

GENERAL TERMS AND CONDITIONS OF LOVOCHEMIE, a.s. FOR THE SALE OF GOODS

Effective from 1 June 2022

1. OPENING PROVISIONS

1.1 These GENERAL TERMS AND CONDITIONS FOR THE SALE OF GOODS of Lovochemie, a.s. (hereinafter referred to as the "GTCSG") apply to legal relationships arising from the sale of goods by Lovochemie, a.s. seated at Lovosice, Terežinská 57, zip code 410 02, Identification No.: 49100262, registered in the Commercial Register kept by the Regional Court in Ústí nad Labem, Section B, Insert No. 471 (hereinafter referred to as the "the Seller"), provided the Parties expressly agree that they apply in the purchase agreement, framework purchase contract or purchase order (hereinafter referred to as the "Purchase Agreement" or "Agreement").

1.2 The Purchase Agreement, annexes to the Purchase Agreement and these GTCSG together form a complete and integral Purchase Agreement which is a set of rights and obligations of the Parties in relation to supplies of goods under the terms of the Purchase Agreement. In the event that there is a discrepancy or inconsistency between the Purchase Agreement, annexes to the Purchase Agreement and these GTCSG, the order of precedence is the following: the Purchase Agreement, these GTCSG and annexes to the Purchase Agreement. These GTCSG take precedence over those provisions of the law the nature of which is not binding.

1.3 The Purchase Agreement is considered concluded at the moment when the Parties agree in writing on all aspects of the Agreement. If any of the Parties has comments to supplement or amend the draft of a document of the other Party, such comments are considered to be a new proposal of the Party. The Seller expressly excludes acceptance of an offer with an addition or deviation.

2. METHOD AND PLACE OF DELIVERY

2.1. The place of delivery is contractually agreed; unless agreed otherwise, the place of delivery is the warehouse of the Seller that the Seller notifies to the Buyer.

2.2. All the provisions relating to the sale and transport of the goods shall be governed by international rules for interpretation of delivery clauses INCOTERMS® 2020.

2.3. The Delivery Terms of Lovochemie, a.s. are an integral part of these GTCSG.

2.4. If the Buyer does not pass to the Seller any transport instructions for delivery of the goods properly and on time, the Seller is entitled:

- a. upon prior written notice of the Buyer, send the goods to the usual place of delivery and select the means of transport. If there is no usual place of delivery, the Seller is entitled to send the goods:
 - in the case of transport by rail to a railway station at the seat of the Buyer, or if there is no such railway station, to the point nearest to the seat of the Buyer;
 - in the case of truck transportation to the seat of the Buyer; and
 - in the case of transport by ship to the port at the seat of the Buyer, or if there is no such port, to the port that is the nearest port to the seat of the Buyer; or
- b. to unilaterally withdraw from the Agreement, effective upon delivery of written notice of withdrawal to the Buyer. In such a case, the Seller may request compensation from the Buyer for all the damages thereby incurred.

2.5. If so stipulated by the Agreement, the goods can be sent from the place of delivery by the Seller to the intended destination. In the event that this should be done using the own transportation of the Buyer or by a contractual carrier of the Buyer, the Buyer shall hand over to the Seller (i) a list of drivers and vehicles intended for the transport of goods, and (ii) the necessary documents relating to individual vehicles. The Buyer shall hand over a list of persons authorized to receive the goods to the Seller always together with the binding order of the goods.

2.6. Proper and timely delivery of the goods by the Seller is conditioned by the Buyer providing the necessary cooperation in accordance with the Agreement and these GTCSG. In the event that the Buyer is in arrears in

meeting any of its obligations under these GTCSG or arising from provisions of the Purchase Agreement or in any way prevents the Seller from fulfilling the obligation to deliver the goods, the obligation of the Seller to deliver the goods in time is complied with if the goods are ready for dispatch or handing over not later than on the last day of the agreed upon period of performance and the Seller sends the Buyer a message to that effect.

3. PURCHASE PRICE, PAYMENT TERMS AND SECURING THE PURCHASE PRICE

3.1. The Buyer agrees to pay the purchase price specified in the Purchase Agreement to the Seller, based on an invoice issued by the Seller.

