

GENERAL SALES CONDITIONS & TERMS

1. Scope

1.1 The following conditions of sale (hereinafter the "Conditions of Sale") shall be applied to all purchase contracts, including contracts for the supply of all related services (hereinafter the "Contract"), related to the sale of specific articles (hereinafter the "Products") and were entered into between corporation Spolek pro chemickou a hutní výrobu, akciová společnost, company Id. No.: 00011789, having its registered office at Ústí nad Labem, Revoluční 1930/86, Postcode 40032, entered in the Commercial Register administered by the Regional Court in Ústí nad Labem, Section B, Insert 47 (hereinafter "SPOLEK"), as the Seller, and a third party, as the Purchaser (hereinafter the "Purchaser").

1.2 These Conditions of Sale shall be used exclusively. Any other conditions of sale of the Purchaser that are different from, in conflict with or supersede these Conditions of Sale, shall be deemed a constituent part of the Contract in every single case solely within the scope they were explicitly agreed and accepted by SPOLEK. The prior approval must always be granted by Spolek, even if Products are sold to the Purchaser by SPOLEK with the knowledge of the existing Purchaser's business terms, without explicitly excluding the application of such business terms beforehand.

1.3 These special provisions or rules shall always prevail in application to the extent in which these Conditions of Sale differ from any special provision or rule agreed by the parties to the Contract.

1.4 Any modifications, amendments or appendices to these Conditions of Sale must always be agreed by both parties in writing, otherwise they are invalid. Any exchanged e-mail correspondence or other electronic messages shall not be considered a written form for this purpose.

2. Validity term and conclusion of the Agreement

2.1 All the rights and obligations following from the legal relationship entered into between SPOLEK and the Purchaser are stipulated in a written Contract containing all prior agreements and arrangements of the parties relating to the subject of the Contract.

2.2 Verbal liabilities of SPOLEK made before the execution of the Contract shall not be deemed binding. Verbal agreements made between the parties shall be fully replaced with a written Contract, unless their wording explicitly says that they shall also be legally binding after concluding the Contract.

3. Delivery

3.1 Products shall be delivered subject to the terms agreed in the Contract interpreted pursuant to INCOTERMS 2020. Unless explicitly agreed otherwise, Product deliveries shall be executed subject to the delivery clause "EXW Ústí nad Labem (SPOLEK's production site)".

4. Purchase price and its determination

4.1 The parties shall exclusively use the purchase price specified in the Contract. All other services not regulated by the Contract shall be paid separately.

4.2 The purchase price is exclusive of VAT, which shall be paid by the Purchaser in the amount specified by the Governing Law.

4.3 The invoiced weight of the delivered Product is specified at the place of dispatching on the SPOLEK's site, unless the Purchaser requests

5. Billing, payment terms, credit

5.1 Unless agreed otherwise the purchase price shall be due with thirty (30) days of the invoice delivery to the Purchaser. SPOLEK shall be entitled to issue partial invoices for partial deliveries, if any.

5.2 Payment of the purchase price shall be deemed completed at the moment the due amount of the purchase price was credited at the SPOLEK bank account. Should the payment be made to a different SPOLEK bank account than specified in the invoice as a result of the Purchaser's fault and additional costs will be incurred to SPOLEK as a result of that, these costs shall be preferentially paid from the credited amount. The outstanding amount shall be deemed an unpaid part of the original claim.

5.3 Should the Purchaser fail to fulfil any of its obligations specified in the Contract or any other agreement concluded with SPOLEK, SPOLEK will be entitled to suspend further deliveries of the Products subject to the Contract and rescind the Contract with immediate effect. Failure to perform deliveries subject to the sentence above is not considered a breach of the Contract and SPOLEK takes no responsibility for any losses caused by that.

5.4 SPOLEK is authorised to set off any SPOLEK debt against the Purchaser or its affiliates against the claim SPOLEK has against the Purchaser or its affiliates without limitation, regardless of the character of these debts and claims.

