

GENERAL TERMS AND CONDITIONS FOR PURCHASE OF GOODS

1. GENERAL

1.1 APPLICABILITY OF TERMS

Unless otherwise agreed in writing, all purchases and deliveries to **AS "ITERUM"**, a joint stock company, registered in the Commercial register of Republic of Latvia under registration No 42103029708, with legal address: Elejas iela 1, Grēnes, Olaines pag., Olaines nov., LV – 2127, Latvija, (hereinafter referred as the **"Purchaser"**) by any of its suppliers of **goods** resident within or outside the European Economic Area (hereinafter referred to as the **"Supplier"**) shall be exclusively governed by the following General Terms and Conditions for Purchase (hereinafter referred as the **"Terms"**).

Other provisions, in particular the Suppliers' General Terms and Conditions referred to in orders, invoices or other documents, shall not apply, even if the Purchaser has not explicitly rejected such conditions and no objection is required by the Purchaser.

1.2 PRIORITY OF DOCUMENTS

The purchase of any goods by the Purchaser from the Supplier will be governed by (i) a purchase contract concluded between the Parties in writing, (the **"Contract" definition – see below**) and (ii) to the extent not governed by such Contract, it shall be governed by these Terms. In case of a conflict, the Contract will prevail over these Terms. Any General terms and conditions of the Supplier will not apply to the Contract.

2. CONCLUSION OF THE CONTRACTS

2.1 The Contract between Purchaser and Supplier is deemed to be concluded in any of these ways:

- (a) through the Supplier's written acceptance **(in email or paper format)** of individual purchase orders from the Purchaser (the **"Order"**) or
- (b) by signing a **framework contract for long-term deliveries**.

In case if the Seller has also prepared a sales order by his form, the Order form made by the Purchaser shall in any case prevail.

The originals of the Contracts that have been signed in paper shall be also binding if sent to the other Party scanned by e-mail, as well the Contract may be sent in e-mail exchange between the representatives of the Parties and confirmation in e-mail response constitutes a binding agreement (Contract) between the Parties.

2.2 INQUIRY

The Purchaser may informally inquire the Supplier about the offers and price quotes for the goods. Such inquiry does not create any obligation for the Purchaser as it is in case of Contract (see in 2.1 and 2.3).

2.3 ACCEPTANCE WITH AND WITHOUT MODIFICATIONS

The acceptance containing additions or modifications of the Offer – regardless of whether or not substantially altering the terms of the Offer – will represent a new Offer and will not constitute an acceptance of the original Offer.

2.4 NO PRACTICE BETWEEN THE PARTIES

No rights and obligations of any Party under the Contract may be inferred from the practice established between the Parties or usages observed in the Supplier's industry.

3. DELIVERY OF GOODS

3.1 PLACE OF DELIVERY

Unless otherwise specified in the Contract, the goods will be delivered to Elejas iela 1, Grēnes, Olaines pag., Olaines nov., LV – 2127, Latvija.

3.2 DELIVERY TIME

The Supplier must deliver the goods at the time specified in the Contract.

Advance or late deliveries are subject to the Purchaser's prior written consent. The Purchaser is entitled to refuse to accept of an early or late delivery.

In case of early or late delivery the Purchaser is entitled to unilaterally terminate the Contract and return the goods for the account and at the risk of the Supplier or to store these goods at site of third parties for the account and at the risk of the Supplier and the Supplier is obliged to cover any damages occurred to the

Purchaser (i.e., to pay the Supplier's invoice on storage costs or purchase of replacement goods from an alternative supplier or any other damages incurred, including due to production stoppages).

3.3 TRANSPORTATION

The Supplier will deliver the goods according to DAP (Incoterms 2020) to the place of delivery unless otherwise agreed between the Parties in writing.

3.4 PACKAGING

The Supplier must package the goods in a manner necessary to preserve and protect the goods, including any packaging necessary for the transport of the goods to the Purchaser. To the extent applicable to a particular type of goods, **the Supplier must observe and comply with the Purchaser's instructions for packaging and delivery of goods attached as an annex to the Contract and these Terms** (the "Delivery Instructions").

