

GENERAL TERMS AND CONDITIONS OF PURCHASE ORDER

If **SIA PHILIP MORRIS LATVIA** (hereinafter referred to as **Buyer**) places a purchase order for the purchase of the goods and/or services (hereinafter referred to as **Purchase order**), and within 3 days the company indicated in the Purchase order (hereinafter referred to as **Seller**) accepts the Purchase order by signing it and returning it to the Buyer by fax or email or by delivering the Goods or rendering the Services indicated in the Purchase order to the Buyer, the Parties hereby confirm that the Buyer and Seller have agreed on the following:

1. The Seller warrants that it has all required licences, certificates, attestations and other permissions entitling it to sell Goods / provide Services indicated in the Purchase order. The Seller also warrants that the Goods are free from any liens or encumbrances on title, that the Goods and Services meet all specifications indicated in the Purchase order, are free from any defects in design, workmanship or materials, are safe and are suitable for commercial use. The Seller also warrants that the Goods and Services do not and will not infringe any patent, copyright, trademark or other intellectual property rights, nor any rights of third parties, including but not limited to, rights derived from unfair competition laws or the laws protecting personality, including but not limited to those protecting a person's image. The Seller also warrants that the Services shall be provided and the Goods will be manufactured, packaged and labelled in accordance with all applicable laws, regulations, industry codes and standards of the country or countries of manufacture, distribution, and use.
2. The Seller undertakes to deliver the Goods and Services in accordance with terms and conditions specified in the Purchase order. If the Seller has not provided the Services or has not delivered the Goods in time and in accordance with the conditions specified in the Purchase order, the Seller undertakes to pay to the Buyer a default interest in amount of 0.02% from the Purchase order amount for each day of delay. If such delay lasts longer than 14 days, the Buyer may cancel and terminate the Purchase order and this agreement without any obligations and liability to the Seller, other than to allow the Seller to collect the Goods at such place and time as indicated by the Buyer, provided however that the Buyer has not paid for it yet and the Buyer does not have a need to keep the Goods. The Buyer may allow the Seller additional time to make delivery/provide the Services without waiving any right to damages against Seller.
3. The Seller must ensure that all the Goods, which are hazardous because of their chemical composition, are properly marked with relevant warning signs and in accordance with all other applicable requirements. The Seller must supply the Buyer with the internationally accepted descriptions of all supplied hazardous and harmful chemical materials and goods: MSDS (Materials Safety Data Sheet).
4. The Seller shall be responsible for obeying the necessary safety requirements when delivering Goods and providing the Services and for the consequences of failure to comply with those requirements. If the Services are provided in the premises or in the territory of the Buyer, the Seller shall comply with all applicable laws and instructions, including, but not limited to, safety and other instructions defined by the Buyer and shall ensure that these instructions, as well as all the requests of the Buyer's responsible employees, are properly followed by the Seller's personnel.
5. Title to and risk of accidental perish and damage of the Goods and/or Services shall transfer to the Buyer after the Goods / Services have been delivered to the Buyer at the address and in accordance with the delivery

terms specified in the Purchase order and the Buyer has fully settled for the Goods / Services.

6. All costs incurred by the Seller in connection with the delivery of the Goods and provision of the Services including, but not limited to, freight, insurance, suitable packaging and transfer thereof, shall be for the account of the Seller, unless other delivery and/or payment terms are agreed in the Purchase Order and confirmed by both parties.

7. The Goods and Services delivered in excess of the quantity indicated in the Purchase order may be refused by the Buyer within (7) seven days of such delivery without any obligation or liability whatsoever by the Buyer to the Seller, or to any person in respect thereof, other than to allow the Seller to collect the Goods at a place and time indicated by the Buyer, and provided that the Buyer does not have a need to keep the Goods. In this case, the Seller must collect Goods within the time specified by the Buyer. If the Seller does not collect the Goods within indicated time, the Buyer has the right to return them to the Seller at the Seller's costs.

8. The Seller must include the reference number of this Purchase order in all documentation and correspondence relating to this Purchase order or to the Goods and Services.

9. Invoices should be dispatched to the Buyer by e-mail not later than within (3) three business days from its issuance in PDF format, and must be sent from the Seller's approved e-mail address to the following email address: PMLatvia_invoice@pmi.com, in the subject of the e-mail indicating the name of the Seller and a number of an invoice.

10. The Buyer shall pay for the Goods and Services within (60) sixty days of the date of the invoice receipt, unless other payment terms are indicated in the Purchase Order confirmed by the Buyer and Seller. In any case, the payment is made only upon receipt of a duly issued invoice. The Buyer has the right to deduct from the payable amount (or any part thereof) any damages (including but not limited to penalties (fines and default interest)) incurred by the Buyer due to the Seller's failure to properly fulfill its obligations hereunder.

11. Without prejudice to any of the rights of the Buyer provided in the law, if any of the Goods and Services delivered hereunder do not accord with these terms and conditions, within (30) thirty days and by serving the written notice to the Seller the Buyer may at its own discretion to (i) cancel Purchase order and this agreement in whole or in part, and/or (ii) require the Seller to repair the defects at its own costs or require the Seller to reimburse the Buyer's expenses for the elimination of these defects, provided however that these defects may be eliminated, and/or (iii) require the Seller to reduce price of the Goods and Services, or (iv) require the Seller to replace Goods / Services by the same type Goods / Services of satisfactory quality, provided it is objectively possible and feasible.

12. This agreement and any information pertaining hereto shall be deemed to be confidential, and neither Party may disclose it to a third party without a prior written consent of the other Party. The Seller shall keep strictly confidential all information obtained or made available to it and related to the Buyer, its affiliates, its or their products or business.

13. The rights and obligations of the Seller hereunder are personal to the Seller and shall not be transferred or assigned to any other party without the Buyer's prior written consent.

14. These terms and conditions supersedes all and any prior understanding and agreements, oral or written, between the parties hereto with respect to the subject matter hereof, and shall not be modified or amended

except by a written agreement signed by the parties hereto.

15. For the purpose of this agreement, "affiliate" means any person, firm or company which controls, is controlled by, or under common control with the Buyer.

16. Immediately after the request and without any conditions, the Seller shall indemnify and keep harmless the Buyer for any loss (including consequential loss), damage, claims, costs and expenses incurred by the Buyer

and/or any other third party due to any failure by the Seller to comply with its obligations hereunder. The Buyer must inform the Seller about obvious defects in quality or other obvious defects of the Goods / Services that

occurred not by the Buyer's fault within 10 (ten) business days as of delivery of Goods / Services. The term to make claims for other defects of the Goods / Services is unlimited.

17. For the purpose of this agreement, the place of performance of the Purchase order shall be deemed to be at the address: Pulkveza Brieza 21-6, Riga LV-1010, Latvia, unless other address is indicated in the Purchase order and confirmed by both parties.

18. This agreement has been made pursuant to the laws of the Republic of Latvia. Any and all disputes arising out of or in connection with any amending, termination or performance of the Agreement which cannot be

settled in a reasonable time period by amicable negotiations shall be settled under the laws of and by the courts of the Republic of Latvia, in Riga.

19. This agreement is concluded in two copies of equal legal force, one copy to each party. If the present agreement has been executed in the English and Latvian languages, in the event of any dispute arising in

connection with the interpretation of the text, the English language text shall prevail.

The Seller hereby acknowledges and accepts the above General Terms and Conditions of Purchase order as well as the conditions of the Purchase order indicated herein and all the documents related to the Purchase order.