

## **TERMS OF DELIVERY**

### **Article 1 Scope**

1.1. These general terms and conditions apply to contracts between clients and UAB "Littec", hereafter called Littec, including contracts under negotiation, as well as quotations submitted by Littec to clients.

1.2 Littec expressly does not accept any purchasing, tendering or other terms and conditions issued by clients. Any variations imposed by clients on these General Terms and Conditions are binding only if and in so far as Littec has expressly agreed to them in writing.

1.3 The General Terms and Conditions for concept and project design, tool commissioning and services of Littec also apply if and in so far as Littec performs the concept and project design and/or the tool commissioning, or supervises and/or assists in the concept and project design and/or tool commissioning or performs other services.

### **Article 2 Offers**

2.1 Littec's offers are without engagement and will only be binding on Littec after and in so far as Littec has confirmed the order in writing. The content of the contract is determined exclusively by this order confirmation.

2.2 Any illustrations, catalogues, prospectuses, drawings, measurement and weights specifications, capacities, efficiencies and other data submitted by Littec are only binding on Littec in so far as the contract expressly indicates that these are binding on Littec.

2.3 Any installations to be supplied are designed and manufactured on the basis of Lithuanian standards, regulations and design codes. Unless stated otherwise in the offer, any adaptations to standards, regulations and design codes which apply at the location where the tool installation is commissioned are performed by Littec at the expense of and for the risk of the client, under the condition that Littec is notified in good time of these standards, regulations and design codes.

### **Article 3 Drawings and descriptions**

3.1 Any drawings and descriptions submitted to the client before or after signing the contract remain the property of Littec. They may be used only for the operation of the tool supplied. Littec is not obligated to supply detail drawings. Should drawings be used by client outside the scope of contract with Littec, then Littec is entitled to claim a sum of €30.000,00 to be paid immediately.

3.2 Any drawings and descriptions submitted to Littec by the client before or after signing the contract remain the property of the client. They may be used only for the execution of the contract. Littec is not responsible for information submitted by the client, including – but not limited to – information relating to the site and infrastructure. The client is liable for any damage suffered by Littec as a result of inadequate or faulty information supplied by the client.

3.3 Any special know-how developed during the execution of the contract becomes the exclusive property of Littec, including the right to patent, unless stipulated otherwise in the contract.

### **Article 4 Price and payment**

- 4.1 The price agreed is the price or the rate indicated in the contract or order confirmation by Littec.
- 4.2 Prices are exclusive of VAT and are based on delivery "ex works" in accordance with the "Incoterms" applicable at the moment the contract is concluded, unless stipulated otherwise in the contract and/or order confirmation.
- 4.3 The agreed price in the case of foreign currency contracts is the corresponding value in Euro's as per the exchange rate at the time the contract is concluded.
- 4.4 All payments must be transferred to an account to be notified by Littec, without the right to set-off or deduct any amount.
- 4.5 All costs relating to securities for payment are for the account of the client.
- 4.6 Any sums to be paid on submission of forwarding documents may also be made on submission of proof of storage in case transport cannot take place as a result of circumstances not attributable to Littec. Any costs relating to such storage are for the account of the client.
- 4.7 In case of an overdue payment interest at a rate of 3% above the Lithuanian legal interest rate from the due date is owed by the client as well as any debt collection costs, judicial or extra judicial, to be calculated at a minimum of 15% of the sum in question.
- 4.8 Littec may demand immediate payment in full of all contract and/or purchasing sums to be paid by the client to Littec, if any payment by the client is overdue, even if this is caused by another contract, irrespective of the state of the work or the works.
- 4.9 The conditions stipulated in the contract apply in relation to any other payment terms.

#### **Article 5 Delivery time**

5.1 The delivery time begins on the date on which the following conditions are satisfied, after Littec has dispatched the order confirmation: - all formalities required for the execution of the contract have been complied with – all the necessary data and documents to be supplied by the client have been submitted to Littec – the first installment and any securities for payment of the remaining installments, if agreed, have been received by Littec. The delivery date is postponed pro rata if a fixed delivery date has been agreed and the client has not complied with the above-mentioned conditions in time. Littec is entitled to terminate the contract if Littec does not receive the first installment within one week of the date of the order confirmation, without prejudice to Littec's entitlement to damages. The delivery time is postponed pro rata if the client does not comply in good time with their payment obligations and/or their other obligations.