3.5 DOCUMENTS

The Supplier will provide information and hand over to the Purchaser all documents requested by the Purchaser that are necessary for the compliant use of goods, in particular, but not limited to, quality specification, the packing list, CMR, Annex VII of EU Regulation on shipments of waste, invoices, certificates of origin, declarations of conformity, incl., Supplier's confirmation on its compliance with Purchaser's Code of Conduct and EU Regulation requirements.

All delivery connected documents must indicate Purchaser's Contract (framework contract/purchase order) number.

Delivery is only provided in full if the Supplier has submitted to the Purchaser all required documents. Submission of these documents and being correct is mandatory for the payment for delivery becoming due.

The Supplier compensates and holds the Purchaser harmless in respect of all claims which third parties, particularly, but not limited to, customers of the Purchaser or authorities enforce against the Purchaser, because the Supplier did not provide, or did not provide in full or in time required documents.

The Supplier is obligated to provide to the Purchaser immediately upon its request any information, which the Supplier requires in order to provide evidence of compliance with legal or certification regulations. In the event that the Supplier defaults, the Purchaser shall be

entitled to receive interest on delay of 1% of the respective Order amount for each week of default. Losses in excess of this must be reimbursed by the Supplier.

4. OWNERSHIP AND RISK

4.1 THE OWNERSHIP OF GOODS AND THE RISK OF DAMAGE to goods will pass from the Supplier to the Purchaser upon the handover of the goods to the Purchaser at the place of delivery.

4.2 REFUSAL TO TAKE GOODS OVER

The Purchaser may refuse to take the goods over from the Supplier if any of the provision set in these Terms is breached by the Supplier. In such case the Purchaser is entitled to retain payment until non-compliance is resolved.

4.3 AVAILABILITY OF GOODS

If the Parties have concluded a Contract for the delivery of goods, the Supplier must ensure that the goods, which are subject to the Contract, remain available throughout the duration of Contract in the agreed quantities.

4.4 RISK ALLOCATION. Supplier assume all risks related to:

- (a) commodity price fluctuations
- (b) currency exchange rate changes
- (c) transportation and delivery complications
- (d) regulatory changes affecting product specifications.

5. PAYMENTS

5.1 PURCHASE PRICE

The purchase price for the goods is set out in the Contract. Such purchase price will be fixed and cannot be unilaterally increased by the Supplier after the conclusion of the Contract. In case if DAP delivery has been agreed in the Contract the contracted price will include all transportation costs, insurance costs and all respectively applicable taxes, unless otherwise specified in the Contract.

5.2 INVOICING

The Purchaser will pay to the Supplier the purchase price for the goods on the basis of an invoice issued by the Supplier either directly or through a factoring service.

In order that invoice amount is deemed to be due as a prerequisite the invoice must be issued in accordance

with the applicable legal and tax regulations and must contain:

- (i) Purchaser's Order number
- (ii) Information on Goods (name, quantity, etc.)
- (iii) Price
- (iv) Delivery date
- (v) Delivery note number

and must be sent via email to import@iterum.lv.

6. COMPLIANCE AND INSURANCE

6.1 The Supplier will comply with all applicable legal regulations, the technical requirements and generally recognized standards relevant for the goods. In case of goods purchased and supplied for further product manufacturing intended to come into contact with food, the Supplier will comply with the EU Regulation No 10/2011 and No 2022/1616 on plastic materials and articles intended to come into contact with food.

6.2 The Purchaser will have the right to inspect the Supplier's compliance with section 6.1 and the Supplier is obliged to provide information to the Purchaser on such request without delay.

6.3 The Supplier must notify the Purchaser in writing about any changes to its sub-contractors or processes which could have an impact on the agreed specification of the goods immediately after the Supplier becomes aware of such fact. Supplier's failure to notify the Purchaser in writing and in a timely manner shall be considered as a gross misconduct. The Supplier will ensure that no goods will be delivered to Purchaser subject to any such change until the Purchaser acknowledges and agrees to that change in writing. Purchaser's duty to examine and notify concerning defects is expressly waived.

6.4 INSURANCE. The Supplier will maintain an adequate third-party liability insurance covering the liability for damages (including, for the avoidance of doubt, product liability) and subject to Purchaser's request will provide an insurance policy evidencing such insurance to the Purchaser without undue delay upon its request.

