent to make any variations in the Supply. Subject to the conditions hereof, the Purchaser is entitled to request from SSI in writing that SSI adapts, increases, restricts, or otherwise varies the Supply at any time during the performance of the Supply.

8.2 Within 14 days after SSI's receipt of the Purchaser's directions to vary the Supply, SSI shall inform the Purchaser of any expected costs and expected adjustments in the agreed delivery time caused by any such changes, provided always however that SSI shall be entitled to reject the requested variation if SSI, upon having carried out an impact assessment, reasonably believes that any requested variation would:

- 8.2.1. be technically impossible to implement; or
- 8.2.2. materially and adversely affect SSI's ability to deliver the Supply; or
- 8.2.3. cause SSI to be in breach of any existing licence, consent or permit; or
- 8.2.4. require the consent of a third party to enable the variation to be implemented and SSI is unable to obtain such consent; or
- 8.2.5. result in additional costs or expenses to SSI, which the

Purchaser has not proposed to be paid to SSI as part of the variation.

8.3 Further, SSI shall, if possible, inform the Purchaser about any matters relating to SSI's contractual obligations hereunder, including guarantee obligations which may be caused by the changes required by the Purchaser. SSI is not obligated to initiate any changes, until the Parties have agreed on the terms and conditions thereof and on any adjustment of price, delivery time or SSI's obligations in other respects.

8.4 Should the Parties' discussions of changes in the Supply result in any delay, the delivery time will be extended by a period equivalent to the period of any such discussions, with addition of 14 days.

9. Inspection and acceptance tests

9.1 Unless otherwise agreed by the Parties, inspection and acceptance tests prescribed by the Order Confirmation must be performed within normal working hours at the place where the Supply is being manufactured.

9.2 SSI shall notify the Purchaser in writing in due time prior to the performance of acceptance tests, thus enabling the Purchaser to be represented at such tests. If the Purchaser is not represented during the acceptance tests, a test report considered by SSI to be true and fair must be sent to the Purchaser. If the Purchaser fails to contribute adequately to the performance of acceptance tests, the delivery shall be deemed to be completed upon the final assembly.

9.3 If an acceptance test substantiates that the Supply is not in compliance with the Order Confirmation, SSI shall repair any defect without undue delay for the purpose of ensuring that the Supply is in accordance with the Agreement. Subsequently, a new acceptance test must be performed, if so requested by the Purchaser, but only if the defects established by the acceptance test first performed are material.

9.4 SSI shall pay all reasonable costs incurred in connection with the acceptance test performed at the place where the Supply is being manufactured. The Purchaser's own travelling and accommodation expenses are, however, payable by the Purchaser.

9.5 Notwithstanding the lack of any acceptance test etc., the delivery shall be deemed to have taken place in accordance with the Agreement by the Purchaser's operational use or commissioning of the Supply, at the latest.

10. Warranties

10.1 SSI warrants that the Supply is in conformity with the specifications and drawings constituting part of the

Agreement, and that the Supply, when tangible, is manufactured by means of good materials, thus being free from defects, and further that it complies adequately with the operational conditions required by the Technical Specifications.

10.2 SSI's warranty and liability for defects (including hidden defects) are limited to defects occurring and established within a period of 12 months, counting from the date of delivery or, in case of a purchase requiring installation, from the date of handover. In addition, SSI's liability and warranty are limited to comprise only defects clearly attributable to SSI's Supply and occurring under normal and intended operational conditions.

10.3 Further, SSI is not liable for defects which result from normal wear or tear of the Supply, incorrect or insufficient maintenance or use, incorrect installation performed by others than SSI, faulty repairs or changes made without SSI's prior written consent.

10.4 Upon the repair of a defective part of the Supply, SSI is liable for defects in the repaired or replaced part of the Supply, subject to the same conditions and for the remaining period of the warranty applying to the original Supply.

10.5 THE PURCHASER SHALL WITHOUT UNDUE DELAY GIVE NOTICE IN WRITING TO SSI OF ANY LACK OF CONFORMITY, WHENEVER A DEFECT IS ESTABLISHED. SUCH NOTICE MUST CONTAIN A DESCRIPTION OF THE DEFECT AND MAY NOT UNDER ANY CIRCUMSTANCES BE GIVEN LATER THAN TWO WEEKS AFTER THE DEFECTS HAVE BEEN OR OUGHT TO HAVE BEEN ESTABLISHED.

10.6 IF THE PURCHASER FAILS TO NOTIFY SSI IN WRITING OF THE ESTABLISHMENT OF A DEFECT ACCORDING TO CLAUSE 9.5, THE PURCHASER FORFEITS ITS RIGHT TO ANY REMEDY IN RELATION TO SSI DUE TO THE ESTABLISHMENT OF A DEFECT.

