

# **General Terms and Conditions for Sale of Goods**

Chemoplast BEC, a.s., registered office Pražská 1602/7, Blansko 67801, Company ID No. 28293428, incorporated in the Commercial Register kept by the Regional Court in Brno, Section B, insert 5865.

## **Article I**

### **Purpose of the General Term and Conditions**

1. These General Terms and Conditions (the "GTC") are prepared in accordance with the provisions of Section 1751 of Act No. 89/2012 Coll., the Civil Code, (the "Civil Code") and determine the part of the contents of the contracts referred to in paragraph 3 of this Article.
2. The GTC are an integral part of any contract referred to in paragraph 3 of this Article where ChemoplastBEC a.s. is the contractor, seller, or supplier (the "Supplier"), on the one hand, and another person is the client, buyer, or customer, on the other hand (he "Customer"). If the contract involves a work, the GTC shall also apply regardless of the type of contract.
3. The GTC are an integral part of any contract between the Supplier and the Customer, including:
  - a) purchase contracts;
  - b) contracts for work;
  - c) unspecified agreement and contracts within the meaning of Section 1751 (2) of the Civil Code, provided they contain provisions specifying the necessary elements of a purchase contract or contract for work;
  - d) framework contracts under which partial contracts under points a), b), and c) of this paragraph are concluded (the "Contract").
4. The GTC are binding for all contractual parties unless it is expressly stipulated otherwise in a specific written agreement between the Supplier and the Customer.

The GTC take precedence over any terms and conditions contained in the Customer's contractual or other documents.
5. Any conflicting provisions contained in the Contract take precedence over those in the GTC.
6. The GTC may also be part of other contracts or agreements not specified under paragraph 3, provided the Parties agree so.

## **Article II**

### **Conclusion of the Contract**

1. All Contracts, as well as their amendments or supplements, shall be in writing to be valid.
2. The Parties shall fulfil their contractual obligations on the basis of a properly concluded contract or a written order of the Customer properly placed by means of fax, post, or e-mail as acceptable by the Supplier.
3. In case of an order placed by the Customer, the Contract shall be deemed concluded if the order is accepted by the Supplier within a reasonable time but not later than within 10 days from the receipt of the order. If the Supplier states changes or additions to the Customer's order when confirming the order, it shall be deemed a new draft Contract.
4. By the payment of the price of the Contract or order by the Customer, the Customer agrees with all the requirements of the offer.

5. The Customer shall ensure its orders (or confirmations) for goods are signed only by its person authorized to conclude Contracts with the Supplier, otherwise the Customer shall be liable for damage to the Supplier.

6. The Supplier reserves the right to provide partial deliveries. The Customer shall accept and pay for such partial deliveries.

### **Article III Compliance with the Subject of the Contract**

1. The place of handover and acceptance of the work is the registered office of the Supplier. The transport of the subject of the contract is at the expense of the Customer.

2. The date or time for delivery of the subject of the contract is specified in the Contract. If not, the date of delivery shall be determined on the basis of the Supplier's manufacturing capabilities in relation to the availability of raw materials and the technical possibilities of its subcontractors.

3. Handover and acceptance of the subject of the Contract shall be confirmed by the Customer on the delivery note or handover protocol.

4. Any changes to the subject of the Contract or additional work shall be primarily agreed on in the form of a supplement to the Contract. The Parties agree such changes to the written Contract may also be via e-mail communication provided the Parties expressly agree on such change and it is made by their authorized persons for contractual and technical matters.

5. Measurement of the goods upon delivery shall be carried out according to Supplier's methods. Any other method of measurement must be requested by the Customer at the Supplier.

### **Article IV Price**

1. The price of the subject of the Contract shall be determined by agreement in the Contract and shall be fixed. Unless otherwise agreed, the price shall include packaging.

2. Unless expressly provided for otherwise in the Contract, all prices are without VAT.

3. The purchase/sale price shall be determined on the date of handover of the subject, taking into account its production costs.

The purchase price shall be adjusted in proportion to the changes in the price of the main raw materials used to produce the subject. Such main raw materials shall be determined with regard to the usual raw materials used for production.

4. In the event that CZK ceases to be the legal currency of the Czech Republic at any time over the course of the term of the Contract and this currency was finally replaced with EUR, then any payments made under the Contract shall be recalculated (or calculated) as payments in EUR according to the official conversion rate between CZK and EUR obligatorily set forth for the Czech Republic by the Council of the European Union (ECOFIN) or other competent authority. If the payment is denominated in EUR and this currency ceases to exist, the recalculation shall be made using the CNB exchange mid-rate on the previous day.