6.5. QUALITY ASSURANCE AND AUDIT RIGHTS

6.5.1 QUALITY MANAGEMENT.

The Supplier shall maintain comprehensive quality control systems covering:

- (a) incoming material inspection and testing
- (b) in-process quality monitoring
- (c) final product inspection before shipment

(d) quality documentation and record keeping.

6.5.2 AUDIT RIGHTS.

The Purchaser reserves the right to:

- (a) audit Supplier's facilities upon 48 hour written notice
- (b) review quality control records, certifications, and test procedures
- (c) conduct or witness testing of materials and products
- (d) require third-party testing at Supplier's expense where non-compliance is suspected.

7. CONDITION OF GOODS AND DEFECTIVE PERFORMANCE

7.1 PURCHASER'S REQUIREMENTS.

The goods must be delivered in the agreed delivery term, in the agreed quantity and quality, and compliant with the specification agreed in the Contract, i.e., the Quality Requirements.

7.2 CHECK OF GOODS

Upon receipt of the goods, the Purchaser may within 15 business days conduct check on quantity and quality (regarding quality of the goods the inspection shall be done randomly). Any defects discovered by the Purchaser at any time thereafter, including during use in manufacturing or following delivery to the Purchaser's customer, shall be deemed latent (hidden).

If upon receipt of the goods, the Purchaser establishes deviation in weight (i.e., less weight) for more than 100kg from the weight amount indicated in the cargo accompanying documents (CMR, B/L, etc.) it is considered as non-compliance (breach of the Contract) and the Supplier is obliged to reduce the price or correct the invoice (the Purchaser accordingly is entitled to reduce the payment).

7.3 PURCHASER'S CLAIMS

In the event of delay in delivery, the Purchaser is entitled to demand to the Supplier and the Supplier is obliged to pay interest on delay 0,02% (zero point zero two per cent) of the respective delivery price for the goods per each day in delay. The payment of the interest on delay is without prejudice to the Seller's right to claim any other damages.

If the Supplier delivers goods that do not comply with the agreed specifications, quality standards and any of the provisions set in these Terms, the Purchaser is entitled to reject the goods at the supplier's expense. In such cases, the Purchaser may without delay at its sole discretion:

- request a replacement delivery at the Supplier's cost within a reasonable period,
- return the non-conforming goods at the Supplier's risk and expense and or unilaterally withdraw from the contract,
- remedy the defect itself or through a third party and charge the Supplier for the costs incurred, or
- unilaterally reduce the purchase price accordingly.

Any additional costs, damages resulting from non-conforming deliveries (including production stoppages or customer claims) shall be borne fully by the Supplier.

7.4 LEGAL DEFECTS

Supplier confirms that the goods will not be encumbered by third party rights and will not infringe any rights of third parties, including intellectual property rights. The Supplier will reimburse the Purchaser to full extent for any costs incurred by the Purchaser in connection with any claims of third parties (i) relating to their rights to the goods or (ii) based on the infringement of their rights by the goods.

The Purchaser's right to claim damages will not be limited in any way by other potential claims for defective performance.

7.5 TIME LIMITS FOR NOTIFYING CLAIMS

7.5.1 In case of non-waste shipments the Purchaser will notify any defects of the goods to the Supplier not later than 10 business days from the date on which the warranty ends pursuant to warranty term set in the Contract.

7.5.2 Parties agree that regarding the latent (hidden) defects there is no time limit for notifying the claims.

8. LOSS AND DAMAGES

8.1 RIGHT TO CLAIM DAMAGES

The Supplier will be liable to the Purchaser for any losses arising in connection with the Contract pursuant to applicable legal provisions.

8.2 MONETARY COMPENSATION

The Supplier must compensate the Purchaser for any losses incurred by the Purchaser in connection with the Supplier's execution of the Contract in money, unless the Purchaser requests in writing that the damages are compensated by restitution (restoration to the original state, e.g. replacement).

