

## General Terms and Conditions for the Sale of Raw materials

Valid from 1 January 2025

### 1. General

1. These General Terms and Conditions for the Sale of Raw materials („Conditions“) govern the offering, sale and delivery of all goods and/or services (hereinafter jointly referred to as the Product(s) from or on behalf of AB „Kauno grūdai“ (the „Supplier“) to Buyer (the „Buyer“) and apply to all transactions between the Supplier and the Buyer.

2. By contracting on the basis of the Conditions, Buyer agrees to the applicability thereof in respect of all future dealings, even if this is not explicitly stated.

3. Supplier **explicitly rejects the applicability of any general terms and conditions of Buyer**. Furthermore, the Conditions supersede any and all terms of prior oral and written quotations, communications, agreements and understandings of the parties in respect of the sale and delivery of the Products and shall apply in preference to and supersede any and all terms and conditions of any order placed by Buyer and any other terms and conditions submitted by Buyer. Failure by Supplier to object to the terms and conditions set by Buyer shall in no event be construed as an acceptance of any of the terms and conditions of Buyer. Neither Supplier's commencement of performance nor Supplier's delivery shall be deemed as acceptance of any of Buyer's terms and conditions. If the Conditions differ from any of the terms and conditions of Buyer, the Conditions and any subsequent communication or conduct by or on behalf of Supplier, including, without limitation, confirmation of an order and delivery of Products, constitute a counter-offer and not acceptance of such terms and conditions submitted by Buyer. Any communication or conduct of Buyer which confirms an agreement for the delivery of Products by Supplier, as well as acceptance by Buyer of any delivery of Products from Supplier shall constitute an unqualified acceptance by Buyer of the Conditions.

4. Any electronic communication between Supplier and Buyer shall be effective as originals and shall be considered to be a “writing” between the parties. The electronic communication system used by Supplier will serve as sole proof for the content and the time of delivery and receipt of such electronic communications.

### 2. Specifications and packaging

1. Supplier will pack and label the Products under labeling and package design compliant with the EU legislation governing Product safety and labelling. If there is a need for additional specific labeling for Buyer's market upon a mutual cooperation those changes to labeling can be made by Supplier in a way as provided by the Buyer. The Buyer shall bear responsibility that Products labeling meets legal requirements of the region where they are to be sold by the Buyer.

2. Any samples, brochures, examples of documents, drawings, dimensions, weights or performance data or any other technical information or particulars which are supplied by the Supplier to the Buyer in the course of the performance of the

Agreement are given by the Supplier in the belief that they are as accurate as reasonably possible and the Buyer acknowledges that it shall not treat such information as binding or as forming part of the Agreement.

### 3. Orders / Call Orders

1. Orders are not binding until accepted by Supplier in writing (“Confirmed Order”). The Supplier shall confirm in writing receipt of each order and confirm or specify the Buyer the delivery date/week. The Order is considered as received when the Supplier confirms the Order by e-mail. Supplier shall be entitled to refuse orders that do not comply with the terms agreed upon by the parties, and/or exceeding a quantity of the Products or with changes to Products specification or might be a subject to longer delivery period and price change.

2. Each order of products shall be in writing and shall contain a detailed information to enable the Supplier to fulfill the order including any special requirements and the date for delivery of the completed Products.

3. In the case of call orders (split deliveries), the Buyer shall be obliged to make the call (place the order) within the specified period.

4. Each delivery shall stand as a separate transaction and any failure to deliver shall have no consequences for other deliveries.

### 4. Price and payment

1. Prices and currencies of Supplier's Products are as set out in the Confirmed Order and/or in the Special terms. Unless otherwise agreed, Supplier's prices include standard packaging but do not include Value Added Tax or any other similar applicable taxes, duties, levies or charges in any jurisdiction levied in relation to the Products or to the export or import of Products, or the delivery thereof (“Taxes”), even if such are introduced after the conclusion of the Agreement. The amount of any Taxes levied in connection with the sale of Products to Buyer shall be for Buyer's account and shall either be added to each invoice or separately invoiced by the Supplier to Buyer. If Supplier grants a discount, this discount only relates to the delivery specifically mentioned in the Confirmed Order.

