



General Terms and Conditions of Sale and Delivery

1. General

The seller deliveries and services are based exclusively on these General Terms and Conditions of Sale and Delivery. Opposing of different terms and conditions of the seller do not obligate us. These General Terms and Conditions of Sale and Delivery are valid for current deliveries and all subsequent deliveries of goods to the buyer. By acceptance of our goods, the buyer indicates his consent to these Terms and Conditions of Sale and Delivery. These General Terms and Conditions of Sale and Delivery may only be departed from, if such is established in writing by both parties (buyer/seller) or confirmed in writing by the seller.

2. Establishment of the Agreement

- 2.1 The seller's offers are subject to written confirmation.
- 2.2 The seller is not liable for receiver or transmission defects that result from telephone orders. Orders are regarded as final only after acquisition of a written confirmation. Verbal agreements as well as agreements made via telephone are also considered final, only after seller receives a written confirmation.
- 2.3 If the buyer wishes to make changes to what has been agreed - which may be requested in writing exclusively - the seller shall only be obliged to cooperate in that, if such is reasonably feasible and the buyer shall be obliged to take on the additional costs resulting from that change.

3. Prices

- 3.1 The seller's offers are non-binding. The prices are valid categorically for single order noted in order confirmation. Repeat offers are new orders.
- 3.2 The seller reserves the right to raise seller prices seller has in agreement with buyer if, after the execution of contract and after the acceptance of the prices, unexpected and extraordinary cost increases occur, in particular on basis of price increase for raw materials, transport, labor, exchange rates movements.
- 3.3 Unless otherwise agreed, the seller remains committed to price offers for 30 days from offering date.

4. Delivery and Delivery Times

- 4.1 Delivery times agreed with the seller shall apply as an indication and not as a final deadline. If delivery does not take place in time, the seller must be declared in default in writing by the buyer therefore.
- 4.2 For deliveries abroad, customs, taxes and other charges, including the costs for the payment of duty and the customs clearance at the border of the transit country or in the country of destination are to be paid by the buyer.

- 4.3 Pricing applies to fully loaded freight cars, trucks or containers. Freight cars, trucks or containers will be loaded fully when orders do not specify the number of bales to be delivered. If a small number of bales is ordered, the buyer is responsible for the respective shipping charges.
- 4.4 All prices are EXW (Incoterms), unless agreed otherwise.
- 4.5 The seller is authorized to load 10 % more or less than the desired volumes. If the desired volumes or single products cannot be delivered, the buyer may not derive any claims.
- 4.6 Business disturbances or Force Majeure that the seller can neither foresee nor anticipate, as well as labor shortage, stoppage of the raw material supply or stoppage of energy and inadequate transportation space exempts us from the obligation to a punctual delivery for the duration of the interference or its aftereffect. The same circumstances apply to acts of war, catastrophes, riot, strike, highway disturbances, official or legal measures, and changes or restrictions of the exportation.

5. Payment

- 5.1 The seller's invoices must be paid before the due date stated on the invoice in the way specified by the seller. Payment must take place effectively in the agreed currency. The buyer shall not be allowed to deduct any amount from the invoices to be paid on account of a counter claim brought by the other party. The buyer shall also not be allowed to suspend the compliance with its payment obligation in the event of a complaint by them to the seller about the products supplied, unless the seller expressly agrees with suspension in exchange for a provision of security.
- 5.2 In the event of an overdue payment, all payment obligations of the buyer shall be due at once, regardless whether the seller already sent an invoice in this matter. In that case, the seller shall be entitled for instance to suspension of his delivery obligation and/or may require sufficient security or has the right to terminate - partially or not - the agreement, as referred to Article 9 of these General Terms and Conditions.
- 5.3 In the event of overdue payment, the buyer shall owe interest in the amount of the legal commercial interest.
- 5.4 If the buyer does not or not timely comply with any of their obligations, all costs of obtaining settlement out of court, including the costs of drawing up and sending notices, making a settlement proposal and making inquiries, shall be for the account of the other party, apart from the price and costs agreed.



