

General Conditions of Sale (ver. 1.0)

*Approved by the Management Board of Varpa SIA:
Effective from: 1 January 2020*

1. Scope of Application

These General Conditions of Sale apply to all offers, quotations, order confirmations, orders, contracts, deliveries and services between the Seller and the Buyer. No purchase conditions or other terms of the Buyer shall be applicable. No variation, addition or deletion made to these General Conditions of Sale shall be deemed valid unless otherwise agreed in written and signed by a duly authorized representative of the Seller.

2. Definitions

“Agreement” refers to any written contract, order confirmation or agreement, also verbal, between the Seller and the Buyer in relation to the Goods. If there is no written Agreement, the Agreement is concluded when the Buyer’s order corresponds to the Seller’s offer or the Seller confirms the Buyer’s order.

“Buyer” refers to a party that acquires the Goods from the Seller. “Goods” refers to all or any part of the products sold or to be sold by the Seller to the Buyer.

“Seller” refers to Varpa SIA or any affiliated company which is a party to the Agreement.

3. Offer

Each quotation and/or offer is valid only for 30 days from the date such quotation and/or offer was given, unless otherwise stipulated by the Seller in writing.

Quotations are based on current prices and after the period of validity they may be varied without notice to prices ruling at time of acceptance of order. The price or prices quoted may be varied due to justifiable increases in costs of raw materials, transport, energy or labour. If the event is occurring after conclusion of the agreement the Seller is entitled to increase the agreed price accordingly and notify the Buyer thereof.

All documents and information disclosed by the Seller remain the property of the Seller and may not be used by the recipient for any other purpose than for which they were disclosed for by the Seller.

4. Ownership and Passing of Risk

The Goods shall remain property of the Seller until paid for in full. If the buyer does not pay on the due date for payment the Seller shall be at liberty on its own account to sell or otherwise deal with or dispose of the said goods in such manner as it may deem fit. The risk of loss of and damage to the Goods shall pass to the Buyer in accordance with the agreed delivery term. Unless otherwise agreed, the quality of the Goods is exclusively defined in the Seller’s official product specification.

The Buyer is obligated to treat the goods during the period of retention of title with care and to properly store the goods distinguishable from other goods free of charge. Unless the Buyer is in default, he has the right to process and resell the goods of the Seller in business transactions.

5. Payment Terms

Unless otherwise is agreed, the payment term is 30 days net from the date of the invoice. The Seller shall be entitled to interests for delayed payments from the date on which the payment was due until the actual payment date and to compensation for recovery costs (if any).

The Buyer may raise objections against any invoice within a term of five days after receipt of such invoice; thereafter the invoice shall be deemed accepted by the Buyer.

Any order once placed cannot be cancelled except by mutual agreement in writing and then only on such terms which would fully indemnify the Seller.

In case of late payment, after having notified the Buyer in writing, the Seller may suspend its performance of the Agreement until it receives the payment in full. The Buyer is not entitled to present claims for compensation for such delays. If the Buyer has not paid the amount due within 30 working days or if the Buyer has notified, or it is otherwise evident, that the Buyer’s payment will be seriously delayed, the Seller shall be entitled to terminate the Agreement by notice in writing to the Buyer, and to claim compensation for the loss it incurred.

If the Seller has granted a Buyer credit on account, payments towards that account must be made within the specified and agreed terms. If the credit account is not operated within these terms and if payments are not received by the agreed date the Seller will charge the Buyer interest on the overdue amount at 10% per annum.

If payment for the Goods is to be made after its shipment, the Seller will determine the amount of the credit limit applicable to the Buyer within which the Goods may be delivered. The amount of the credit limit depends on prior accuracy of Buyer’s payment performance, on availability of a certain insurance limit extended to the Buyer by the Seller’s insurance company or other financial institution, and on other factors at the Seller’s discretion. The Seller may change the credit limit unilaterally during the term of the Agreement. The credit limit shall not be exceeded. If the outstanding amount of the price of the Goods delivered (or to be delivered) to the Buyer has reached (or reaches as a result of such delivery) the applicable credit limit, the Seller may unilaterally suspend the delivery of the Goods without any liability to the Buyer for the delay in delivery until the payment for all the Goods delivered earlier is made.

In the event of a deterioration of the economic condition of the Buyer the Seller shall be entitled, irrespective of any agreement to the contrary, to suspend the further supply of goods and services, to declare prematurely due any open receivables against the Buyer, to request security or payment of the compensation (advance payment).

6. Delivery

The Seller may make partial deliveries of the Goods, unless otherwise is agreed in writing.

Should the Seller have to postpone delivery for reasons attributable to the Buyer, the Seller has the right to invoice for the Goods according to the original delivery date. Furthermore, the Seller shall be entitled to compensation for foreign exchange rate losses, storage costs, any loss resulting from the Goods becoming obsolete and other costs caused by the postponement of the delivery for reasons attributable to the Buyer.

Whilst every effort will be made by the Seller to effect delivery in accordance with any pre-arranged dates, no guarantee as to dates of delivery by the Seller is to be implied and the Seller will not accept liability for any loss or damage occasioned by the delivery however caused.

Should delivery or work be required sooner than the normal time needed for its production, every effort will be made to secure freedom from defects, but reasonable allowance must be made by the Buyer in such cases. Should such delivery necessitate overtime being worked or other additional costs being incurred a charge will be made to cover the increased cost.

When the Seller has agreed to deliver, deliveries will only be made to a position on a good hard surface nearest the site accessible by a good hard road. The Buyer will be responsible to unload the goods with his own labour and without undue delay.