10.7 IF THE CHARACTER OF A SPECIFIC DEFECT RESULTS IN ADDITIONAL PROPERTY DAMAGE OR PERSONAL INJURY, THE PURCHASER MUST IMMEDIATELY NOTIFY SSI THEREOF IN WRITING. THE PURCHASER BEARS THE RESPONSIBILITY AND THE RISK OF ANY FURTHER DAMAGE IN CASE THE PURCHASER FAILS TO NOTIFY SSI IMMEDIATELY.

10.8 Upon receipt of the Purchaser's notice of lack of conformity, SSI shall without undue delay, on its own account, repair the defect complained of. Such repair must be performed at the place where the Supply is located, unless SSI recommends that the defective part of the Supply is returned to SSI for repair or replacement.

10.9 The Purchaser shall on its own account conduct any dismounting and remounting of any other equipment than the actual Supply, if this is required for repairing any defects in the Supply.

10.10 If the Purchaser has given notice of defects, however, without having established any such defect for which SSI is responsible, SSI is entitled to compensation for any costs inflicted on SSI due to the misconceived notice of defects.

10.11 The Purchaser shall on its own account conduct any dismounting and remounting of any other equipment than the actual Supply, if this is required for re-pairing any defects in the Supply.

10.12 Unless otherwise agreed by the Parties, the Purchaser shall pay all additional costs, which SSI may have incurred in connection with the transportation, including the transport of materials and own employees, all as a consequence of the Supply being located elsewhere than at the place of delivery.

10.13 Defective parts having been replaced must be made available to SSI and be regarded as SSI's property.

10.14 If SSI fails in due time to fulfil its obligations under this clause 10, the Purchaser is entitled to set a final reasonable deadline for SSI to fulfil its obligations. If SSI fails to fulfil its warranty obligations within such final deadline, the Purchaser shall be entitled of its own accord or through the agency of a third party, to carry out any work required for repairing the defects established, subject, however, to SSI's liability for the repair costs being equal to or below 10% of the contract price.

10.15 When the Purchaser or a third party has duly performed any repair work required, SSI's reimbursement of any costs incurred by the Purchaser in this connection is to be considered a full and final settlement of SSI's liability for the defect concerned.

10.16 Any repair work performed by others than SSI will not be comprised by SSI's warranty or liability for defects.

10.17 If a defect has not been repaired or is not duly repairable, the Purchaser shall be entitled to a reduction of the contract price, equivalent to the reduced value of the Supply presumably caused by the defect, such reduction, however, never being more than 10% of the contract price.

10.18 SSI shall not be responsible for defects in the Supply caused by materials or design supplied or completed by the Purchaser or third parties upon the Purchaser's request.

10.19 SSI is not responsible for defects in the Supply caused by materials or design supplied or completed by the Purchaser.

11.20 SSI is not liable for any indirect loss which may have been caused by an established defect, including any loss of earnings, interruption of production or any similar indirect loss.

11.21 This clause 10 contains an exhaustive list of the Purchaser's remedies for breach of warranty.

11. Risk and Title

11.1 SSI shall obtain all permissions, licences, etc. required for exporting the Supply. The Purchaser shall obtain all permissions, licenses, etc. required for importing the Supply.

11.2 Unless otherwise agreed, the risk of the Supply will pass to the Purchaser on delivery. In case of any commercial use prior to delivery, the risk will pass to the Purchaser on any such commercial use, and the Purchaser shall then have the full liability and risk of its own employees' acts and omissions, counting from the date of any such commercial use.

11.3 The title will pass to the Purchaser upon receipt of payment in full.

12. Force Majeure

12.1 Either Party shall be entitled to suspend performance of its obligations under this Agreement to the extent and for the time that such performance is impeded or made unreasonably onerous by Force Majeure, as defined below in section 12.2.

12.2 Force Majeure means any cause or occurrence affecting the ability of a Party hereto to perform its obligations under the Agreement, which cause or occurrence is beyond the reasonable control of the Party affected, and which could not have been avoided by the exercise of reasonable diligence, including, but not limited to industrial conflicts, general supply and fuel shortage such as e.g. lack of components or scarcity of goods, fire, war, pandemic, military mobilization or call-up of similar extent, governmental measures, requisition, seizure, currency restrictions, riots or rebellions, lack of transport facilities, seismic or volcanic activity, restrictions on power sources and lacks of or delays in supplies from sub-suppliers caused by any of the aforementioned incidents.

12.3 Neither Party shall be liable for any failure or delay in performing its obligations hereunder or for any loss or damage resulting therefrom, caused by, or arising from a Force Majeure event; and time for affected Party's performance shall be extended accordingly for the duration of the Force Majeure event and its consequences.

12.4 Notwithstanding anything herein contained, either Party is entitled to terminate the Agreement by notifying the other Party in writing, if the performance of the Agreement is obstructed for more than 6 months due an incident referred to in clause 12.2.

12.5 Once a Party becomes aware that its performance under Agreement is likely to be affected by Force Majeure, this Party without any delay shall give a written notice to the other Party, setting out all relevant details relating to the delay.