8.3 RIGHT OF RECOURSE IN CASE OF CUSTOMER CLAIMS (FORESEEABILITY OF LOSS)

The Supplier declares and acknowledges that the Purchaser may be considered as being in breach with fulfilling his obligations towards his customers to whom products manufactured from Supplier's delivered goods are sold as a result of the Supplier's default under the Contract which may result in the Purchaser's duty to pay a contractual penalty, compensate damages or provide other performance to such customer. The Supplier acknowledges that the right to claim damages in connection with the Contract includes, and that the Supplier will reimburse the Purchaser without any limitation for, any losses incurred by the Purchaser in connection with the claims of the Purchaser's customers for contractual penalty, damages or other performance, if and to the extent such customer's right arises as a result of the Purchaser's default caused by the Supplier's default; it is noted that the losses may substantially exceed the amount of the Contract value. The Supplier will provide to the Purchaser and the Purchaser's customers all co-operation necessary for the resolution of the claims of the Purchaser's customers, including reasonable access to the Supplier's premises, employees and any documents relating to the goods.

8.4 FORCE MAJEURE

The Parties shall not be liable for the non-fulfilment or delay in fulfilment of obligations of Contract, if it is caused by force majeure circumstances not related to the Party, beyond the control of either of the parties, which could not reasonably have been taken into consideration upon conclusion of the Contract or foreseen or prevented by either Party, but has affected the Party, such as fire, flood and other natural disasters and war, mobilization, also restricting decisions by the state and government bodies. In the appearance of the force majeure, one Party shall immediately send a written notice, if possible within 5 (five) business days or if this is not objectively possible, within another reasonable period, to the other Party about the existing circumstances and provide an adequate proof containing information about the way how the Party has been directly influenced of such force majeure circumstances so that this Party was not able to fulfil the obligation on time. In case of failure to notify about the existing circumstances within the specified period the Party in failure to fulfil its obligations shall be liable according to general grounds specified in these Terms and/or Contract. The performance of contractual duties shall be postponed until the end of the force majeure circumstances. If force majeure circumstances last

longer than 2 (two) months, the Parties shall agree in written on their further cooperation and adjusted terms of fulfilment the Contract. Strikes, lockouts or delays in transportation of goods are not considered to be the cases of circumstances excluding the liability of the Supplier for a proper and timely delivery. Any circumstances excluding the liability of a customer of the Purchaser in relation to the goods ordered by the Purchaser under a Contract will be considered as excluding the liability of the Purchaser to the Supplier under the Contract (except for the payment of the purchase price for the goods taken over by the Purchaser).

8.5 CONTRACTUAL PENALTIES

Any contractual penalty agreed between the Purchaser and the Supplier will not prejudice the Supplier's obligation to compensate the damages caused to the Purchaser in excess of the amounts paid by the Supplier as a contractual penalty. If a contractual penalty is decreased by a court, the Purchaser will have the right to claim damages in the amount exceeding the contractual penalty determined by the court without any limitation.

9. CONFIDENTIALITY

9.1 DUTY OF CONFIDENTIALITY.

The Supplier must keep all commercial, technical and other information directly or indirectly relating to the Purchaser or the Contract (Confidential Information) confidential, and not disclose the Confidential Information to any third party unless is received Purchaser's prior written consent or it is required by applicable laws, for the entire duration of the Contract and for the period of 3 years following the termination of the Contract.

9.2 USE OF CONFIDENTIAL INFORMATION.

Subject to Clause 8.2 the Supplier may use the Confidential Information only for the purpose of execution of the contractual relationship with the Purchaser. The Supplier must ensure that the Supplier's employees and other persons participating in the delivery of the goods on the part of the Supplier, in particular any of the Supplier's permitted sub-contractors, maintain the duty of confidentiality in the extent under these Terms.

10. DOCUMENTATION

10.1 DOCUMENTATION PROVIDED BY THE PURCHASER.

Any documentation provided by the Purchaser to the Supplier in connection with a Contract, including plans or calculations, will remain in the Purchaser's ownership and will be considered as Confidential Information. The Supplier will return or destroy any such documentation to the Purchaser without undue delay following the Purchaser's written request.

10.2 DOCUMENTATION PROVIDED BY THE SUPPLIER.

By delivering the goods, the Supplier will be deemed to transfer to the Purchaser the ownership right to any documentation provided to the Purchaser under section 3.5. If the Supplier does not own such documentation, by delivering the goods to the Supplier will be deemed to grant to the Purchaser all necessary rights to use the documentation (licence) on a non-exclusive basis worldwide for all known and unknown uses for the entire duration of the relevant intellectual property rights to such documentation, including the right to transfer or sub-licence these rights to third parties in the Republic of Latvia and any other country. The costs for the transfer of ownership or granting of licence is deemed to be included in the purchase price of goods under the Contract without any additional costs being incurred by the Purchaser.

