

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

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1 General

- 1.1 These general terms and conditions of sale and delivery shall apply to all offers, quotations, deliveries and contracts made by Connec3 Latvia B.V. (hereinafter 'Connec3 Latvia'), in which Connec3 Latvia undertakes to deliver products to buyer/customer (hereinafter 'Buyer').
- 1.2 The applicability of general conditions of the Buyer or any third person general conditions is expressly rejected.
- 1.3 Deviations from these general terms and conditions will only be valid if expressly agreed to in writing by Connec3 Latvia and deviations mentioned in order confirmation.
- 1.4 Insofar as these general terms and conditions are also drawn up in a language other than English, in the event of any conflict the English text shall always prevail.
- 1.5 The term 'in writing' shall have the following meaning: by letter or by e-mail.

2 Offers and conclusion of agreement

- 2.1 All offers made by Connec3 Latvia before order confirmation shall be free of obligation, even if they contain an acceptance period.
- 2.2 An agreement shall come into effect once Connec3 Latvia has confirmed the order in writing. Connec3 Latvia's order confirmation constitutes the entire agreement. After written confirmation by Connec3 Latvia, if the Buyer does not answer within 5 days, Connec3 Latvia has no liability in regard of non-delivered products.
- 2.3 Any offer made or undertaking given by an (authorised) representative of Connec3 Latvia shall only be binding insofar as the latter confirms this in writing.
- 2.4 Any samples or examples supplied and/or shown with the offer are considered to be indicative unless otherwise agreed in writing.
- 2.5 The Buyer must inform Connec3 Latvia in writing of any specific requirements (e.g. quality requirements and/or quality standards) concerning the products before the agreement is concluded. Unless specific requirements concerning the products are imposed and have been explicitly accepted by Connec3 Latvia in writing, the Connec3 Latvia selection of products are deemed to be enough.
- 2.6 Any contract variation must be confirmed in writing by Connec3 Latvia.
- 2.7 Unless otherwise agreed in writing, Connec3 Latvia determines whether the products are packed and if so, which packaging method is used.

3 Prices

- 3.1 The prices do not include any packaging costs and accessory charges.
- 3.2 Any price cited by Connec3 Latvia shall be based on the existing monetary conditions, labour costs, procurement prices, duties, transportation costs, insurance costs, wages, taxes and other levies, subsidies and the like prevailing at the time the agreement concerned is concluded. In the event that one or more of these cost price components increase after conclusion of the agreement but before the relevant products have been delivered, Connec3 Latvia shall be entitled to pass on any reasonable price increase to the Buyer.

4 Delivery

- 4.1 Unless otherwise agreed in writing, delivery will take place 'delivered at place', agreed place of destination (DAP, Incoterms® version in force at the moment of conclusion of the agreement).
- 4.2 Delivery times shall be determined per transaction. The delivery time shall commence at such time as the relevant agreement is concluded in accordance with clause 2.2, Connec3 Latvia is in possession of all documents, instructions and details to be provided by the Buyer and, if agreed, Connec3 Latvia has also received any prepayment.
- 4.3 Unless otherwise agreed, a specified delivery time shall under no circumstances be deemed to constitute a final date. Connec3 Latvia shall not be in default in respect of such delivery time until the Buyer notifies Connec3 Latvia in writing. In case Buyer stipulates a reasonable period of time within which Connec3 Latvia has the opportunity to effectively conclude delivery, and Connec3 Latvia still fails to do so, then it is considered that Connec3 Latvia has not made the delivery in time.
- 4.4 The Buyer is only allowed to postpone any agreed delivery up to a maximum of four weeks before the

agreed delivery date.

4.5 If the time for delivery is exceeded, Connec3 Latvia shall inform the Buyer timely. If the time for delivery is exceeded, the Buyer shall not be entitled to cancel or terminate the agreement, unless the time for delivery is exceeded more than 12 weeks. The Buyer will never be entitled to any compensation in case of late delivery.

4.6 Connec3 Latvia supplies, unless otherwise specified in writing, all shipments in a falling available length specification.

4.7 The Buyer's failure to comply with its duty to effect payment (or to do so on time), shall have the effect of suspending Connec3 Latvia's duty to effect an agreed delivery.