2. The date of payment is deemed to be the date when the Supplier receives the whole invoiced value on its account.

3. Upon the loading of the Products the Seller shall invoice the Buyer for the Product.

4. With regard to payment for the Products, time is of the essence. Supplier may, without prejudice to any other rights of Supplier, charge interest on any overdue payment at 12% (twelve percent) per annum from the due date computed on a daily basis until all outstanding amounts are paid in full. All costs and expenses incurred by Supplier with respect to the collection of overdue payments (including, without limitation, reasonable attorney's fees, expert fees, court costs and other expenses of litigation) shall be for Buyer's account.

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5. Every payment by Buyer shall in the first place serve to pay the judicial and extra-judicial costs and the accrued interest and shall afterwards be deducted from the oldest outstanding claim regardless of any advice to the contrary from Buyer.

6. If the Buyer doesn't make payments on the due dates it is a major violation of Agreement and the Supplier has a right to suspend his obligations under this Agreement or terminate this agreement. Termination of the Agreement or suspension of the Supplier obligations does not affect Buyer's obligations.

7. Any complaint with respect to the invoice must be notified to Supplier in writing within 20 (twenty) days after the date of invoice. Thereafter, Buyer shall be deemed to have approved the invoice.

8. If sales regarding intra-community supplies of goods are zero rated according to local VAT law, the Buyer guarantees that he is and will be registered VAT payer in EU member state other than Lithuania; products will be transported to the EU country other than Lithuania straight from the Supplier with transport ordered under Buyer's name and account or by the Supplier only; products will not be sold or transferred to no other person until transported outside territory of Lithuania; and the Buyer after dispatch of the products will confirm to the Supplier about acceptance of the Products and will provide a proof of dispatch of the Products outside Lithuania (a copy of CMR signed at the dispatch) no later than within 10 days from dispatch of the Products (if products were transported not by the Supplier itself). And the Buyer also guarantees that he will declare to competent governmental authorities' taxable value of goods purchased from the Supplier within taxation period in VAT declaration in the country of dispatch or a country where we are registered as a VAT payer. If any of above guaranties is or became false or will not be executed by the Buyer, the Buyer will immediately inform the Supplier and will pay to the Supplier additionally to purchase price of the products a VAT charge and a penalty charge of an equivalent amount of VAT charge. Also Supplier may issue an invoice with VAT or issue additional invoice for VAT amount, if any of above declarations is or become false.

9. The Buyer shall specify the country and VAT number assigned to him in the Order or in the Special terms. All VAT invoices shall be issued by the Seller to the specified VAT number provided by the Buyer.

### **5. Delivery**

1. Delivery terms shall be as specified in the Confirmed Order and/or in the Special conditions unless amended in accordance with the rules set in this agreement.

2. Delivered Products may differ by up to ten (10) percent as compared with the ordered quantity.

3. Unless stated otherwise in the Confirmed Order, any times or dates for delivery by Supplier are estimates and shall not be of the essence. Supplier is entitled to deliver the Products as stated in the Confirmed Order in parts and to invoice

separately. Delay in delivery of any Products shall not relieve Buyer of its obligation to accept delivery thereof, unless Buyer cannot reasonably be expected to accept such late delivery. Buyer shall be obliged to accept the Products and pay the rate specified in the Confirmed Order for the quantity of Products delivered by Supplier.

### **6. Cancellation**

1. Buyer's wrongful non-acceptance or rejection of Products or cancellation of the Confirmed Order or failure to purchase the quantity of Products committed shall entitle Supplier to recover from Buyer, in addition to any other damages caused by such action:

- a) in the case of Products which reasonably cannot be resold by Supplier to a third party, the price of such Products as quoted in the Confirmed Order/special terms; or
- b) in the case of Products which can be resold by Supplier, damages equal to 30% (thirty percent) of the price for the Products as quoted in the Confirmed Order/special terms as liquidated damages.

### **7. Examination and conformity to specifications**

1. On delivery and during the handling, use, commingling, alteration, incorporation, processing, transportation, storage, importation and (re)sale of the Products (the "Use"), Buyer shall examine the Products and satisfy itself that the Products delivered meet the agreed specifications for the Products as stated in the Confirmed Order or, in the absence of agreed specifications, to the most recent specifications used by Supplier at the time of delivery of the Products (the "Specifications").