3.2. The Seller will issue an invoice which will be an accounting document pursuant to Act No. 563/1991 Coll., on Accounting, as amended, and will contain elements of a tax document according to Act No. 235/2004 Coll., on Value Added Tax, as amended, or per other legal regulations, as applicable.

3.3. The due date of invoices is specified in the Purchase Agreement. If no maturity date is specified in the Purchase Agreement, the due date of invoices issued by the Seller will be 30 days from receipt of the invoice by the Buyer.

3.4. Payment is considered made when the total invoiced amount is debited from the account of the Buyer. In the event that the Buyer transfers the payment to a different bank account of the Seller than the bank account stated on the invoice and the Seller incurs additional costs for this reason, these costs will be paid primarily from the credited amount. The remaining amount will be considered an unsettled part of the original receivable.

3.5. In case of default by the Buyer regarding payment of any of the amounts according to the Agreement, the Seller is entitled to request and the Buyer is obligated to pay default interest on the amount due each year at the repo rate set by the Czech National Bank for the first day of the calendar half-year in which the default occurred increased by eight percentage points. The Parties agreed to exclude the application of the provisions of Section 1971 of the Civil Code. The Seller is entitled to damages resulting from failure to meet a monetary debt even if it is covered by default interest.

3.6. When the Buyer is in default of payment of any amounts under the Purchase Agreement or any other contract with the Seller, the Seller is authorized to stop further deliveries of goods under the Purchase Agreement with immediate effect and to withdraw from the Purchase Agreement. Any failure to continue deliveries according to the previous sentence is not a breach of the Agreement and the Seller not be held liable for possible damages.

3.7. SECURING THE PURCHASE PRICE

3.7.1 The Parties may agree to a credit limit for the Buyer in the Purchase Agreement. The Seller will release goods according to orders of the Buyer up to the amount of the credit limit thus determined.

3.7.2 The credit limit is equal to the sum of outstanding receivables of the Seller towards the Buyer arising from the supply of goods including VAT. The credit limit will also include future claims of the Seller towards the Buyer arising from the accepted orders or otherwise concluded Purchase Agreements on the basis of which the Seller has an obligation to deliver goods to the Buyer in the future.

3.7.3 In the event that the Agreement establishes the credit limit, the Buyer shall provide collateral up to the amount of thus agreed credit limit in the form of a pledge, surety (after acceptance by the Seller according to the provisions of Section 2018(1) of the Civil Code) or a blank promissory note, e.g. a promissory note issued by the Buyer and endorsed by a natural person. The promissory note thus issued with unfilled sum payable and maturity date will be stored at the seat of the Seller who is authorized to fill it in when the Buyer fails to comply with its obligations under the Agreement or regarding supply of goods and submit it to the Buyer to pay.