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6. Retention and Pledge of Title

- 6.1 The seller shall retain the ownership of all goods delivered or to be delivered until full payment of: a. All performances owed by the buyer for goods delivered or to be delivered under agreement as well as work performed or to be performed under such agreement; b. All claims because of failure of the other party to comply with such agreement(s). The buyer shall not be allowed to claim the right of retention as regards the storage costs and to offset these costs against the performances owed by them.
- 6.2 If the seller is entitled to any good or goods pursuant to paragraph 6.1, the other party shall only be able to dispose of it as part of its normal business operations.
- 6.3 If the buyer is in default as regards to the performances as referred to in paragraph 6.1, the seller shall be entitled to retrieve the goods belonging to him from the place where they are kept or to have them retrieved, for the account of the buyer. The buyer shall irrevocably authorize the seller already now to access space at or in use by the buyer or to have them accessed for that purpose in that case.

7. Complaints, Investigation Obligation, Limitation and Compliance, Liability

- 7.1 The buyer is obliged to investigate upon delivery and no later than 24 hours after delivery (randomly if not possible otherwise) whether the delivery meets the agreement, i. e.:
- whether the right goods have been delivered;
 - whether the goods delivered meet the agreement in terms of quantity (e. g. number and amount).
- If this is not the case and the buyer does not give notice of this in writing within 8 days to the Seller, the buyer shall lose all rights with regard to the failure to comply in connection with the delivery not meeting the terms of the agreement. If the seller does not receive written notice within 8 days that the delivery does not meet the terms of the agreement, it shall then be considered proven between the parties that the delivery meets the terms of the agreement.
- 7.2 The buyer is obliged to investigate upon delivery and no later than 14 days after delivery (randomly if not possible otherwise) whether the delivery meets the agreement, i.e.:
- whether the goods delivered meet the agreed quality standards or - if these are missing - the requirements for normal use and/ or commercial purposes;
- If this is not the case and the buyer does not give notice of this in writing within 21 day to the seller, the buyer shall lose all rights with regard to the failure to comply in connection with the delivery not meeting the terms of the agreement. If the seller does not receive written notice within 21 days that the delivery does not meet the terms of the agreement, it shall then be considered proven between the parties that the delivery meets the terms of the agreement.

- 7.3 Complaints may only be taken into account if they are placed in writing.
- 7.4 Claims for compensation against the seller due to all types of contract disturbances are excluded as far as they are not based on the gross negligence of seller legal representatives and executive employees. Seller is liable for slight negligence of other auxiliary persons only in the case that the main duties have been infringed.
- 7.5 The seller is liable for possible defects of the delivered product only up to the amount of the good's value of the rejected part of the delivery. Additional claims for compensation are excluded, including business interruption.
- 7.6 Claims and defenses, based on facts and/ or statements meaning that the delivery does not meet the agreement, shall be barred by lapse of one year after the moment of delivery.
- 7.7 If the delivery does not meet the agreement, the seller shall only be able to choose to be held to deliver the missing goods, repair or replacement of the delivered good or goods.

8. Measures, Numbers, Weights Information

- 8.1 Volume determination shall be carried out according to EN 12580.
- 8.2 Slight differences with regard to the listed measures, weights, numbers, colors and other such information do not count as shortcomings.
- 8.3 Regarding paragraph 8.2 if there is a slight difference in case of a margin of max. 10 % more or less that the specification indicated. It must be not count as shortcomings. Samples produced or provided only serve as an indication. Samples produced or provided only serve as an indication, without a good subject to a sales or service agreement having to meet that.
- 8.4 All variation ranges of technical properties are subject to the guidelines of the German Guetegemeinschaft Substrate fuer Pflanzen e.V. (RAL), for the pH-value it is +/- 0.4. We prepare all product information provided by us to the best of our knowledge and belief. They make no claim to completeness and continuous or consistent accuracy. We reserve the right to make changes. Any recommendations for application or use on our part are to be understood as non-binding guidelines and must be adapted to the local and operational conditions.
- 8.5 The substrates to be delivered shall meet the quality requirements or standards of Latvian legislation and regulations. In as far as the goods will be used outside Latvia; the buyer shall be responsible for the substrates to be delivered having to meet the quality requirements or standards of the country concerned, unless agreed otherwise. Specific notification by the buyer also must be given of all other quality requirements to the seller for the goods to be delivered and which difference from the normal