5.5 Purchaser shall inform SPOLEK in writing without any delay that a tax administrator has commenced proceedings subject to s. 106a of Act No. 235/2004 Coll., On value added tax, as amended (hereinafter the "VAT Act"), as well as of the decision made by a tax administrator subject to s. 106a of the VAT Act.

5.6 Purchaser grants its consent to SPOLEK to proceed in justified cases pursuant to S. 109a of the VAT Act.

6. Quality, quantity and packaging of Products

6.1 Unless agreed otherwise, the quality of Products sold is specified exclusively by the Product specification of SPOLEK.

6.2 In the event of Products supplied by bulk deliveries, transportation by freight or in ISO-tanks, SPOLEK is authorised to supply Products with a permitted deviation of the supplied quantity within the scope of plus/ minus five percent (+/- 5%) compared to the ordered quantity. Unless an error higher than 0.5% is proved in measurement/weighting for deliveries exceeding 25,000 kg or 1% for deliveries up to 25,000 kg, the Purchaser shall accept the determination of quantity of the sold Products made by SPOLEK.

7. Responsibility for defects

7.1 SPOLEK undertakes that Products shall comply with the specification published by it.

7.2 SPOLEK shall not guarantee in any case, however, that the supplied Products are appropriate for the manner of use intended by the Purchaser and suitable for all its further needs.

7.3 Purchaser shall inspect the Products at its expense without any delay (including carrying out laboratory analyses and other tests) after their delivery to the destination. Defects ascertainable during inspection of the Products shall be recorded by the Purchaser on the freight bill or bill of delivery and SPOLEK shall be notified thereof in writing at the latest within 7 calendar days of the date of inspection. SPOLEK shall be notified by the Purchaser of any defects ascertainable by a laboratory analysis in writing within 14 calendar days of the date of analysis, at the latest, however, within 30 days of the Products delivery in the destination. SPOLEK takes no responsibility for defects notified later.

7.4 Purchaser shall submit to SPOLEK a proof for enforcement of weight differences, packaging damage, defects in quality or impairment of Products, together with a document certified by an independent inspection company (professional third party), the appointment of which has been approved in advance by SPOLEK. Costs of the defect assessment made by an independent party shall be borne by the Purchaser. Should the claim result be positive, the Purchaser has the right to claim refunds of the costs borne by it against SPOLEK.

7.5 If the Purchaser establishes any damage to a vehicle or circumstances that indicate any decrease in Products, it shall request that the carrier weighs the consignment. Should any deviations from the weight specified in the bill of freight be established, the Purchaser shall request a respective record and enforce its complaint against the carrier.

7.6 Purchaser shall store the Products, for which it is enforcing defect, separately from other goods and it shall not handle the Products in the manner that could make it impossible for SPOLEK to check the claimed defects. SPOLEK is authorised to send its agents to the Purchaser in order to investigate the complaint or claim and the Purchaser shall allow SPOLEK agents to inspect the Products that are claimed due to defects.

7.7 If substitute products are supplied or if the Purchaser withdraws from the Contract, it will be obliged to return the Products to SPOLEK at its expense in the condition it accepted them from SPOLEK. Purchaser is not entitled to return Products to SPOLEK without the explicit written consent of SPOLEK before the end of the claims proceedings.

7.8 In the event the claim is justified, SPOLEK shall, at its discretion, either remedy the respective defects by supplying new Products, by repairing them, delivering the missing parts or will provide a reduction of purchase price for the Products to the Purchaser. The Purchaser is authorised to rescind the Contract only if the defects repeatedly occur after the repair or if new or substitute Products are not supplied within the time period identified by SPOLEK.

7.9 Should the Purchaser be unable to return the Products in the condition it received them, it will not be entitled to rescind the Contract or require a delivery of new Products.

7.10 If the Purchaser breaches its obligation to timely inspect Products or notify the defects to SPOLEK under these Conditions of Sale, SPOLEK will be entitled to refuse the complaint.

