

## Standard Conditions of Sale of Goods 112021 of SIA ELME METALL LATVIA

These standard conditions of sale of goods (hereinafter referred to as “**Standard Conditions**”) of SIA Elme Metall Latvia (hereinafter referred to as „**EML**“ or „**Seller**“), are the integral part of the Purchase and Sale Agreement, which EML enters into with buyers for the sale of the goods traded by EML by signing the Special Terms of the Sales Agreement (hereinafter referred to as “**Contract**”) and/or integral part of the Offer on the sale of goods traded by EML (hereinafter referred to as „**Offer**“), and these shall determine mutual rights and obligations the seller and the buyer.

### 1. General provisions

- 1.1. Unless EML and the buyer have agreed otherwise in the Contract or in its annexes in writing, these Standard Conditions shall apply.
- 1.2. Unless otherwise specified in the Contract, a reference made to specific clause, sub-clause or annex are considered as a reference to the corresponding clause, sub-clause or annex of the present Standard Conditions.
- 1.3. In the present Standard Conditions titles are used solely to simplify the reference making and these are not taken into consideration upon definition, interpretation or restriction of the provisions of the present Standard Conditions.
- 1.4. If it's required by the context of the Contract and/or of the Standard Conditions, the singular words mean plural in the Standard Conditions and vice versa.
- 1.5. Non-application or subsequent application of right arising from the present Standard Conditions or from the law doesn't signify the abandonment of this right or other rights. Singular or partial dispose of the right on the basis of the present Standard Conditions or legislation doesn't prevent further dispose of the same right or other rights.
- 1.6. Rights and obligations presented in the Contract, in the Offer and in the Standard Conditions are cumulative and doesn't exclude any right or obligation provided by the law or otherwise.

- 1.7. If any provision of the present Standard Conditions shall prove to be partially or fully invalid, illegal or non-executable, it doesn't affect the validity, legality or executability of other provisions of the present Standard Conditions. Partial or full invalidity, illegality or non-enforceability of one or several provisions of the present Standard Conditions, shall not affect in any manner the validity, legality or enforceability of the rest provisions of the Contract and/or the Offer and/or the Standard Conditions.

- 1.8. Each clause of the Standard Conditions shall be interpreted together with other corresponding clauses of Standard Conditions and/or of the Contract and/or of the Offer on the basis of the meaning and purpose of the Standard Conditions.

### 2. Object of Contract

- 2.1. EML sales and buyer buys the goods and services offered by the seller according to the specification approved between the buyer and seller on conditions laid down in the Contract and/or in the Offer and in the Standard Conditions.

### 3. Selling of Goods on a basis of a Contract or an Offer and transfer to the Buyer

- 3.1. Selling of Goods to the buyer is enacted on the basis of the Contract, signed by the authorized representative of EML from one party and by the authorized representative of the buyer from another party except in

the case presented in the clause 3.2 of the Standard Conditions.

- 3.2. EML can sell and the buyer can buy products and services without entering into a Contract on the basis of an Offer, dispatched from the seller to the buyer in writing or in form, enabling its written reproduction, taking into account the following:
- 3.2.1. The Offer, made by EML to the buyer, shall be binding to the parties on conditions, provided in the Offer, presented to the buyer by EML, when the buyer accepts the Offer in unaltered and/or supplements-free form in writing or in form, enabling its written reproduction, and returns it to the seller.
- 3.2.2. With an acceptance the buyer shall give its consent to the seller regarding purchase of goods on conditions, provided in submitted Offer.
- 3.2.3. In order to obtain an Offer the buyer shall submit to the seller an order, indicating in the order at least:  
name, specification and quantity of goods/services to be purchased;  
delivery conditions and delivery terms for goods/services to be purchased;  
special conditions, established by the buyer, incl. special conditions on packing and transport of goods, if these exist.
- 3.2.4. The present Standard Conditions shall be applied to the Offer, if the seller refers to it in its Offer or a Contract is signed between EML and the buyer.
- 3.2.5. An Offer must include at least the following conditions:  
Date of preparation and number of the Offer;  
Full name and position of the Offeror;

name, specification, quantity and price of goods and/ or service sold on a basis of the Offer;

period of validity of the Offer;

payment conditions;

delivery terms and conditions regarding goods and/ or service sold on a basis of the Offer;

other special conditions, established by the seller.

