

General conditions for buying goods and services

1 GENERAL RULES

1.1 These General Terms and Conditions apply unless parties agree otherwise in writing. Any amendments to or deviations from these General Terms and Conditions must be agreed in writing. These General Conditions become an integral part of the ORDER when the SELLER confirms the ORDER in writing or when the SELLER starts performing the ORDER. These General Conditions take precedence over any general terms and conditions of sale of the SELLER or any other document issued by the SELLER in connection with the ORDER.

1.2 Definitions:

BUYER: RK Metāls.

ORDER: A contract document for a specific WORK. The ORDER comprises the Purchase Order Form (the "Order Form"), these General Conditions and all Annexes, including but not limited to the technical requirements documents. All these documents form an integral part of the ORDER.

ORDER PRICE: The total price is specified in the ORDER, subject only to adjustment in accordance with Clause 10 of these General Conditions, and is full compensation to the SELLER for the WORK, including all costs incurred by the SELLER in connection with the performance of the ORDER and for the performance of all its obligations under the ORDER.

DATE(S) OF DELIVERY: The date on which the SELLER is to deliver the WORK in accordance with the ORDER.

ORDER FULFILMENT: The date of the BUYER'S written acknowledgement of the SELLER'S WORK, in which the BUYER confirms that the SELLER'S delivery of all GOODS and/or SERVICES and DOCUMENTS as described in the ORDER is complete and complies with the ORDER.

DOCUMENTS: Drawings, documentation, reports, certificates and all other technical documentation to be provided by the SELLER under the ORDER.

GOODS: All goods to be delivered by the SELLER under the ORDER.

SELLER: The company or person identified as such on the Order Form.

SERVICES: All services to be provided by the SELLER under the ORDER.

WORK: The SERVICES to be provided by the SELLER and/or GOODS to be supplied by the SELLER pursuant to the ORDER, including the provision of DOCUMENTS.

1.3 In the event of any conflict between the provisions of the ORDER, the contractual documents take precedence as follows: a) the Order Form, b) these General Conditions, c) the Annexes in the order in which they are mentioned unless otherwise specified.

2 ORDER STATUS

- 2.1. The ORDER constitutes the agreement between the parties and supersedes all prior agreements, promises, correspondence, discussions, representations and concepts, except as expressly specified in the ORDER.

3 ORDER CONFIRMATION

- 3.1. The SELLER confirms the ORDER by signing the BUYER'S Order Form and returning it to the BUYER or by sending an electronic confirmation to the BUYER'S email. If the BUYER has received the Order confirmation more than 14 days after the date of completion of the Order Form, the BUYER is not bound by the ORDER and may terminate it, in which case the SELLER is not entitled to claim any compensation in connection with the termination of the order. The BUYER may cancel the order form at any time before the SELLER has confirmed it.

4 GENERAL OBLIGATIONS OF THE SELLER

- 4.1. The SELLER prepares and provides DOCUMENTS, manufactures and delivers the GOODS and provides the SERVICES strictly in accordance with the terms of the ORDER. If the WORK is performed in line with the DOCUMENTS submitted by the SELLER and approved by the BUYER, the BUYER'S approval of the DOCUMENTS does not relieve the SELLER of its liability and contractual obligations.
- 4.2. The SELLER performs the WORK in accordance with the documents, drawings and technical specifications included in the ORDER, in excellent quality and in line with the applicable laws, technical standards and regulations in the BUYER'S country and in any country specified in the ORDER where the GOODS are intended to be used. If the SELLER is aware that the WORK is intended for a specific purpose, the SELLER warrants that it is fit for that purpose.
- 4.3. Immediately upon receipt of the technical request, drawings, specifications and other documents or data programs from the BUYER, the SELLER inspects them for defects, discrepancies and/or inconsistencies ("Errors"). The SELLER immediately informs the BUYER of any Errors discovered. If the SELLER fails to inform the BUYER of the discovery of an Error or of an Error which should have been discovered during the inspections, resulting in additional costs to the BUYER not covered by insurance or loss of rights or guarantees by the BUYER, then the SELLER bears all direct additional costs incurred as a result of the late discovery of the Error.
- 4.4. The SELLER warrants that all GOODS will be new and manufactured following the latest version of standards (unless otherwise specified in the ORDER) and the requirements indicated in the specifications or, if not specified, following the latest applicable standards and requirements in the relevant industry.
- 4.5. The SELLER ensures a certified manufacturing process in accordance with ISO 9001 or an equivalent standard system approved in advance by the BUYER, appropriate to the WORK to be performed.
- 4.7. Subcontracting does not relieve the SELLER of its responsibility for the entire WORK and for its timely performance, and the SELLER is liable for all acts, defaults and omissions of subcontractors as if they were acts, defaults and omissions of the SELLER.

