

GENERAL TERMS and CONDITIONS

Any order by the buyer implies the general acceptance of the below terms which govern its relations with VALPRO Ltd. and prevail over any other document, unless specified in writing by VALPRO Ltd. or if there has been a contract concluded between the parties previously, in which case, the agreed terms would overwrite the ones below. Any specific condition required by the buyer will be void if not agreed upon in writing with VALPTO Ltd. VALPRO Ltd. reserves the right to modify the below terms with a prior 30 days' notice.

1. Order

Buyer must place all orders in written form via e-mail or fax. The orders must contain the billing address, the shipping address, the buyer's name, registration number, references to any quotations made by VALPRO Ltd., details of the products or services ordered, reference numbers to VALPRO Ltd. catalogues and promotional materials, the quantities ordered in sales units, the date of order, the intra-community VAT number for European Community members and the telephone and fax numbers as well as e-mail address of the contact person of the buyer. VALPRO Ltd. reserves the right to refuse any incomplete order. The order must be placed at least 30 days before the required dispatch date.

2. Changes to and cancellation of order

After reception of the complete order by VALPRO Ltd., no changes to or cancellation of the order will be accepted unless agreed upon in writing between VALPRO Ltd. and the buyer and prior to commencement of production of the ordered products or provision of ordered services. The said agreement among the parties should contain the modifications to the order and the effects of these modifications on prices and dispatch date. After expiry of this grace period, the order will be considered as final.

3. Packaging

VALPRO Ltd. will choose the packaging and mode of dispatch unless agreed otherwise. Additional costs and expenses incurred by VALPRO Ltd. arising from special packaging or dispatch requests of the buyer must be agreed upon with VALPRO Ltd in advance. All extra costs thereof will be covered by the buyer.

4. Delivery

The products will be shipped at the risk of the buyer, as stated in the Incoterm « Ex Works », unless agreed otherwise. In the case of damaged products, there must be a respective note in the CMR document regarding quantity (cartons) of damaged goods and the buyer must send a letter via registered and insured mail to the transport company and VALPRO Ltd. within 3 days following the receipt of the products, stating the damages discovered upon arrival. Transport, loading and unloading of the products is arranged by the buyer or by VALPRO Ltd. on the basis of the prior written agreement between the parties.

5. Delay in Delivery

VALPRO Ltd. indicates the dispatch week in the order confirmation. Changes in the dispatch schedule should be agreed upon with the buyer. The delivery times given are only of indicative nature and late delivery will not entitle the buyer to withdraw from this contract or to claim damages or any other allowance thereof.

6. Complaints

In the case of complaints, the purchase order must be dated, signed and returned to VALPRO Ltd. by fax or e-mail as described below. All complaints concerning transportation must be described in detail and also marked in the CMR. It is the buyer's liability to inspect all products upon their receipt in order to ensure their compliance with the order. The buyer may choose to open the package in presence of the forwarder.

Complaints on defects or errors in the products ordered or on the purchase order itself, should be reported to VALPRO Ltd. in written form within 5 days following the receipt of the products. Buyer should complete a reclamation form of VALPRO Ltd., which should be sent via registered and insured mail with a return receipt. If the buyer fails to follow these terms, VALPRO Ltd. shall not be obliged to compensate any loss, damage, claim, cost or expense or ensure remedy of defective products arising from any claim thereof. The buyer is obliged to cover all costs associated with returning of defective products unless agreed otherwise.

7. Liability

The products and all of their components are under the responsibility of their holder. Material liability for the products *inter alia* for unintentional damage or destruction shall transfer from VALPRO Ltd. to the buyer at the moment of delivery of the products. After the transfer of the risk VALPRO Ltd. shall not accept any liability if the products are used technically inadequately, at improper conditions, used for a purpose other than that produced or if the buyer has failed to check the suitability of the products.

8. Prices

The binding prices for each order are set forth in the quotations, official price lists or in special pricing offers issued by VALPRO Ltd.

9. Billing

VALPRO Ltd. shall issue invoice for the provided services or delivered products unless otherwise agreed by parties. The due date corresponds to the date specified in the invoice. The invoices are payable in accordance with individual terms for each buyer.

10. Terms of payment

Please refer to the Payment Conditions of VALPRO Ltd.

11. Confidentiality

VALPRO Ltd. works in partnership with its clients and will treat personal data and research results as confidential. The buyer will not disclose any information it has received while working with VALPRO Ltd., during the term of this contract and this obligation shall remain valid for indefinite period of time.

12. Warranty

VALPRO Ltd. guarantees that at the time of the transfer of the risk its products and services comply with its standards and specifications. On the other hand, VALPRO Ltd. does not guarantee any of the results pertaining to usage of the products. The only obligation that VALPRO Ltd. faces would be the replacement of the defective component at no extra costs thereof. This excludes any other compensations of any nature thereof. The foregoing warranties are null and void in the event of the deterioration, loss or improper treatment of the products or of any external impact not directly attributable to VALPRO Ltd. Furthermore, the warranty will not cover any defects if they were not treated according to the terms of delivery.

13. Force majeure

VALPRO Ltd. shall not be liable for failure or delay in fulfilling its obligations due to any causes beyond its control, .e.g. civil disorders, riots, war activities, strikes, fires, floods and other natural disasters or alike conditions that prevent VALPRO Ltd. to fulfil its obligations and that cannot be controlled by VALPRO Ltd. For avoidance of doubts, VALPRO Ltd. shall not be liable to the extent that fulfilment of its obligations towards the buyer has been prevented, hindered or delayed by accident to or failure or breakdown of machinery, production facilities, processing equipment, failure of and delays to carriers, lack of transportation and processing capacity, shortage of labour and equipment, failure of supplies of goods and services and materials, and any order of local, national or international authority, if these events are beyond the control of VALPRO Ltd. provided that it has exercised due diligence and could not prevent nor overcome this situation. If VALPRO Ltd. is unable to fulfil its obligations due to *force majeure* conditions for more than 10 (ten) business days in turn, VALPRO Ltd. is entitled to terminate these terms and conditions.

14. Reservation of rights

If VALPRO Ltd. fails to apply any of these terms and conditions or fails to exercise any rights mentioned herein, it does not stand as a renunciation of its rights in applying the precise terms or conditions, or its right to enforce the terms or conditions in the future.

15. Severability

If any provision of these terms and conditions is held to be invalid, illegal or unenforceable, it shall not invalidate, void or render unenforceable any other portion of these terms and conditions but rather these terms and conditions shall be construed as if it did not contain the particular invalid, illegal or unenforceable provision, and the rights and obligations of the parties shall be construed and enforced accordingly. Transfer of these terms and conditions or assignment of any condition herein cannot be validated by the buyer without a prior written approval of VALPRO Ltd. Any notification related to these terms and conditions must be made in English, appropriately signed by the notifying party, and shall be regarded as appropriately delivered if the respective notification has been filed and served upon the respective addressee personally or sent via registered mail or fax or e-mail unless otherwise agreed between the parties. The notifications sent following the established procedure will be regarded as delivered: (a) if they are personally filed and served - on the submission day against a receipt signature; (b) if they are sent via registered mail – after 7 (seven) business days after the postmark; and (c) if they are sent via fax or e-mail – on the submission day that can be proved by presenting a respective printout.

16. Governing Law and Arbitration of Disputes

Any dispute arising from or in connection with these General Conditions of Sale and/or any sale agreement, which cannot be settled amicably, shall be submitted to the exclusive jurisdiction of the State Court of the Republic of Latvia. These General Conditions of Sale shall be governed and interpreted in accordance with the effective laws and regulations of the Republic of Latvia.