

# GENERAL TERMS FOR THE PURCHASE OF GOODS OF THE CHEMOSVIT GROUP

## Article 1. Scope of application

1.1. These General Terms govern all relations in which the company of the CHEMOSVIT Group (hereinafter referred to as the "Purchaser") purchases goods from its suppliers (hereinafter referred to as the "Supplier") unless the parties agree in writing on a different regulation of their mutual rights and obligations. Application of general terms of sale or any other terms issued or referred to by the Supplier shall be excluded unless explicitly agreed otherwise between the parties in writing, irrespective of whether they are consistent with these General Terms, or the contract between the parties. These General Terms in their current version shall apply to all further purchases by the Purchaser from the Supplier, even without specific reference, unless otherwise agreed upon by the parties.

1.2. Purchaser reserves the right to modify these General Terms upon its discretion without specific notice to the Supplier. Such modifications shall enter into force when published at the website [https://www.chemosvitgroup.com/vpn/VPN\\_en.pdf](https://www.chemosvitgroup.com/vpn/VPN_en.pdf) and shall be applicable to all orders placed, or purchase contracts concluded the publication of the changes.

## Article 2. Formation of Contract

2.1. Requests by the Purchaser for the submission of a price quotation addressed to the Supplier shall be non-binding for the Purchaser, they are to be understood as a mere invitation to submit a proposal for the conclusion of a contract; any such request shall not be construed as meaning that its acceptance by the Supplier shall result in the formation of a contract.

2.2. Tender procedures for the supply of goods announced by the Purchaser shall not be considered a commercial tender within the meaning of § 281 et seq. of the Commercial Code unless expressly stated in the assignment. The criteria for the selecting the most suitable proposal stated in the tender assignment are indicative; the Purchaser reserves the right to deviate from these criteria in the selection process, or choose the proposal that best suits its needs in his opinion, as well as reject all submitted proposals.

2.3. The Purchase Contract shall be formed upon the delivery of the order confirmation by the Supplier to the Purchaser within the time period specified in the order, or within a period of 5 days if the order does not specify a time period, in any form, including verbal and telephonic communication. The Purchaser shall only be bound by orders submitted in writing, by fax, or by email signed by an authorized person. If the order confirmation contains reservations or changes compared to the order, it constitutes a counter-proposal by the Supplier, and the purchase contract shall not be formed by the delivery of the order confirmation or by the subsequent inactivity by the Purchaser. By confirming the order, the Supplier irrevocably accepts these General Terms, unless otherwise agreed upon in writing between the parties. The delivery of the goods on the basis of the order shall in any case be deemed to be a confirmation thereof.

## Article 3. Goods

3.1. The Supplier shall be obliged to deliver goods to the Purchaser in the quantity, quality, and specification that corresponds to the order, or the specifications referred in the order. The Supplier shall deliver to the Purchaser the relevant documents, including the delivery note, confirmed warranty certificate and user manual in Slovak or English, together with the goods.

3.2. The Purchaser reserves the right to refuse delivery of goods where the unit volume of the delivered goods shows a deviation greater than  $\pm 5\%$ . Partial deliveries are only allowed with the prior consent of the Purchaser.

3.3. The Purchaser reserves the right to inspect the Supplier's premises at any time from the order confirmation until the delivery of the goods in order to check the production process, the state of work in progress of the goods or the Supplier's stock inventory.

## Article 4. Price

4.1. The purchase price is determined by the content of the order confirmed by the Supplier, or its attachments referred to in the order (e.g. price quotation). If the order does not specify the price of the ordered goods, the price stated in the Supplier's price quotation (price list) valid at the time of order delivery shall apply. In the absence of a valid quotation (price list), the Supplier's order confirmation, which includes the price, shall be deemed to be a proposal to conclude a purchase contract. Unless otherwise agreed between the parties, the price shall be fixed and shall include all costs and charges associated with the delivery of the goods, including packaging, transport costs, VAT, customs duties, the cost of inspection and testing of the goods, the cost of certificates for the goods, as well as any other charges.