### **Article V Payment Terms**

1. The Customer shall pay to the Supplier the price of the subject of the Contract based on the issued tax document – invoice. The Supplier may issue an invoice only after the handover and acceptance of the subject of the Contract.

2. The Supplier's invoices are due within the maturity as indicated on the invoice. To avoid any doubts, invoices shall be due from the moment the work is completed and the Supplier is capable of delivering it.

3. In the event that the Parties agree in the Contract on the application of advance payments for the price of the subject of the Contract and any advance payment is not made properly and in due date, the Supplier shall have the right to suspend the performance of the subject of the Contract until the payment is made; the length of such default shall increase the delivery time of the subject of the Contract. In such a case, the Supplier may withdraw from the Contract.

4. In the event the subject of the Contract is a repetitive performance and the Customer in default in the performance of any financial obligation, the Supplier may suspend the performance of the subject of the Contract or demand the application of advance payments. In such a case, the Supplier may withdraw from the Contract.

5. In case of default in the payment of the price of the object of the Contract or any advance payment, the Supplier shall have the right to charge the Customer a default interest of 0.1% of the amount due for each day of delay. If the default on the part of the Customer exceeds 30 days, the Supplier shall have the right to withdraw from the Contract. In such a case, the Parties shall return to each other everything they had received up until that moment according to the Contract.

6. In the event that any discount on the subject of the Contract was agreed on between the Parties, the Customer's entitlement to the discount ceases upon the moment the Customer fails to pay the price of the subject of the Contract in due time.

## **Article VI Transfer of Ownership and Risk of Damage**

1. The ownership right to the subject of the Contract shall pass from the Supplier onto the Customer upon payment of the subject of the Contract.

2. The risk of damage to the subject of the Contract shall pass from the Supplier onto the Customer upon acceptance of the subject of the Contract.

## **Article VII Quality Guarantee and Liability for Defects**

1. The Supplier grants a warranty of 2 years to the Customer for the quality of the subject of the Contract.

2. The liability for defects shall be governed by the applicable generally binding legal regulations (in particular, Sections 1914 to 1925, Sections 2099 to 2117, and Sections 2161 to 2174 of the Civil Code).

Any liability for defects in the subject of the Contract shall be resolved on the basis of these provisions unless the GTC or the Contract set forth otherwise.

3. The Customer shall inspect the subject of the Contract upon handover and acceptance. The Customer shall claim apparent defects immediately upon handover and acceptance of the subject of the Contract, other defects shall be claimed immediately upon their discovery but not later than within 24 hours of the discovery.

4. The Customer shall notify the Supplier of defects discovered in writing without any unnecessary delay after discovery.

Defects in the subject of the Contract shall be deemed claimed on the date the respective written complaint is delivered to the Supplier. The complaint shall specify the nature of the defect or its manifestation, selection of the claim pursuant to Sections 1924 and 1925 of the Civil Code, and information whether the Customer will collect the goods personally or whether the goods shall be

sent to the Customer's address after the complaint procedure is completed. The method of removal of the defect shall always be at the discretion of the Supplier.

5. The Customer must demonstrate that its claim is justified, in particular, that it acquired the subject goods from the Supplier and when. The right to claim a defect shall be deemed to have been duly exercised if the goods is complete and the claim is supported with documents. When claimed defective goods are sent to the Supplier, the goods shall be delivered ideally in the original packaging. The Supplier is not obliged to accept claimed goods if they are not properly packaged and delivered along with the delivery components and accessories. Claimed goods shall be accepted for complaint only if the goods are properly cleaned, dry, and the claim assessment does not violate general hygiene principles.

6. When claiming defective goods, the Customer shall send the goods via a postal service provider, mark the package containing the defective goods and the above documents "COMPLAINT", and include sufficient and current contact details, in particular the postal address and the telephone number.

7. The Customer may not withdraw from the Contract or demand delivery of replacement goods, if it is unable to return the goods in the condition in which it received the goods. This shall not apply if the goods were modified as a result of efforts to discover the defect, if the Customer used the goods prior discovery of the defect, if the impossibility to return the goods was not caused by the Customer's actions or omission, if the Customer has sold the goods prior to discovery of the defect, or if the Customer has consumed or altered the goods as part of normal use; if the above took place only in part, the Customer shall return to the Supplier everything that still can be returned and reimburse the Supplier up to the amount corresponding to the amount of benefits it had from the goods.