2. Complaints about the Products shall be made in writing and must reach Supplier not later than 7 (seven) days from the date of delivery in respect of any defect, default or shortage which would be apparent from a reasonable inspection on delivery, and 7 (seven) days from the date on which any other claim (e.g. hidden defects) was or ought to have been apparent, but in no event later than (i) 6 (six) months from the date of delivery of the Products or (ii) the expiry of the Products' shelf-life whichever is the earlier. Any Use of the Products shall be deemed to be an unconditional acceptance of the Products as of the date of delivery and a waiver of all claims in respect of the Products.

3. Complaints with respect to a separate part of the Products shall not give occasion to the Buyer's abandonment and/ or refusal to accept and pay for the remaining part of the Products which quality and quantity meets the contractual terms set forth herein.

### **8. Transfer of risk and property**

1. The risk of the Products shall pass to Buyer according to the applicable Incoterm.

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2. The title to the Products shall not pass to Buyer and full legal and beneficial ownership of the Products shall remain with Supplier unless and until Supplier has received payment in full for the Products, including costs such as interest, charges, expenses etc.

### **9. Limited warranty**

1. Supplier solely warrants that on the date of delivery the Products shall conform to the Specifications. If and to the extent Products are in breach with such warranty, as determined in accordance with Article 8, Supplier may at its own option and within a reasonable time either repair or replace the Products at no charge to Buyer, or issue a credit for any such Products in the amount of the original invoice price. Accordingly, **Supplier's obligation shall be limited solely to repair or replacement of the Products or for credit of the Products.**

2 Supplier's obligation to repair, replace, or credit shall be contingent upon receipt by Supplier of timely notice of any alleged non-conformance of Products and, if applicable, the return of the Products, in accordance with Article 8.

3. The foregoing warranty is exclusive and in lieu of all other warranties, representations, conditions or other terms, express, implied, statutory, contractually or otherwise, including, without limitation, any warranty of merchantability, suitability or fitness for any purpose, or absence of infringement of any claim in any intellectual property right covering the Products.

### **10. Limited liability**

1. Supplier's liability for any and all claims arising out of or in connection with the Products and the use thereof shall per occurrence be limited to direct damages of Buyer and shall under no circumstances exceed the sales value of the defective batch of the relevant Product supplied to Customer.

2. Supplier shall under no circumstances be liable to Buyer or any other person for any kind of special, incidental, indirect, consequential or punitive damage or loss, cost or expense, including without limitation, damage based upon lost goodwill, lost sales or profit, delay in delivery, work stoppage, production failure, impairment of other goods or based on any other cause, and whether arising out of or in connection with breach of warranty, breach of contract, misrepresentation, negligence or otherwise.

### **11. Force Majeure**

1. Neither party shall be liable in any way for any damage, loss, cost or expense arising out of or in connection with any delay, restriction, interference or failure in performing any obligation towards the other party caused by any circumstance beyond its reasonable control, including, without limitation, acts of God, laws and regulations, administrative measures, orders or decrees of any court, earthquake, flood, fire, explosion, war, terrorism, riot, sabotage, accident, epidemic, strike, lockout,

slowdown, labour disturbances, difficulty in obtaining necessary labour or raw materials, lack of or failure of transportation, breakdown of plant or essential machinery, emergency repair or maintenance, breakdown or shortage of utilities, delay in delivery or defects in goods supplied by suppliers or subcontractors ("Force Majeure").

### **12. Intellectual Property Rights**

**1. Representation and Warranty.** Buyer represents and warrants that it owns or controls all the intellectual property rights necessary to label his private label Products in accordance with the terms of this Agreement and that, to the best of its knowledge, the Supplier's fulfillment of the terms of this Agreement will not infringe the intellectual property rights of any third party.

**2. License.** Buyer hereby grants to Supplier a license for the Term to use the intellectual property rights required for Supplier to fulfill the terms of this Agreement.

### **13. Indemnification**

1. Buyer shall indemnify and hold Supplier harmless from and against any and all losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees) arising from: i) a claim brought by any third party that Supplier's manufacturing, labeling, packing, storing or supply of the Buyer's private label Products infringes any patent, utility model, design, copyright, trademark or other intellectual property right of such third party, or ii) a claim brought by any third party against Supplier for any loss, damage, cost, expense or liability arising from defects in the Product; if such infringement or defect arises from compliance by Supplier with the Buyer's instructions, including the Specifications.