11. TERMINATION

11.1 TERMINATION BY WITHDRAWAL.

The Purchaser may terminate any Contract by withdrawal in writing:

- (a) due to a material breach by the Supplier of its obligations under the Contract
- (b) if there are concerns based on objective reasons that the Supplier will not fulfil his contractual obligations duly and timely
- (d) if the performance of the Contract becomes unlawful for either Party under any applicable laws
- (e) if the Supplier or its Affiliate becomes insolvent or an insolvency proceedings commenced against the Supplier or its Affiliate under applicable laws and the Supplier does not prove that such proceedings are frivolous or vexatious within 15 days from their commencement
- (f) any financial indebtedness of the Supplier or any of its Affiliates is not paid on its due date or becomes due and payable prior to its specified maturity as a result of an event of default (however described) or
- (g) following the occurrence of circumstances excluding the liability of any Party for continuous period exceeding one month, provided that the circumstances in paragraphs above are not remedied within 7 days from

the receipt by the Supplier of a written notice sent by the Purchaser.

11.2 EFFECT OF THE TERMINATION.

Termination by withdrawal will have immediate effect, unless otherwise stated in the termination notice sent by the Purchaser to the Supplier.

11.3 MATERIALITY OF THE BREACH.

The following will be considered to be a material breach of the Contract by the Supplier:

- (a) any delay in the delivery of goods by 5 days or more
- (b) factual or legal defects of goods not remedied within the period notified by the Purchaser to the Supplier in writing
- (c) the Supplier not complying with obligations under these Terms.

11.4 LOSS IN CONNECTION WITH TERMINATION.

The Supplier will be liable to the Purchaser for any loss in connection with the termination of the Contract pursuant to this article 10, for the avoidance of doubt subject to the Purchaser's general duty to mitigate such loss.

11.5 EXTINCTION OF THE OBLIGATION.

If the Supplier has performed partially, the Purchaser may decide whether to withdraw from the Contract in respect of the whole performance of Supplier or to withdraw from the Contract in respect of the unfulfilled part of the Supplier's performance only.

12. MISCELLANEOUS

12.1 WRITTEN FORM.

Any act by a Party in relation to a Contract, including the Offer and Acceptance, or an amendment of a Contract must be made in writing. The requirement for a written form will be satisfied even if the document is sent electronically via e-mail.

12.2 NON-COMPLIANCE WITH WRITTEN FORM REQUIREMENT.

The Purchaser may object to the validity of a Contract or any amendment due to non-compliance with section 11.1 even following the payment of purchase price for goods delivered under the Contract.

12.3 ASSIGNMENT BY THE SUPPLIER.

The Supplier may assign its claim against the Purchaser arising out of a Contract only with the prior written consent of the Purchaser.

12.4 SET-OFF.

The Parties agree that uncertain or indeterminate receivables of the Supplier are not eligible for set-off until Purchasers written confirmation.

12.5 ENTIRE AGREEMENT.

Each Contract constitutes the entire agreement between the Parties concerning its subject-matter and contains all particulars which the Parties regard as important for the binding nature of the Contract, including set in these Terms. No act of a Party made during the negotiations of a Contract or following the conclusion of a Contract may be interpreted in a manner contrary to the express provisions of the Contract and does not create any obligation for a Party.

12.6 NO EFFECTS OF CHANGE OF CIRCUMSTANCES.

For the avoidance of doubt, the Supplier is assuming the risk of change of circumstances in connection with the execution of the Contract and any changes in commodity or other prices on the relevant markets.

12.7 EXCLUSION OF CERTAIN PROVISIONS.

The Parties agree that the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply to the Contract, incl. any purchase orders, agreements, or disputes arising from or related to the Contract.

12.8 GOVERNING LAW.

The Contract is governed by the law of Republic of Latvia.

12.9 JURISDICTION.

The courts of the Republic of Latvia have exclusive jurisdiction to settle any dispute arising out of or in connection with the Contract or the consequences of its nullity.