

GENERAL TERMS OF SALE OF CHEMOSVIT STROJCHEM, s.r.o.

Article 1. Scope of application

1.1. These General Terms of sale govern all relations between CHEMOSVIT STROJCHEM, s.r.o. (hereinafter referred to as „STROJCHEM“) and its customers concerning delivery of its products or execution of work. Application of general terms of purchase or procurement of services, or any other terms issued or referred to by the customer shall be excluded unless explicitly agreed otherwise between the parties in writing. These General Terms, in their currently effective version, shall also apply to all further transactions between STROJCHEM and its customers without need of a specific reference.

1.2. STROJCHEM reserves the right to modify these General Terms upon its discretion without specific notice to customers. Such modifications shall enter into force when published at the website <https://strojchem.sk/downloads/> and shall be applicable to all orders submitted / contracts concluded after the publishing.

Article 2. Formation of contract

2.1. Offers submitted to the customer by STROJCHEM shall be non-binding, they are to be understood as a mere invitation to place orders; no offer shall be interpreted so that its acceptance constitutes a contract unless explicitly provided so in the offer.

2.2. By placing an order, the customer irrevocably accepts these General Terms unless otherwise agreed in writing between the parties. The contract shall be concluded upon confirmation of the customer's order by STROJCHEM in writing, by fax or e-mail. Unless otherwise agreed by the parties in writing, the decision to confirm or reject an order shall in any case lie upon STROJCHEM's sole discretion regardless of any previous relations with the customer.

2.3. The confirmation of an order shall be effective upon its delivery to the customer and its content shall be decisive for the content of the contract. Should the confirmation include any modifications to terms of the original order, the contract shall be deemed concluded upon the expiry of 5 days after the delivery of the confirmation, unless the customer, within the same period, notifies STROJCHEM that he is no longer interested in the delivery under the terms included in the confirmation. In any case the contract shall be concluded upon the takeover of the goods / object of the work, at the latest.

2.4. Concluded contract, including the specification of goods / work and these General Terms, shall constitute the entire agreement between STROJCHEM and the customer with respect to the delivery of goods / the execution of work. Brochures, catalogues and other promotional materials of STROJCHEM as well as any prior promises or understandings of the parties shall not be taken into account.

Article 3. Subject of performance

3.1. The quality of goods / work shall be determined by STROJCHEM's specification applicable at the time of delivery unless different specifications have been agreed by the parties. STROJCHEM reserves the right to change composition, substitute raw materials and modify the manufacturing process of goods / execution of work at its own discretion without any notice to the customer. Samples shall be of an indicative nature only and shall not be relevant as specification.

3.2. Unless explicitly agreed otherwise by the parties, STROJCHEM shall not be obliged to assess the suitability of things, instructions or specifications for the execution of the work provided by the customer and shall not be responsible for any impossibility of completing the work or defects in completed work caused by such things, instructions or specification.

3.3. Delivery shall be considered to have been completed in accordance with the contract when the delivered quantity neither exceeds nor falls short of the contractual quantity by more than the limit of tolerance which is $\pm 10\%$. The goods / work shall be considered to have been delivered / completed in accordance with the contract even in case of minor defects in material or workmanship that do not prevent the proper use of goods / object of work. The customer shall be obliged to accept partial deliveries in any case.

3.4. The customer shall be entitled to control the execution of the work or the manufacturing process of goods only with explicit prior consent of STROJCHEM.

3.5. Unless otherwise agreed by the parties, a) STROJCHEM shall use standard packaging common for goods / object of work of a similar nature b) STROJCHEM's obligation to hand over documents relating to the goods / object of work shall be limited to providing a certificate of quality upon the customer's prior request.

Article 4. Price

4.1. The price of goods / work shall be determined by the contract; otherwise it shall be calculated according to STROJCHEM's internal pricing standards applicable at the time of invoicing. Unless explicitly agreed otherwise by the parties, prices are to be understood net including standard packaging, excluding VAT and other taxes, transport costs, custom fees as well as any other applicable charges.

4.2. If the price of work is determined on budget basis, it shall be considered indicative and non-binding unless otherwise agreed by the parties. STROJCHEM shall have the right to increase the price of work appropriately, if during execution of the work arises the need to carry out activities, which have not been included in the budget and if such activities have not been foreseeable at the time of concluding the contract; moreover, STROJCHEM shall have the right to increase the price of work by the amount of necessarily incurred costs, which exceed the costs according to the budget.