8. Contractual penalties and default interest

8.1 If the Purchaser is in delay with payment of the purchase price, it will be obliged to pay to SPOLEK a contractual fine of 0.05% of the outstanding amount for each day of delay.

8.2 Should the Purchaser be in delay with taking over Products, it shall pay to SPOLEK a contractual fine of 0.05% of the purchase price of the Products not taken over for each calendar day of the delay, including the date of take-over.

8.3 The title to the payment of contractual fines shall not exclude the right of SPOLEK to liquidated damages in full scope.

8.4 Should any legal regulation specify a fine (penalty) for a breach of any contractual obligations on the side of the Purchaser, the right of SPOLEK for liquidated damages in its full amount resulting from the breach of the contractual obligation shall not be affected.

8.5 Spolek is authorised to request a default interest even if it is above the amount exceeding the principal debt amount from the Purchaser.

9. Limitation to the liability for damage

9.1 SPOLEK BEARS NO RESPONSIBILITY WHATSOEVER TOWARDS THE PURCHASER OR ANY THIRD PARTIES FOR ANY SPECIAL, ACCIDENTAL, INDIRECT OR CONSEQUENTIAL LOSS OR LOST INCOME.

9.2 The period applied to lodge a claim against SPOLEK based on any legal grounds is 12 months from the delivery date of Products and, in case of a claim resulting from delinquent

conduct, such period is 12 months from the date the Purchaser became aware (or should have become aware) of the reason for the claim and the person responsible for that, at the latest, however, within 18 months of the delivery date of Products, under the condition that the claim did not result from the material Purchaser's gross negligence.

9.3 Purchaser is entitled to request liquidated damages from SPOLEK to enforce a claim for payment of contractual fines or other claims incurred in connection with a breach of one or more obligations of SPOLEK under the Contract limited to the aggregate amount corresponding to the purchase price of the Products subject to the Contract.

10. Transfer of the title and risk of damage

10.1 Purchaser shall acquire the title to Products by full payment of the purchase price subject to the Contract.

10.2 The risk of damage shall pass to the Purchaser pursuant to the agreed delivery clause - INCOTERMS 2020. The transfer of the risk of damage may also occur before the delivery of the Products, if the Purchaser fails to take over Products as was agreed or set forth in these Conditions of Sale.

11. Force Majeure

11.1 An event of Force Majeure shall be understood as any circumstance excluding the responsibility of SPOLEK subject to the provisions of S. 2913, Subs. 2 of Act No. 89/2012 Coll., Civil Code, as amended (hereinafter the "Civil Code"), i.e. an extraordinary unforeseen obstacle impossible to overcome that occurred beyond SPOLEK control that impedes (permanently or temporarily) SPOLEK ability to comply with its obligation. Any circumstances excluding responsibility (hereinafter the "Force Majeure") such as unpredictable disruption of manufacturing, transport or supplies, fire, explosion, natural calamities, floods, drought, unforeseen shortage of work force, energies, raw materials or inventories, strikes, suspension of operation by employees, act of war, political riots, act of terrorism, government regulation or other obstacle beyond the control of SPOLEK that results in production restrictions or its extension or its hampering, shall indemnify SPOLEK of responsibility for failure to comply with its obligations under the Contract for the period such an event of Force Majeure continues.

11.2 Provided the event of Force Majeure continues for more than six (6) weeks and SPOLEK holds such disruption serious, SPOLEK will be entitled to rescind the Contract in its full scope or its part. In the event of a temporary continuation of Force Majeure all periods of performance shall be extended or postponed by the duration of the event of Force Majeure and fair periods to resume production.

12. REACH

12.1 Purchaser undertakes to meet all its obligations following from the Regulation of the European Parliament and Council concerning Registration, Evaluation, Authorisation and Restriction of Chemicals on establishing European Chemicals Agency and amendment of other regulations (hereinafter the "REACH"), and it shall provide SPOLEK with all and any co-ordination reasonably requested from it concerning the provisions contained in REACH or any other laws, rules or regulations related to Products and their parts.