8. The Supplier's liability for defects covered by the quality guarantee shall not arise if the defects were caused after the transfer of the risk of damage to the goods onto the Customer by external events and not by the Supplier.

9. The rights from defective performance shall not belong to the Customer if the Customer knew of the defects upon takeover or if the defects were caused by the Customer.

10. The damages from each individual Contract shall not exceed the price of the subject of the Contract and may be provided only after the price has been duly paid. Damages may not be paid to third parties.

### **Article VIII Other Rights and Obligations of the Parties**

1. The Customer has the right to be presented the goods and their functions and to have the goods re-inspected before it if the Parties agree so.

2. Without the prior written consent of the Supplier, the Customer may not transfer its rights and obligations under the Contract or these GTC to third parties. The Supplier may delegate a third party to the execution of a part of the services, however, it shall remain liable to the Customer to the same extent as if it would perform the Contract itself.

3. The Customer acknowledges that the Supplier is not liable for damage resulting from third-party interventions in the subject of the Contract concluded between the Parties.

4. In case the Customer is in default in the payment of the price of the subject of the Contract, the Supplier may enter the registered office/establishment of the Customer in order to collect and take back the goods.

## **Article IX Force Majeure**

The events of force majeure shall include such unusual circumstances (such as war, riots, or civil insurgency, fire, natural disaster, or strike) that temporarily or permanently hinder the performance of the contractual obligations, which circumstances occur only after the effective date of the Contract and which the Parties could not have anticipated or averted. The Party that is prevented from performing its contractual obligations due to force majeure events shall inform the other Party at once after occurrence of such event and provide the other Party documents or information proving these circumstances have a material effect on the performance of its contractual obligations. The Parties shall subsequently agree on modification or early termination of the Contract without penalties.

## **Article X Confidentiality**

1. The Parties shall keep confidential all information relating to the Contract and the facts established in connection therewith, in particular all the facts constituting trade secrets of the Parties.

Such information and facts shall not be disclosed to third parties without the prior written consent of the Party which owns such trade secrets.

2. Trade secrets of the Supplier may be, in particular:

- price offer and any information that can be used to deduce the Supplier's business strategy and policy;
- technical, manufacturing, and other facts and any information that constitutes the intellectual property of the Supplier, in particular its know-how.

## **Article XI Delivery**

1. Any documents or submissions shall be deemed to have been duly delivery to the other Party on the date of delivery if sent by fax or e-mail or delivered in person; in case of physical delivery, on the third day after submission to the postal service provider if sent by registered letter to the address specified in the Contract.

2. The following shall be deemed proof of delivery:

- a) if sent by fax – a fax delivery report indicating the correct fax number as specified in the Contract, order, or order confirmation;
- b) if by e-mail – confirmation of delivery to the correct e-mail address as specified in the Contract, order, or order confirmation;
- c) if in person – a written confirmation of receipt.
- d) if by post – a postal receipt.

Unless set forth otherwise in the Contract, the method of delivery and packing of the goods shall be determined by the Supplier. Goods must be dispatched to the address indicated in the order. Any special requirements for the packing of goods must be communicated to the Supplier well in advance. If the method of delivery or packing is agreed on based on the Customer's requirements, the Customer shall bear the risks and any possible additional cost associated therewith and in this case the goods shall be deemed properly dispatched upon handover to the first carrier. The Supplier reserves the right to specify another method of delivering the goods if the Customer's requirements are obviously inappropriate.

3. In the event that goods have to be delivered repeatedly or in a manner other than as agreed or indicated in the order, the Customer shall compensate the Supplier for the cost associated with such repeated delivery or another delivery method.

**Article XII**  
**Miscellaneous**

1. The GTC and all Contracts concluded between the Parties shall be governed by the Czech legal system, in particular the Civil Code.
2. Any disputes arising from the Contract shall be decided by the court locally competent for the registered office of the Supplier.
3. Should any provision of the Contract or the GTC become invalid or ineffective, it shall not affect the remaining provisions of the Contract.  
In that case, the Parties undertake to replace such invalid or unenforceable provision with a new provision that will best correspond to the originally intention of the original provision.
4. If the contractual relationship related to the Contract or established by the Contract contains an international (foreign) element, then the Parties agree the relationship shall be governed by Czech law. Any disputes between the Parties shall be resolved by Czech courts according to valid and effective legislation.
- 5. The GTC shall come into force on 1 January 2019.**

In Blansko on: 29 November 2018  
Chemoplast BEC, a.s.