### **14. Confidentiality and Protection of personal data**

1. The Parties acknowledges that the information provided to each other in the course of this Agreement (including, without limitation, recipes, manufacturing and operational standards and other know-how) will be highly confidential and of a commercially sensitive nature.

**2. Obligations of Non-Disclosure and Non-Use.** Unless otherwise agreed to in advance, in writing, by the disclosing Party or except as expressly permitted by this Agreement, the receiving Party will not, except as required by law or court order, use Confidential Information of the disclosing Party or disclose it to any third party. The receiving Party may disclose Confidential Information of the disclosing Party only to those of its employees or contractors who need to know such information. In addition, prior to any disclosure of such Confidential Information to any such employee or contractor, such employee or contractor shall be made aware of the confidential nature of the Confidential Information and shall execute, or shall already be bound by, a non-disclosure agreement containing terms and conditions consistent with the



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terms and conditions of this Agreement. In any event, the receiving Party shall be responsible for any breach of the terms and conditions of this Agreement by any of its employees or contractors.

3. The receiving Party shall use the same degree of care to avoid disclosure of the disclosing Party's Confidential Information as the receiving Party employs with respect to its own Confidential Information of like importance, but not less than a reasonable degree of care.

4. This Agreement is subject to Seller's Privacy Policy. More detailed information about personal data processing, its purposes and legal basis, as well as about rights of the data subject can be found in [http://www.kauno-grudai.lt/en/privacy\\_policy](http://www.kauno-grudai.lt/en/privacy_policy)

5. The parties, upon signing this agreement, confirm that they within the terms under EU General Data Protection Regulation (GDPR) submitted or will submit mandatory information to the contractual agents, contact persons, as well as other employees and other natural persons whose personal data is or will be disclosed or otherwise transmitted to the other party in execution of this Agreement, on transmitting of their personal data and processing of such transmission, including, without limitation, the purpose of the data transmission, the recipient, the basis, the rights of the data subject. If requested, the parties undertake to provide each other with evidence of the fulfilment of this duty.

### **15. Term and Termination**

1. Upon the entry into force of this Agreement, all contracts for the supply of Goods previously concluded between the Parties for the same subject matter shall be deemed terminated.

2. If Buyer is in default of performance of its obligations towards the Supplier and fails to provide to Supplier adequate assurance of Buyer's performance before the date of scheduled delivery; or if Buyer becomes insolvent or unable to pay its debts as they mature, or goes into liquidation (other than for the purpose of a reconstruction or amalgamation) or any bankruptcy proceeding shall be instituted by or against Buyer or if a trustee or receiver or administrator is appointed for all or a substantial part of the assets of Buyer or if Buyer enters into a deed of arrangement or makes any assignment for the benefit of its creditors, or in case of non-compliance of Buyer with Laws and Standards, then Supplier may by notice in writing forthwith, without prejudice to any of its other rights:

- a) demand return and take repossession of any delivered Products which have not been paid for and all costs relating to the recovery of the Products shall be for the account of Buyer;

and/or

- b) suspend its performance or terminate the Confirmed Order/special terms for pending delivery of Products unless Buyer makes such payment for Products on a

cash in advance basis or provides adequate assurance of such payment for Products to Supplier.

2. In any such event of Article 15.1 all outstanding claims of Supplier shall become due and payable immediately with respect to the Products delivered to Buyer and not repossessed by Supplier.

### **16. Independent Contractors**

1. It is understood that both Parties hereto are independent contractors and engage in the operation of their own respective businesses. Neither Party hereto is to be considered the agent of the other Party for any purpose whatsoever nor does neither Party have any authority to enter into any contract or assume any obligation for the other Party or to make any warranty or representation on behalf of the other Party. Each Party shall be fully responsible for its own employees, servants and agents, and the employees, servants and agents of one Party shall not be deemed to be employees, servants and agents of the other Party for any purpose whatsoever.