7. Quality, packing and marking

The quality of the Goods shall conform to the requirements indicated in the agreement. Product characteristics are only binding, if explicitly agreed in writing. Nevertheless, the Seller reserves the right to unilaterally make technical and other modifications, that do not affect performance of the Goods.

The Seller shall deliver the Goods of ordinary quality stipulated by respective standards or technical conditions referred to in the agreement, unless agreed otherwise in the Order.

If the Buyer fails to use the Goods according to their intended purpose, as contemplated by the manufacturer of the Goods and/or by the Seller, or to comply with any storage, operation or maintenance instruction applicable to the Goods, the Seller shall not be responsible for any lack of conformity of such Goods. The Seller is not responsible for normal wear and tear of the Goods.

The mode of packaging and marking of the Goods shall be specified in the agreement. The Buyer shall examine the packaging upon delivery of the Goods. The Seller shall not be responsible for defective packaging, unless otherwise agreed.

8. Limitation of Liability

The Buyer is obligated, in accordance with the wood trade usage, to immediately and properly examine incoming goods (goods inspection) and notify defects in writing and he bears the burden of proof that any deficiencies subsisted.

The Buyer shall be deemed to have accepted the goods if he retains them for more than seven days without notifying the Seller IN WRITING that he has rejected them.

The absence of any complaint or claim within the above period shall be conclusive evidence in any proceedings that the Seller has fully discharged all its obligations under the contract and in particular that the goods were in conformity with the Agreement in all respects.

In the event of a complaint by the Buyer, upon request of the Seller, the Buyer shall keep the goods accessible at no charge for the conduct of investigations and reasonably assist the Seller in any examinations. The return of the goods will not be accepted until the Seller or his representative shall have HAD an opportunity of examining them.

After utilization, further processing or resale of any goods by the Buyer notifications of defects and raising of claims for warranty and consequential damage have to be done prior to use or incorporating them into any work or structure.

Notice of rejection of any Goods, and/or any alleged nonconformity or defect in any Goods, must be made in writing using the Reclamation List supplied together with the Goods. Such notice must state with particularity the basis of the rejection and/or any alleged nonconformity of the Goods and describe with particularity the portion of the Goods being rejected. Buyer shall take all appropriate actions to protect and preserve any rejected Goods in the same condition that they were in at the time of delivery.

NO CLAIMS CAN BE CONSIDERED IF THE GOODS HAVE BEEN CHANGED IN ANY WAY FROM THE FORM IN WHICH THEY WERE SUPPLIED. Any further machining or cutting or processing would deem the material to have been accepted.

In case of deficiencies the Seller is entitled to choose, at its sole discretion, to either effect an additional or replacement delivery free of charge, to remedy any defects, to compensate for the reduced value or to claim back against refund of the purchase price the goods that are subject to complaint. Any defects do not affect the obligation of the Buyer to pay the purchase price. The cancellation of the contract by the customer is only admissible in case of a severe breach of contract not remedied within a reasonable period of time or in case of a delay in the remedy of defects and is limited to the deliveries affected by deficiencies. The Buyer will indemnify and hold the Seller harmless to the extent that the Seller incurs liability towards a third party for any damage or loss for which the Seller is not liable towards the Buyer according to the Agreement.



9. Assignment of the Agreement

The Buyer shall not be entitled to assign the Agreement, in whole or in part, without the Seller's prior written consent. The Seller has the right to assign the Agreement, in whole or in part, to any Affiliated company as well as transfer its claims based on the Agreement to any third party. The Seller has the right to use subcontractors.

10. Amendments of the Agreement

The Agreement and its appendices may only be amended by a written agreement signed by duly authorized representatives of the Seller and the Buyer.

11. Force Majeure

Neither party will be liable for failure to meet the contractual obligations under the Agreement due to Force Majeure. "Force Majeure" includes, without limitation, strikes, lockouts, labour disputes, acts of God, fire, power failure, natural disasters, riots, wars and government actions. This limitation of liability will be valid only for the period of duration of Force Majeure. Events of Force Majeure are events beyond the control of the party which occur after entering into the Agreement and which were not reasonably foreseeable at the time of entering into the Agreement and whose effects are not capable of being overcome without unreasonable expense and/or loss of time to the party concerned. The party involved in an event of Force Majeure will take all reasonable measures and actions to limit or minimize the consequences of such an event.

The party claiming to be affected by Force Majeure will notify the other party in writing without delay on the intervention and on the cessation of such circumstance.

Either party will be entitled to terminate the Agreement by notice in writing to the other party if performance of the Agreement is suspended due to Force Majeure reasons for more than two (2) months. In such a case neither party is liable to compensate the other party for damage caused by non-compliance with the Agreement.

12. Termination of the Agreement

The Buyer may terminate the Agreement only in case the Seller commits a material breach of the Agreement, which breach has not been remedied within thirty (30) days from the Buyer having claimed such a breach and provided that such breach results in the Buyer's essential failure to achieve the purpose of the Agreement.

The Seller may terminate the Agreement in case the Buyer commits a material breach of the Agreement, which breach has not been remedied within thirty (30) days from the Seller having claimed such a breach.

13. Governing Law, Dispute Resolution

The Agreement is governed by and construed in accordance with the laws of Latvia without giving effect to principle of law which would result in the application of laws of any other jurisdiction.

Unless resolved through mutual negotiations, any dispute controversy or claim arising out of or relating to the Agreement, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Rules of the Latvian Chamber of Commerce Court of Arbitration. The seat of arbitration shall be Riga, Latvia. The language of the arbitration shall be English.

Notwithstanding the foregoing, the Seller has the right, at its discretion, to have recourse to the courts having jurisdiction over the Buyer on claims arising out of matured debts. Furthermore, the Seller retains the right to seek injunctive relief or provisional remedies of any kind at any time from any court having jurisdiction.