- 3.2.6. Resulting from the type of the goods and/or information, presented by the buyer to the seller before preparation of the Offer, data, included in the Offer, can differ from provided in the clauses 3.2.1-3.2.4 (incl.) of Standard Conditions.
- 3.2.7. Unless otherwise specified in the Offer, an Offer is valid seven (7) days started from the date it was forwarded to the buyer. In case EM didn't receive a buyer's confirmation within a mentioned time limit, it shall be considered as non -accepted by the buyer and any rights or obligations for the seller or the buyer shall not result from it.
- 3.2.8. EML has the right to refuse to submit an Offer regardless of the reason.
- 3.2.9. If it is referred to in the Offer, that the present Standard Conditions are applicable to it, the word Contract in the Standard Conditions shall be read as a word Offer and the provisions of the Standard Conditions regarding a Contract shall apply to the Offer.
- 3.3. Goods for sale shall be made available to the buyer according to the FCA Incoterms 2010 – Riga, unless parties agree otherwise in writing.
- 3.4. EML can Offer to the buyer a transport service and deliver the goods to the place, indicated by the buyer in the following cases:

- 3.4.1. In case of delivery of single shipment of goods, exceeding 20 tons (twenty tons) within the limits of the city, where the seller's warehouse is located by means of transport of the seller or ordered by it free of charge within the terms agreed upon by the parties; or
- 3.4.2. In case of delivery of single shipment of goods in amount less than 20 tons (twenty tons) by means of transport of the seller or ordered by it according to the price of transport service, agreed with the buyer in writing or in form, enabling its written reproduction, within the terms agreed upon by the parties.
- 3.5. Unlike provided in the Standard Conditions clause 3.4, parties can also agree otherwise in respect of delivery of goods.
- 3.6. Term of delivery is valid and shall be binding to the parties, provided that delivery of the Goods indicated in the Contract or its availability in the seller's warehouse is not prevented by the circumstances mentioned in clauses 11.1.-11.3 (incl.), or by the actions or omissions of third parties, including public authorities and officials. In the latter case, the deadline is extended by the number of days, during which the seller was not able to fulfill his obligations before the buyer due to the circumstances mentioned in clauses 11.1. - 11.3 (incl) or arising from actions or omissions of third parties.
- 3.7. The risk of accidental loss and damage of the goods passes from the seller to the buyer upon transfer of title to the goods in accordance with the clause 3.11.
- 3.8. Title to the goods shall pass from the seller to the buyer after the full payment for the goods, unless the parties agree otherwise in the Contract.
- 3.9. The seller hands over the goods to the buyer's authorized representative indicated in the relevant Annex to the Contract. Upon seller's request, the buyer's representative shall be obliged to submit an ID (passport, driver's license or ID card) corresponding to the relevant legislation and accepted by the seller. If an identity document is missing or not provided, as well as if the person receiving the goods is not included in the list of buyer's authorized representatives, the seller has the right to refuse to hand over the goods to this person.
- 3.10. The buyer confirms the transfer of the possession of the goods by the signature of its representative and writing down his/her name and surname in clear legible manner according to the demand of the seller – on the bill of delivery, on invoice, or on the “delivery and acceptance act”.
- 3.11. If during the sale of the goods, the buyer does not accept the goods within the deadline (deadlines) and in the place indicated in the Contract, it shall be regarded as delay of the buyer with the reception of the goods. The delay of the buyer with the reception of the goods does not release the buyer from the obligation to pay the price of the goods within the time agreed in the Contract. In case of delay with reception of goods by the buyer, the seller has the right to withdraw from the execution of the Contract and to require a compensation of damages caused by delay with reception of goods from the buyer.
- 3.12. In case Seller delivers the goods by trucks to the designated point of delivery, the Buyer shall be obliged to unload the goods within 1 hour/per truck. In case of Buyer's delay with unloading, the Seller shall be entitled to claim standstill payment in accordance

with the price list of the Seller valid at the time of delay.

- 3.13. Seller is entitled to insure the goods at his own discretion, or to transfer unpaid invoices to the credit institution (factoring), unless parties agree otherwise in writing.