### **17. Non-Publicity**

1. Each of Buyer and Supplier agree not to disclose the existence or contents of this Agreement to any third party without the prior written consent of the other Party except: (i) to its advisors, attorneys or auditors who have a need to know such information, (ii) as required by law or court order, (iii) as required in connection with the reorganization of a Party, or its merger into any other corporation, or the sale by a Party of all or substantially all of its properties or assets, or (iv) as may be required in connection with the enforcement of this Agreement.

### **18. Claims**

1. Any claims regarding damages from the Buyer shall be well-grounded and submitted to the Supplier within 14 calendar days following the date of claim ground occurrence. The Supplier will not consider any claims submitted after termination of the period for claims and will bear no responsibility to the Buyer.

### **19. Sanctions**

1. Buyer and Supplier each represent, warrant and undertake that:

- a) neither it nor any person or entity that owns or controls it, nor any of its subsidiaries, any of its directors, officers or employees nor, to its knowledge, any of its servants, agents and representatives is a designated target of trade sanctions promulgated by the U.S., E.U., Switzerland or any other jurisdiction having a legal nexus with this Contract ("Sanction Laws");
- b) for the purposes of this Agreement no originating country, transit country, destination country, document, person,

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entity or means of transportation or payment associated directly or indirectly with this Agreement shall cause the Buyer or Supplier to be in a position of non-compliance with or in contravention of Sanctions Laws;

- c) for the purposes of this Agreement it and its servants, agents and representatives will fully comply with all applicable Sanction Laws;

Buyer and Supplier agree to cooperate with reasonable requests for information or documentation to verify compliance with this clause.

Without prejudice to its other rights under this clause, in order to ensure compliance with applicable Sanction Laws, the Buyer and Supplier may, require payment in Euro. Performance obligations under this Agreement shall be suspended upon contravention of Sanction Laws. A breach of warranty or undertaking under this sanctions clause by either Supplier or Buyer shall entitle the non-breaching party to terminate the Agreement without liability. Such termination shall be without prejudice to the rights and obligations of the parties in respect of any breach of this Agreement occurring prior to such termination.

### **20. Governing Law and Dispute Resolution**

1. This Agreement shall be governed by and construed in accordance with the laws of the Republic of Lithuania, without giving effect to any choice of law or conflict of law provisions. The United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 (CISG) shall not apply. The Parties consent to the exclusive jurisdiction and venue in the courts of the Republic of Lithuania in the city of Kaunas.

### **20. Miscellaneous**

1. In the event that any provision of the Conditions shall be held to be invalid or unenforceable, the same shall not affect in any respect whatsoever, the validity and enforceability of the remaining provisions between the parties and shall be severed there from. The pertaining provisions held to be invalid or unenforceable shall be reformed to meet the legal and economic intent of the original provisions to the maximum extent permitted by law.

2. Failure by Supplier to enforce at any time any provision of the Conditions shall not be construed as a waiver of Supplier's right to act or to enforce any such term or condition and Supplier's rights shall not be affected by any delay, failure or omission to enforce any such provision. No waiver by Supplier of any breach of Buyer's obligations shall constitute a waiver of any other prior or subsequent breach.

3. Neither party may assign any of the rights or obligations under the Confirmed Order without the prior written consent of the other party, except that either party may assign such rights and obligations to any of its affiliates or to a third party

acquiring all or a substantial part of its assets or business relating to the Products.

4. Supplier shall have the right to terminate the Confirmed Order with immediate effect if at any time during the term of the Confirmed Order a person or group of persons, who are unrelated to the persons controlling Buyer as of the date of the Confirmed Order, acquires control, through ownership of voting securities or otherwise, over Buyer. Buyer must notify Supplier of such acquisition within 10 (ten) days thereof. Supplier may exercise its right to terminate the Confirmed Order by giving Buyer written notice of such exercise within 10 (ten) days after the date of receipt of such notice.

5. All correspondence hereunder shall be executed in English. All correspondence hereunder, including delivery instructions and other documents, connected with the execution of the Agreement, shall be sent via e-mail or handed directly in person.

6. When one Party sends e-mails or communicates with the other Party electronically, and the other Party responds in the same manner, it is considered that both Parties consent to electronic communication. Both Parties agree that all agreements, notices, disclosures, and other communications provided electronically satisfy any legal requirement that such communications be in writing. Both Parties agree that any communication sent electronically is valid and binding, and that electronic communications will be treated with the same importance as non-electronic communications.