



General Conditions of Sale

1 Scope of Application and Priority of Conditions

These general conditions ("General Conditions") shall be applied always when Telko Oy or its affiliated company ("the Seller") sells products to a customer ("the Buyer") unless explicitly otherwise agreed in the written contract for trade and supply of products, in an offer or in a confirmation of an order ("the Agreement") between the Parties. General terms shall thus in principle be applied to all offers, asking prices, order confirmations, orders, contracts, deliveries and services.

The Agreement and the General Conditions form an agreement as a whole. If the Agreement and the General Conditions are in some parts in conflict with each other, conditions of the Agreement shall be applied primarily.

Any possible Buyer's general conditions or any other standard terms shall not be applied.

2 Validity of Offer and Conclusion of Agreement

The Seller's offer for the Buyer shall be valid for the period stated in the offer. If no period of validity is mentioned, the offer shall be valid for thirty (30) days from the date of the offer.

The offer, related calculations and other documents as well as the rights thereto, remain the property of the Seller. The recipient of the offer may not use the offer or the information it includes to the detriment of the Seller. These General Conditions' confidentiality provisions shall be applied to the offer and related documents.

The offer price shall be based on the foreign exchange rates valid at the date of the offer.

In sales based on an offer the Agreement is concluded when the Buyer notifies the Seller that it accepts the offer. In sales based on an order, the Agreement is concluded when the Seller confirms the order submitted by the Buyer. The Agreement can also be concluded in other ways permitted by legislation.

The Agreement is in all cases deemed to have been concluded on the terms of the Seller's offer unless otherwise confirmed explicitly in writing by the Seller.

The Buyer is responsible for the accuracy of the order confirmation supplied by the Seller.

3 Passing of Risk

Unless otherwise agreed by delivery clause between the Parties, the accidental risk of loss and damage to the goods shall pass to the Buyer once the Seller properly fulfills its obligation to deliver the goods according to the terms of the Agreement (for example, the goods have been delivered to the Buyer or to an independent carrier for delivery in accordance with the Agreement).

If the goods are to be collected by the Buyer, the carrier or another person on behalf of the Buyer, but it is not done within the deadline specified by the Seller, the risk of accidental loss or damage of the goods passes to the Buyer from the moment when the Seller specifically names the goods ready for transfer (collection) and informs the Buyer about it.

4 Seller's Obligations and Responsibilities

4.1 Period and Terms of Delivery

Unless otherwise explicitly agreed in writing between the Parties, the period of delivery is considered to commence on whichever is the latest of the dates listed below:

- a) the date on which the Agreement is concluded;
- b) the date of crediting the Seller's account with any agreed deposit or advance payment; or
- c) the date of provision on the part of the Buyer of information necessary for delivery.

Unless otherwise agreed in writing between the Parties, deliveries shall comply with Incoterms 2020. Unless otherwise agreed by a delivery clause, the goods shall be collectible at the Seller's warehouse on a date or at a time agreed, or if no time has been specified, within reasonable time. The Seller may make partial deliveries of the Goods, unless otherwise is agreed in writing.

4.2 Specification and Defects of the delivered goods

The Seller shall be liable for the quality and other specification of the goods only in accordance with the information expressly given by the Seller in writing in the Agreement referred to.

To the extent the Seller sells and/or distributes goods of other producers, the Seller shall be liable for the quality and other specification of these goods only in accordance with the official product specifications of the respective producers.

The Buyer is responsible for ensuring that the information provided to the Seller regarding the intended use of the goods (should the Parties clearly agree on such intended use) is correct. If the Parties do not agree in writing on any specific intended purpose of use of the goods, it is considered that the goods must meet the usual requirements for such goods according to their usual purpose of use. The Seller shall not be liable for faultiness of the goods to the extent that the Buyer has neglected to comply with its obligation under clause 5.4 of these General Conditions to examine the goods at the time of delivery and the defect would or should have been notified by a careful examination.

4.3 Delay by the Seller

Immediately upon being informed of a delay, the Seller must notify the Buyer thereof, stating the reason for the delay and a new date on which the delivery can be expected. If the manufacturer or person from whom the Seller acquires the goods or the components fails to fulfil its agreement, thus resulting in a delay in delivery to the Seller, the Seller is not obliged to compensate the Buyer for any loss that may be incurred as a result.