- 3.8 If the Buyer is to pay the principal, interest and expenses associated with the enforcement of any receivable of the Seller, the payment shall be credited first to cover the costs already specified, then the default interest, then interest and finally the principal. The Parties have agreed to exclude the application of Section 1932(2) of the Civil Code.
- 3.9 In the case of default of the Buyer regarding payment of the purchase price or another failure of the Buyer to comply with its other obligations stipulated in the Purchase Agreement or in these GTCSG, the Seller is entitled to enforce the security, i.e. call upon the guarantor to perform, to enforce the lien or fill in the amount into the blank promissory note up to a total amount of debt of the Buyer, arising under the Agreement, as is current on the date of filling in the amount, i.e. up to the amount of outstanding purchase prices for deliveries of goods together with accessories, contractual penalty, claims for damages or other penalties. The maturity date of the promissory note will be the seventh calendar day following the date of filling in the promissory note.
- 4. OWNERSHIP AND RISK OF DAMAGE TO THE GOODS**
- 4.1. The Buyer acquires ownership of the goods upon full payment of the purchase price under the terms of the Purchase Agreement.
- 4.2. Risk of damage to the goods passes to the Buyer under the conditions of the INCOTERMS® 2020 delivery clause agreed by the Purchase Agreement, but no later than when the Buyer accepts the goods from the Seller, or if not done in time, when the Seller allows the Buyer to dispose of the goods and the Buyer breaches the Purchase Agreement by not taking the goods into its possession. Damages to goods caused after passing of the risk of damage to goods to the Buyer does not relieve the Buyer from the obligation to pay the purchase price to the Seller.
- 5. QUALITY**
- 5.1. The Seller shall deliver the goods in quantity, quality and specification required by the Purchase Agreement and shall protect or pack it for transportation in the manner specified in the Purchase Agreement.
- 5.2. Requirements for declaring nutrient content and permissible deviations from the declared contents of nutrients are determined by European or Czech legislation which the Seller fully respects. In the event of any dispute on the nutrient content, the Buyer must ensure that the product is sampled in accordance with EC Regulation 2003/2003 on fertilizers as amended, and proceed in accordance with this Regulation in any analysis carried out.
- 6. MASS, QUANTITY, ACCEPTABLE DIFFERENCE AND CONTRACTUAL PENALTY**
- 6.1. Both Parties consider it crucial to measure weight by properly certified measuring devices. In the event of a dispute, the Seller and the Buyer undertake to exchange relevant information on the weighing devices used and provide the relevant documents verifying the validity of the gauge. Static weighing mode shall be applied to rail and road weighing of goods.
- 6.2. The obligation of the Seller to deliver to the Buyer the agreed-to quantity of goods and the obligation of the Buyer to accept the agreed-to quantity of goods shall be deemed to be fulfilled if the quantity of actually delivered and purchased goods varies from the quantity agreed in the Purchase Agreement by up to 10%.
- 6.3. If the Seller delivers a lower quantity of goods to the Buyer than agreed to in the Purchase Agreement reduced by the acceptable difference according to Art. 6.2. of the GTCSG, the Seller shall pay the Buyer a contractual penalty equal to 2% of the price of the undelivered goods reduced by the acceptable difference according to Art. 6.2. of the GTCSG.
- 6.4. If the Buyer accepts a lower quantity of goods from the Seller than agreed to in the Purchase Agreement as reduced by the acceptable difference according to Art. 6.2. of the GTCSG, the Buyer shall pay the Seller a contractual penalty equal to 2% of the price of goods thus not purchased reduced by the acceptable difference according to Art. 6.2. of the GTCSG.
- 6.5. The obligation to deliver or accept the remaining quantity of goods in respect of which the penalty is paid ceases to exist by payment of the contractual penalty according to the preceding provisions, unless the Seller and the Buyer agree otherwise in writing.
- 6.6. The obligation to pay the penalty according to the preceding provisions does not arise if the breach of obligations of any Party resulted from a Force Majeure event.
- 6.7. If any of the Parties withdraws from the Purchase Agreement, the right to pay contractual penalty that arose before the withdrawal according to the preceding provisions remains preserved.
- 6.8. Any contractual penalty agreed to pursuant to the relevant provisions of the Purchase Agreement and/or these GTCSG does not affect the right of the injured Party to damages caused by such breach of contractual obligations by the other Party and the obligations of the breaching Party to pay such damages in excess of the contractual penalty.
- 7. LIABILITY FOR DEFECTS OF GOODS**
- 7.1. The goods are defective if
- they are not delivered in the agreed quantity, quality and design, or, if the quality or design is not agreed, in a quality and design suitable for the purpose apparent from the Agreement, otherwise for the usual purpose; or
 - they do not have the properties that the Parties agreed in the Purchase Agreement and in the absence of such agreement, those characteristics that the Seller described or the Buyer expected given the nature of the goods and based on the Seller's advertising ; or
 - they are unfit for the purpose that is specified in the Purchase Agreement and when the purpose is not explicitly stated, for a purpose that the Seller lists for the use thereof or for which the goods of the same type are normally used; or
 - it does not meet the quality or performance of the agreed sample or model, if quality or performance was determined in accordance with the agreed sample or model; or
 - they are not delivered in the agreed packaging; unless it is agreed how the goods are to be packaged, then packed according to customs; if packaging is not customary, in the manner necessary for the preservation of the goods and their protection; or
 - they fail to satisfy the requirements of the relevant legislation.
- 7.2. Without any undue delay, the Buyer shall examine the goods after the delivery thereof to the destination. The Buyer shall record defects that can be found during the inspection of goods in the consignment or delivery note of the hauler and notify the Seller in writing within 7 calendar days after the inspection. The Buyer shall report to the Seller any defects found by laboratory tests within 14 calendar days of analysis, not later than within 30 days of delivery to the place of delivery. The Seller is not liable for defects declared later.
- 7.3. A claim of weight differences, damaged packaging, quality defects or destruction of goods shall be raised by the Buyer in the context of the complaint/claim and evidenced to the Seller by a document certified by an independent auditing/specialized entity. If the Buyer finds out about damage to the vehicle or circumstances indicating loss of the goods, it is obliged to ask the hauler to check the weight and in case of deviations from the weight listed in the transport document to request the drafting of the relevant record (for rail transport - commercial record of ČD) and to raise the complaint with the hauler. Differences in weight of shipments transported by rail are dealt with on the basis of the ČD Transport Regulations.
- 7.4. Within 5 working days of receiving written notice of defects detected by the Buyer, the Seller shall suggest next steps to solve the complaint or refuse the complaint. The Seller is entitled to refuse the complaint even after this period if it proves to be unjustified.
- 7.5. The Buyer shall store the goods regarding which it claims defects separately from other goods and not to dispose of the goods in a way that could make it impossible for the Seller to check the claimed defects. The Seller is entitled to send its representatives to the Buyer for the purpose of investigating the complaint or warranty claim and the Buyer shall allow representatives of the Seller to inspect the reportedly defective goods.
- 7.6. If the Seller finds the claim to be justified by written communication, the Buyer may require delivery of goods replacing the missing or defective goods or request a discount off the purchase price. The Buyer can only withdraw from the Agreement if the delivery of defective goods means a substantial breach of the Purchase Agreement. The right of withdrawal does not arise if the Buyer is unable to return the goods in the state in which they were received by the Buyer.
- 7.7. In the case of delivery of substitute goods or withdrawal from the Agreement by the Buyer, the Buyer is obliged to return the goods to the