13. Withdrawal from Agreement

13.1 SPOLEK may rescind the Agreement with immediate effect in the event of a material breach of Agreement on the part of the Purchaser by serving a notification of withdrawal of the Purchaser. For the purposes of *this* provision a material breach of the Contract shall be particularly understood as:

a) a delay of the Purchaser with the payment of the purchase price or any other claims of SPOLEK against the Purchaser under the Contract or these Conditions of Sale in excess of 10 days; or

b) a delay of the Purchaser to take-off Products that exceeds 3 days.

13.2 SPOLEK is authorised to rescind the Contract also in the following situations:

a) if any condition for the liability of the recipient of the taxable transaction subject to s. 109 of the VAT Act is met; or

d) if a motion to declare bankruptcy versus the Purchaser or another similar motion related to the bankruptcy of the Purchaser has been filed, a proposal of bankruptcy proceedings has been filed towards the Purchaser's assets, a compulsory administrator, receiver or liquidator has been appointed or if the Purchaser enters into any form of liquidation or settlement with its creditors or if the property of the Purchaser is subject to execution.

14. Other provisions

14.1 Purchaser shall at all times indemnify SPOLEK, its agents and/or employees against any disputes, actions, court or administrative proceedings, court decisions and claims of third parties, losses, responsibility, default interest, legal representation fees and any other expenses (including but not limited to any special, indirect, accidental and subsequent losses) resulting from the delivery of Products to the Purchaser and caused or (partially) caused by the Purchaser or parties acting upon its instruction regardless of their origin.

14.2 Should the provisions of S.64 of the VAT Act be applied to the contractual relationship between SPOLEK and the Purchaser, if Products are supplied to another EU member state, Purchaser is an entity registered for tax payment in another EU member state and the purchase of Products by the Purchaser is subject to the tax payment in another member state, the Purchaser is obliged to inform SPOLEK thereon before the Product delivery in writing and to submit documents to SPOLEK proving the fact that it is registered for tax payment in another EU member state and that the Products are subject to VAT payment in another member state. The Purchaser is also obliged to send written notification to SPOLEK within 10 days of the delivery of the Products that the Products were transferred to another member state. If the Purchaser fails to meet its obligations stated above or should any tax be imposed on SPOLEK due to any reasons beyond SPOLEK's control for failure to satisfy conditions for a tax exemption with the right to deduct the tax, SPOLEK will be authorised to subsequently charge the respective tax to the Purchaser and the Purchaser shall pay such an assessed tax.

14.3 Purchaser is obliged to notify SPOLEK in writing, without any delay, of any changes to its registered office or another contact detail. If it fails to do so, it will bear the responsibility towards SPOLEK for any losses incurred.

14.4 Purchaser accepts the risk of modified circumstances in compliance with S.1765, Subs. 2 of the Civil Code, particularly concerning adjustment of prices of the subject of performance.

14.5 Purchaser is not entitled to refuse to perform under the Contract even if the conditions of S. 1912, Subs. 1 of the Civil Code are met, nor is it entitled to request cancellation of the Contract and return of all Products in their original condition in the event of injury suffered subject to s. 1793 of the Civil Code.

14.6 Purchaser shall not assign any rights and claims from the Contract, pledge or set off against any SPOLEK claims without the prior written consent of SPOLEK. Email or other electronic messages shall not be considered a written form for this purpose.

14.7 Except for those cases regulated in S. 2913, Subs. 2 of the Civil Code, SPOLEK can also be relieved from the obligation to compensate for a loss if extraordinary, unforeseen and ne plus ultra obstacle that occurred independent of its control at the time SPOLEK was in delay with the execution of its contractual obligations.

15. Governing Law and disputes

15.1 These Conditions of Sale, Contract and all other legal relationships between SPOLEK and Purchaser shall be governed by the laws of the Czech Republic, particularly provisions of the Civil Code, unless agreed otherwise between the parties in the Contract (hereinafter the "Governing Law").

15.2 Any and all disputes following from the Agreement and/or in connection with it shall be adjudicated with final effect by general courts of the Czech Republic.