4.8 Connec3 Latvia is entitled to effect a delivery in parts. Each partial delivery shall be deemed to represent a separate agreement. Connec3 Latvia shall be entitled to demand payment for each partial delivery before proceeding with any other.

4.9 If there is no mention of delivery terms in Order confirmation, the duties are based on 'ex works', agreed place (EXW, Incoterms® version in force at the moment of conclusion of the agreement).

5 **Obligation to take delivery**

5.1 The Buyer has an obligation to take possession of a delivery.

5.2 If the Buyer has not taken possession of a delivery within the agreed delivery term or if the Buyer, in case no term has been set, has not taken possession of the purchased products within three months of the date of conclusion of the agreement, Connec3 Latvia has the right to cancel the orders that have not been collected (as well as any other current orders or parts thereof, unless it is unreasonable for Connec3 Latvia to do so) without further notice or to dissolve the agreement without being liable for the restitution of any damages, without prejudice to the right of Connec3 Latvia to claim restitution from the Buyer.

5.3 Connec3 Latvia can store products that were not taken into possession by the Buyer at its own premises or at the premises of a third party for the account and risk of the Buyer.

5.4 The Buyer remains, even if it does not fulfil its obligation to take delivery, fully liable for payment of the specified price to Connec3 Latvia within the applicable payment period.

6 **Payment**

6.1 Payment must be made within 14 days from the date of invoice. Payment must be made into an account which is designated by Connec3 Latvia for this purpose, without any discount, settlement, suspension or claim of compensation unless otherwise agreed in writing. Connec3 Latvia shall at all times have the right to demand full or partial payment in advance, unless agreed and stated in order confirmation.

6.2 Payment made by the Buyer will first be applied to settle all interest and costs payable and subsequently for those invoices that have been outstanding for the longest periods. This will also be the case if the Buyer states that the payment relates to a later invoice.

6.3 In the event that payment is not effected on time, the Buyer shall be deemed to be in default without the need for any notice of default or judicial intervention. The Buyer shall be charged an interest for the amount due of 1,5% per month or part of a month from the moment of default. All costs involved in collecting the amount due, both judicial and extrajudicial, shall be for the account of the Buyer. The extrajudicial costs owed will never be less than 15% of the sum to be collected subject to a minimum of € 250,-. If Connec3 Latvia can prove that it has incurred higher costs, that were necessary in all fairness, then these, too, shall be eligible for compensation. Connec3 Latvia retains the right to charge the Buyer for any damages incurred by Connec3 Latvia due to non-compliance with payment obligations.

6.4 Furthermore, subject to any other rights Connec3 Latvia may have pursuant to the law or the agreement, in the absence of timely payment it shall be entitled either to suspend further delivery or to terminate all or part of the relevant agreement without the need for a notice of default or judicial intervention. For the avoidance of doubt the abovementioned does not hinder Connec3 Latvia's right to seek compensation for any harm it has suffered due to suspension of delivery or termination either part of the agreement or whole agreement.

6.5 At any rate, the entire purchase price shall fall due with immediate effect in the event that the Buyers company goes bankrupt, is granted a suspension of payments, is placed in the care of a guardian, Buyers companies possessions are attached, or in the event that the Buyer's business is liquidated or dissolved.

6.6 Upon or after entering into the agreement and before its implementation, Connec3 Latvia will be entitled to demand a guarantee from the Buyer that both the payment obligations and any other obligations arising from this agreement will be fulfilled. Refusal by the Buyer to provide the required guarantee gives Connec3 Latvia the right to suspend its obligations and ultimately, without any notice of default or judicial intervention, the right to dissolve the contract wholly or partially, without prejudice to Connec3 Latvia rights to compensation for any damages suffered by the actions of the Buyer regarding this.