5.2 Should the client suffer damage as a result of a delay in the agreed delivery time, for which Littec is responsible, then the client is entitled to payment of 1% of the agreed price for each full month of delay beginning one month after the expiration of the delivery time, as sole and full compensation for damage suffered by the client, to a maximum of 10% of the price, and excluding any other entitlements resulting from a delay in the delivery time. This entitlement to payment expires if the client has not notified Littec in writing within a period of ten weeks following expiration of the original delivery time that they wish to invoke this right.

#### **Article 6 Delivery/Retention of title**

6.1 Delivery is 'ex works' unless agreed otherwise. The terms of this delivery method are determined according to the Incoterms as applicable at the time of the order confirmation.

6.2 Any goods supplied before payment of the full amount by virtue of the sum owed under the contract, remain the property of Littec. Should Lithuanian Law not, or only partially, apply to the contract, notwithstanding the provisions in article 13, and should any laws applying in that case not allow the retention of title, then Littec will be entitled to all other rights which would give Littec similar rights to the goods in so far as this is possible. The client will at all times co-operate fully and allow free access to the installations supplied, to enable Littec to establish and exercise such rights. The client will, in any case, maintain the supplied goods properly and also insure them adequately on behalf of Littec, until payment in full of the sums owed to Littec. The client is not entitled to pledge the goods or to use them as security in respect of third parties before payment in full to Littec.

6.3 Littec is entitled to recover the goods without recourse to legal action and to terminate the contract, without prejudicing their right to compensation, if the client fails to pay the full sum owed by virtue of the contract, having been given notice of default by Littec.

### **Article 7 Inspections and Testing**

7.1 The client is entitled to inspect the products and/or services to be supplied or to have these inspected by members of staff or third parties specially authorized and qualified for this work, if an inspection is expressly agreed in writing. The inspection will be conducted for the account of the client, during normal working hours and at times agreed by Littec in writing, prior to the inspection(s).

7.2 The client is entitled to be present at any test agreed to expressly and in writing. Littec is obliged to inform the client in good time of the time of the test, in order to enable the client to be present, or to be represented by specially authorised and qualified members of staff or third parties. The agreed properties and parameters of the goods supplied are tested during the test, in accordance with instructions given by Littec. If the client or their authorized representative are not present at the test, Littec will notify the client of the test report and in that case the accuracy of the test and the test report cannot be challenged by the client. The client makes available all necessary consumables, raw materials, cutouts and other materials for tests on site, at a constant quality and quantity, at no charge to Littec.

7.3 Should the test report show that the agreed properties and parameters are not achieved, then Littec will be given the opportunity to remedy/modify the goods supplied within a reasonable period, and to submit them to a subsequent test by a method and under conditions as set out in Article 7.2.

7.4 Should the test report on the test indicated as final by Littec show that the properties and parameters agreed are not achieved, then Littec owes the client liquidated damages in full and sole compensation of damages suffered by the client, as included in the contract and to the exclusion of any other rights in respect of the non-achievement of the agreed properties and parameters.

7.5 All measurements of parts are performed according to the datum/data in the part drawings provided by the customer, unless explicitly stated otherwise.

7.6 N6 parts, or prototype parts, are defined as parts made using manually machined or laser cut blanks, formed inside the tool, and manually trimmed or laser trimmed after the forming to produce a part resembling the part ordered.

7.7 N3 or First-Off-Tool parts are defined as parts made using manually machined or laser cut blanks, formed and trimmed inside the tool, resembling the part ordered.

7.8 N1 or First-off-Process parts are defined as parts made using the tool only and correspond to measurement requirements.

7.9 PPAP or Production part approval process parts are defined as parts meeting requirements for producing conforming product outlined in the Commercial Offer of JSC "Littec".

## **Article 8 Take-over**

8.1 The client is deemed to have taken over the goods as soon as the goods have been delivered as agreed, and have been inspected and/or commissioned by Littec in so far this has been agreed; any liability on the part of Littec on whichever grounds then ceases to exist, with the exception of the obligations in respect of warranties listed in Article 9. The goods are also deemed to have been taken over if the client has not fulfilled their obligations in such a way that the delivery or inspection and/or commissioning, if applicable, cannot be executed according to the contract by Littec within 1 week after a relevant request by Littec, or if the goods are put into service for commercial production by the client. The goods will be deemed to have been taken over in the case of shortcomings that do not, or only minimally, affect the intended use, irrespective of this shortcoming. Littec will remedy these shortcomings as soon as possible under warranty pursuant to Article 9.

