

GENERAL PURCHASING CONDITIONS & TERMS

(update: 1.2.2021)

1. Scope of Application

1.1 The following General Terms and Conditions of Purchase ("**General Conditions**") shall apply to all purchase relationships including services associated therewith ("**Contract**") relating to the purchase of goods ("**Products**") between any of the following companies (i) Spolek pro chemickou a hutní výrobu, akciová společnost, IN: 000 11 789, (ii) EPISPOL, a.s., IN: 254 49 842, (iii) SPOLCHEMIE Distribution, a.s., IN: 241 50 584, (iv) SPOLCHEMIE Electrolysis, a.s., IN: 292 00 181, (v) CSS, a.s., IN: 289 63 661, (vi) CHS Epi, a.s., IN: 282 07 882, all with their business seat at Revoluční 1930/86, Ústí nad Labem – centrum, 400 01 Ústí nad Labem (all of the abovementioned companies hereinafter individually only as "**SPOLEK**"), as purchaser and its supplier ("**Supplier**") as seller.

1.2 Unless explicitly agreed otherwise, these General Conditions shall apply mutatis mutandis on contracts for work or service contracts, where SPOLEK is a customer.

1.3 These General Conditions shall apply exclusively. Any general terms of Supplier, which differ from, contradict or supplement these General Conditions shall be considered a part of the Contract only if and insofar as SPOLEK has explicitly agreed to their applicability on a case-by-case basis. This consent requirement shall apply in all cases, even if SPOLEK purchases from the Supplier in awareness of Supplier's general terms without explicitly rejecting such deviating terms in writing.

1.4 To the extent that these General Conditions are inconsistent with any special conditions set out or referred to in the Contract, those special conditions shall prevail.

1.5 All changes, amendments and attachments to these General Conditions must be mutually agreed by both parties in writing, otherwise they are not valid.

2. Validity and Contract execution

2.1 All aspects of the legal relationship between SPOLEK and Supplier shall be based upon the concluded written Contract, which fully contains all prior understandings between the parties concerning the subject matter of the Contract.

2.2 Oral covenants of SPOLEK made prior to the execution of the Contract shall not be considered as binding, and verbal agreements between the parties shall be replaced and superseded by the written Contract.

3. Time of the Essence and Alternative supply

3.1 Time is of the essence and all dates referred to in the Contract shall be fixed, final and binding. Any delay in the delivery of the Products shall constitute a material breach of the Contract. SPOLEK shall have the right to refuse any delayed delivery of the Products.

3.2 In the event that Supplier anticipates any difficulty in complying with any delivery date or any of its other obligations under the Contract, Supplier shall promptly notify SPOLEK in writing and propose the new prospective date of the delivery or performance of such obligation.

3.3 In case that (i) SPOLEK will not accept the new prospective date of the delivery of the Products proposed by Supplier or (ii) Supplier fails to deliver the agreed quantity of the Products on time, then SPOLEK shall be entitled to realize an alternative supply of the non-delivered Products from a third party at its sole discretion ("**Alternative supply**").

3.4 In case that SPOLEK realizes the Alternative supply in accordance with these General Conditions, then the Supplier shall be obliged to pay to SPOLEK an indemnification in the amount of the difference between the purchase price of the non-delivered (or defective) Products agreed in the Contract and the purchase price of the Products under the Alternative supply contract, if the purchase price of the Alternative supply is higher. This provision does not affect any other damage claims of SPOLEK including the right to claim contractual penalty in accordance with Art. 10.1 of the General Conditions.

3.5 Notwithstanding the foregoing, Supplier shall indemnify and hold harmless SPOLEK, its agents and employees, from and against all suits, actions, legal or administrative proceedings, claims, demands, damages, judgments, liabilities, interest, attorneys' fees, costs and expenses of whatsoever kind or nature (including but not limited to special, indirect, incidental, consequential damages), whether arising before or after completion of the delivery of the Products covered by the Contract, in any manner caused or claimed to be caused by the acts, omissions, faults, breach of express or implied warranty, breach of any of the provisions of the Contract, or negligence of Supplier, or of anyone acting under its direction or control or on its behalf, in connection with Products furnished by Supplier to SPOLEK under the Contract.

