

Terms of sale

1. General terms.

- 1.1. The present terms of sale (hereinafter - the Terms) are applicable to all transactions between SIA "Hansa Food Commodities" (hereinafter - the Seller) and the Buyer, performed following approval of the present Terms and posting them on the Seller's website (www.hansafc.lv). The definitions used in the Terms and not defined by the Terms have the following meaning:
 - 1.1.1. The definition Confirmation means the sales confirmation;
 - 1.1.2. The definition Parties means the Seller and the Buyer;
 - 1.1.3. The term Products means the products specified in the Confirmation.
- 1.2. For the purpose of implementing cooperation, the Seller and the Buyer sign Sales Contracts on Products (hereinafter - the Sales Contract).
- 1.3. The Seller sells, delivers and transfers the Products to the Buyer and the Buyer buys and accepts the Products from the Seller according to the Sales Contract.
- 1.4. The Sales Contract consists of the Confirmation and the Terms. The Confirmation and the Terms are mutually indispensable parts of the Sales Contract.
- 1.5. The following information and obligations are specified by the Confirmation and the Terms:
 - 1.5.1. The following special terms of a transaction: the contract subject, information about the order of products, including the ordered Products, the quality of the Products, the quantity, the delivery lots, Incoterms 2020 delivery terms and the time of loading or dispatching of the Products, the type of transport, the labelling, the price, the purchase amount, the payment term and procedure, as well as the date and reference number of approval of the Terms;
 - 1.5.2. The Terms define the general terms of a transaction.
- 1.6. The Parties may amend and exclude application of the provisions contained by the Terms in the legal relationship arising under the Sales Contract in the Confirmation. In this case the provisions contained in the Confirmation prevail in the legal relations of the Parties.
- 1.7. For the purpose of performing the Sales Contract the Parties use electronic communications by sending e-mails with attached scanned documents exclusively to the Seller's e-mail addresses specified in the Confirmation and the Buyer's e-mail addresses specified in the Confirmation.

2. Signing of the Confirmation and entry into force of the Sales Contract

- 2.1. The following procedure of ordering of the Products is binding for the Parties: the Seller agrees on the desired range of the Products, the quantity and the desired delivery time with the Buyer.
- 2.2. Following agreement on the order of the Products, the Parties sign the Confirmation and notify each other thereof according to the following procedure:
 - 2.2.1. The Seller signs the Confirmation and sends it electronically to the Buyer;
 - 2.2.2. within 2 (two) business days following receipt of the Confirmation, the Buyer signs the Confirmation and immediately sends it electronically to the Seller.
- 2.3. The Parties' legal or authorised representatives sign the Confirmation on the Parties' behalf.
- 2.4. If the Buyer has not refused the Confirmation electronically, the Confirmation enters into force following 48 (forty eight) hours and the Buyer is obliged to comply with the provisions of the Confirmation.

- 2.5. Upon a Party's request the other Party is obliged to send a signed Confirmation as a hard copy to the Party. The above request does not affect the entry into force of the Sales Contract in compliance with Clauses 2.2 and 2.4 of the Terms. The Confirmation signed by the Parties and scanned is a sufficient evidence for signing the Sales Contract.

3. *Quality, packaging and labelling of Products*

- 3.1. Considering the guarantees provided by the producer of the Products (hereinafter - the Producer), the Products:
 - 3.1.1. should comply with the applicable hygiene and veterinary requirements, should be of the quality suitable for sale and human consumption;
 - 3.1.2. should comply with the requirements valid in the territory of sale of the Products (hereinafter - the Territory) if the Buyer has notified the Seller thereof in due time;
 - 3.1.3. should be prepared, processed and packaged for transportation and delivery to the Buyer in such a way that the Products would reach the delivery destination in the Territory in a quality conforming to the trade requirements and suitable for human consumption.
- 3.2. The requirements and specifications set for the Products regarding the quality, packaging and labelling of the Products are defined in the Confirmation. The Product labelling is prepared according to the Buyer's sample agreed by the Parties electronically.

