

GENERAL CONDITIONS OF SALE

1) Definitions

1.1 For the purpose of these conditions of sale (hereinafter, "Conditions of Sale"), the following definitions shall apply:

- «Seller»: UAB Hidrobalt
- «Buyer»: any company, body or entity purchasing the Products;
- «Products»: the goods manufactured, assembled and/or sold by the Seller;
- «Order(s)»: each proposal for the purchase of the Products submitted by the Buyer to the Seller by fax and/or email.
- «Sale(s)»: each single sale agreement entered into further to the receipt of the written acceptance of each single Order by the Buyer;

2) Purpose

2.1 The present Conditions of Sale shall apply to all the Sales of Products. Should any of the provisions contained in these Conditions of Sale be inconsistent with any of terms or conditions contained in the Order, the latter shall prevail.

2.2 The Seller does hereby reserve the right to add, amend or cancel any of these Conditions of Sale it being understood that such additions, amendments or cancellations shall apply to all Sales entered into as of the 30th day following the notification of the new conditions of sale to the Buyer.

3) Orders and Sales

3.1 The Buyer shall send the Seller specific Orders containing a description of the Products, the quantity requested, their price and delivery terms.

3.2 The Sale shall be considered executed, pursuant to the terms and conditions established in the Order, at the moment the Buyer receives the Seller's written acknowledgment or, at the moment the Products are delivered to the Buyer.

3.3 Orders regularly accepted by the Seller cannot be cancelled by the Buyer without the Seller's written consent.

4) Price of the Products

4.1 The prices of the Products shall be those indicated in the Seller's price list in force at the time of the placing of the Buyer's Order or, should the Product not be included in the price list or should the price list not be available, that indicated in the Order and confirmed in Seller's written acknowledgment of the Order. Said prices shall be ex works prices, net of VAT and any discount. They shall not cover the packaging, shipping and transport costs from the Seller's premises to the Buyer's premises. These costs shall be separately borne by the Buyer.

4.2 The Seller shall retain the title to the Products until the entire price for the same Products has been paid. The Buyer shall take all necessary steps under local laws to make the retention of title

clause valid and enforceable against any third party.

4.3 The Seller reserves the right to change unilaterally the prices quoted in the price list without prior notice and with immediate effect in cases where the adjustment is due to circumstances beyond the Seller's control (for example: increase in the price of the raw materials and of labour or changes in exchange rates). In all the other cases, the amendment shall be communicated to the Buyer and shall apply to Orders received by the Seller as of the 30th day following the date in which the amendments have been notified to the Buyer.

5) Delivery terms

5.1 Except as otherwise agreed upon in writing between the parties, the Seller shall deliver the Products Ex Works its premises, as this term is defined in the INCOTERMS published by the International Chamber of Commerce, in their most updated version at the time of delivery. If required, the Seller shall take care of the shipment of the Products at the Buyer's costs and expenses. In this last case delivery shall be considered to have taken place when the Products are transferred to the forwarder.

5.2 Delivery shall take place within the term indicated in the Order as confirmed in the Order's written acknowledgment or, should the term not be indicated in the Order, within the term of 60 days, starting from the first working day following the acknowledgment of the single Order.

5.3 Notwithstanding the terms of section 5.2 above, the Seller shall not be deemed responsible for delays in delivery ascribable to circumstances beyond its control, including but non limited to:

a) inadequate technical data or imprecision or delays of the Buyer in transmitting to the Seller information or data necessary to the shipment of the Order;

b) total or partial strikes, lack of electrical power, natural calamities, measures imposed by the public authorities, transport difficulties, riots, terrorism attacks and all other circumstances of force majeure;

c) delays of the forwarder.

5.4 The occurrence of any of the events listed above does not entitle the Buyer to claim for any liquidated damages or compensation of any kind.

6) Shipment

6.1 Shipment shall always take place at the Buyer's risk and expenses by the means of transport which the Seller shall consider most appropriate, when it will not be provided with any specific instructions on this subject.

