

GENERAL TERMS OF SALE OF TERICHEM, a.s.

Article 1. Scope of Application

1.1. These General Terms shall apply to all relations between TERICHEM, a.s. (hereinafter referred to as „TERICHEM“) and its customers concerning delivery of its products. Application of general terms of purchase or any other terms issued or referenced to by the customers shall be excluded unless explicitly agreed otherwise between the parties in writing. These General Terms in their up-to-date version shall also apply to all further transactions between TERICHEM and customer without need of a specific reference.

1.2. These General Terms may be modified, from time to time, upon decision of TERICHEM without specific notice to customers. The current version of these General Terms is available at www.terichem.sk/general_terms_of_sale.pdf.

Article 2. Formation of Contract

2.1. Offers submitted to customers 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 of sale shall be concluded upon confirmation of the customer's order by TERICHEM 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 TERICHEM'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 modifications compared to the order, the contract of sale shall be deemed concluded upon the expiry of 5 days after the delivery of confirmation, unless the customer, within the same period, notifies TERICHEM that it is no longer interested in delivery under the terms included in the confirmation. In any case the contract shall be concluded upon delivery of the goods, at latest.

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

Article 3. Goods

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

3.2. A 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 $\pm 10\%$ for deliveries > 2000 kg and $\pm 20\%$ for deliveries < 2000 kg. The customer shall be obliged to accept partial deliveries in any case.

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

Article 4. Price

4.1. The price of the goods shall be determined by contract; otherwise it shall be calculated according to TERICHEM'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 not otherwise agreed by the parties, the price is to be paid to TERICHEM by means of bank transfer within 30 days after the invoice date; the invoice shall be issued on the day of expedition of delivery. Bank charges are to be borne by the customer. All other means of payment such as cheque or bill of exchange shall only be allowed on basis of an explicit consent of TERICHEM.

4.3. In the case of customer's default with payment, TERICHEM shall be entitled to charge a late interest of 0.05 % per day of the amount owed. Complaints shall not have suspending effect on the payment obligations of the customer, nor shall the customer be in such a case entitled to retain the selling price or its part.

Article 5. Delivery

5.1. Delivery of the goods shall be performed in accordance with a delivery clause agreed by the parties in the contract (ICC INCOTERMS 2010), otherwise the goods shall be deemed delivered when TERICHEM hands them over to the first public carrier selected by TERICHEM for their transportation to the customer at its costs and risk. Unless otherwise agreed by the parties, transport costs are to be borne by customer.

5.2. Unless expressly agreed otherwise by the parties, time of delivery is not of the essence and delivery dates are indicative only. TERICHEM shall take reasonable effort to conform with the delivery dates.

5.3. Should the customer fail to take over the goods delivered in accordance with the contract, the risk shall immediately pass to the customer. Regardless of the agreed delivery terms, in such a case TERICHEM shall have the right to perform delivery by handing the goods over to the first public carrier selected by TERICHEM for their transportation to the customer at its costs and risk.

Article 6. Retention of Title

6.1. The title in the delivered goods shall be retained by TERICHEM until the full payment of the invoice price of the delivery by the customer.

6.2. The customer may process or resell the reserved goods within ordinary course of its business, however, if the goods are processed before the transfer of the title by combining or mixing it with other essence thus forming a new item, TERICHEM 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 TERICHEM all claims and receivables resulting from the sale of items, to which TERICHEM shall have ownership or co-ownership rights, as security, on a proportional basis in the ratio of the ownership share of TERICHEM to the total value of the items sold.

Article 7. Force majeure

7.1. Unforeseen circumstances beyond any party's control, such as 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, acts of nature, flood, fire or similar catastrophes (force majeure events) shall release the party thus affected from its obligations under the contract for the duration of such an impediment.

7.2. In the case of the occurrence of a force majeure event, the party thus affected shall immediately inform the other party on the nature and expected duration of the event. The parties shall negotiate to mitigate effects 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. TERICHEM warrants that at the time of delivery the goods conform to its 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 are properly handled and stored, TERICHEM warrants that the goods shall preserve the same quality within a guarantee period of 6 (six) months after the date of delivery.

8.2. TERICHEM represents and warrants that at the time of delivery the goods are free from any proprietary rights of third parties, including intellectual property rights. However, the customer shall solely be liable for the use of any technical information, instruction, design etc. in the manufacturing process at customer's request.

8.3. The commitments set out in this article are TERICHEM's sole warranties in respect to the goods. Any other conditions, warranties or representations (express or implied) as to the quality, suitability or merchantability of the goods or fitness for any particular purpose shall be excluded.

8.4. Warranty claims shall be excluded if the customer processes, destroys or re-sells the goods after it 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.

Article 9. Liability for Defects

9.1. The customer must inspect the goods with due diligence immediately after taking them over. The inspection shall include, but not be limited to, checking integrity of packaging, quantity and other basic parameters of delivery and performing trial processing.

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

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

9.4. The customer shall only be entitled to cancel the contract if TERICHEM fails to remove defects of the delivered goods within a reasonable period of time (not less than 30 days) or if the repaired or replaced goods have been proven defective again.

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

Article 10. Liability for Damage

10.1. The contractual and statutory liability of TERICHEM in relation to the customer insofar as it is based on non-mandatory provisions of the governing law shall be limited in amount to the invoiced price of the defective delivery which amount is to be considered the maximum damage reasonably foreseeable by TERICHEM. Furthermore, TERICHEM shall in no event be liable for indirect, consequential, special, punitive or exemplary damages, including, but not limited to, loss of profits, loss of business, depletion of goodwill, contractual penalties or other losses claimed from the customer by third parties.

10.2. TERICHEM shall, without limitation, be liable for damage caused by defective goods under the governing law, including transformation of the EU Directive 85/374/EEC on the liability for defective products.

10.3. The customer shall take all reasonable effort to mitigate the damage which might be subject of its claim against TERICHEM, otherwise customer itself shall be fully or partially liable for the damage.

Article 11. Miscellaneous

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

11.2. The customer shall only be entitled to unilaterally set off TERICHEM's claims against the customer with those of its claims against TERICHEM, which are recognized by TERICHEM or adjudicated.

11.3. TERICHEM 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 in reasonable time and until he does so, TERICHEM may suspend the production and delivery of the goods under all unfinished contracts with customer.

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

Article 12. Governing Law, Dispute Resolution

12.1. The contractual relation between TERICHEM and the customer shall be governed by and construed in accordance with the substantive law of the Slovak Republic. If the customer'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, respectively.

12.2. All disputes arising out of or in connection with the contractual relation between TERICHEM 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 regular courts alternatively, in which case the exclusive jurisdiction of Courts of Slovak Republic shall be given, however TERICHEM reserves the option to sue the customer at its domicile if it is outside Slovak Republic.

Article 13. Severability

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