Seller in the state in which the Buyer took them over from the Seller. Without the express written consent of the Seller, the Buyer is not authorized to return goods to the Seller before the warranty claim procedure is finalized.

- 7.8. Should the Buyer breach its obligation to carry out a timely inspection of goods or send notification of defects according to these GTCSG to the Seller, the Seller is entitled to refuse the complaint/claim and no rights of the Buyer based on liability for defects arise in this case.
- 7.9. If an expert assessment is necessary to prove the existence of defects in goods, the Party that commissioned such an expert appraisal covers the costs associated with such assessment and has the right to claim compensation for these costs against the other Party in the event that the conclusion of the claim is in its favour.

8. WITHDRAWAL FROM PURCHASE AGREEMENT

- 8.1. Besides other cases set by these GTCSG, the Seller and the Buyer are entitled to withdraw from the Purchase Agreement if the other Party commits a substantial breach of its obligations under the Purchase Agreement. A substantial breach of contractual obligations includes but is not limited to:
- Delay of the Buyer regarding payment of the purchase price or any parts thereof payable according to Purchase Agreement or these general GTCSG for longer than 30 days.
 - Delay of the Seller in delivering the goods for longer than 30 days.
 - Delay of the Buyer regarding acceptance of the goods for longer than 30 days.
- 8.2. Any withdrawal from the Agreement is effective when the written notice of the withdrawing Party is delivered to the other Party. The notice of withdrawal from the Agreement shall specify the reason for withdrawal.
- 8.3. Withdrawing from the Agreement terminates all rights and obligations of the Parties under the Purchase Agreement, except for the right to damages and payment of contractual penalties and provisions of the Purchase Agreement and these general terms and conditions concerning the choice of law, settlement of disputes between the Parties and regulation of rights and obligations Parties to the case of termination of the Purchase Agreements. If the debt is secured, withdrawal does not affect the security or collateral.