7 Retention of title (to German customers a different regulation applies, see clause 15)

- 7.1 The products supplied shall remain the property of Connec3 Latvia until all that is owed for the supply of those products, including any costs, damages and interest, as well as any amount payable due to the Buyer's failure to comply with its obligations pursuant to this agreement or any other, is paid in full.
- 7.2 The Buyer is obliged to keep and/or render the products subject to retention of title in Connec3 Latvia's favour identifiable and to keep them separate from each other and from other products held by the Buyer.
- 7.3 Until title to the products passes to the Buyer, the Buyer shall not be entitled to transfer title to them to a third party, to tender them by way of security, to encumber or to pledge them, or to place them at the disposal of a third party in any other way. Nevertheless, the Buyer shall be entitled to sell these products in the normal conduct of its business.
- 7.4 The Buyer has a duty of care with regard to the products covered by the retention of title and shall be responsible for the preservation of quality. The Buyer must insure the products and keep them insured against all of the risks customary in the sector.
- 7.5 The Buyer shall at all times help Connec3 Latvia exercise its right of ownership. As long as retention of title applies, the Buyer shall have a duty to grant Connec3 Latvia access to its buildings and premises.
- 7.6 When first so requested by Connec3 Latvia, the Buyer shall be obliged to pledge to Connec3 Latvia any accounts receivable it acquires in respect of products supplied by Connec3 Latvia which are subject to retention of title and have been sold to its buyers.

8 Complaints

- 8.1 The Buyer is obliged to check the products upon delivery for any visible and/or immediately observable defects and/or damage, bearing in mind the tolerances as set out in this article. In case of any such defect and/or damage, the Buyer must, immediately after the goods have arrived, make a complaint for this to the transporters by making a clear description of the defect and/or damage on the CMR-document and send a detailed report of the complaint in writing to Connec3 Latvia within 48 hours after delivery of the goods. If the Buyer fails to report defects within 48 hours after the delivery, the Buyer will be considered to have approved the products supplied and complaints will no longer be considered.
- 8.2 Defects which can only be observed at a later stage, shall be reported to Connec3 Latvia within 14 calendar days after delivery and immediately after discovery.
- 8.3 As the products are natural materials its natural biological, chemical and physical properties must therefore be taken into consideration when purchasing and using the product. Potential quality deviations resulting from these characteristics may not be considered as a defect of the product.
- 8.4 Minor deviations and deviations considered acceptable in the trade, or deviations that could not reasonably be avoided in consequence of differences in, for example, wood thickness and expansion and contraction or colour pattern, are permissible and will not be accepted as grounds for a complaint, termination of the agreement or any compensation.
- 8.5 If 10% or less of the delivery deviates in quantity from that which was agreed, this will not be accepted by Connec3 Latvia as a ground for a complaint.
- 8.6 Complaints can only be accepted if notified in time in accordance with the paragraphs 8.1 and 8.2 above, and supplemented by clear photographic material that shows the defects in a nondebatable guided with a clear description of the defect and/or damage.
- 8.7 If Connec3 Latvia has acknowledged the complaint, Connec3 Latvia shall only be obliged to deliver what is missing, to make adjustments to the products or to replace the delivered products, such at Connec3 Latvia's own discretion.
- 8.8. Products in which regard a rightful claim has been lodged may only be returned to Connec3 Latvia with the prior written approval of Connec3 Latvia. Any returns without the prior written approval of Connec3 Latvia are not accepted by Connec3 Latvia. Connec3 Latvia is entitled to charge any administration costs, freight costs and any other costs for returns. Products bearing a disapproval mark are never to be eligible for return.
- 8.9 If a part or all of a delivery of products has been processed or undergone an irrevocable change through the actions of the Buyer, complaints will no longer be considered.
- 8.10 The Buyer shall provide Connec3 Latvia with the opportunity to investigate the complaint. The Buyer shall grant all necessary co-operation with the investigation.
- 8.11 In order to enable the investigation, the Buyer shall keep the products and any packaging pertaining to any complaint at Connec3 Latvia's disposal (as a whole and retaining the original packaging) and shall

safeguard the products in an appropriate way (e.g. the quality of the products). In case the Buyer does not comply with these obligations, the Buyer is still obliged to take off and pay for the products.

- 8.12 Complaints do not postpone the payment obligations of the Buyer unless the Buyer has the express written permission of Connec3 Latvia in this respect.
- 8.13 The negotiation of complaints does not constitute the acknowledgement by Connec3 Latvia of any obligation to remedy defects.
- 8.14 Complaints about the invoice must be notified to Connec3 Latvia within 7 working days after invoice date.