5. RIGHT TO INFORMATION

- 5.1. The BUYER is entitled to receive, at no additional cost, all necessary information from the SELLER concerning the ORDER, i.e. progress reports, information on subcontractors, etc.

5.2. The SELLER allows the BUYER or the BUYER'S customers or subcontractors to inspect the SELLER'S premises or the premises of the SELLER'S supplier. The SELLER is not relieved of its contractual obligations by the BUYER'S acceptance of the inspections or documents.

6. ORDER PRICE

6.1. The ORDER PRICE indicated in the Order Form is fixed and valid until the ORDER is PERFORMED. Unless otherwise specified in the ORDER, the ORDER PRICE includes all packing, carriage, insurance, customs duties, duties and applicable taxes.

7. PAYMENT/SECURITY RULES

7.1. The SELLER submits the invoice to the BUYER electronically by sending it to invoices@rkmetals.lv. Invoices indicate the number of the ORDER made by the BUYER.

7.2. The BUYER pays for the WORK for which consideration is due upon acceptance of the WORK and the DOCUMENTS.

7.3. The BUYER pays the invoices following the approved procedures specified in the ORDER. Unless otherwise specified in the ORDER, the BUYER pays within 60 days of receipt of the relevant invoice and provided that the SELLER'S obligations under the ORDER have been fulfilled.

7.4. The BUYER may withhold payment if the invoiced amounts are not justified and/or the SELLER has not submitted all the relevant DOCUMENTS with the WORKS and has not remedied the discrepancies, if any.

7.5. For unjustified withholding of payment due to the SELLER under the ORDER and/or these general conditions, the SELLER may charge the BUYER a penalty of up to 0.5% of the amount of the overdue payment for each calendar day that has begun, from the fourth day of delay. However, the total penalty amount may not exceed 10% of the delayed amount.

7.6. Where advance payments are agreed, the BUYER is entitled to require the SELLER to provide a first-demand guarantee in a form acceptable to the BUYER for the amount in question, issued by a bank, and valid until PERFORMANCE of the ORDER.

7.7. The BUYER is entitled to withhold or set off against any amount due or to become due to the SELLER under the ORDER or otherwise, any amount due from the SELLER whether such amount(s) are due as consideration, security or otherwise, or to recover such amount(s) as debt or to apply any bank guarantee given by the SELLER for the payment of such amount(s).

7.8. If the Parties have agreed to pay in instalments, the SELLER includes in the last invoice all claims relating to the ORDER. Claims not included in the last invoice may not be made by the SELLER at a later date.

7.9. If the SELLER is a subsidiary of another company, at the BUYER'S request, the SELLER provides the BUYER, at the BUYER'S expense, with a parent company guarantee with a text acceptable to the BUYER from its ultimate parent

company guaranteeing that the SELLER will perform the ORDER. The parent company's guarantee is valid until the end of the WORKS guarantee period.