4. Delivery, Delivery period and Unloading

4.1 Delivery shall be effected from the respective shipping point in accordance with the terms specified in the Contract, the interpretation of which shall be governed by the INCOTERMS 2020. Unless expressly agreed otherwise, deliveries are made "DDP Spolek pro chemickou a hutní výrobu, akciová společnost, Revoluční 1930/86 – Gate-West, CZ-Ústí nad Labem according to INCOTERMS 2020".

4.2 Unless a fixed delivery date has been agreed to in an individual case or has been explicitly stated by SPOLEK to Supplier upon the Contract is made, Supplier will at all times endeavor to deliver as quickly as possible.

4.3 Unless otherwise agreed in the Contract, the date of delivery shall be the day on which the Products are placed at the disposal of SPOLEK at SPOLEK's premises in Ústí nad Labem, Czech Republic, and the receipt of the Products has been acknowledged by SPOLEK in writing.

4.4 Unless otherwise agreed in the Contract, Supplier shall make no partial delivery or delivery before the agreed delivery date(s). SPOLEK reserves the right to refuse delivery of the Products and return the same at Supplier's risk and expense if Supplier defaults in the manner and time of delivery or in the rate of shipment. SPOLEK shall not be liable for any costs incurred by Supplier related to production, installation, assembly or any other work related to the Products, prior to its delivery in accordance with the Contract.

4.5 Unless expressly agreed otherwise, Supplier shall ensure that the Products shall be unloaded during SPOLEK's unloading hours, i.e. every working day from 6:00 am to 1:00 pm ("**Unloading Hours**") and only at places specified by SPOLEK. SPOLEK reserves the right to refuse the delivery of the Products and return the same at Supplier's risk and expense if the Products are not delivered and unloaded during the Unloading Hours or if the Products are not unloaded at places specified by SPOLEK.

5. Prices and Calculation

5.1 The prices quoted in the Contract shall solely apply. Additional services will be invoiced separately.

5.2 All prices are fixed and quoted as net prices and do not include value added tax, which is to be paid in accordance with the Applicable law.

5.3 Unless otherwise expressly agreed, prices are quoted for the delivery of Products according to DDP Spolek pro chemickou a hutní výrobu, akciová společnost, Revoluční 1930/86 – Gate-West, CZ-Ústí nad Labem according to INCOTERMS 2020.

5.4 Unless otherwise agreed, the weight to be invoiced shall be determined at the place of dispatch of the respective Supplier's plant, unless SPOLEK, at its own expense, requires a certified weighing at the respective dispatch place.

6. Invoicing, Payment terms, Set-Off, Assignment

6.1 The purchase price shall be due upon receipt of the invoice and, unless otherwise agreed or specified in the invoice, payable within sixty (60) days from the date of the receipt of the correct invoice, provided that the Products were delivered in accordance with Art. 4.3 of these General Conditions. In case of partial deliveries, agreed according to the Art. 4.4 of these General Conditions, the Supplier is entitled to issue partial invoices.

6.2 The invoice address for invoices issued by the Supplier is:

- a) The registered office of SPOLEK if the invoice is sent by post;
- b) Email address invoice@spolchemie.cz when sending the invoice electronically.

6.3 Each issued invoice must contain purchase order number or business contract number, particulars of tax document and must be accompanied by (i) copy of the relevant Contract (purchase order or referral) for the delivery of the Products or execution of the related services and (ii) delivery note or timesheet signed by designated representative of SPOLEK.

6.4 If the invoice issued by the Supplier is not delivered in the manner specified in Art. 6.2 of these General Conditions and / or does not contain all the particulars of the tax document and / or it is not accompanied by the documents under the Art. 6.3 of these General Conditions, then SPOLEK is entitled to return the issued invoice to Supplier for correction and is not obliged to pay such invoice. The new maturity period shall run from the date of delivery of the corrected invoice in the manner specified in Art. 6.2 of these General Conditions and with all the annexes in accordance with Art. 6.3 of these General Conditions.

6.5 Payments shall be deemed effected when the due amount has been definitively deducted from one of SPOLEK's bank accounts.