#### **4. Goods compliance to the terms of the Contract**

- 4.1. EML confirms that the quality of the goods meets the requirements established by legislation of Republic of Latvia as well as requirements and conditions set out in the certificate of conformity of the goods and/or in the quality certificate.

- 4.2. Upon receipt of the goods, the buyer is obliged to check the conformity of the goods with the Contract and with the certificate of conformity and/or quality certificate.

- 4.3. The seller sends the purchaser the certificate of conformity and / or the certificate of quality in electronic form to the specified in the Contract e-mail address not later than within three (3) business days after the goods have been delivered to the buyer. For one item of the relevant document, the purchaser pays one (1) euro (€) processing service per document. If the buyer wants to receive the certificate of conformity and / or quality certificate on paper, EML issues it for a fee. A fee for issuing a document on paper is one (1) Euro (€) for each page.

- 4.4. When accepting the goods, the buyer is obliged to check its compliance with the type, quantity and quantity, and immediately notify the Seller about any deficiencies, specifying such deficiency and/or non-compliance in writing in detail on the bill of delivery. In case of absence of the bill of delivery, deficiency should be indicated in any other document confirming the transfer and acceptance of goods. If it is impossible

to ascertain deficiency and/or non-compliance immediately

- upon receipt of the goods, the buyer shall inform seller immediately after noticing deficiency and/or non-compliance, but not later than within seven (7) calendar days after receiving the goods. The seller undertakes to remedy the deficiency of or non-compliance within a reasonable time without causing additional costs to the buyer, unless the parties agree otherwise. If a deficiency and/or non-compliance is not described in the bill of delivery, or in other document confirming the transfer and acceptance of goods, which shall be returned by the buyer to the seller, it shall be considered, that at the time of transfer of ownership of the goods, the goods corresponded to the conditions of the Contract. The same shall apply in case, if deficiency or non-compliance is described insufficiently, in order to establish and remedy such defect or non-compliance.

- 4.5. Seller must be notified of the goods that do not meet the conditions of the Contract. This applies, without limitation, to non-conformity with certificate of conformity and/or quality certificate (hidden defects), and should be presented in writing no later than within 30 (thirty) calendar days of receipt of the goods, providing as much as possible details in description of the content of non-compliance. In the case of partial deliveries, 30 (thirty) calendar days from the date of receipt of each part of the goods.

- 4.6. If based on legal acts there is some other manufacturer's warranty period regarding the goods, the buyer shall notify the seller of non-compliance during the period of manufacturer warranty, within a reasonable time after detection of non-compliance or from the

moment, when the buyer, acting reasonably, should have detected it.

- 4.7. The seller is not obliged to take into account the claims made after the expiration of the term specified in clause 4.5 of these Standard Conditions, or after the warranty period for the goods, or if these do not contain a sufficiently accurate description of non-compliance with the Contract.
- 4.8. The seller is obligated to eliminate shortcomings in quantity, to replace the defective goods, including goods, not corresponding to the certificate of conformity and/or certificate of quality, or to or reduce price of the non-conforming goods, within a reasonable time after notification by the buyer. This shall be on the precondition, that according to clause 4.7 the goods will be returned to the seller in the same shape and condition as it was in the time of the sale (ie. it was not cut, bent, modified, welded etc. by the buyer). The limits of liability of the seller are limited to the cost of defective goods.

## **5. The buyer's credit limit**

- 5.1. Depending on the economic and financial situation of the buyer, as well as its ability to settle invoices in due time, the seller can offer the buyer a credit limit, the amount of which shall be stated in the Contract.
- 5.2. In case of a credit limit, the seller shall hand over the goods to the buyer without prepayment.
- 5.3. If the credit limit is exceeded, the seller has the right withhold goods and/or request advance payment for the goods.
- 5.4. To obtain and maintain the credit limit the buyer is obliged upon request to submit to the seller up to two (2) times a year buyer's balance and income statement, signed by the legal representative on the paper or with a digital signature. Seller shall be entitled to use the received balance only for the

calculation of the credit limit and the seller is obliged not to transfer the balance to third parties and to maintain confidentiality of the contents of balance.