8. RULES ON DELIVERY, ACCEPTANCE AND DELAY IN DELIVERY

- 8.1. The Parties apply the International Commercial Terms 2020 (*Incoterms 2020*) and agree on the use of a specific Incoterm in the ORDER.
- 8.2. The SELLER properly packs and prepares for shipment (cleans or preserves if necessary) and marks the GOODS in line with the agreement and applicable law and industry standards and provides the BUYER with shipping documentation showing the ORDER number, the quantity of goods in the shipment, the SELLER'S name, bill of lading number and country of origin.
- 8.3. If the BUYER is responsible for the carriage, the SELLER requests information from the BUYER on the intended mode of carriage well in advance of shipment. If the SELLER is responsible for the carriage, the SELLER sends a notification of the shipment of the GOODS as soon as possible and no later than the date of shipment of the GOODS so that the BUYER can prepare to receive the GOODS.
- 8.4. The DOCUMENTS are deemed to form part of the GOODS to be delivered and invoices are not payable until the BUYER receives and accepts all DOCUMENTS.
- 8.5. The SELLER provides the BUYER or any third party designated by the BUYER upon request with the certificate of origin and customs invoices for the GOODS. The SELLER bears the costs incurred by the BUYER due to the lack of a certificate of origin or customs invoices, and they are deducted from the ORDER PRICE.
- 8.6. Delivery of the WORK occurs in line with the agreed DELIVERY DATE(S).
- 8.7. If the SELLER delays the delivery, the BUYER is entitled to claim a penalty of 0.5% of the total amount of the ORDER PRICE for each calendar day after the DELIVERY DATE(DATE).
- 8.8. In addition to the contractual penalty, the BUYER may claim damages resulting from the delay in delivery.
- 8.9. The BUYER is entitled to inspect the GOODS on or after the date of delivery. The BUYER may, at its option, inspect all or a sample of the GOODS and may reject all or any part of the GOODS if the GOODS are found to be non-conforming or defective. If the BUYER does not accept any part of the GOODS, the BUYER is entitled, upon written notice to the SELLER: a) to cancel the whole of the relevant ORDER; b) to accept the GOODS at a reasonably reduced price; or c) not to accept the GOODS and to request replacement of the unaccepted GOODS. If the BUYER requests replacement GOODS, the SELLER replaces the defective GOODS at its own expense and bears all related costs, including but not limited to freight costs for the return of the defective GOODS and delivery of the replacement GOODS. Any inspections or other actions taken by the BUYER under this Clause do not reduce or otherwise affect the SELLER'S obligations under the ORDER, and the BUYER is entitled to make additional inspections after the SELLER has taken its corrective actions.

- 8.10. If the SELLER delivers more or less GOODS than ordered, the BUYER may not accept all or an excessive quantity of the delivered GOODS. All such unaccepted GOODS are returned to the SELLER at the SELLER'S risk and expense. If the BUYER accepts the GOODS and agrees to the delivery of the GOODS in larger or smaller quantities, the ORDER PRICE is adjusted accordingly.
- 8.11. The SELLER immediately informs the BUYER in writing if the SELLER has reason to believe that delivery will not be made on the DELIVERY DATE. The SELLER states the reason for the delay and informs the BUYER of the measures that will be taken to reduce the delay. Unless the delay is caused by the BUYER, the SELLER takes action and bears all costs incurred to reduce the delay.
- 8.12. If the SELLER is more than 30 (thirty) days late in delivering the WORKS, the BUYER is entitled to cancel the ORDER by sending a written notice to the SELLER. In such event, the SELLER refunds to the BUYER all sums paid under the ORDER, pays liquidated damages and indemnifies any loss suffered.
- 8.14. The SELLER replies in writing to any queries from the BUYER regarding delivery within 2 (two) business days of the query.