6.6 If Supplier fails to fulfill any of its obligations under the Contract, SPOLEK may suspend payment to the Supplier.

6.7 SPOLEK shall at all times have the right to set off any of its receivables towards Supplier or towards any of its affiliates against any receivable of the Supplier or any of its affiliates towards SPOLEK, irrespective of the nature of any such claim and its maturity.

6.8 Supplier shall not be entitled to assign, pledge or offset any rights and/or claims arising from the Contract or arising in connection therewith, or offset such right against any SPOLEK's claim without the prior written consent of SPOLEK. Email or other electronic messages shall not be considered a written form for this purpose.

7. Quality of Products, Quantity and Packaging

7.1 Unless otherwise agreed, the quality of the Products shall be exclusively determined in SPOLEK's Product specification, which forms an integral part of the Contract.

7.2 Supplier shall be allowed a quantity tolerance for delivered Product of plus or minus five percent (+/- 5%) of the ordered quantity on all bulk, truck, or ISO-tank shipments. Supplier's quantity determination will govern unless the proven error is more than one-half of one percent (0.5%).

7.3 Packing methods shall be exclusively determined in the Contract. Supplier shall not be entitled to deliver the Products contrary to the conditions of the packing methods as agreed in the Contract. In case that the agreement on the packing methods is missing in the Contract, Supplier is obliged to pack the Products in a suitable way preventing deterioration and damage to the Products.

7.4 Supplier shall, concurrently with the delivery of the Products, provide SPOLEK with copies of all applicable licenses concerning the Products. Each delivery of the Products to SPOLEK shall include a) bill of lading which shall always contain at least (i) the particular Contract number, (ii) the Product specification, (iii) the quantity shipped, and (iv) the date of shipment, b) quality certificate and c) delivery note.

8. Warranty

8.1 Supplier hereby represents and warrants to SPOLEK that for a minimum period of 24 months the Products (a) shall be suitable for the intended purpose and shall be new, merchantable, of good quality and free from all defects in design, materials, construction and workmanship, (b) strictly comply with SPOLEK's specifications, approved samples and all other requirements under the Contract, (c) shall not be encumbered by the rights of third parties, (d) have been designed, manufactured and delivered in compliance with all applicable laws and (e) are provided with and accompanied by all information and instructions necessary for proper and safe use.

8.2 Supplier hereby represents and warrants to SPOLEK that the Products and/or its usage by SPOLEK do not violate or infringe any third party's domestic or foreign patent, copyright, trade secret, trademark or other intellectual property rights of third parties.

9. Claims of SPOLEK Due to Defects

9.1 If the Products supplied to SPOLEK are defective, Supplier shall be obliged to exercise the following duties. Unless otherwise agreed in writing between SPOLEK and Supplier:

(i) Supplier shall be obliged to supply SPOLEK with non-defective Products within the additional period determined by SPOLEK ("Supplementary performance"). In case that SPOLEK notify the Supplier that the delayed delivery is not longer reasonable and the Supplementary performance is unacceptable for him, then in such case the Supplier a) shall not be entitled to provide SPOLEK with the Supplementary performance and b) shall be obliged to pay to SPOLEK the indemnification in accordance with Art. 3.4 and 3.5 of these General Conditions.

(ii) Supplier shall offtake all the defective Products from SPOLEK as soon as possible, and

(iii) Supplier shall bear all the costs necessary for return and testing of the defective Products and for potential Supplementary performance, in particular for shipping and transport infrastructure as well as for workforce and necessary materials.

9.2 In case that a) the Supplementary performance is unreasonable for SPOLEK and SPOLEK has notified Supplier thereof in accordance with Art. 9.1.(i), or b) the Supplier fails to provide SPOLEK with the Supplementary performance within the additional period, SPOLEK may realize the Alternative supply and claim the indemnification from Supplier in accordance with Art. 3.4 and 3.5 of these General Conditions.

10. Contractual penalty and punitive interests:

10.1 In the event of the delayed delivery of the Products the Supplier shall pay the contractual penalty in the amount of 0.05 % of the price of the Products for each calendar day of such delay including the day of delivery.

10.2 In the event of the delayed payment for the Products SPOLEK agrees to pay the contractual interest in the amount of 0.02 % of the unpaid price for each calendar day of such delayed payment including the day of payment.