Even if the goods are not delivered or are delivered too late for reasons not owing to the Buyer or due to any circumstances for which the Buyer is not responsible, the Buyer is not entitled to request delivery if there has been a change in circumstances that materially alters the relation between the contractual responsibilities as originally agreed.

If a delay owing to the negligence of the Seller should occur, the Buyer is entitled to claim compensation for demonstrable direct damages.

4.4 Subcontracting



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The Seller shall have the right to employ subcontractors when executing its contractual tasks. The Seller shall remain responsible for the performance of its subcontractors as for its own.

5 Buyer's Obligations and Responsibilities

5.1 Purchase Price

The purchase price is the price separately agreed on by the Parties in the Agreement.

5.2 Delay by the Buyer

Should payment be delayed, the Seller shall be entitled to penal interest on arrears for the period of delay in accordance with the interest rate agreed between the Buyer and the Seller or provider by law. The Seller is also entitled to charge reasonable late interest and/or debt collection costs.

Should the Seller have to postpone delivery for reasons owing to the Buyer, the Seller shall have the right to invoice for the goods according to the original delivery date. The Seller shall also be entitled to compensation for other costs resulting from the delayed delivery such as foreign exchange rate losses, storage costs and any loss resulting from the goods becoming obsolete.

Should the purchase price not be paid by the deadline for reasons not owing to the Seller, the Seller shall be entitled to delay further deliveries until outstanding invoices have been paid or an acceptable deposit has been provided. The Seller is also entitled to refrain from deliveries if the Buyer has notified, or it is otherwise evident, that the Buyer's payment will be seriously delayed. The Buyer is not entitled to present claims for compensation for such delays.

5.3 Advance Payment

Unless agreed otherwise, the Buyer pays an advance payment for the goods in the amount of the full purchase price of the goods, which shall be paid before delivery of the goods commences. Should the Parties agree on a different settlement procedure, the Seller shall nevertheless be entitled to require an advance payment in the amount of all or part of the purchase price to be made if there is a reason to assume that the Buyer will default on all or part of the purchase price.

5.4 Buyer's Obligation to examine and complaint

The Buyer shall verify the suitability of the goods for the Buyer's intended use before placing an order.

The Buyer shall carefully examine the accuracy of delivery and the delivered products when receiving the goods.

If the delivery or the goods subject to it do not conform in part, the Buyer must notify the Seller of this in writing immediately, but not later than five (5) business days from the date of delivery. The Buyer shall examine the accuracy of the invoice sent by the Seller and shall issue any complaint about any non-conformities no later than two (2) working days before the due date.

The Seller is entitled firstly to either rectify the non-conformity or to supply new goods instead of the defective goods. The Buyer is not entitled to require a new delivery if there has been a change in

the circumstances that materially alters the relation between the contractual obligations originally agreed.

If the goods are defective due to the Seller, the Buyer may return the goods at the Seller's expense after first agreeing on the return with the Seller.

If the goods are not defective due to the Seller, the Buyer shall not be entitled to return the goods, unless the return has been agreed in writing with the Seller. The Buyer is responsible for the costs of the return hereof.

If the delivery is delayed for reasons owing to the Seller, the Buyer shall make a complaint immediately after the contractual period of delivery terminates.

The Buyer shall not be entitled to present claims referring to a defect of the goods or delay to the Seller if it has neglected its obligation to examination. The Seller shall not be liable for faultiness of the goods if the Buyer should have noticed the defect in liaison with the performed examination.

6 Adjustment of the Purchase Price

The Seller reserves all rights to adjust the purchase price should foreign exchange rates, import levies or other charges independent of the Seller, taxes or other fees, change before the Buyer makes payment.

In the event of foreign exchange rates affecting the purchase price, the Seller is entitled to adjust euro-dominated price on a pro rata basis to the change in exchange rates in respect of the part of the price that the Seller has not received by at least one business day prior to the date on which the change occurred. In this context, business day shall mean a day on which Lithuanian banks sell foreign currency.

In the event of a change in the foreign exchange rate, the exchange rate applicable as at the date of payment is to be compared with that which was applicable as at the date of the offer. If the Parties have agreed to apply a different exchange rate after the date of the offer, this is to be used instead of the rate that was applicable on the date of the offer.