9 Liability

- 9.1 Connec3 Latvia's liability is restricted to the fulfilment of the obligations under article 8.
- 9.2 Except in the case of legal liability pursuant to provisions of mandatory law and a deliberate act or omission, or gross negligence on the part of Connec3 Latvia, any liability of Connec3 Latvia for any damage is excluded. Liability for any indirect or consequential damage including lost profits or loss ensuing from late delivery, is expressly excluded.
- 9.3 In all cases where Connec3 Latvia is obliged to pay compensation for damages, the aggregate liability of Connec3 Latvia to buyer under any theory or ground shall at all times be confined to the net invoice value of the products concerned or to that part of the net invoice value to which a claim for compensation is directly or indirectly related. Total compensation for damages payable by Connec3 Latvia shall in no event exceed € 10.000, - per event, whereby a series of related events will be considered as a single event. These limitations will apply for all claims related directly or indirectly to this agreement, including without limitation, tort (including negligence), and strict liability.
- 9.4 The Buyer shall indemnify Connec3 Latvia against any claim made by a third party in respect of which Connec3 Latvia is not liable under these terms and conditions.
- 9.5 All claims against Connec3 Latvia other than those which have been acknowledged by Connec3 Latvia shall lapse by the mere expiry of 12 months following the origin of that claim.

10 Force majeure

- 10.1 In the event of Force majeure, Connec3 Latvia shall be entitled to withdraw its quotations, suspend deliveries or terminate any relevant agreement without judicial intervention, and it shall not be required to provide any compensation.
- 10.2 In addition to what the law considers to be force majeure, force majeure of Connec3 Latvia should be understood to mean war or comparable situations, mobilisation, riot, siege, sabotage, boycott, epidemics, pandemics, government measures, strike or lock-out, occupation, blockade, production decreases or lack/shortages of raw materials, technical problems with production systems, layoffs, delays in the conclusion of necessary preparatory work by the buyer, illness of Connec3 Latvia's personnel, failure to perform of suppliers and/or hauliers, government legislation (including foreign governments) such as transport, import, export or production restrictions, natural disasters, bad weather, lightning strikes, fire, explosion, release of dangerous substances or gases, as well as all other unforeseen circumstances that prevent Connec3 Latvia or its suppliers or sub-contractors or upstream providers from implementing the agreement properly and on time and that are not for the account and risk of Connec3 Latvia.
- 10.3 In the event that Connec3 Latvia relies on force majeure, it shall immediately notify the buyer thereof in writing, and also of the cessation thereof.
- 10.4 Where Connec3 Latvia has already executed part of an agreement, the buyer shall pay the purchase price for any products that have been delivered.
- 10.5 If Connec3 Latvia's temporary inability to perform lasts for more than 6 months, it will no longer be entitled to suspend performance. On expiry of this deadline, the buyer may terminate the agreement with immediate effect, but only as regards such part of the obligations that has not yet been performed.

11 Suspension and termination

- 11.1 In the event that the Buyer fails to comply with its obligations pursuant to an agreement into which Buyer has entered, or fails to do so properly or on time, Connec3 Latvia shall send the Buyer a written notice giving the Buyer 10 days to remedy the non-compliance. If the Buyer does not resolve the non-compliance in 10 days from the written notice given by Connec3 Latvia, Connec3 Latvia shall be entitled to suspend or terminate the agreement without the need to give notice of default or for judicial intervention, and it shall not have a duty to provide any form of compensation.
- 11.2 In the event that the Buyer's company goes bankrupt, is granted a suspension of payments, is placed in the care of a guardian, experiences change of the Control, Buyer's companies possessions are attached, or in the event that the Buyer's business is liquidated or dissolved, Connec3 Latvia shall be entitled to

- suspend or terminate the agreement without the need to give notice of default or for judicial intervention, and it shall not have a duty to provide any form of compensation.
- 11.2 Any claim on the part of Connec3 Latvia pertaining to a part of the agreement which has already been executed, or harm suffered as a result of its suspension or termination, which shall be deemed to include loss of profit, shall fall due with immediate effect.
- 11.3 Connec3 Latvia has the right to terminate the agreement with a written notice 30 days in advance.

