

## General Terms and Conditions of Sale and Delivery

1. The following General Terms and Conditions of Sale and Delivery (the Conditions) shall apply to all business contracted with companies, legal persons under public law and in connection with special funds under public law unless otherwise agreed in written form between Felzer SIA (the Seller) and its clients (the Buyers). These Conditions are part of all offers, sales and deliveries in which Felzer SIA acts as the Seller. Departures from, amendments to or modifications of these Conditions are only valid if Felzer SIA specifically accepts such departures, amendments or modifications in writing. Should any article of these Conditions become not applicable or invalid for any reason whatsoever, all other articles of the same Conditions will remain in force.
2. All our offers of sale are being released without any obligations from our side. To buy the desired products the Buyer shall place an order in written or in the electronic form. Purchase orders can only be accepted / confirmed by means of our written Order Confirmations. Such acceptance and the fact that the order matches the Order Confirmation results into a contract, where our Conditions always overrule the Buyer's terms and conditions. No order is valid before the Buyer has received the Order Confirmation. The Seller may unilaterally increase the contract price by prior written notice to the Buyer (to take account of any upward variation in the aforesaid costs) after the date of acceptance of the order, but in such circumstances the Buyer shall be entitled to cancel the contract without liability promptly on the notice receipt. If the Buyer has unpaid invoices the Seller has the right to refuse Order Confirmation until the Buyer pays the invoices.
3. If not agreed otherwise the Buyer must pay the delivered goods in 30 days after the delivery. A penalty of 15% per annum can be calculated by the Seller on unpaid amount after this period.
4. Work and material in addition to, or different from, that stated herein, and changes in drawings or specifications, shall be subject to Seller's approval and shall entitle Seller to an adjustment in the contract price and schedule. Services or parts requested by the Buyer in addition to those specified in the order will be provided upon receipt of Buyer's written authorization and invoiced at Seller's prevailing labor rates and parts charges. Additional services or parts shall be supplied under the terms of this Conditions.

### Delivery

5. Unless designated otherwise, all goods are sold EXW the Seller factory. Title and risk of loss, damage, or destruction shall transfer at the shipping point. Unless specifically agreed in writing, shipment dates quoted are estimates, and the Seller does not guarantee a particular date for shipment or delivery of the goods. The Seller shall not be liable for any losses, damages, or penalties occasioned by late performance, nor for any deviation in performance due to supplier delays, fires, strikes, labor disputes, embargos, wars, riots, governmental action, acts of terrorism, acts of nature, other delays in transportation or any other condition beyond Seller's control. Partial shipments are authorized.
6. Times and dates of delivery shall not be of the essence of the contract and the Seller shall not be liable for any loss, expenses, damage or claim whatsoever and howsoever arising, resulting from any delay in delivery howsoever such delay is caused. Subject to this the Seller shall deliver goods to the site or such other place by the delivery date, agreed between the parties, and where it cannot deliver by such date for any reason, it shall deliver the goods within a reasonable time.
7. If the contract provides for the goods to be collected by or on behalf of the Buyer the Seller shall give the Buyer notice of the date when and the place where the goods will be ready for collection and delivery shall be deemed to take place upon the date and at the place so notified. If the Buyer fails to collect the goods from the Seller's premises within 14 days after receiving notification from the Seller that the same are ready for collection then any loss or damage to or deterioration in the goods thereafter shall be at the sole risk of the Buyer, who shall further reimburse the Seller any extra expense or costs incurred by it in consequence of such failure together with a reasonable charge in respect of the storage and insurance of the goods from the date upon which they should have been collected until the date of actual collection. The Seller may issue an invoice for the goods on the date upon which the goods should be collected and payment of such invoice shall be made before the actual collection or within other term agreed in writing.
8. The Buyer must inspect the goods after delivery. If the Buyer does not make any claims on defects or non-conformity of the supplied goods within 14 days after delivery or 7 days after the delivered device has been started, the goods are deemed accepted by the Buyer.