10.3 The payment of the contractual penalty does not affect the right for indemnification.

11. Limitation of Liability and Limitation period

11.1 SPOLEK shall in no event be liable for any special, incidental, indirect, consequential, or punitive damages or lost profits of the Supplier or any third persons.

11.2 The limitation period for claims against SPOLEK based on whatever legal ground is 12 months from the date of the delivery of the Products and in case of tortious claims, 12 months from the date when the Supplier became aware of or would have become aware of the grounds giving rise to a claim and the liable person, had the Supplier not been grossly negligent. With the expiry of the abovementioned limitation period any and all claims against SPOLEK are forever released and discharged.

12. Transfer of title and Risk of damage

12.1 The ownership to the Products shall be transferred to SPOLEK upon the delivery of the Products or upon the payment of the agreed purchase price, depending on whichever occurs earlier.

12.2 The risk of damage shall be transferred from the Supplier according to the agreed delivery term of INCOTERMS 2020.

13. Force Majeure

13.1 In the event that the performance of the Contract is prevented by an extraordinary unforeseeable and insurmountable obstacle emerged independently of the will of the affected party (hereinafter "Force Majeure"), the affected party relieves itself of the liability for the performance of obligations under the Agreement for the duration of this Force Majeure.

13.2 If a Force Majeure event lasts longer than six (6) weeks and this disruption is considered by SPOLEK as significant, SPOLEK shall be entitled to withdraw from the Contract in whole or in part. In case of temporary Force Majeure period, any performance periods shall be extended or postponed for the duration of Force Majeure period and reasonable time limit for resumption of production.

14. REACH

14.1 Supplier shall comply with its obligations arising from the Regulation of the European Parliament and of the Council concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), and shall provide SPOLEK with such assistance as SPOLEK may reasonably require in view of the provisions set out in REACH and / or in any other laws, rules and regulations related to the Products and its chemical elements from time to time.

15. Intellectual property indemnification

15.1. Supplier shall indemnify and hold harmless SPOLEK and its affiliates, its agents and employees and anyone selling or using any of SPOLEK's products in respect of any and all claims, damages, costs and expenses (including but not limited to loss of profit and reasonable attorneys' fees) that have emerged in connection with any third party's claim that any of the Products or in any combination or their use infringes any patent, trademark, copyright (including portrait rights and moral rights), trade name, trade secret, license or other proprietary right of any other party or any intellectual property right, or, if so directed by SPOLEK or any of its affiliates, shall defend any such claim at Supplier's own expense.

15.2. SPOLEK undertakes to provide the Supplier with a prompt written notice of any such claim (Art. 15.1). Supplier undertakes to provide SPOLEK or any of its affiliates with all the assistance that may be reasonably required from Supplier in connection with any such claim.

16. Termination of the Contract

16.1 SPOLEK shall be entitled to terminate the Contract with immediate effect in case of a serious breach of the Contract by the Supplier, by giving a written termination notice to the Supplier. For the purposes of this provision the serious breach of the Contract shall mean especially:

- a) Supplier's delay of the delivery of the Products, or
- b) Supplier's delay of the provision of the Supplementary performance.

16.2 Unless otherwise expressly agreed in the Contract, SPOLEK shall be entitled to terminate the Contract concluded for an indefinite period for any reason whatsoever, with 1 (one) month notice. The notice period shall begin on the first day of the month following the month, in which the termination notice has been delivered to the Supplier.

16.3 Unless otherwise expressly agreed in the Contract, SPOLEK shall be entitled to terminate the Contract concluded for a fixed period of time for any reason whatsoever, with 6 (six) month notice. The notice period shall begin on the first day of the month following the month, in which the termination notice has been delivered to the Supplier.

17. Governing Law and Dispute resolution

17.1 These General Conditions, Contract and all other legal relationships between SPOLEK and Supplier shall be governed by the laws of the Czech Republic, especially by the provisions of the Act no. 89/2012 Col., the Civil Code of the Czech Republic, as amended, unless otherwise agreed in the Contract ("Applicable law").

17.2 All disputes arising from the Contract and/or in connection therewith shall be subject to the jurisdiction of the courts of the Czech Republic according to the registered office of SPOLEK.