12 Cancellation

- 12.1 No order for products which has been acknowledged by Connec3 Latvia may be cancelled by the Buyer, except with the agreement in writing of Connec3 Latvia. In the event of such cancellation the Buyer shall pay to Connec3 Latvia a sum calculated as:
- 12.1.1 Prior order of materials: 5% of Agreement value;
- 12.1.2 Prior to Connec3 Latvia receiving materials at the storage facility: 25% of Agreement value;
- 12.1.3 After products ready for shipment and prepared for delivery: 100% of Agreement value.
- 12.2 Sums mentioned in 12.1 shall be paid by way of ascertained damages by Connec3 Latvia and are accepted as being a genuine pre-estimate of the losses likely to be suffered by Connec3 Latvia in such an event.

13 Intellectual property rights

- 13.1 Connec3 Latvia retains all intellectual property rights related to delivered products, even if the products have been made specifically for the Buyer, unless otherwise agreed in writing.

14 Governing law and jurisdiction

- 14.1 These general terms and conditions and any agreements entered into by Connec3 Latvia shall be solely governed by and construed in accordance with the law of the Netherlands. The application of the United Nations Convention on Contracts for the International Sale of Goods (1980) [CISG] shall be excluded.
- 14.2 In case of any dispute the competent court in Roermond, the Netherlands, will be entitled to deal with the dispute unless Connec3 Latvia would elect to submit the dispute to the competent court in the place where the buyer has its registered offices.
- 14.3 Disputes between Connec3 Latvia and buyers who are established outside the European Union will be settled by means of arbitration of the International Chamber of Commerce under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one arbitrator. The place of arbitration will be Roermond, the Netherlands. The arbitral procedure shall be conducted in the English language.

As a deviation from clause 7 the following applies to German customers:

15 Eigentumsvorbehalt

Das Eigentum an den gelieferten Waren bleibt zur Sicherung aller Ansprüche vorbehalten, die uns aus der gegenwärtigen und künftigen Geschäftsverbindung bis zum Ausgleich aller Salden gegen den Abnehmer zustehen.

Unser Eigentum erstreckt sich auf die durch Verarbeitung der Vorbehaltsware entstehende neue Sache. Der Abnehmer stellt die neue Sache unter Ausschluss des eigenen Eigentumserwerbs für uns her und verwahrt sie für uns. Hieraus erwachsen ihm keine Ansprüche gegen uns.

Bei einer Verarbeitung unserer Vorbehaltsware mit Waren anderer Lieferanten, deren Eigentumsrechte sich ebenfalls an der neuen Sache fortsetzen, erwerben wir zusammen mit diesen anderen Lieferanten – unter Ausschluss eines Miteigentumserwerbs des Abnehmers - Miteigentum an der neuen Sache zu deren vollem Wert (einschließlich Wertschöpfung) wie folgt:

- a) Unser Miteigentumsanteil entspricht dem Verhältnis des Rechnungswertes unserer Vorbehaltsware zu dem Gesamtrechnungswert aller mitverarbeiteten Vorbehaltswaren.
- b) Verbleibt ein von Eigentumsvorbehalten zunächst nicht erfasster Restanteil, weil andere Lieferanten den Eigentumsvorbehalt nicht auf die Wertschöpfung durch den Abnehmer erstreckt haben, so erhöht sich unser Miteigentumsanteil um diesen Restanteil. Haben jedoch andere Lieferanten ihren Eigentumsvorbehalt ebenfalls auf diesen Restanteil

ausgedehnt, so steht uns an ihm nur ein Anteil zu, der sich aus dem Verhältnis des Rechnungswertes unserer Vorbehaltsware zu den Rechnungswerten der mitverarbeiteten Waren dieser andere Lieferanten bestimmt.

