

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

Article 1. Scope of Application

1.1. These General Terms of sale shall govern all relations between CHEMOSVIT FOLIE, s.r.o.(hereinafter referred to as „CHEMOSVIT“) and its customers concerning delivery of its products. Application of general terms of purchase 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 CHEMOSVIT and its customers without need of a specific reference.

1.2. CHEMOSVIT 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 www.chemosvitfolie.sk/images/pdf/VOP_en.pdf and shall be applicable to all orders submitted / contracts of sale concluded after the publishing.

Article 2. Formation of Contract

2.1. Offers submitted to the customer by CHEMOSVIT 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 CHEMOSVIT 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 CHEMOSVIT'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 of sale shall be deemed concluded upon the expiry of 5 days after the delivery of the confirmation, unless the customer, within the same period, notifies CHEMOSVIT 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, at the latest.

2.4. The contract of sale, including product specification and these General Terms, shall constitute the entire agreement between CHEMOSVIT and the customer with respect to the delivery of the goods. Brochures, catalogues and other promotional materials of CHEMOSVIT 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 CHEMOSVIT's specifications applicable at the time of the delivery unless different specifications have been agreed by the parties. CHEMOSVIT 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 the customer. Samples shall be of an indicative nature only and shall not be relevant as specification.

3.2. 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 bags, $\pm 5\%$ for other deliveries > 2000 kg and $\pm 10\%$ for other deliveries < 2000 kg. The customer shall be obliged to accept partial deliveries in any case.

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

Article 4. Price

4.1. The price of the goods shall be determined by the contract; otherwise it shall be calculated according to CHEMOSVIT'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 shall be paid to CHEMOSVIT by bank transfer within 30 days after the invoice date; the invoice shall be issued on the day of expedition of delivery. 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 CHEMOSVIT.

4.3. In the case of customer's default with payment, CHEMOSVIT shall be entitled to charge a late-payment interest of 0.05 % per day of the amount owed. 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 sales 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 CHEMOSVIT hands them over to the first public carrier selected by CHEMOSVIT for their transportation to the customer at customer's costs and risk. Unless otherwise agreed by the parties, transport costs are to be borne by the customer.

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 are to be delivered upon request of the customer (call-off), CHEMOSVIT shall in any case be free to dispatch the goods 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, CHEMOSVIT shall be free to dispatch the goods to the customer immediately.

5.3. Should the customer fail to provide assistance or any other action required for the takeover of the goods ready to be delivered in accordance with the contract, the risk shall immediately pass to the customer whereas CHEMOSVIT shall be free to invoice the agreed price of the goods to the customer. Regardless of the agreed delivery terms, in such a case CHEMOSVIT shall have the right to perform the delivery by (1) handing the goods over to the first public carrier selected by CHEMOSVIT for transport to the customer at customer's costs and risk, or (2) giving notice to the customer that the goods have been stored at customer's risk and expenses in CHEMOSVIT's warehouse, with the right of CHEMOSVIT to dispose of the goods after 6 months.

Article 6. Retention of Title

6.1. The title in the delivered goods shall be retained by CHEMOSVIT until the full payment of the price for 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 substance thus forming a new item, CHEMOSVIT 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 CHEMOSVIT all claims and receivables resulting from the sale of items, to which CHEMOSVIT shall have ownership or co-ownership rights, as security, on a proportional basis in the ratio of the ownership share of CHEMOSVIT to the total value of the items sold.

Article 7. Force Majeure

7.1. Unforeseeable 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 case of a force majeure event, the party thereby affected shall immediately 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 8. Warranty

8.1. CHEMOSVIT warrants that at the time of delivery the goods 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 are properly handled and stored, CHEMOSVIT warrants that the goods 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 indicated in the data sheet or confirmed by CHEMOSVIT. If, according to the customer's request or with his consent, the goods produced are to be stored by CHEMOSVIT, the guarantee period shall commence on the day when the goods have entered CHEMOSVIT's warehouse.

8.2. CHEMOSVIT warrants and represents 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 be solely liable for the conformity of any technical information, instructions, designs, etc., used in the manufacturing process at the customer's request, with the rights of third parties.

8.3. The commitments set out in this article are CHEMOSVIT'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 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 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.

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 CHEMOSVIT a notice of any 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 of defects to CHEMOSVIT within 14 days after he has discovered or ought to have discovered the defect. All notices of defects must be delivered to CHEMOSVIT 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. CHEMOSVIT shall either admit or reject a customer's complaint, in writing, within 30 days after receiving a notice of defects. The customer shall enable CHEMOSVIT to examine the goods in question; in no case shall the customer return the goods to CHEMOSVIT without its prior consent. If CHEMOSVIT 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 the customer's option b) providing reasonable price reduction. Should non-conformity of goods not be confirmed, the customer shall compensate to CHEMOSVIT 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 CHEMOSVIT fails to remove defects of the goods delivered, either by repair or a substitute delivery, within a reasonable period of time (not less than 30 days from the delivery of the notice), or if the goods repaired or replaced 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.

Article 10. Liability for Damage

10.1. The contractual and statutory liability of CHEMOSVIT towards the customer shall be limited to damage covered by product liability insurance provided by an insurance company with good reputation, which CHEMOSVIT shall take out and maintain with a limit of not less than EUR 20,000,000.00. At the customer's request, CHEMOSVIT shall provide the relevant insurance certificate to the customer.

10.2. CHEMOSVIT 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 CHEMOSVIT; otherwise the customer himself shall be fully or partially liable for the damage.

Article 11. Miscellaneous

11.1. Any and all objects created by CHEMOSVIT in the manufacturing process, such as flexographic plates, offset plates, rotogravure cylinders, digital data as well as any and all intellectual property rights related thereto, shall remain the exclusive property of CHEMOSVIT unless explicitly agreed otherwise between CHEMOSVIT and the customer in writing, even if the costs have been invoiced to the customer separately or the customer has financially contributed to the costs. The sale of goods 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 the fulfillment of any of his obligations in the case of CHEMOSVIT's default in fulfillment of its obligations concerning any other delivery. CHEMOSVIT may suspend all the outstanding deliveries to the customer in the case of the 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 CHEMOSVIT's claims against the customer with any of his claims against CHEMOSVIT, except for those, which have been admitted by CHEMOSVIT in writing or adjudicated by a competent court.

11.4. CHEMOSVIT 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, CHEMOSVIT may suspend the production and delivery of the goods under all unfinished contracts with customer.

11.5. Failure to take the goods over in accordance with the contract, failure to provide satisfactory security for payment obligations upon request of CHEMOSVIT 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.

Article 12. Governing Law, Dispute Resolution

12.1. The contractual relations between CHEMOSVIT 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 in the said order.

12.2. All disputes arising out of or in connection with the contractual relations between CHEMOSVIT 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 CHEMOSVIT 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 the validity or effectiveness of the remaining provisions.