7) Payments

7.1 Unless otherwise agreed upon between the Parties, the Seller shall issue the invoices upon the acceptance of the Order or upon the delivery of the Products at its discretion.

7.2 Payments shall be done in Euro prior to order entry.

7.3 Failure to make payments within the time agreed entitles the Seller to charge the Buyer overdue interests according to the laws in the Republic of Lithuania.

7.4 Failure to pay or delayed payments above 30 days also entitle the Seller to suspend the delivery of the Products and terminate every single Sale entered into. The suspension of the delivery of the Products or the termination of any Sale shall not entitle the Buyer to claim for any compensation.

7.5 Any complaints regarding the Products and/or their delivery shall not be ground for suspending or delaying the payment.

8) Non-conformity

8.1 Any non conformity of the Products delivered to the Buyer as to the type and the quantity indicated in the Order must be notified to the Seller in writing within five days from the date of delivery. Should the complaint not be notified within said term, the delivered Products shall be considered consistent with the ordered Products.

9) Warranty

9.1 Unless otherwise agreed upon, the Seller warrants that the Products are free of faults/defects (excluded the parts of the Products not manufactured by the Seller) for a period of one year from the date of their delivery to the Buyer.

9.2 The warranty shall not extend to any Products whose defects are due to:

- (i) careless or improper use;
- (ii) failure to observe the Seller's instructions regarding the functioning, maintenance and the storage of the Products;
- (iii) repairs or modifications made by the Buyer or a third party without prior written authorization of the Seller.

9.3 Provided that the claim of the Buyer is within the remit of the warranty, the Seller shall undertake, at its discretion, to replace or to repair any Product or its part showing faults/defects.

9.4 The Buyer shall notify the Seller in writing, by using the Seller's Claim Form, of the presence of any fault or defect within 8 days of the delivery of the Products.

9.5 The Products about which the complaint is made must be shipped immediately to the Seller's factory, at the Buyer's costs and expenses unless otherwise agreed upon, in order to allow the Seller the necessary checks to be made. The warranty does not cover damages and/or defects of the Products caused by anomalies caused by, or connected to, the elements coupled directly by the Buyer or by the final customer.

9.6 The Buyer shall in any case forfeit all warranty rights vis-à-vis the Seller if the price has not been paid according to the agreed terms.

9.7 No guarantee is given herein by the Seller on the conformity of any Product with the law and regulations in a country outside EU or in any Country that does not belong to the EU. No other warranties, express or implied, are made with respect to the Products including, but not limited to, any implied warranty of merchantability or fitness for a particular purpose.

9.8 Without prejudice to the terms of article 9.3 above and save for the case of fraud or gross negligence, the Seller shall bear no liability for damages to property or third persons, even as

manufacturer of the Products, other than that expressly provided by virtue of any mandatory law provisions. In any case, the Seller shall not be liable for indirect or consequential damages of whatsoever nature as, by way of example, production losses or unearned profits.

9.9 In the event that an identical defect in a Product occurs repeatedly and is attributable to the same cause during a period of 12 months from the date of their delivery to the final customer and, in any case, not more than 24 months from the date of delivery to the Buyer, the Seller shall reimburse all the documented direct damages incurred by the Buyer in connection with a recall campaign and any additional costs regarding the repair and the replacement of the Products, provided that the Buyer has used all reasonable endeavours to mitigate any losses that the Seller might suffer.

9.10 In any case, Buyer's right to damages shall be limited to a maximum amount equal to the value of the Products showing defects or faults.

10. Applicable law and jurisdiction

10.1 These Conditions of Sale as well as each single Sale shall be governed by and construed in accordance with Lithuanian Law.

10.2 All disputes arising from or connected to these Conditions of Sale and/or with each Sale shall be subject to the exclusive jurisdiction of the Court of Alytus.

10.4 Notwithstanding the section 10.2 above, the Seller reserves the right, when bringing legal action as plaintiff, to take such action at the Buyer's place of residence, in Lithuania or abroad.