4.2. If not otherwise agreed between the parties, the purchase price shall be paid on the basis of the Supplier's invoice by bank transfer within 60 days of its issue; the Supplier shall be entitled to issue an invoice at the earliest on the date of takeover of the goods by the Purchaser. If the invoice does not contain the requirements prescribed by generally binding legal regulations, the Purchaser shall be entitled to return it to the Supplier for correction. The due date shall commence upon the receipt of an invoice containing all the necessary requirements. In the case of Purchaser's default with payment, Supplier shall be entitled to charge a late-payment interest of 0.02% per day of the amount owed.

4.3. The Purchaser shall be entitled to withhold the purchase price of the goods subject of the complaint until its final resolution, as well as in the event that the Supplier is in default with the performance of its contractual obligations relating to another delivery. The Purchaser shall be entitled to unilaterally set off its claims against the Supplier against its claim for payment of the purchase price.

4.4. The Supplier declares that as of the date of conclusion of the Contract there are no grounds on the basis of which the Purchaser could be liable pursuant to § 69(14) or § 69b of the Value Added Tax Act for the Supplier's tax liability arising from the VAT charged by the Supplier to the Purchaser in addition to the price for the delivery of the goods. In the event that in the course of the business cooperation of the parties the Supplier has grounds for cancellation of the Supplier's VAT registration pursuant to § 81(4)(b) second point of the Value Added Tax Act, the Supplier shall inform the Purchaser of this fact within 2 days at the latest.

4.5. In the event that the Supplier's declaration according to clause 4.4. hereof proves to be false, as well as in the event of the Supplier's breach of the information obligation according to clause 4.4. hereof, the Purchaser shall be entitled to a contractual penalty against the Supplier amounting to 20% of the total price invoiced by the Supplier to the Purchaser for the delivery of the goods; this shall be without prejudice to the Purchaser's right of retention for the amount of VAT pursuant to clause 4.6.(a) hereof nor to the Purchaser's right to claim damages.

4.6. The Parties agree that if the Purchaser becomes a guarantor of the Supplier's VAT within the meaning of § 69(14) and § 69(b) of the Value Added Tax Act, the Purchaser shall be entitled to: (a) withdraw from the contract and/or (b) withhold an amount of VAT from each invoice issued by the Supplier and not to pay this amount to the Supplier, in particular in the event of the Supplier being published on the list of VAT payers with grounds for cancellation of registration, maintained by the Financial Directorate of the Slovak Republic within the meaning of § 69(15) of the Value Added Tax Act. The amount so withheld shall be paid to the Supplier by debiting the Purchaser's account no later than on the third working day after the receipt of a confirmation issued by the tax authority by which the Supplier proves to the Purchaser that the VAT in the relevant invoices issued to the Purchaser has been paid in full to the tax authority and/or in cases where the Purchaser has the Supplier's personal tax number, Purchaser shall pay this tax directly to the tax authority instead of the Supplier (in accordance with § 55 (11) of Act No. 563/2009 Coll. on Tax Administration (Tax Code) as amended). The Purchaser shall demonstrate this fact to the Supplier without delay, provided that the Purchaser shall be entitled to reduce the relevant payment to the Supplier under the contract by this amount. In the event of proceeding in accordance with this clause, the Purchaser shall be entitled to reimbursement for the demonstrable costs from the Supplier.

## Article 5. Delivery

5.1. Delivery of the goods shall be performed in accordance with a delivery clause agreed by the parties (ICC INCOTERMS 2010), otherwise the Supplier shall be obliged to deliver the goods at the Purchaser's premises in accordance with the delivery clause DDP. Delivery through a third party is possible only with the prior consent of the Purchaser.

5.2. If time of delivery is agreed upon, the Supplier shall be obliged to inform the Purchaser of the exact date and time of delivery of the goods in a reasonable advance, but at least 24 hours in advance. The Supplier shall immediately inform the Purchaser of any potential risks that could jeopardize the agreed time of delivery. If a specific delivery date is agreed upon, the delivery of the goods before this date is possible only with the prior consent of the Purchaser. The Purchaser reserves the right to change (including repeatedly) the agreed time of delivery by written notice delivered to the Supplier not later than 30 days before the end of the originally agreed time of delivery.