- 5.5. The seller has the right to cancel the credit limit unilaterally in case:
  - 5.5.1. The buyer refuses to give to the seller its balance in the manner described in clause 5.4 of these Standard Conditions;
  - 5.5.2. The buyer has become insolvent, or there are proceedings against it on reorganization or bankruptcy;
  - 5.5.3. In case of initiated liquidation, insolvency proceedings or legal redress proceedings;
  - 5.5.4. The buyer has exceeded the credit limit and did not pay the invoice within thirty (30) calendar days from the payment deadline given in the invoice;
  - 5.5.5. The buyer has not exceeded the credit limit, but did not pay the invoice within sixty (60) calendar days from the payment deadline given in the invoice;
  - 5.5.6. The buyer at least twice ( 2 ) delayed payment of the invoice(-s) and each delay exceeded seven (7) calendar days;
  - 5.5.7. The factoring company closed the credit limit or refuses to carry out factoring of the buyer's outstanding invoices for the reason attributable to the buyer;
  - 5.5.8. There are other factors not mentioned above, indicating that the buyer is unable to meet its obligations to the seller.
- 5.6. The seller has the right to reduce the credit limit of the buyer unilaterally if the buyer's solvency and/or financial indicators have deteriorated, or the circumstances indicated in the clause 5.5 occur, or if it is due to the fact, that factoring reduces the buyer's limit.

- 5.7. The seller is entitled to unilaterally increase the credit limit of the buyer, if the buyer's solvency and financial indicators have improved, and the circumstances indicated in clause 5.5 according to seller's reasonable judgement shall not accrue.
- 5.8. The seller shall inform the buyer without undue delay in time at least in the form of a written report that can be reproduced, about the cancellation or modification of the credit limit.

## **6. Payments for goods**

- 6.1. The seller sells goods to the buyer according to the price (-list) given in the Contract or in the Offer.
- 6.2. The buyer pays for the goods according to invoice, received from the seller. The seller shall submit an invoice to the buyer via e-mail to the buyer's e - mail address indicated in the Contract, or shall send it by post to the buyer's post address, or shall hand it over upon delivery of the goods to the receiving party.
- 6.3. If there is no other payment term agreed in the Contract, the buyer obligates to pay the invoice within thirty (30) calendar days. Invoice payment shall be made by bank transfer, in euros, to the bank account indicated by the seller in the invoice. The invoice is considered paid by the buyer upon full receipt of amount indicated in the invoice on the seller 's bank account.
- 6.4. The buyer's tradename, invoice number and, if available, the buyers "customer number" and/or the reference number of the buyer's invoice must be indicated on the invoice payment order.
- 6.5. In case the invoice payment due date is exceeded, without prejudice to its other rights, the seller is entitled to demand from the buyer default interest at the rate of zero point zero seven

percent (0.07 %) per day for each day of delay in payment until full payment of the invoice.

- 6.6. If the buyer is late with paying the invoice for more than thirty (30) calendar days, the seller has the right to assign the claim against the buyer to the debt collection companies or any other person interested in acquiring the debt claim. In this case, in addition to the collection costs, the buyer also undertakes to bear all costs, directly or indirectly related to the claim assignment.
- 6.7. In addition to clause 6.5, the seller is entitled to suspend the sale of goods to the buyer and/or hand over the goods, section 5 above, until due payment of the delayed invoice and default interest calculated on its basis. If the buyer delays payment more than twice (2), the seller becomes entitled to terminate the Contract unilaterally without complying with the advance notice period established in clause 8.3.
- 6.8. In a situation where the buyer does not make an advance payment for the goods to the seller, the seller has the right to request the buyer to present a bank guarantee. In case of failure to provide the required bank guarantee or in the case of its non-compliance with conditions laid down in the Contract by the seller, the latter is entitled not to sell the goods and/or to terminate the Contract unilaterally without complying with the advance notice period established in clause 8.3.
- 6.9. The buyer is not entitled to refuse to pay the invoice totally or partially due to non-compliance of the goods with the Contract terms. If non-compliance of the goods with the Contract terms existed during transfer of title to the buyer, seller and the buyer shall agree on reimbursement of such goods separately.