9. INDEMNIFICATION

- 9.1. The Party which breaches any obligation under the Purchase Agreement is obliged to compensate the other Party for any damage caused by this breach of its obligations and shall compensate also any third party whose interest should the agreed-upon obligation have obviously served.
- 9.2. The obligation to compensate damages shall not arise if the breach by the obligated Party is caused by the acts of the injured Party or by lack of cooperation that the injured Party is obliged to provide. The Party which has committed a breach of the obligation shall not be obliged to compensate the other Party for the damage caused thereby if it proves that such breach of the obligation was the result of *force majeure*.
- 9.3. If there is any breach of the obligations under the Purchase Agreement by either Party and damages arise to the other Party or both Parties as a result of such breach, both the Parties shall use all effort and measures to reach an amicable settlement of the damages.
- 9.4. If any of the Parties withdraws from the Purchase Agreement, the right for damages resulting from a breach is not affected thereby.

10. FORCE MAJEURE AND SIGNIFICANT CHANGE IN CIRCUMSTANCES

- 10.1. Neither Contracting Party shall be liable for any failure to fulfil its obligations under this Agreement if such failure or delay was caused by an extraordinary, unforeseeable and insurmountable obstacle which arose independently of the will of the obliged Party and prevented it from fulfilling its obligation (hereinafter referred to as "**Force Majeure**"). However, no obstacles arising from personal circumstances of the obliged Party or occurring at a time when the wrongdoer was in default regarding the fulfilment of the contractual obligation and no obstacles which the obliged Party is required to overcome release them from their duty to fulfil the obligation.
- 10.2. For the purposes of this Agreement, if meeting the conditions under the preceding clause, Force Majeure includes, but is not limited to:
- a. natural disasters, fires, earthquakes, landslides, floods, high water, storms or other atmospheric disturbances and phenomena of a considerable extent, or

- b. wars, rebellions, riots, civil unrest or strikes, or
- c. decisions or normative acts of public authorities, regulations, restrictions, prohibitions or other interventions of the state, state authorities or local government or
- d. explosions or other major damage or defects of relevant production or distribution facilities
- e. an epidemic, pandemic or other spread of a contagious disease or diseases which will give rise to measures or restrictions announced or imposed by public authorities.

- 10.3. The Contracting Party that has breached, is in breach of or expects to breach with respect to all known facts their obligation hereunder due to Force Majeure shall immediately inform the other Contracting Party of such a breach or event and shall make all possible effort to prevent such an event or the consequences thereof and to remove the negative impacts thereof.
- 10.4. In case an event of Force Majeure lasts for longer than 90 days, either Party may withdraw from the Agreement.
- 10.5. If there is a significant change in circumstances that creates a particularly gross disproportion in the rights and obligations of the Parties by disadvantaging the Seller, in particular by an increase in costs on the part of the Seller consisting of an increase in the price of raw materials, energy or transport, or a general increase in the Seller's personnel costs or other costs, the Seller is entitled to unilaterally adjust the purchase prices announced by the Seller or already agreed by the Seller and the Buyer in separate purchase agreements.
- 10.6. The Seller undertakes to notify the Buyer of the adjustment of the purchase price in writing or by e-mail and to provide the specific reasons for the said adjustment of the purchase price.
- 10.7. The Seller undertakes to apply the above described purchase price adjustment only in serious or significant cases of cost increase on the Seller's side, which the Seller is not objectively able to influence and the Buyer undertakes to accept the purchase price adjustment in such cases. The Parties shall mutually confirm the adjustment of the purchase price in writing, in the form of a written amendment to the Purchase Agreement.
- 10.8. In the event that the adjustment of the purchase price is unacceptable to the Buyer due to a gross disproportion between the purchase and sale price of the goods, the Buyer is entitled to withdraw from the Purchase Agreement by a written notice sent to the Seller, in which the Buyer specifically states the reason for withdrawal from the Purchase Agreement. The withdrawal from the Purchase Agreement according to the previous sentence shall take effect upon delivery of the written notice of withdrawal from the Purchase Agreement to the Seller. Withdrawal from the Purchase Agreement shall cancel the obligation from the outset, but the Parties are not obliged to return the duly fulfilled performance to each other.