4.3. If not otherwise agreed by the parties, the price shall be paid to STROJCHEM by bank transfer within 14 days after the invoice date; the invoice shall be issued on the day of expedition of delivery. The customer agrees that STROJCHEM may issue and send invoices to the customer in electronic form. Applicable bank charges shall be borne by the customer. All other means of payment, such as cheque or bill of exchange, shall only be allowed with an explicit consent of STROJCHEM.

4.4. In case of customer's default with payment, STROJCHEM shall be entitled to charge a late-payment interest of 0.05% per day of the amount owed; if the subject of supply is a packaging machine / line, STROJCHEM shall be also entitled to deactivate functionality of the machine until the full payment of unpaid price for the delivery. Customer's complaints shall not have a suspending effect on the payment obligations of the customer, nor shall the customer be in such a case entitled to retain the price of goods / work or its part.

4.5. In case of change in the prices of energy, transport, services, raw materials or other inputs necessary for the production or transportation of the goods / work or changes in legislation which affect the price of the goods / work, STROJCHEM reserves the right to unilaterally adjust the price of the goods / work appropriately, by means of a written notice to the customer.

Article 5. Delivery

5.1. Delivery of goods / object of work shall be performed in accordance with delivery clause agreed by the parties in contract (MOK INCOTERMS 2020), otherwise the goods / object of work shall be deemed delivered when STROJCHEM hands them over to the first public carrier selected by STROJCHEM for their transportation to the customer at customer's cost and risk. Unless otherwise agreed by the parties, transport costs are to be borne by the customer. If the work is to be executed at the customer's premises, acceptance certificate confirming the handing over of the object of the work shall be made and signed by the both parties; if the customer unreasonably refuses to sign the acceptance certificate, object of the work shall be considered as handed over and accepted without defects on the date of refusal to sign the acceptance certificate.

5.2. Unless expressly agreed otherwise by the parties, time of delivery is not of the essence, i.e. the delay of delivery itself does not constitute the right of the customer to cancel the contract. If the goods / object of the work are to be delivered upon request of the customer (call-off), STROJCHEM shall in any case be free to dispatch the goods / object of the work to the customer after 3 months after the conclusion of the contract. If no explicit delivery term or date has been agreed by the parties, STROJCHEM shall be free to dispatch the goods / object of the work to the customer immediately.

5.3. Should the customer fail to provide assistance or any other action required for the takeover of the goods / object of the work ready to be delivered in accordance with the contract, the risk shall immediately pass to the customer whereas STROJCHEM shall be free to invoice the agreed price of the goods / work to the customer. Regardless of the agreed delivery terms, in such a case STROJCHEM shall have the right to perform the delivery by (a) handing the goods / object of the work over to the first public carrier selected by STROJCHEM for transport to the customer at customer's costs and risk, or (b) giving notice to the customer that the goods / object of the work have been stored at customer's risk and expenses in STROJCHEM's warehouse, with the

right of STROJCHEM to dispose of the goods / object of the work after 30 days; in such case the delivery shall be considered to have been completed in accordance with the contract.

Article 6. Retention of title

6.1. The title in the delivered goods / object of the work shall be retained by STROJCHEM until the full payment of the price for the delivery by the customer.

6.2. The customer may process or resell the reserved goods / object of the work within ordinary course of its business, however, if the goods / object of the work are processed before the transfer of the title by combining or mixing it with other substance thus forming a new item, STROJCHEM shall acquire co-ownership of the new item in the ratio of the invoice value and the value of the new item.

6.3. The customer hereby pre-assigns to STROJCHEM claims and receivables resulting from the sale of items, to which STROJCHEM shall have ownership or co-ownership rights, as security, on a proportional basis in the ratio of the ownership share of STROJCHEM to the total value of the items sold.