- 6.10. In case the payment is not sufficient to cover all obligations of the buyer, the payment funds shall be deducted in the following order:
- 6.10.1. Costs related to the recovery of debts, including "inkasso" and court fees.
  - 6.10.2. Compensation of losses
  - 6.10.3. Default interest
  - 6.10.4. Financial interest (in case of loan, credit line or similar)
  - 6.10.5. The amount of main obligation.
- 6.11. When selling good from a warehouse, the cost of proccessing and selection of relevant certificates shall be added to each article of goods - the price according to the price list is one (1) euro (euro) per item. When selling prefabricated goods or blanks, the cost of processing and selection of certificates shall be added - the price according to the price list is five (5) euros (euro) per set. Prices are indicated without VAT.

## **7. Amendment of Contract and Standard Conditions**

- 7.1. Provided that the Contract doesn't state otherwise, it may be amended by agreement between the seller and the buyer, however any such amendments are only valid if they are made in writing and signed by both parties. This shall not apply to cases, where the change of the terms of the Contract arises from the legislation in force, or changes of legislation of Republic of Latvia.
- 7.2. One party shall consider a proposal on the other party on the amendment of the Contract within fourteen (14) calendar days following the date of receipt of the proposal to amend the Contract. If during the above mentioned period the seller has not received any written objections to the seller's proposal to amend the Contract from the buyer, it is considered, that the buyer agrees with the changes and they come into force.

- 7.3. The seller has the right to change these Standard Conditions unilaterally, notifying about the change at least thirty (30) calendar days in advance. Notification shall be published either on seller's Internet web page <https://elmemetall.eu/en/contacts-en/sales-offices/elme-metall-latvia-en>, or otherwise in the manner established by the seller. In addition to information, a new version of the Standard Conditions and its effective date shall be published in the aforementioned website. In case of disagreement with the change of the Standard Conditions the buyer is entitled to terminate the Contract in the manner prescribed in clause 8.3 of the Standard Conditions, fulfilling all its obligations to the seller, arising from the Contract.

## **8. Validity of Contract**

- 8.1. Unless otherwise is stated in the Contract, the Contract comes into force after it is signed by the seller and the buyer, and it shall remain valid for a fixed term of one (1) year.
- 8.2. Each time, the Contract shall be automatically extended for the same period, unless one of the parties has not sent to the other party at least thirty (30) calendar days before the expiration of the Contract a written notice of its intention not to extend the Contract. The number of extensions of the Contract period in this manner is not limited.
- 8.3. The parties have the right to cancel the Contract at any time by giving notice to the other party in writing at least thirty (30) days in advance.
- 8.4. Upon expiry or termination of the Contract the buyer shall have to pay all amounts payable not later than

the last day of validity of the Contract. Upon buyer's failure to comply with the above commitments, the seller shall become entitled to transfer its claim against the buyer to a third party, without observing the period specified in clause 6.6.

8.5. Unless the Contract provides otherwise, all amounts payable by the buyer to the seller are subject to recovery within the meaning of the clause 8.3 of Standard Conditions, on the last day of the validity of the Contract, regardless of the initial date of payment.

8.6. Expiration or termination of the Contract does not terminate the rights and obligations that arose before the expiration or termination of the Contract.

## 9. Settlement of Disputes

9.1. All disputes and disagreements arising from the fulfillment of the Contract shall be settled through friendly negotiations between the parties.

9.2. In case parties are unable to reach an agreement, in accordance with the laws and legal acts of Republic of Latvia, at the choice of the plaintiff in the court of the Republic of Latvia under the law of the jurisdiction or in the Baltic Regional Arbitration Court, Riga, in accordance with the rules of this arbitration court, composed of one arbitrator, the language of the case is Latvian.

## 10. Liability

10.1. Seller and buyer meet their Contractual obligations in good faith by following practices relevant to such business relationships and with due diligence.

10.2. Parties are responsible for willful non-performance. To the extent permitted by law, and unless parties agreed otherwise in writing, the seller shall not be liable for the indirect,

incidental and punitive damages, caused to the buyer. Notwithstanding anything to the contrary, seller's overall liability is always limited by the amount of the applicable Contract.