8.2 The client will enable Littec to make any improvements and changes deemed necessary by Littec within two weeks following takeover.

## **Article 9 Warranty**

9.1 Products, in this Article, are deemed to be:

- (1) all products, matters, machines and installations and parts supplied by virtue of a contract or
- (2) Products which are the subject of work as described in this Article;

9.2 Littec guarantees the client that the products supplied by Littec are sound, taking into consideration the following, and in the sense that all faults in these products, which are notified in writing to Littec by the client within 1 week of delivery, or if inspection and/or commissioning work is to be carried out by Littec, within 1 week of take-over as described in Article 8.1, and for which the client proves that these arose within the same period as a result of unsound construction designed by Littec, or as a result of unsound realization of the construction by Littec or as a result of unsound materials supplied by Littec, will be remedied by Littec free of charge, either through repairs, or by replacing faulty parts, as chosen by Littec. Remedy takes place under the same conditions as those governing the supply of the product.

9.3 The last paragraph similarly applies to work on products, on the understanding that Littec only guarantees the soundness of the work. Littec will remedy faults in products caused by faults in workmanship to a maximum of the contract value for this work. However, a maximum of Euro 30,000 applies to contracts which exceed the sum of Euro 30,000.00.

9.4 Any delays in the implementation of the contract for which Littec is not to blame, are not cause for postponement of the periods listed under 9.2.

9.5 The warranty conditions only apply if:

- a. payment terms have been complied with;
- b. operating and maintenance instructions have been complied with;
- c. the client or a third party does not assemble and/or repair and/or commission the goods supplied without written permission by Littec.;
- d. Littec is notified in writing of any claims under the warranty immediately after the defect occurs and within two weeks following expiry of the warranty period.

9.6 Littec does not grant warranties in excess of those granted by Littec's suppliers on parts supplied by third parties.

#### **Article 10 Liability and insurance**

10.1 The aggregate liability of Littec, whether in contract or in tort, is limited to the contract price of the contract involved. This limitation of liability is not applicable in case of an infringement of intellectual and/or industrial property rights by Littec and in case of acts of Littec with intent to cause damages or damages caused by gross negligence of Littec.

10.2 Littec is not liable for damages to existing properties of the client.

10.3 Littec does not accept liability for indirect and/or consequential damage such as, but not limited to, business interruption, loss of production, loss of profit, reduction in the value of or damage to assets and damage in respect of third parties as a result of non-delivery, incorrect or late delivery, and/or functioning of the supplied goods and services, without prejudice to any other provisions in these conditions in respect of liability on the part of Littec.

10.4 Littec does not accept liability for damage as a result of faults or defects in whichever sense, even if Littec has not agreed any consideration in return for their work, or if any damage or injury results from any acts or omissions on the part of the client or third parties engaged by the client which contravene the operating, maintenance and other instructions by Littec and/or in case the goods have been modified in any way without the express permission by Littec. The client will indemnify Littec in full against claims in relation to such damages.

10.5 Should the contract be wholly or partly terminated as a result of a shortcoming for which Littec is to be held accountable, and the client suffers demonstrable damage on this account, then Littec will reimburse any value of the replacement goods or services to the maximum of the value of the part of the contract which was not complied with or which was terminated.

10.6 The client shall indemnify Littec for claims of third parties that exceed the limitation of liability as set out in this article.

#### **Article 11 Suspension and termination or invalidity of the contract**

11.1 Littec is entitled to either suspend the execution of the contract without recourse to legal action for a maximum of six months, or to terminate the contract wholly or partially, without incurring liability for any damages, in case they are prevented from carrying out the contract due to force majeure. Littec is authorized

during the suspension period, and obliged at the end of the suspension period, to choose whether to execute the contract or to have it wholly or partially terminated.

11.2 Littec is entitled to demand immediate payment for the raw materials, materials, parts and other matters ordered, processed and manufactured in carrying out the contract, to a value which can be reasonably assigned to them, in the case of suspension as well as termination under Article 11.1. In case of termination of the contract based on Article 11.1 the client is obliged to accept the matters referred to in the previous sentence after payment of the sum owed and referred to in the previous sentence, and Littec will be entitled to have these goods stored or to sell them for the account of and at the risk of the client if the client is in default of this.