11. EXCLUSION OF EXCLUSIVITY

- 11.1. No provision of the Purchase Agreement or these GTCSG will be interpreted or construed as granting any exclusivity by the Seller to the Buyer for a certain area or for certain clients of the Buyer.

12. SAFETY STANDARD AND ENTRY TO THE PREMISES OF THE SELLER

- If the Buyer enters the premises of the Seller in fulfilling its obligations under the Purchase Agreement, it also undertakes to comply with the obligations under this Article 12 of the GTCSG.
- 12.1. The Buyer undertakes to read and comply with the internal policies of the company Lovochemie, a.s. to ensure the safety and protection of health and life at work, environment, fire protection and prevention of serious accidents, located on the Internet site www.lovochemie.cz (hereinafter referred to as the "**Safety Standard**"). The Buyer undertakes to bind its subcontractors to comply with the Safety Standard to the same extent as the Buyer is obliged to follow it itself.
- 12.2. The buyer agrees to ensure that its employees and subcontractors are trained in the safety standard and to ensure that its employees and subcontractors comply with the safety standard. Employees of the buyer who have not been trained in the safety standard shall not perform activities on the seller's premises. In accordance with Act No 309/2006, on further requirements with regard to occupational safety and health in labour-law relationships and on ensuring safety

and health in activities or provision of services outside labour-law relationships (Act on further requirements with regard to occupational safety and health), as amended, the buyer undertakes to cooperate with the coordinator of occupational safety and health on the construction site throughout the preparation and implementation of the construction, if such coordinator is appointed by the seller. At the same time, the buyer shall oblige to such cooperation all its subcontractors for the work and activities related to the preparation and implementation of the subject-matter of the contract. The buyer undertakes to fulfil all obligations imposed by Act No 309/2006.