If foreign exchange rate changes after the date of maturity of the invoice and the purchase price has not been paid in full, the minimum price in euros is determined according to the exchange rate as at the maturity date.

7 Transfer of Title

Unless otherwise agreed, title to the goods is transferred to the Buyer from the moment of payment of the full price of the goods and transferring of the goods to the Buyer or a person, authorized by the Buyer.

8 Termination of the Agreement

8.1 Right of the Buyer to unilaterally terminate the Agreement

If a delivery by the Seller differs essentially from that agreed and, notwithstanding the Buyer's written comments, the non-conformity is not rectified within reasonable time (but not shorter than 30 days) or new goods in keeping with the Agreement are not delivered, the Buyer shall be entitled to terminate the Agreement



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unilaterally, out of court, by giving the Seller a written notice of least 30 days in advance. The Buyer shall also be entitled to terminate the Agreement according to the procedure set forth in this Clause if the delivery is delayed for more than 60 days due to the fault of the Seller to the extent that it causes the Buyer unreasonable inconvenience. The Buyer does not have the right to unilaterally terminate the Agreement if the Seller has informed the Buyer about the expected delay in the delivery of the goods and the Buyer has agreed to a correspondingly longer term for the delivery of the goods.

If the goods that are subject of the Agreement have been produced or acquired especially for the Buyer in accordance with the Buyer's wishes and instructions, and the Seller is unable to use the goods in any other way without considerable loss, the Buyer may terminate the contract because of delay owing to the Seller only if such delay results in the Buyer's essential failure to achieve the purpose of the Agreement.

8.2 Right of the Seller to unilaterally terminate the Agreement

Should the Buyer fail to pay within the agreed period for payment for reasons not owing to the Seller, the Seller shall be entitled to terminate the Agreement unilaterally, out of court, by giving the Buyer a written notice of at least 30 days in advance. The Seller shall also be entitled to terminate the Agreement if the Buyer has notified, or it is otherwise evident, that the Buyer's payment will be seriously delayed, the Buyer will become insolvent or the Buyer will be declared bankrupt.

The Seller shall also be entitled to terminate the Agreement according to the procedure set forth in this Section if the Buyer fails to contribute to fulfilment of the Agreement as agreed or otherwise as could reasonably be expected and within the deadline imposed by the Seller.

The Seller shall also be entitled to terminate the Agreement according to the procedure set forth in this Section, without any liability to compensate the Buyer, if importation of the goods or the raw material that is used to produce the goods becomes impossible or substantially more expensive than the Seller had originally assumed owing to an international agreement binding on Seller or to some other import restriction or legislation or actions imposed by an authority (including but not limited to import quotas and limitations or increased customs duties).

8.3 Force Majeure

The Seller shall not be required to fulfil the Agreement if delivery of the goods or part thereof is prevented by any natural obstacle, fire, mechanical breakdown or similar malfunction, strike, lockout, war, mobilization, prohibition on imports or exports, lack of transport, discontinuation of production, traffic disruption or similar obstacle that is outside the Seller's control. Neither shall the Seller be required to fulfil the Agreement when this would require efforts by the Seller that would be unreasonable compared to the resulting benefit for the Buyer.

The Seller shall not be required to compensate the Buyer for any loss resulting from failure to fulfil the Agreement owing to the force majeure of this kind. The Seller may terminate the contract if the force majeure has lasted for 4 weeks.

9 Sanctions

The Buyer, establishing a business relationship regulated by these General Conditions of Sale with the Seller, represents and warrants that no sanction, economic sanction, export or import ban, embargo, or other restrictive measure ("Sanctions") is imposed, administered, approved, or enforced by the United Nations, the European Union, the United States, or the United Kingdom or any of their competent authorities or bodies on the Buyer, its affiliates, subcontractors or their respective senior management, shareholders, or beneficial owners.

The Buyer further represents and warrants that it will comply with all applicable Sanctions and undertakes not to cause the Seller, directly or indirectly to violate any applicable Sanctions.

The Buyer shall notify the Seller immediately after becoming aware of its non-compliance with or its inability to comply with the representations and warranties given to the Seller in this clause.

If the Buyer breaches any representations and warranties under this clause, or it is clear that the Buyer will be unable to continue to comply with such representations and warranties, the Seller shall have the right to terminate the Agreement and waive all of its obligations under the Agreement without penalty. The Buyer shall compensate the Seller for any damage caused to the Seller by any breach of this clause, irrespective of any limitation of liability agreed.