4. *Delivery of Products*

- 4.1. The Seller prepares the Products for delivery to the Buyer according to the Parties' agreement.
- 4.2. Due to reasons independent of the Seller's action, inter alia, when the Producer does not deliver the Products to the Seller in due time, the forwarder does not accept the Products for transportation, loading of the Products in a ship or other means of transport is not possible due to the acts of the competent authorities of the Republic of Latvia, the Buyer delays issue of instructions to the Seller regarding necessary documents, packaging, labelling or other matters necessary for performance of the Sales Contract, and also due to epidemics, the Seller is entitled to extend the term of delivery of the Products by notifying the Buyer thereof electronically in due term.
- 4.3. The Products are delivered to the Buyer according to the terms of Incoterms 2020 specified in the Confirmation.
- 4.4. The Seller prepares the documents necessary for shipment, export, transit, delivery and import of the Products to the Territory (hereinafter - the Documents) or secures their preparation. The term "Documents" includes the documents necessary for performing all the above acts, inter alia, the documents of origin of the Products, veterinary (health) certificates, export declarations, documents necessary for the customs clearance, the Product labels, the list of packaging, consignment notes, as well as a delivery note, an invoice or another document specifying the assortment, quantity, price and total amount of Products (hereinafter - the Invoice). The Documents are prepared according to the Buyer's sample agreed by the Parties electronically.
- 4.5. Following receipt of the Products at the final delivery destination of the Products in the Territory (hereinafter – the Delivery Destination), the Buyer immediately notifies the Seller thereof electronically.
- 4.6. Upon receipt of the Products at the Delivery Destination, the Buyer immediately verifies the assortment and the quantity of the Products and if there are no deficiencies and non-conformities with the quality requirements in found in the Products.

4.7. The Seller maintains the ownership of the Products until the moment when the Buyer has paid the full amount of the purchase price of the Products to the Seller.

5. *Submission and review of claims*

- 5.1. The Seller is only responsible for non-conformities of the assortment and quantity of the Products specified in the Confirmation (hereinafter - Non-conformities of the Assortment and Quantity of Products) and non-conformities of the Products to the quality requirements (hereinafter – Non-conformities of the Quality of Products), which existed prior to transfer of the Product risk to the Buyer in compliance with the terms of Incoterms 2020 selected by the Parties. The Seller is not responsible for Non-conformities of the Assortment and Quantity of Products and Non-conformities of the Quality of Products (hereinafter jointly - the Product Non-conformities) which appeared following transfer of the Product risk to the Buyer in compliance with the terms of Incoterms 2020 selected by the Parties.
- 5.2. If the Buyer finds Product Non-conformities, the Buyer immediately notifies the Seller thereof electronically by attaching the evidence confirming the Product Non-conformity to the notice.
- 5.3. The Seller provides a reply to the Buyer's claim regarding the Product Non-conformities electronically within 5 (five) business days following receipt of the claim.
- 5.4. The Parties cooperate in order to find the reasons of the Product Non-conformities and the entities liable for the Product Non-conformities. If the Seller is liable for the Product Non-conformities in compliance with Clauses 5.1, 5.5 and 5.7 of the Terms, the Parties perform relevant actions to enable the Seller to eliminate consequences of the Product Non-conformities.
- 5.5. If the Seller agrees to the Product Non-conformities specified by the Buyer and agrees that the Seller is liable for the Product Non-conformities, the Seller, at its own discretion, either reimburses the value of the Products where the Product Non-conformities were found to the Buyer, deducts the value of these Products from the purchase price, replaces these Products by compliant Products or sends missing Products to the Buyer.
- 5.6. If the Seller does not agree to the Product Non-conformities specified by the Buyer and does not agree that the Seller is liable for the Product Non-conformities, following an agreement with the Seller, the Buyer involves an independent expert possessing relevant know-how and the authority to perform the expert's examination (hereinafter – the Expert), who inspects the Products and whose conclusion is binding for the Parties. Initially, the Buyer covers all the expenses of the Expert's examination.
- 5.7. If in the case defined by Clause 5.6 of the Terms the Expert concludes that the Buyer's claims are justified and the Seller is liable for the Product Non-conformities in compliance with Clause 5.1 of the Terms, the Seller reimburses the Expert's expenses to the Buyer following submission of copies of documents attesting payment of the expenses. In the above case, the Seller, at its own discretion, either reimburses the value of the Products where the Product Non-conformities were found to the Buyer, deducts the value of these Products from the purchase price, replaces these Products by compliant Products or sends missing Products to the Buyer.
- 5.8. In cases provided for by Clauses 5.5 and 5.7 of the Terms the Buyer is obliged to return the Products regarding which the Product quality non-conformities were found to the Seller according to the Seller's instructions to the place defined by the Seller or to destroy these Products in compliance with the laws and regulations in force in the Territory. In this case the Seller reimburses the Buyer's expenses for return or destroying of the Products following submission of copies of documents attesting payment of the expenses, including documents attesting destroying of the products.