- 12.3. **Risk Analysis and Technology:** The buyer shall submit to the seller, in sufficient time prior to commencement of the work, a Risk Analysis and measures including technological/working procedures for the work to be carried out on the construction/contract in question. The Risk Analysis and measures shall be prepared by a person professionally qualified in risk prevention. The technological/working procedures must be developed with regard to ensuring OSH conditions. Before commencing work, the buyer shall familiarise the seller's and subcontractors' personnel with the risks and technological procedures arising from its activities. The buyer shall make a written record of the above familiarisation in the form of an attendance list with the signatures of those present and shall ensure that it is regularly updated.
- 12.4. The Seller undertakes to inform the Buyer without undue delay by e-mail of any changes to the Seller's internal regulations forming the Safety Standard. The Buyer undertakes to notify the Seller in writing of the contact e-mail for sending information about the Safety Standard and to inform the Seller of any changes to this contact e-mail.
- 12.5. If substances harmful to water or hazardous chemicals and substances are used for the performance of the activity on the Seller's premises, the Buyer shall ensure that these substances be stored at designated places and used in a manner that minimizes the possibility of damage to health of employees and prevents soil, water and air pollution (Handling Substances Harmful to Water and Soil, Handling Chemical Substances and Mixtures). When finding about an extraordinary deterioration or threat to the quality of surface water and groundwater, soil and air on the premises of Lovochemie, a.s. or in the event that the Buyer causes such a state by its activities (see Emergencies for more detail), the Buyer is obliged to report this fact without delay to the dispatching centre, tel.: **416 562 403** or **736 507 221**.
- 12.6. The Buyer shall not pollute and damage the roads and paved areas of the premises, carry out maintenance and cleaning of vehicles and equipment outside the restricted areas, park vehicles off paved surfaces or otherwise damage foliage/greenery. The Buyer shall not discharge from vehicles any liquids, fuel, fluids or other substances harmful or dangerous to the environment on and off roads and shall ensure there is no leakage of these substances within the premises of the Seller on and off roads.
- 12.7. The Buyer shall immediately notify the Seller of accidents of its employees or employees of subcontractors on the premises of the Seller to the dispatching centre, tel.: **416 561 500** or from a landline on the premises to the tel.: **150** or **155**.
- 12.8. The Buyer is obliged to immediately inform the Seller about fires, accidents, traffic accidents and other extraordinary events at the dispatching centre, tel.: **416 561 500** (150 for fire reports only from fixed lines of Lovochemie, a.s. employees).
- 12.9. The Buyer is obliged to immediately inform the Seller of the discovery of security events in the field of protection of property and persons (theft, property damage, movement of an unauthorised person on the premises, other security incidents) at the dispatching centre for premises security, tel.: **416 563 711** or **720 068 593** (Head of the Premises Security Department) and company security, and, if necessary, provide appropriate cooperation in the investigation of these events.
- 12.10. The Buyer is obliged to dispose of all generated waste in accordance with the company's internal regulations (waste management, secondary raw materials and metal waste management in Lovochemie) and in accordance with applicable legislation, in particular Act No. 541/2020 Sb., on Waste, as amended. In the case of establishing its own collection point, the Buyer must notify the Environment Authority of the place, type of waste and appropriate security. The Buyer is not entitled to dispose of waste generated by the Buyer in the collection containers of Lovochemie, a.s., unless this is expressly permitted in the relevant contract.
- 12.11. If the Buyer or its employees or employees of its subcontractors enter the railway yard outside of the designated crossings, they shall comply with the legislation in the field of rail transport - in particular Act No. 266/1994 Sb., on Railways, as amended, and related legal regulations.
- 12.12. If the Buyer or its employees or employees of its subcontractors enter the railway yard for work-related purposes, the Buyer shall ensure compliance with the local regulation - Railway Yard Operating Rules of Lovochemie, a.s.
- 12.13. The Buyer or its employees or employees of its subcontractors may only enter or stay in places designated by the Seller and may not interfere with traffic or limit traffic on the roads and railway yard without a special permit and may not damage the security markings and lighting. The Buyer or its employees or employees of its subcontractors may stay on the premises of Lovochemie, a.s. only for the time strictly necessary for the fulfilment of their contractual obligations or in accordance with the purpose of their stay on the premises of Lovochemie, a.s.
- 12.14. The Seller is entitled to check compliance with the Safety Standard, in particular through the following employees:
- Managers at all levels
 - OHS and FS Specialist (occupational health and safety and fire protection)
 - Members of the Fire Brigade
 - Environmental Protection Specialist
- 12.15. In the case of infringements of the Safety Standard by its employees or employees of its subcontractors, the Buyer undertakes to pay the Seller a contractual penalty for each breach of the provisions of the Safety Standard as follows:
- A contractual penalty **up to the amount of CZK 50,000** for breach of the provisions prohibiting smoking and entry into the company premises of Lovochemie, a.s. **under the influence of alcohol or other addictive substances;**
 - A contractual penalty **up to the amount of CZK 10,000** for breach of the provisions of the Safety Standard to ensure **continuity of traffic and road safety** on the premises of Lovochemie, a.s.;
 - A contractual penalty **up to the amount of CZK 20,000** for performance of activities without properly issued **permits to work;**
 - A contractual penalty **up to the amount of CZK 10,000** for each breach of the obligations under Art. 12.6, whereas in this case, it shall pay the contractual penalty in addition to damages caused to the Seller by the breach of its obligations, including costs of making good the incurred damages;
 - A contractual penalty **up to the amount of CZK 10,000** for violations of the Safety Standard not mentioned under letters a., b., c., and d. above.
- 12.16. In addition to the payment of contractual penalties under the above provisions, the Seller is also entitled to
- claim compensation for damage incurred by the Buyer from the same act;
 - prohibit the Buyer's employees who have breached the Safety Standard from entering the premises of the Seller;
 - immediately stop works and activities that breach the Safety Standard.
- 12.17. The Buyer agrees that the Seller will make appropriate documentation of each possible violation of the Safety Standard.
- 12.18. The Seller undertakes to discuss each detected violation of the Safety Standard with a representative of the Buyer in contractual matters and ask them to remedy the situation.
- 12.19. The Buyer shall ensure that the employees of the Buyer (or its subcontractor) are only on the premises reserved for the given purpose and for the time necessary to fulfil such purpose.
- 12.20. When passing through the gatehouse, the employees of the Buyer (or its subcontractor) shall, on request of the security guards, make

available their personal luggage (vehicle) for a security check or undergo an inspection pursuant to the Pass Regulation.