5.3. Title in the goods and the risk of damage to the goods shall pass to the Purchaser upon takeover of the goods by the Purchaser in accordance with the agreed delivery terms. If, based on the agreement between the parties, the Purchaser has paid the purchase price of the goods or its relevant part in advance, title in the goods or its part shall pass to the Purchaser at the moment of payment. From that moment until the risk of damage to the goods passes to the Purchaser, the Supplier shall hold the position of a warehouseman in relation to the goods.

5.4. In the event of the Supplier's delay in delivering the goods or part thereof, the Supplier is obligated to pay the Purchaser a contractual penalty amounting to 0.05% of the price of the undelivered goods for each day of delay. The Purchaser's right to compensation for damages incurred as a result of the delay shall not be affected by the payment of the contractual penalty. If the Supplier's delay in delivering the goods or part thereof exceeds 15 days, the Purchaser shall be entitled to withdraw from the Contract in respect of the undelivered part or the entire delivery. If it follows from

the agreement between the parties that the time of delivery or deadline is fixed, the Purchaser shall be entitled to withdraw from the contract from the first day of the Supplier's delay. In such a case, the Supplier shall pay the Purchaser a contractual penalty of 10% of the price of the goods to which the withdrawal relates.

5.5. The Supplier shall not be entitled to suspend delivery of the goods to the Purchaser in the case of Purchaser's default in fulfillment of its obligations concerning other delivery.

## Article 6. Force Majeure

6.1. In the case of unforeseeable events occurring independently of the will of the party, such as, but not limited to, operational breakdowns, malfunctions, delayed or defective deliveries by suppliers, energy or fuel shortages, strikes, lockouts and other labor disputes affecting a party or its suppliers, acts of nature, floods, fires or similar disasters (force majeure), the party so affected shall not be in default of its obligations under the contract for the duration of such impediment.

6.2. In case of a force majeure event, affected party shall inform the other party of the nature and expected duration 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 7. Warranty

7.1. Supplier warrants that at the time of delivery the goods conform to the agreed specifications or quality of the sample, as well as to the applicable mandatory standards of the European Union and that the goods are free from defects in material and workmanship, and are suitable for the purpose for which they are intended. Before dispatching the goods, the Supplier shall carry out an output quality control of the goods, including a functional test of the sample.

7.2. Unless the agreement between the parties specify a different warranty period, the Supplier shall provide the Purchaser with a warranty for the quality of the delivered goods as well as their individual components during the warranty period, the length of which is determined by the duration of the warranty declared by the manufacturer, but at least for the duration of the warranty period prescribed for the specific type of product by the regulations of civil law.

7.3. Supplier warrants and represents that at the time of delivery the goods are free from any proprietary rights of third parties, including intellectual property rights. The Purchaser assumes full responsibility for the content of the documents provided by the Purchaser to the Supplier for the purpose of their use in the manufacture of goods, unless such documents are unsuitable for the intended purpose and their unsuitability could have been discovered by the Supplier through exercising due professional care.

## Article 8. Liability for Defects

8.1. If the subject of delivery is a whole consisting of components, the absence of which results in the loss or limitation of the functionality of the whole, the defect in the component shall be deemed to be a defect of the whole. The same shall apply insofar as the contract between the parties implies that the subject of performance is indivisible. The entire delivery shall also be deemed defective if more than 10% of the delivery is defective.

8.2. The Purchaser shall be obliged to inspect the delivered goods within 30 days of taking it over, and shall be entitled to notify the Supplier of any defects detectable during the inspection within the same period. The scope of the inspection shall be limited to checking the integrity of the packaging, the quantity and type of goods delivered. The Purchaser shall notify the Supplier of any defects that have occurred during the warranty period within 30 days of its discovery, before the end of the warranty period. The Supplier shall be obliged to notify the Purchaser in writing of its position regarding the notification of defects (complaint) within 15 days of its receipt, otherwise the claim shall be deemed justified and the claims made therein shall be deemed to have been accepted by the Supplier.