- 5.9. In other cases, not specified above, if the Product Non-conformities were caused by reasons independent of the Seller and therefore the Seller is not liable for the Product Non-conformities, the Seller provides assistance to the Buyer within the limits of its possibilities, to enable the Buyer to establish the entities guilty for the Product Non-conformities and to defend its rights and interests.
- 5.10. If the Buyer has not submitted claims to the Seller for the Product Non-conformities within 5 (five) days following receipt of the Products by the Buyer at the Delivery Place and thus being able to duly inspect the Products, it is deemed that the Product conforms with the Buyer's requirements. In this case the Buyer does not have the right to submit any claims regarding the Product Non-conformities to the Seller.

6. *Suspension and cancellation of delivery of the Products*

- 6.1. The Seller has the right to suspend delivery of the Products to the Buyer by not loading or not dispatching the Products or issuing instructions to the forwarder during transportation of the Products not to deliver the Products to the Buyer or the forwarder assigned by it or another third party (hereinafter – Delivery Suspension) if the Buyer has not paid the Purchase Price to the Seller within the agreed terms or within the terms agreed in other Confirmations signed by the Parties, does not perform other obligations provided for by the Sales Contract or other Confirmations signed by the Parties. Delivery of the Products is continued if the Buyer has performed the obligations agreed by the Sales Contract or other Sales Contracts signed by the Parties. If the Buyer has not performed its obligations within 20 (twenty) days following the term of performance of the obligations, the Seller has the right to suspend delivery of the Products.
- 6.2. The Seller has the right to suspend the Delivery or to cancel delivery of the Products in a full or partial scope also in the following cases:
 - 6.2.1 if delivery of the Products cannot be done due to objective circumstances, including in relation to restrictions or prohibitions valid in the Republic of Latvia or the Territory, Force Majeure circumstances, including epidemics;
 - 6.2.2 if the Seller has substantiated doubts regarding the Buyer's solvency.
- 6.3. The Seller notifies complete or partial cancellation of the Delivery to the Buyer electronically.
- 6.4. If the rights provided by Clauses 6.1 - 6.2 of the Terms are used the Seller is not liable for the loss caused to the Buyer as a result of suspension or cancellation of the Delivery.
- 6.5. If the Seller uses the rights provided by Clauses 6.1 - 6.2 of the Terms to unilaterally cancel delivery of the Products, the Sales Contract regarding the undelivered Products is deemed to be terminated as from the moment when the Seller has electronically notified the Buyer regarding cancellation of the Products.

7. *Purchase price and the procedure of payment*

- 7.1. The price of the Products and the total purchase price of the Products (hereinafter – the Purchase Price) is specified in the Confirmation. The Buyer has the obligation to pay the Purchase Price following signing of the Confirmation and entry into force of the Sales Contract.
- 7.2. In compliance with the information about the Products stated in the Confirmation, the Seller prepares and submits an Invoice to the Buyer. The Seller sends a signed Invoice to the Buyer electronically.
- 7.3. The Purchase Price is paid to the Seller according to the procedure and the term defined by the Confirmation by transferring the Purchase Price to the Seller's bank account defined in the Confirmation (hereinafter – the Account).