13. Product liability and liability for damage to third party or third party's property

13.1 SSI IS ONLY LIABLE FOR LOSS, INJURY, OR DAMAGE CAUSED BY SSI OR THE SUPPLY UP TO MAX. 10% OF THE CONTRACT PRICE OF THE AGREEMENT. FURTHER, SSI SHALL ONLY BE LIABLE PROVIDED SUCH DAMAGE IS DEMONSTRABLY DUE TO A DEFECT OR NEGLIGENCE ON THE PART OF SSI IN RESPECT OF THE SUPPLY DELIVERED BY SSI, THAT SSI'S SUPPLY IS PROVED TO BE DEFECTIVE, THAT THE LOSS, INJURY, OR DAMAGE IS DUE TO SUCH DEFECT, AND FINALLY THAT THERE IS A CAUSATION BETWEEN THE LOSS, INJURY, OR DAMAGE AND THE DEFECT.

13.2 SSI shall under no circumstances be liable to the Purchaser for loss of contracts, profits, revenue, business, goodwill, loss of production, loss of operation, loss of goods or reputation, loss of anticipated savings or waste of management or labour, or any other indirect or consequential loss regardless of the ground of the claim.

13.3 Liability for damage resulting from personal injury and / or property damage to items other than the delivery item covered by the contract is limited to a max. total of 10 million euros. The Purchaser shall indemnify SSI against any Third Party's claim for compensation in excess of the aforementioned limit.

13.4 Liability for direct financial losses through defects in the IT performance provided by SSI resulting from SSI's proven gross negligence is limited to 2 million euros.

13.5 SSI has indemnity insurance with an amount covered of at least the agreed liability amounts.

13.6 Otherwise, the liability of SSI, its employees, subcontractors or other companies and persons participating in the fulfilment of the Agreement by order of SSI regardless of what the legal reason is and regardless of the location of the damages, is excluded unless the damage has been caused by gross negligence or intent on the part of SSI or its assistants.

13.7 SSI is liable neither for any damage to real property or goods, occurring while the Supply is in the Purchaser's possession, nor for any damage to products manufactured by the Purchaser and incorporating SSI's Supply.

13.8 In case SSI is held liable beyond the abovementioned, or in case any such liability exceeds EUR 10,000,000, the Purchaser undertakes in that respect to hold SSI harmless. The Purchaser shall take out general liability insurance, including product liability insurance, covering any liability that may be alleged against the Purchaser.

13.9 The Purchaser accepts to be sued before the same court of law /- arbitration tribunal hearing the question of SSI's product liability.

14. Confidentiality

14.1 The Parties shall respectively keep secret all matters pertaining to the entering of any agreement and the contractual basis and conditions thereof.

14.2 The Parties shall respectively ensure that any confidential information and knowledge deemed confidential by the other Party is applied only for the purpose of fulfilling the Parties' obligations under the Agreement.

15. Notices and Amendments

15.1 Any notice, approval, instruction or any other form of communication from any of the Parties must be given in writing, e.g., by email.

15.2 Any amendment to the Agreement shall, to become effective, be made in writing.

16. Termination

16.1 Parties shall be entitled to terminate the Agreement by submitting a written notice to that effect to the other Party if:

16.1.1 the other Party has committed a material breach of the Agreement and such breach has not been rectified within a reasonable time, however, reasonable time never exceeding thirty (30) days, after the Party has notified the other Party;

16.1.2 an application is made for bankruptcy, corporate restructuring, winding-up, restructuring of debts or any similar procedure; or

16.1.3 Force Majeure obstructs the performance of the Agreement for more than six (6) months.

16.2 The Purchaser shall be entitled to terminate the Agreement by submitting a written notice to that effect to SSI if the agreed delivery of Supply is delayed for more than six (6) months.

16.3 SSI shall be entitled to terminate the Agreement by submitting a written notice to that effect to the Purchaser if:

16.3.1. the Purchaser has not paid a payment due within three (3) months;

16.3.2. the Purchaser is unable to agree on a final deadline for delivery

within a reasonable time; or
16.3.3. or the Purchaser is unable or fails to accept the delivery before the agreed deadline.

17. Governing law and arbitration

17.1 This Agreement shall be governed by and construed in accordance with the laws of Latvia without regard to its principles and rules on conflict of laws. The United Nations Convention on Contracts for the International Sale of Goods shall be excluded.

17.2 Any dispute arising out of or in connection with the Agreement, including any disputes regarding its existence, validity, or termination, shall be finally settled by arbitration administered by the Latvian arbitration court (Reg. No. 40003754139), in accordance with the rules of the Arbitration Court (LAC), with a single arbitrator sitting alone or in court of the Republic of Latvia upon choice of the claimant.

17.3 The arbitral tribunal shall be composed of 1 arbitrator unless LAC decides on necessity to involve more arbitrators considering complexity and monetary value of the dispute. The place of arbitration/dispute resolution shall be Riga. The language to be used in the arbitral proceedings shall be Latvian or English. This Agreement shall be governed by the substantive law of Latvia.