10 Insurance

The Parties shall be responsible for insuring the goods in accordance with the division of responsibility indicated in the terms of delivery agreed. Other insurance shall be subject to a separate agreement.

11 REACH

The Parties shall comply with the Regulation of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (1907/2006, as amended, the "REACH Regulation") to the extent that this Regulation imposes obligations on the Party. The Seller shall be responsible for ensuring that the goods it sells comply with the requirements of the REACH Regulation.

12 Liability for Damage and Limitation of Liability

12.1 Liability for Damage caused by the Goods

The Seller shall be responsible for damages connecting the quality or the specification of the goods only to the extent that the Seller has explicitly in writing given guarantee of the quality or specification of the goods or the information appears from the official trade description.

The Seller shall not be responsible for suitability of the goods for any specific use (even if the Seller would be aware of such) unless otherwise explicitly agreed in writing. The Buyer shall be responsible for validity of such information of the use relating to the goods that the Buyer has given to the Seller. At all events, the Buyer shall assure that the goods are suitable for the Buyer's



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purpose of use. The Buyer shall test the suitability of the goods for the purpose of use.

The Seller shall not be responsible either for damages caused by raw materials that are in accordance with Buyer's directions, structure of the goods or the working or manufacturing method determined by the Buyer.

If the goods are in possession of the Buyer, the Seller may not be held liable for any damage to (i) immovable or moveable property on the consequences of such damage or (ii) products manufactured by the Buyer or products containing a product manufactured by the Buyer.

12.2 The Loss incurred to a Third Party

If a third party raises a claim for damage based on this clause 12 against the Seller or the Buyer, the Party receiving the claim must immediately notify the other Party in writing thereof and consider taking responsibility in a particular case.

12.3 Direct Damage

The Seller's liability for direct damage is limited to the purchase price of goods paid by the Buyer. This provision does not apply in the event of intent or gross negligence on the part of the Seller.

12.4 Indirect Damage

The Seller shall not be liable in any event for indirect damages, such as production loss, lost profit or other corresponding consequential damages, caused by delay of delivery or faultiness of delivery or the goods or other breach of Agreement.

13 Term of the Agreement

Unless otherwise agreed in writing by the Parties, the Agreement shall remain in force until its full execution or until the date specified in the Agreement. The Seller shall also have the right to unilaterally, out of court, terminate the Agreement (even in the absence of its violation) upon a written notice, which shall be sent to the Buyer at least thirty (30) days in advance.

14 Transfer of the Agreement

The Buyer shall not be entitled to transfer the Agreement without a prior written consent of the Seller. The Seller shall be entitled, without a prior written consent of the Buyer, to transfer its rights (including, claim rights) under the Agreement to any a third party.

15 Notices

The sender shall be responsible for the delivery of notices sent to the other Party.

Communication between the Parties is carried out by sending information to the e-mail address specified by the respective party, by post, office address, etc. Each of the Parties must immediately inform the other party about the change of its details or contact data, and the party that does not do so assumes all the risks associated with the relevant notification.

By concluding the Agreement with the Seller, the Buyer agrees that the Seller's invoices for the goods will be sent to the email address, specified by the Buyer. The invoices submitted in this way are

considered electronic invoices that meet the requirements of the legal acts of the Republic of Lithuania.

16 Confidentiality

Both Parties commit not to disclose the Agreement, or the information related to it or any other information received from the other Party unless the other Party has in advance given their consent in writing to disclosure of the information or unless the disclosure is required by law, regulation, decision of a court or official request made by authority. The Parties commit to use the confidential information of the other Party only to contractual purposes.

17 Amendment of the Agreement

The Agreement may only be amended by a written agreement signed by both Parties.

18 Governing Law and Dispute Resolution

The Agreement and the General Conditions shall be governed by the laws of the Republic of Lithuania. United Nations Convention on Contract for the International Sale of Goods shall not be applied to the Agreement.

The Parties aim to settle any dispute arising out of or relating to the Agreement or the General Conditions by negotiations between the two Parties. Unless resolved through mutual negotiations, the dispute shall be resolved in the court of the Republic of Lithuania according to the place of the Seller's registered office.