- 7.4. The date when the Purchase Price is credited to the Account is deemed the date of payment of the Purchase Price.
- 7.5. Submission of claims regarding the Product Non-conformities does not release the Buyer from the obligation to pay all the Purchase Price of the Products specified in the Confirmation within the agreed term. The Buyer is also obliged to pay the purchase price in case of submission of claims regarding the Product Non-conformities and the Buyer does not have the right to withhold the Purchase Price. The Seller repays the value of the Products in which the Product Non-conformities were found and for which the Buyer has paid the Purchase Price in compliance with the provisions of Clauses 5.5 and 5.7 of the Terms.
- 7.6. If in cases referred to in Clauses 6.1 - 6.2 the Seller cancels delivery of the Products, the Seller repays the value of the Products not yet delivered for which the Buyer has paid the Purchase Price. If the Seller cancels delivery of the Products due to the Buyer's action after the Seller has incurred expenses related to loading of the Products or dispatch to the Buyer, the Buyer reimburses the Seller's expenses to it and the Buyer is obliged to pay the purchase price for any delivered Products.

8. *Liability*

- 8.1. Each Party is fully liable for all the losses caused by it to the other Party by breaching the provisions of the Sales Contract or the requirements of the laws and regulations in force in the Republic of Latvia.
- 8.2. The Party which has caused losses to the other Party reimburses the losses in the amount which could be reasonably estimated as the expected consequences of a failure to comply as the moment of signing the Confirmation unless the failure to conform has been the result of an ill intention or gross negligence. The Parties are mutually liable for direct losses.
- 8.3. The Seller is not liable if delivery of the Products to the Buyer is prevented by requirements to the Products valid in the Territory regarding which the Buyer has not notified the Seller prior to signing the Confirmation or delivery is prevented by restrictions or prohibitions applied by the authorities of the Republic of Latvia, transit countries or the Territory.
- 8.4. If the Buyer delays the term of payment of the Purchase price, the Buyer pays late payment interest of 8% (eight per cent) per year of the amount of the delayed payment to the Seller. Payment of the late payment interest does not release the Buyer from the obligation to pay the outstanding Purchase price.
- 8.5. If the Buyer refuses acceptance of the Products without a justified reason, the Buyer pays the Purchase price to the Seller. The Buyer also pays the Purchase price if the Buyer has not notified the requirements applicable to the Products in the Territory to the Seller prior to signing the Confirmation or if the requirements valid in the Territory have changed following signing of the Confirmation resulting in the prohibition of import of the Products to the Territory or the Products not being suitable for the intended purposes. In addition to the above, the Buyer reimburses the costs of transportation of the Products paid by the Seller to it and covers the costs related to return of the Products to a location specified by the Seller following submission of copies of documents attesting payment of the relevant expenses.
- 8.6. The Parties are released from liability for a full or partial failure to perform the obligations under the Sales Contract if performance of the obligations is prevented in the result of Force Majeure circumstances, including the circumstances which the Parties could not predict in advance and prevent by reasonable means. The Party who refers to Force Majeure circumstances as the reason for non-performance of its obligations or partial performance has to submit a relevant reference issued by a competent authority regarding the start and the duration of effect of the Force Majeure circumstances to which the Party refers to the

other Party latest within 25 (twenty five) business days. If either Party is prevented in performance of contracted obligations by Force Majeure circumstances this shall be notified to the other Party. The term of performance of the relevant obligation is extended by a term during which the relevant Party was prevented from performance of this obligation.

9. Other provisions

- 9.1. Disputes and disagreements arising in relation to the Sales Contract, including a breach, termination or validity of the Sales Contract, are resolved by negotiation, and if a written agreement is not attained by the Parties on the relevant matters, in compliance with the substantive law of the Republic of Latvia by excluding the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (hereinafter – the Convention), at the competent court of the Republic of Latvia according to the respondent's registered address.
- 9.2. The Sales Contract is in force following mutual signing of the Confirmation according to Clause 2.4 of the Terms. The Sales Contract is in force until full performance of the Parties' obligations.
- 9.3. In issues not regulated by the Confirmation and the Terms the Parties are bound by the legislation of the Republic of Latvia by following the provisions of Clause 9.1 of the Terms.
- 9.4. The Buyer hereby agrees that during the validity term of the Sales Contract the Seller is entitled to collect and process the Buyer's data and the data about the private individuals representing the Buyer (hereinafter – the Data), as well as that during the validity term of the Sales Contract the Seller is entitled to request and to receive the Data from the Buyer or the third parties.