## Warranty

9. The Seller warrants that its goods are free from defects in design, materials and workmanship under normal use and service for a maximum warranty period of 12 months from the shipment or 24 months from the start-up, whichever comes last. Our sole and exclusive obligation shall be limited to repairing or supplying a replacement for the failed part, assembly or portion thereof, which our inspection shall show to be defective.
10. The Seller reserves the right to vary the period and conditions of warranty in individual sales quotations, in this case the period and conditions set out in the individual quotation shall supersede those set out in here.
11. An Authorized Service Representative will repair or replace, at its option, the good or any part of the good, that its examination shows to be defective.
12. The Warranty on chillers is only valid if startup protocol is correctly fulfilled and delivered to the Seller.
13. The Buyer may invoke the Warranty only if all payments relating to the goods have been made.
14. The Warranty of the goods requires that in addition to all other conditions, the Buyer conducts regular and/or preventative maintenance as may be specified by the Seller (e.g. Operating Instructions) and required by the level of usage and the usage environment, including the use of correct and uncontaminated refrigerants and lubricants. The Seller shall not be liable to repair or replace any part of the goods unless and until it is satisfied that the goods have since delivery been used, installed, operated and maintained in accordance with good engineering practice and/or any instructions or advice given by the Seller and that any such defect is not attributable to misuse or misapplication or to improper or inadequate storage of the goods or any part thereof or storage thereof for more than three months.
15. Further, the Seller shall incur no liability under this warranty unless the Buyer returns any defective goods within 21 days of any defect becoming apparent and unless the Buyer provides the Seller promptly with all relevant information concerning the goods, such defects, and the user, installation, operation, maintenance and storage thereof since their delivery or any other relevant information that the Seller may reasonably require.
16. In instances of 'parts only' warranties, the cost of removing or dismantling any defective part to be replaced under this warranty, its carriage to the Seller's premises and its re-installation shall be borne by the Buyer. The cost of non-express carriage of the repaired or replacement part back to the Buyer for reinstallation where the Seller has accepted liability to repair or replace under this warranty shall be borne by the Seller. The 'parts only' warranty does NOT cover cost of labor for any adjustments or service calls or cost of labor for diagnosing, repairing, removing, installing, shipping, handling or replacing parts or components that have failed due to defects in materials and workmanship.
17. In the instances of 'parts and labour' warranties, the warranty shall exclude the cost of any specialist access and/or lifting the goods, which shall be paid for by the Buyer. Service or other labor charges not included in 'parts only' warranties may be covered by a service agreement through the Seller at time of purchase. Such agreement or contract shall be separate and apart from this factory goods limited warranty.
18. Any spare part supplied by the Seller to the Buyer under the warranty shall be warranted for the unexpired period of the warranty or three months from delivery whichever period is longer, with the exception of compressors which shall be warranted for 12 months from delivery. Any spare part supplied by the Seller to the Buyer outside the warranty period shall be warranted for three months from delivery or payment whichever is the earlier.
19. The limited warranty does NOT cover:
  - a. Devices and parts of the devices that are installed in inappropriate places or in locations that are not suitable for them or if the failure may be influenced by noncompliance to the requirements and advises from installation and operations manual.
  - b. Any repairs or spare parts replacement caused by usual wear.
  - c. Failure to start due to voltage conditions, blown fuses or other damage due to inadequacy or interruption of electrical service.
  - d. Filter replacement or cleaning of evaporator coil, condenser coil or heat exchanger.
  - e. Damage due to freezing of water, inadequate or interrupted water supply, use of corrosive water or rearrangement of plumbing system.
  - f. Failure resulting from over-firing, use of incorrect fuel, and improper burner or control adjustments.
  - g. Damage caused by accident, misapplication, abuse, alteration, tampering or servicing.

## General Terms and Conditions of Sale and Delivery

- h. Damage resulting from use of the goods in corrosive atmosphere.
  - i. Damage due to improper service or lack of proper maintenance.
  - j. Damage caused by the goods identified herein or any part thereof which has been subjected to misuse, abuse, neglect, accident or alteration.
  - k. Parts not supplied or not designated by the Seller, or damages resulting from their use.
20. Subject to Clause 21, all representations, terms, conditions and warranties not contained in these Conditions of sale in respect of the goods, whether statutory or otherwise and whether expressed or implied are hereby expressly excluded insofar as permitted by law.

### Limitation of liability

21. The Seller is not responsible for any damage to the third parties by the devices.
- a. Nothing in these Conditions exclude either party's liability for death or personal injury caused by negligence or for fraud or fraudulent misrepresentation nor where liability cannot be limited or excluded by law.
  - b. Subject to Condition 21 (a), the Seller's total liability in contract, tort, misrepresentation or otherwise arising in connection with the performance or contemplated performance of any contract, to which these Conditions are applied, shall be limited to the greater of the price of goods under the order which has given rise to claim, or the amount that the Seller may reasonably recover from its insurers under any policy of insurance that it has in force.
  - c. Subject to Condition 21 (a) and 21(b), the Seller shall not be liable for:
    - i. any indirect or consequential loss or damage;
    - ii. any loss of profit; loss of business; or depletion of goodwill;
    - iii. any costs, expenses or other claims for consequential compensation;
    - iv. any defect, which may occur in any prior installation, to which the Seller's goods may be connected;
    - v. any defect to the extent that it is caused by incorrect installation (where not installed by the Seller) or lack of or poor maintenance of the goods.

### Other conditions

22. The Seller will be liable for delayed deliveries and eventual defects of the goods as stipulated in the United Nations Convention on Contracts for the International Sale of Goods (CISG) as it has been implemented by the Latvian Law including the restrictions applicable due to force majeure.
23. The contract shall be governed by Latvian Law and any dispute shall be heard by the Latvian courts.