Article 7. Force Majeure

7.1. Unforeseeable circumstances affecting STROJCHEM and beyond STROJCHEM's control, such as, but not limited to, operational breakdowns, malfunctions, delayed or defective deliveries by suppliers, energy or fuel shortage, strikes, lockouts and other labor disputes affecting a party or its suppliers, war, hostilities, state of emergency, economic mobilization, acts of terrorism, civil commotions, regulations and measures issued by government, European Union authorities or other public authorities (acts of authority), diseases, epidemics, pandemics, quarantines, acts of nature, flood, fire or similar catastrophes (force majeure events) shall release STROJCHEM from its obligations under the contract for the duration of such an impediment. In such case the customer shall not be entitled to compensation for any damages (direct or indirect), neither to cancel the contract, nor to contractual penalties or any other sanctions. For the avoidance of doubts, it is explicitly agreed that the current COVID-19 crisis and its consequences such as government interventions shall be considered such circumstance.

7.2. In case of a force majeure event, STROJCHEM shall inform the customer of the nature and expected duration of the event, in writing or by email within ten (10) days from the occurrence of the event. The parties shall negotiate to mitigate the effect of the event on the business of either of them. Should the event last for more than 3 months, either party shall be entitled to cancel the contract with exclusion of any further claims.

Article 8. Warranty

8.1. STROJCHEM warrants that at the time of delivery the goods / object of the work conform to their specifications as well as to the applicable mandatory standards of the European Union and that they are free from defects in material and workmanship. Provided the goods / object of the work are properly handled, STROJCHEM warrants that the goods / object of the work shall preserve the same quality within a guarantee period of 3 (three) months after the date of delivery unless a longer guarantee period has been confirmed by STROJCHEM. If, according to the customer's request or with his consent, the goods / object of the work produced are to be stored by STROJCHEM, the guarantee period shall commence on the day when the goods / object of the work have entered STROJCHEM's warehouse.

8.2. STROJCHEM warrants and represents that at the time of delivery the goods / object of the work are free from any proprietary rights of third parties, including intellectual property rights. However, the customer shall be solely liable for the conformity of any technical information, instructions, designs, etc., used in the manufacturing process / execution of the work at the customer's request.

8.3. The commitments set out in this article are STROJCHEM's sole warranties in respect to the goods / work. Any other conditions, warranties or representations (express or implied) as to the quality, suitability or merchantability of the goods / object of the work or fitness for any particular purpose shall be excluded unless explicitly agreed otherwise by the parties in writing.

8.4. Warranty claims shall be excluded if the customer processes, destroys or re-sells the goods / object of the work after he has detected or should have detected their non-conformity, unless the customer proves that it was necessary in order to prevent considerable damage. Warranty claims shall also be excluded if they concern unpaid goods / work.

Article 9. Liability for Defects

9.1. The customer must inspect the goods / object of the work with due diligence immediately after taking delivery. The inspection shall include but not be limited to checking integrity of packaging, quantity, functionality and other basic parameters of delivery.

9.2. If the customer does not, within 14 days as of the delivery, give to STROJCHEM notice of any defects, which could have been detected during duly made inspection, the goods / work shall be deemed to be accepted, including all defects and customer shall lose the right to rely on the lack of conformity of the goods / work. As for the defects, which could not have been detected during duly made inspection, the same shall apply if customer does not give notice on defects to STROJCHEM within 14 days after he has discovered or ought to have discovered the defect. All notices on defects must be delivered to STROJCHEM within guarantee period (8.1), the customer shall not have any claims regarding quality of goods / work whatsoever after expiry of guarantee period.

9.3. Within 30 days as of receiving notice on defects, STROJCHEM shall either admit or reject customer's complaint in writing. The customer shall enable STROJCHEM to examine the goods / work in question; in no case shall the customer return the goods / work to STROJCHEM without its prior consent. If STROJCHEM admits the warranty claim, its liability for defects shall be limited to a) removing defects by repair or replacing defective goods / work with a substitute delivery against return of defective products, or at customer's option b) providing reasonable price reduction. Should non-conformity of goods / work not be confirmed, the customer shall compensate to STROJCHEM all costs incurred in connection with examination of customer's claim.

9.4. The customer shall only be entitled to cancel the contract if STROJCHEM fails to remove defects of the goods / work delivered within a reasonable period of time (not less than 45 days from the delivery of the notice), or if the goods / work repaired or replaced have been proven defective again.