9. OWNERSHIP / FREE ISSUE OF MATERIALS

- 9.1. According to the *Incoterm* chosen, ownership passes to the BUYER when he has accepted the GOODS at the time and place of delivery specified. Until then, the SELLER assumes all risks of loss or damage to the GOODS.
- 9.2. All DOCUMENTS issued by the BUYER in connection with the ORDER are the property of the BUYER.
- 9.3. If the BUYER provides the SELLER with materials to be incorporated in the GOODS free of charge, such materials are the property of the BUYER and the SELLER takes care of and maintains such materials in good order and uses them only in connection with the ORDER. In the event of loss or waste of these materials or damage to them, while they are entrusted to the SELLER, the SELLER immediately resolves the situation at the SELLER'S expense.
- 9.4. Upon receipt of the materials from the BUYER, the SELLER acknowledges receipt within 24 hours by sending a copy of the delivery note to the BUYER. Upon receipt of the materials, the SELLER immediately carries out a visual inspection and notifies the BUYER of any "Errors" discovered during such inspection. If the SELLER fails to inform the BUYER of the discovery of an "Error" or an "Error" which should have been discovered during such inspections, resulting in additional costs to the BUYER not covered by insurance, or in the loss of rights or warranties by the BUYER, then the SELLER bears any such additional direct costs incurred as a result of late discovery of the "Error".
- 9.5. No encumbrances of any kind are permitted on the GOODS or the DOCUMENTS. The SELLER indemnifies the BUYER against any costs and expenses (including legal fees) incurred by him as a result of any breach of these conditions.

10. WORK CHANGES

- 10.1. The BUYER is entitled to order such changes to the WORK as the BUYER deems desirable. Changes may be increases or decreases in quantity, in the nature of the WORK, the quality, the manner of performance or the DELIVERY DATE(S). Any changes are agreed in writing by the Parties.

- 10.2. The SELLER implements the changes immediately after the changes to the WORK have been agreed in writing. If the changes involve additional costs and the SELLER implements them without coordinating the additional costs with the BUYER, the additional costs not agreed are deemed to be included in the ORDER price.
- 10.3. The BUYER pays the SELLER for the agreed changes in line with the rates specified in the ORDER and, if the applicable rates are not specified, the payment for the changes is calculated based on the general price level in the ORDER.
- 10.4. In the event of a dispute, the BUYER pays the undisputed amount for the introduction of the changes. Disagreements over payment changes do not entitle the SELLER to withhold delivery.

11. ORDER CANCELLATION

- 11.1. The BUYER may immediately cancel an ORDER, in whole or in part, by written notice to the SELLER, either before or after acceptance of the GOODS if the SELLER fails to perform or does not perform the WORK in accordance with the ORDER. The BUYER may also cancel the ORDER by giving written notice to the SELLER in the following cases: - if the SELLER files an application with the court to initiate legal protection proceedings; - if an application is filed with the court to initiate insolvency proceedings against the SELLER; - the reorganisation or liquidation of the SELLER is initiated; - if the SELLER or any of the SELLER'S officials and/or shareholders and/or the materials used in the ORDER are subject to International Sanctions; - if the SELLER fails to comply with applicable laws and regulations or is found guilty of an illegal act or misconduct.
- 11.2. If the BUYER cancels the ORDER for any reason, the SELLER'S sole and exclusive remedy is payment for the WORK accepted by the BUYER before the cancellation of the ORDER.

12. WARRANTY

- 12.1. During the warranty period, the SELLER warrants that the WORK will:
- be free from any defects in workmanship, materials and/or design;
 - conform to the applicable specifications, drawings, designs, samples and other requirements specified by the BUYER;
 - be fit for its intended use and will function in accordance with the ORDER;
 - be marketable;
 - be free of all liens and encumbrances;
 - not infringe patents or other intellectual property rights of third parties.

These terms apply regardless of whether the BUYER has made delivery, inspection, acceptance or payment for the GOODS. The terms are cumulative and in addition to any other statutory guarantee.

- 12.2. The warranty period is specified in the ORDER, but if not specified in the ORDER, it is 36 months for static structures and 24 months for WEARABLE parts and/or movable elements from the moment the BUYER has begun to use the GOODS for their intended purpose, or 48 months from the time of PERFORMANCE of the ORDER, whichever is later.
- 12.3. The SELLER warrants that during the warranty period and, where applicable, the extended or renewed warranty period, the WORK will conform to the requirements specified in the ORDER.