8.3. The Supplier shall pay the Purchaser a contractual penalty of 0.05% of the price of the defective goods for each day from the date of delivery of such goods until the date of removal of the defects of the goods or resolution of the complaint in another way. The Purchaser's right to compensation for damages incurred as a result of the delay shall not be affected by the payment of the contractual penalty. If the Purchaser asserts a claim against the Supplier for the removal of defects in the goods within the warranty liability and the Supplier fails to remove the defects within the time limit provided, the Purchaser shall be entitled, in addition to other claims arising from the law or from these General Terms, to have the defects removed by a professionally qualified third party at the Supplier's expense.

8.4. The Supplier shall be entitled to withdraw from the contract if the Supplier fails to remove defects in the delivered goods or fails to deliver replacement goods within an additional reasonable period of time provided by the Purchaser, but in any case after the futile expiry of 60 days from the notification of defects as well as in the event that defects reappear in the repaired or replacement goods. The Purchaser shall be entitled to withdraw from the contract without giving a period of time to remedy the defects if more than 50% of the delivery is defective or if defects occur in that part of the delivery during the warranty period. In the event that the withdrawal from the contract by the Purchaser occurs after payment of the purchase price, the Supplier shall be obliged to return the purchase price paid or part thereof to the Purchaser within 15 days of the effective date of withdrawal at the latest. The Supplier is obliged to retrieve the goods subject to withdrawal at its own expense within 15 days of the effective date of the withdrawal. The Purchaser shall not be obliged to hand over to the Supplier the goods affected by the withdrawal from the contract before the purchase price is refunded.

## Article 9. Liability for Damage

9.1. The Supplier acknowledges that breach of its contractual obligations, in particular delay in delivery of the goods and defects in the goods, may jeopardize the business activities of the Purchaser and cause great damage to the Purchaser as well as to third parties whose claims against the Purchaser are dependent on the proper performance of the Supplier's contractual obligations.

9.2. The Supplier shall fully indemnify the Purchaser for any damages incurred as a result of the Supplier's breach of its contractual obligations and obligations arising from legal regulations, as well as a result of any false statement made by the Supplier, in particular damage to property, induced costs, lost profits, damage to reputation, sanctions and penalties imposed by public authorities, contractual penalties and other compensation rightfully claimed against the Purchaser by third parties.

## Article 10. Miscellaneous

10.1. All drawings, diagrams, models, graphic and other documents and information provided to the Supplier in connection with the execution of the contract shall constitute the subject of its trade secrets and shall remain the intellectual property of the Purchaser even after their processing. The Supplier shall not be entitled to disclose them to third parties or use them for any purpose other than the performance of its obligations towards the Purchaser.

10.2. The Supplier shall not be entitled to assign its claim against the Purchaser without the Purchaser's prior written consent. The Supplier shall be entitled to use for unilateral set-off against the Purchaser only a claim recognized by a court or acknowledged by the Purchaser.

10.3. The Purchaser shall be entitled to withdraw from the contract until the goods are taken over in the event that the Supplier is insolvent, fails to fulfill its tax and levy obligations, a petition for bankruptcy, restructuring or other proceedings with similar effects has been filed against the Supplier, as well as in the event of significant changes in the ownership structure of the Supplier.

## Article 11. Governing Law, Dispute Resolution

11.1. The contractual relations between the Purchaser and the Supplier shall be governed by and construed in accordance with the substantive law of the Slovak Republic. If the Supplier's place of business is outside the Slovak Republic, the UN Convention on Contracts for the International Sale of Goods (Vienna 1980) and the substantive law of the Slovak Republic shall apply in the said order.

11.2. All disputes arising out of or in connection with the contractual relations between Purchaser and the Supplier, 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 Purchaser reserves the right to sue the Supplier at Supplier's domicile if it is outside the Slovak Republic.

11.3. CHEMOSVIT conducts its business in accordance with its Ethical Codex, available on the website at <https://www.chemosvitfolie.sk/dokumenty> (hereinafter referred to as "Ethical Codex") and updated as necessary. The supplier acknowledges and shall comply with the Ethical Codex in its entirety.

## Article 12. Severability

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