Der Abnehmer tritt bereits jetzt seine Forderungen aus der Veräußerung von Vorbehaltsware aus unseren gegenwärtigen und künftigen Warenlieferungen mit sämtlichen Nebenrechten im Umfang unseres Eigentumsanteils zur Sicherung an uns ab. Bei Verarbeitung im Rahmen eines Werksvertrages wird die Werklohnforderung in Höhe des anteiligen Betrages unserer Rechnung für die mitverarbeitete Vorbehaltsware schon jetzt an uns abgetreten.

Solange der Abnehmer seinen Verpflichtungen aus der Geschäftsverbindung mit uns ordnungsgemäß nachkommt, darf er über die in unserem Eigentum stehende Ware im ordentlichen Geschäftsgang verfügen und die an uns abgetretenen Forderungen selbst einziehen. Bei Zahlungsverzug oder begründeten Zweifeln an der Zahlungsfähigkeit oder Kreditwürdigkeit des Abnehmers sind wir berechtigt, die abgetretenen Forderungen einzuziehen und die Vorbehaltsware zurückzunehmen; jedoch liegt ein Rücktritt vom Vertrag nur dann vor, wenn wir dies ausdrücklich schriftlich erklären.

Übersteigt der Wert der uns eingeräumten Sicherheiten unserer Forderungen um mehr als 10%, so werden wir auf Verlangen des Abnehmers insoweit Sicherheiten nach unserer Wahl freigeben.

Scheck-/Wechselzahlungen gelten erst nach Einlösung der Wechsel durch den Abnehmer als Erfüllung.

Die Parteien vereinbaren hiermit hinsichtlich der Vereinbarung von Eigentumsvorbehaltsrechten die ausschließliche Geltung deutschen Rechtes.

Jedweder sonstige dieser Vereinbarung entgegenstehende oder die Vereinbarung von Eigentumsvorbehaltsrechten betreffende vertragliche Regelung, insbesondere innerhalb von Allgemeinen Geschäftsbedingungen wird durch diese Vereinbarung gegenstandslos.

16 Confidentiality

- 16.1 Each Party shall protect and keep in confidence the confidentiality of all information in whatever form provided by the other Party, or to which the receiving Party obtains access by virtue of its performance under this Agreement, that either has been identified as confidential by the disclosing Party or by its nature warrants confidential treatment, and this by using the same degree of care and safeguard as it uses to protect its own proprietary/confidential information of like importance, but in any event no less than a reasonable degree of care. Each Party shall further protect and keep in confidence, the confidentiality of the terms and conditions of this Agreement as confidential information and in the same manner as indicated above.
- 16.2 The receiving Party shall use such information only as it may be required for the purposes of performance of its obligations under this Agreement and shall not disclose it to anyone except its employees, consultants or advisers who have a need to know the information and who have signed or are bound by confidentiality agreements/undertakings at least as stringent as those contained herein.
- 16.3 In the event of a breach of the Agreement by the receiving Party or termination of the Agreement, confidential information shall be returned or permanently destroyed, as instructed by the disclosing Party, together with all copies thereof. The receiving Party shall provide to the disclosing Party, within ten (10) days of request, a certificate of one of its senior corporate officer attesting to this return or destruction.
- 16.4 Each Party acknowledge that any failure to comply with any of the requirements of this Clause 16 (Confidentiality) will cause irreparable injury to the other Party and consents to the issuance of injunction or other specific performance to protect the information, and waives any requirement, in jurisdictions where applicable, for the Party seeking the relief to post any bond in support thereto.

17 Miscellaneous

- 17.1 Export. The Parties agree to comply with any applicable export and re-export control laws. Each Party agrees to reasonably assist each other, at no cost, in obtaining all required authorizations, certificates, licenses or permits necessary, if any, for the export, re-export and transfer of the goods.
- 17.2 Headings. The names of the clauses of the Agreement are intended for the convenience of the overview of the Agreement and the Agreement cannot be interpreted using the names of these clauses.

17.3 Relationship of the Parties. At no time in the past, present, or future shall the relationship between Connec3 Latvia and Buyer be deemed or intended to constitute an agency, partnership, joint venture, or a collaboration for the purpose of sharing any profits or ownership in common. Neither party shall have the right, power, or authority at any time to act on behalf of or to represent the other party, but each party hereto shall be separately and entirely liable for its own debts in all aspects.

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