11.3 Should any obligation resulting from an agreement concluded with Littec or from any agreement associated with this not be fulfilled by the client, or not properly, or not in good time, or if there are good reasons for fearing that the client is or will not be able to fulfil their contractual obligations in respect of Littec, as well as in case of bankruptcy, suspension of payment, closing down, winding up of the company or part transfer – as security or otherwise – of the client's company, including the transfer of a significant part of their accounts receivable and claims, then Littec will be entitled to either suspend the implementation of each of these contracts for a maximum period of six months, or to terminate these completely or partially, without giving notice of default and without recourse to legal action, without being liable to any damages or warranties and without prejudice to any other rights Littec is entitled to. During the suspension Littec is entitled, and at the end obliged, to choose either execution or complete or partial termination of the suspended contract(s).

11.4 The price agreed falls due and is payable immediately in case of suspension pursuant to Article 11.3, after deduction of any installments already paid and any costs saved by Littec as a result of the suspension, and Littec will be entitled to have the raw materials, materials, parts and other goods ordered, processed and manufactured in the course of carrying out the contract, stored for the account and at the risk of the client. The price agreed – unless any prior suspension has taken place – is immediately due and payable in case of termination pursuant to Article 11.3, after deduction of any installments previously paid and any costs saved by Littec as a result of the termination, and the client will be obliged to pay the sum mentioned above and to accept the goods referred to there, and Littec will be entitled to have these goods stored for the account and at the risk of the client or to sell them on their behalf, if the client is in default of this.

11.5 The client is not entitled to demand termination of the contract retrospectively.

11.6 These General Terms and Conditions remain in force in so far they carry an independent meaning and/or in so far as they have been agreed to apply to the consequences of the termination or invalidity, e.g. in particular (but not limited to) the conditions relating to delivery, penalty clauses, liability, the jurisdiction of the courts and the applicable laws, following any termination or in case of invalidity of the contract.

## **Article 12 Force Majeure**

12.1 Force Majeure is defined as: all circumstances beyond reasonable control of Littec and of such nature that fulfillment of (some) of the clauses in the contract cannot be expended (causes not occasioned by Littec's negligence). Force Majeure includes (but is not limited to): strikes or labour disturbances, epidemics, critical machine failure, inability, on account of cases beyond reasonable control to obtain necessary materials or components required for manufacture, intervention by governmental authorities, extreme weather conditions of any kind, war or threat of war.

12.2 Force Majeure entitles Littec to suspend or terminate the contract in whole or partially and shall be under no liability for any loss and damage thereby incurred and sustained by the client. In case of Force Majeure Littec shall not be claimed by the client for any involved costs.

### **Article 13 Parts**

13.1 These conditions also apply to the supply of parts unless expressly stipulated otherwise below.

13.2 Littec is entitled to supply parts other than those ordered from Littec, provided that these parts are at least equivalent to the parts ordered originally.

13.3 Any installation and/or commissioning of the parts is not included in the price.

13.5 The warranty on parts applies for two weeks after the ex-works dispatch date.

### **Article 14 Technology Concept and Design**

14.1 If the installation or the services that are sold partially contain Technology Concept and Design, including 2D and 3D schematics, Technical and corresponding detailed documentation, Littec provides a non-exclusive, non-transferrable right to the customer to use this Technology Concept and Design in the prescribed manner in combination with the tool for which the Technology Concept and Design is delivered, without detracting from the right to estrange this user right, under the same conditions in combination with the installation.

14.2 The ownership of all rights of intellectual property of the Technology Concept and Design are deposited with Littec at all times. The client acknowledges these rights. Copyright notices may not be removed by the client. The client knows that the Technology Concept and Design contains confidential information and trade secrets of Littec, and needs to make sure that the Technology Concept and Design is kept secret and not made public to third parties. Littec has the freedom to take technical measures to protect the rights of Littec or third parties on the Technology Concept and Design.

14.3 The client may not modify, decompile, analyze or copy the Technology Concept and Design and/or give this to third parties.

14.4 With exception of the statements in Article 9, Warranty, Littec will repair all defects in the Technology Concept and Design to the best of its ability during a period leading to the delivery ex works, with which these defects will be defined as reproducible deviations regarding the Technology Concept and Design specifications that have been provided by Littec, that were present at the moment of publication and that make the use of the installation physically impossible. Littec does not guarantee that the Technology Concept and Design does not contain any defects.

14.6 Littec is not responsible for damage as a result of losing electronic data.

### **Article 15 Applicable laws and disputes**

15.1 Any disputes will be settled exclusively through arbitration in accordance with the regulations of the Lithuanian Institute for Arbitration ("Lietuvos Arbitražo Teismas").

15.2 These terms and conditions shall be governed by laws of Republic of Lithuania.