## 11. Force-majeure

11.1. Failure to comply with obligations under the Contract or its improper fulfillment by the party is excused, if the party has violated the obligation due to *force-majeure* circumstances. *Force-majeure* is a circumstance which the party could not influence, and based on the common sense it was not to be expected and could not have been taken into account during the conclusion of the Contract, but that could not have been avoided acting reasonably, considering all circumstances and their consequences.

11.2. Party, whose actions on fulfilling its obligations under the Contract are prevented due to *force-majeure* circumstances, is required to notify the other party in writing no later than two

(2) calendar days of the date of occurrence of these facts, and to submit upon request of the second party a document, proving a *force-majeure* presence.

11.3. If influence of *force-majeure* is temporal, the term of execution of the Contract shall be prolonged by period of time equal to the period, when *force-majeure* prevented fulfillment of the obligations arising from the Contract. Delay in fulfillment of Contractual obligations due to *force-majeure* is permitted up to a maximum of ninety

(90) calendar days, but not more than actual period of *force-majeure* circumstances. If *force-majeure* effects last longer than ninety (90)

days, the parties have the right to cancel the Contract without prior notification.

## **12. Authorized representatives**

- 12.1. Contract provides a list of the authorized representatives of the buyer, who are entitled to place orders on behalf of the buyer, receive information about the order and Contract execution, receive and accept an Offer from the seller, receive the goods, and to submit to the seller claims on behalf of the buyer.
- 12.2. Contract also provides a list of the authorized representatives of the seller, who are entitled to accept orders, claims, etc. from the buyer, and to make Offers to the buyer.
- 12.3. A list of authorized representatives of the seller and the buyer, as per clauses 12.1-12.2, shall be formalized as a relevant Annex to the Contract.
- 12.4. Parties shall notify each other in writing without undue delay of changes to the list of authorized persons.
- 12.5. Addition or removal of authorized persons from the relevant Annex is done by written notification of the authorized representative of a party, or by a party holding a power of attorney, which validity can be reasonably established by the seller (e.g. digitally signed). The changes to the list of authorized parties shall be done on the day, following the day of receipt of corresponding notification.

## **13. Final provisions**

- 13.1. Parties shall communicate in a simple written or digitally signed form, except for informative messages that may be presented in a form that can be reproduced in writing or by telephone, provided that the Contract or Standard Conditions do not state otherwise.
- 13.2. Simple written form of notifications, orders, claims, amendments, acceptance, etc. specified in the Contract and in the Standard Conditions is always possible to replace with a form of digital signature, provided that it will be sent to the e-mail addresses of the parties specified in the Contract.

13.3. The buyer can make an order and the seller – an Offer in a form, that can be reproduced in writing or by e-mail, always provided that such communication takes place via e-mail addresses of the authorized parties fixed in the Contract.

- 13.4. When handing over notification against a signature, the notification is considered to be received on the day of signing by the recipient. When sending a notification via the post office it is considered to be received on the date specified on the notice of delivery. When sending a notification to an email address, it is considered to have been received on the second business day after it was sent.
- 13.5. Notifications shall be sent to the parties postal address or e-mail address indicated in the Contract.
- 13.6. If the data specified in the Contract is changed, the party, whose data has changed, shall notify the other party about such changes without undue delay.
- 13.7. Notwithstanding anything to the contrary, the buyer is obliged inform the seller to immediately about any changes related to the data initially established in the Contract, or in the documents transmitted to the seller, that can influence the proper fulfilment of the contractual obligations and/or can influence the credit limit, set for the buyer. Upon request of the seller, the buyer is obliged to present the documents verifying the corresponding changes.
- 13.8. The Contract, as well as information transmitted by one party to another party during execution of the Contract, except these Standard Conditions, are confidential and the parties undertake not to disclose or make them available to third parties without the prior written consent of the other party. This limitation shall not apply to disclosure, necessary in cases specifically stipulated by laws and legal texts of the

Republic of Latvia. This shall also not apply to disclosure of the information to the companies of the same group in the meaning of the Group of Companies law, as well as disclosure to auditors, lawyers of the parties and to the credit and financial institutions, provided that they also comply with the duty of non-disclosure of confidential information. Disclosure of information to a third party, to which one of the the parties transfers the claim against the other party, is also not considered to be a breach of non-disclosure obligations.