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requirements, when the sales agreement is concluded.

8.6 The seller vouches for flawless production of the merchandise delivered by seller. Peat moss products and substrates are produced from natural raw materials, which may contain saprophytic fungal spores present in nature that are not detrimental to plants. Under certain cultivation conditions (high humidity, plenty of watering or slow plant growth, for example) these fungi can germinate and form a mycelium on the substrate surface that looks bad and interferes with water absorption in plants. Normally, these fungal growths will disappear by themselves after a few days. The producer expressly rules out liability for these naturally occurring fungal growths.

9. Non-Compliance

9.1 The claims of the seller against the other party are due instantly if: - circumstances which have come to the knowledge of the seller after the agreement was concluded present good grounds to fear that the other party will not fulfill its obligations; - the seller has requested the other party to provide security for the compliance and this security remains forthcoming or is insufficient. In the cases referred to, the seller shall be authorized to suspend further execution of the agreement or to terminate the agreement, all this subject to the right to claim damages.

9.2 If there are circumstances with regard to people and/or equipment which the seller uses or usually uses when executing the agreement, which are then of such nature that the execution of the agreement becomes impossible or thus problematic and/ or disproportionately costly that compliance with the obligation under the agreement can no longer reasonably be required, the seller shall be entitled to terminate the agreement.

9.3 Force majeure refers to circumstances preventing compliance with the agreement and which shall not be attributable to the seller. Included are (if and in as far as these circumstances make compliance impossible or unreasonably interfere with it): fire, wildcat strikes or political strikes in the company of the seller; a general lack of required raw materials and other goods or services required for the agreed performance; any quality problems at the seller or supplier of the seller unforeseeable stagnation at the suppliers or other third parties on which the seller relies and general transportation problems.

9.4 The obligation of delivery and other obligations of the seller shall be suspended during situations of force majeure. If the period in which compliance with the obligations by the seller is not possible longer than 48 hours due to force majeure, both parties shall be entitled to terminate the agreement without mandatory damage compensation in that case.

9.5 If the seller already partially fulfilled his obligations at the occurrence of the force majeure or is only able to fulfill his obligations partially, he shall be entitled to separately invoice what has already been delivered or the deliverable part and the other party shall be obliged to pay this invoice as if a separate contract was concerned. However, this does not apply if what has already been delivered or the deliverable part has no independent value.

10. Applicable Law and Competent Court

10.1 For all disputes which arise due to the interpretation or execution of a contract or deliveries, Latvian law is valid. The place of jurisdiction is Riga, Latvia.

Latvian law is applicable, however independent of the place of jurisdiction. The buyer must pay the court and lawyer fees that accrue from seller in the case that seller wins the court case.

10.2 Should individual conditions of this agreement be legally ineffective, the effectiveness of other conditions must be without prejudice. The ineffective conditions will be replaced with effective and feasible conditions according to the legal basis that comes closest to the economic intentions of the contracting parties.

10.3 These General Terms and Conditions have been drawn up to be used in national and international agreements. The original text of the Terms of Sales and Delivery is the English text. Texts in a foreign language are merely translations.

If the parties have a difference of opinion about the explanation of a non-English version of these General Terms and Conditions, the English text of these General Sales Terms and Conditions shall prevail over a translation or translations of them.