9.5. Should any dispute arise between the parties regarding the conformity of the goods / work, the parties shall designate a mutually acceptable independent expert whose award shall be accepted as final.

Article 10. Liability for Damage

10.1. The contractual and statutory liability of STROJCHEM towards the customer shall be limited to damage covered by product liability insurance provided by an insurance company with good reputation, which STROJCHEM shall take out and maintain with a limit of not less than EUR 1.600.000. At customer's request, STROJCHEM shall provide the relevant insurance certificate to the customer.

10.2. STROJCHEM shall, without limitation, be liable for damage caused by defective goods under mandatory provisions of the governing law, especially transposition of the EU Directive 85/374/EEC on the liability for defective products.

10.3. The customer shall take all reasonable effort to avoid and mitigate the damage which might become the subject of his claim against STROJCHEM, otherwise the customer himself shall be fully or partially liable for the damage.

Article 11. Miscellaneous

11.1. Any and all objects created by STROJCHEM in the manufacturing process which are not the agreed subject-matter of the contract, as well as all intellectual property rights related thereto, shall remain the exclusive property of STROJCHEM unless explicitly agreed otherwise between STROJCHEM and customer in writing, even if the costs have been invoiced to the customer separately or customer has financially contributed to the costs. The delivery of goods / work itself shall in no case be construed as transfer or granting of any license in respect to these intellectual property rights.

11.2. The customer shall not be entitled to suspend fulfillment of any of his obligations in the case of STROJCHEM's default in fulfillment of its obligations concerning any other delivery. STROJCHEM may suspend all outstanding deliveries to customer in the case of customer's default in fulfillment of its obligations

concerning any other delivery.

11.3. The customer shall not be entitled to unilaterally set off any of STROJCHEM's claims against the customer with any of his claims against STROJCHEM, except for those, which have been admitted by STROJCHEM in writing or adjudicated by a competent court.

11.4. STROJCHEM reserves the right to demand from the customer, at any time, a satisfactory security for the payment obligations of the customer, such as deposit, letter of credit etc. If the customer fails to provide such a security within a reasonable term of time and until he does so, STROJCHEM may suspend the production and delivery of the goods / work under all unfinished contracts of the customer.

11.5. STROJCHEM shall be entitled to withdraw from the contract in case that the customer has been declared bankrupt or enter liquidation or similar proceedings.

11.6. Failure to take the goods / work over in accordance with the contract, failure to provide satisfactory security for payment obligations upon request of STROJCHEM as well as default in any payment under the contract exceeding 30 days shall be considered a fundamental breach of the contractual obligations of the customer.

11.7. If at any time during the contractual relation between STROJCHEM and the customer, a substantial change in business, economic, monetary, technical or commercial conditions occurs, as a result of which performance of STROJCHEM's contractual obligation has become excessively onerous, STROJCHEM may request the customer in writing to review the conditions of the contractual relation in the light of the changed

business conditions. The parties undertake to meet within a reasonable period of time to negotiate in good faith alternative contractual terms which reasonably allow to overcome the consequences of the event. In case the parties shall be unable to agree alternative contractual terms, either party shall be entitled to request the court to adapt the contract with a view to restoring its equilibrium.

Article 12. Governing Law, Dispute Resolution

12.1. The contractual relation between STROJCHEM and the customer shall be governed by and construed in accordance with the substantive law of the Slovak Republic. If customer's place of business is outside the Slovak Republic, the UN Convention on Contracts for the International Sale of Goods (Vienna 1980) (in the case of the delivery of goods) and the substantive law of the Slovak Republic shall apply in the said order.

12.2. All disputes arising out of or in connection with the contractual relations between STROJCHEM and the customer, including disputes concerning validity, interpretation or annulment of the contract, shall be finally settled before the Court of Arbitration of the Slovak Chamber of Commerce and Industry in Bratislava in accordance with its internal rules and regulations. Notwithstanding the arbitration clause, either party shall be free to bring the dispute before general courts alternatively, in which case the exclusive jurisdiction of the Courts of the Slovak Republic shall be given, however STROJCHEM reserves the right to sue the customer at customer's domicile if it is outside the Slovak Republic.

Article 13. Severability

13.1. Should any of the provisions of these General Terms become invalid or ineffective, this shall not affect validity or effectiveness of other provision.