- 12.4. The BUYER notifies the SELLER in writing of the defect within a reasonable time after the discovery of the defect.
- 12.5. The SELLER remedies without delay, at its own expense, any defects arising during the warranty period or reimburses the costs of remedying them.
- 12.6. If the GOODS fail to perform their functions for a period during the warranty period due to the SELLER'S fault, the warranty period is extended by a period corresponding to the period during which the GOODS failed to perform their functions.
- 12.7. For parts that are replaced/repared under the above warranty terms, the warranty period is extended by a period equal to the original warranty period.
- 12.8. The SELLER'S warranty ensures that the WORK is repaired to conform to the original ORDER.
- 12.9. The SELLER is obliged to conclude an agreement with the BUYER within 3 days of receipt of the complaint from the BUYER on when and how the defects or non-conformities will be rectified. If the agreement is not concluded within 3 days or if the SELLER fails to remedy the defects or non-conformities within the agreed period, the BUYER is entitled to remedy the defect himself or to hire a third party to do so. The SELLER bears the costs incurred in rectifying this defect.
- 12.10. The BUYER is entitled to claim compensation for any damage or loss caused by the defects.

13. FORCE MAJEURE

- 13.1. Neither party is deemed to be in default if it can prove that the default was due to force majeure.
- 13.2. Force majeure means an event beyond the control of the affected party if the affected party could not reasonably have foreseen such event when signing the ORDER and could not reasonably have avoided or overcome its consequences.
- 13.3. The party claiming force majeure notifies the other Party as soon as possible of the circumstances of the force majeure, the reason for the delay and its expected duration. The party uses its best endeavours to end the force majeure, to ensure that the effects of any force majeure are minimised and to restore full performance of the ORDER.
- 13.4. Either party is entitled to terminate the ORDER if the force majeure event continues or is likely to continue for more than 60 days.
- 13.5. In the event of force majeure, each party bears its own costs incurred in connection with the force majeure.

14. INTELLECTUAL PROPERTY RIGHTS

- 14.1. Drawings, documents, specifications and other technical documentation and computer programs supplied by the BUYER to the SELLER are the BUYER'S property. The same applies to all copies of such material.

- 14.2. The drawings, documents, specifications and other technical documentation and computer programs supplied by the BUYER or copies thereof are used by the SELLER solely for the purposes of the WORK and are returned to the BUYER upon completion of the WORK unless otherwise agreed by the parties. No such material may be copied or disclosed to any third party without the prior written consent of the BUYER.
- 14.3. Drawings, documents, specifications and other technical documentation and computer programs supplied by the SELLER to the BUYER are the SELLER'S property unless otherwise agreed by the parties. The same applies to all copies of such material. The BUYER or the BUYER'S customer or end user are entitled to use such materials and copies for the purpose of use, maintenance and repair of the WORK.
- 14.4. The SELLER indemnifies and holds the BUYER harmless against any claims of third parties arising from infringement of patents or other industrial property rights in connection with the WORK.

15. LIABILITIES AND INSURANCE

- 15.1. The parties are liable to each other for any failure or partial failure to perform their obligations under the ORDER and undertake to indemnify each other against any direct loss or damage arising from it, except as otherwise expressly provided in the ORDER.
- 15.2. The SELLER indemnifies, defends and holds harmless the BUYER and its partners, including the BUYER'S customers, from and against any and all losses, damage, liabilities, deficiencies, claims, actions, judgments, settlements, interests, arbitration awards, penalties, fines, costs or expenses of any kind whatsoever relating to/arising out of or resulting from any claim brought by any third party arising out of or in connection with the ORDER or the SELLER'S negligence, wilful default or breach of these general terms and conditions.
- 15.3. The SELLER, at its own expense, procures and provides the BUYER a third-party insurance policy for the manufacturer of the Products, as well as all insurance policies required by the laws and regulations for work in the sector, subject to prior agreement with the BUYER. The SELLER ensures that the insurance company waives all rights of recourse against the BUYER. The SELLER produces these insurance policies at any time at the BUYER'S request.

16. ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMPLIANCE

- 16.1. The SELLER undertakes to comply fully with applicable national and international legislation relating to environmental, social and governance systems. This includes but is not limited to, laws and regulations relating to competition, taxation, health and safety, prevention of bribery, illegal payments and corruption, employees' rights, modern slavery, human trafficking, environmental protection and recognition and protection of company assets, including but not limited to trade secrets, copyrights and other forms of intellectual property.
- 16.2. The SELLER continuously monitors and documents its compliance with applicable laws and regulations. If the SELLER identifies areas in its operations (including those of its subsidiaries and suppliers) that do not comply with applicable laws and regulations, the SELLER notifies the BUYER of such non-compliance within 5 days and promptly implements the necessary improvements to bring it into compliance. At the BUYER'S request, the SELLER provides the information and documentation necessary for the BUYER to verify the SELLER'S compliance with applicable laws and regulations. If there are reasonable grounds to suspect non-compliance, the BUYER has the right to verify the SELLER'S compliance with applicable laws and regulations. If the results of such audit indicate or otherwise become

apparent that the SELLER is not in compliance, the SELLER promptly takes all necessary corrective action as directed by the BUYER.

17. CONFIDENTIALITY

17.1. The parties maintain the confidentiality of the ORDER and all commercial and technical information provided by the parties in connection to it, and the parties do not disclose it to any person or organisation other than their employees and affiliates who need to know such information to perform the ORDER. The receiving party does not disclose the information to others without the prior written consent of the other party. Each party must obtain the other party's written confirmation before publicly referring to its business relationship with it.

18. MOST PRIVILEGED CUSTOMER

18.1. The SELLER represents and warrants that the price for the GOODS is the lowest price charged by the SELLER to any of its external buyers purchasing a like quantity of like goods. If the SELLER requests a lower price from another buyer, the SELLER applies this price to all the GOODS included in the ORDER.

19. TRANSFER OF RIGHTS

19.1. The SELLER does not assign, transfer, delegate or subcontract any of its rights and obligations without the BUYER'S prior written consent. No assignment or delegation of rights made in violation of the provisions of this paragraph is valid. No assignment or delegation of rights relieves the SELLER of any of his obligations stated here. The BUYER may at any time assign, transfer or subcontract its rights or obligations in respect thereof without the SELLER'S prior written consent.

20. APPLICABLE LAW AND JURISDICTION

20.1. All disputes arising out of or in connection with the ORDER are settled by the courts of the Republic of Latvia. The ORDER is governed by the substantive and procedural laws in force in the Republic of Latvia.

21. RULES ON THE PROCESSING OF NATURAL PERSONS' DATA

21.1. The Parties acknowledge that, in the performance of the contract, it may be necessary to exchange information containing personal data (e.g. identification and contact details of the Parties' representatives and/or contact persons, Party details if the Parties are natural persons). In such case, each of the Parties is deemed to be an independent controller for the processing of data in its possession, it undertakes to process the data following the applicable laws and regulations, and the data are transferred to the other Party within the scope of the Parties' legitimate interests to ensure the quality performance of the contract and to comply with the requirements of laws and regulations or to pursue other legitimate interests of the Party concerned.

21.2. The BUYER indicates that it needs or may need to process such data for the performance of the contract:

21.2.1. Contact details (e.g. name, surname, title, contact details) of the contact persons and/or representatives indicated by the SELLER;

21.2.2. personal data of other persons whose processing may be necessary for the performance of contractual obligations (e.g. the owners of the object).

21.3. Each Party undertakes to inform those persons (e.g. named as contact persons or representatives) whose personal data is transferred to the other Party:

21.3.1. that their personal data have been processed;

21.3.2. the identity or name of the other Party, contact details and the purposes for which the data may be used, i.e. for the performance of contractual obligations or the pursuit of legitimate interests;

21.3.3. about the possibility of contacting the Party concerned to obtain additional information or to exercise his/her rights as a data subject.