- 12.21. Photographing and filming is prohibited on the premises. A competent employee of the Seller may permit photographing and filming pursuant to the Pass Regulation.
- 12.22. More detailed conditions for entry and movement around the Seller's premises are defined in the Pass Regulation.
- 12.23. The buyer is obliged to equip its employees with personal detection equipment when working for the seller, if this results from a risk assessment of the work.

13. GOVERNING LAW

- 13.1 Legal relations or the rights and obligations of the Parties under the Purchase Agreement, the collateral thereof, changes and termination thereof shall be governed solely by Czech law, namely by Act No. 89/2012 Sb., the Civil Code, as amended.
- 13.2 Application of the UN Convention on Contracts for the International Sale of Goods dated 11 April 1980 and the norms of international private law is excluded.

14. DISPUTE RESOLUTION

- 14.1 If any dispute arises between the Parties in relation to the Purchase Agreement, application or interpretation thereof, the Parties shall make every effort to resolve such a dispute amicably.
- 14.2 If the dispute is not resolved amicably, either Party may submit the dispute to the relevant court with territorial jurisdiction determined by the seat of the Seller.

15. OTHER ARRANGEMENTS

- 15.1. Packaging materials and containers placed by the Seller on the market in the Czech Republic are packagings according to Act No. 477/2001 Coll., on Packaging, as amended. The Seller is registered with the company EKOKOM, a.s. and under this contractual relationship, the Seller has arranged for the return of sorting of packaging and separate collection of packaging waste. The Buyer destroys wrapping from the Seller after removal of fertilizer through separate collection containers (plastic or paper according to the type of packaging) in towns and villages or at waste management companies that collaborate with the company EKOKOM.
- 15.2. When selling the goods to a third party (incl. a carrier), the Buyer shall hand over specific information on this product such as a safety data sheet and recommendations of the European Fertilizer Manufacturers Association Fertilizers Europe for the safe storage of fertilizers based on ammonium nitrate. Furthermore, the Buyer undertakes to include the wording of this clause of the Agreement into all purchase agreements by which it will transfer ownership of the goods.
- 15.3. MSDS and the recommendations of Fertilizers Europe for the safe storage of fertilizers based on ammonium nitrate are available in its current form on the website of Lovochemie - www.lovochemie.cz.
- 15.4. If the object of delivery according to the Agreement contains goods with at least 16% or more by weight of nitrogen in ammonium nitrate, the Seller is entitled to request and the Buyer is obliged to prove to the Seller at the latest on the date of the Purchase Agreement the legitimacy of the application. The legitimacy of the use means within the meaning of European Parliament and Council Regulation (EC) no. 1907/2006 of 18 December 2006 concerning the registration, evaluation, authorization and restriction of chemicals, establishing a European Chemicals Agency, proving that the Buyer
- a. is a downstream user or distributor, including natural or iuristic persons who hold a license or authorization in accordance with Council Directive 93/15 / EEC (or 2014/28/ EU starting from 20 April 2016); or
 - b. is a farmer buying the goods for use in agricultural activities, either full time or part time and not necessarily related to the size of the plots of land. For the purposes of this letter:
 - i. "farmer" means a natural or iuristic person or group of natural or iuristic persons, irrespective of the legal form of the group and its members under national law whose agricultural enterprise is located in the territory of the Community under Article 299 of the Treaty and that exercises an agricultural activity;
 - ii. "agricultural activity" means the production, rearing or growing of agricultural products including harvesting,

milking, breeding animals and keeping animals for farming purposes or maintaining land in good agricultural and environmental condition under Article 6 of Council Regulation (EC) no. 73/2009; or

- c. natural or iuristic persons engaged in professional activities such as horticulture, plant growing in greenhouses, maintenance of parks, gardens or sport pitches, forestry or other similar activities.
- 15.5. For fertilisers subject to Regulation (EU) 2019/1148 of the European Parliament and of the Council of 20 June 2019 on the marketing and use of explosives precursors, amending Regulation (EC) No. 1907/2006 and repealing Regulation (EU) No. 98/2013 (hereinafter referred to as the "Regulation"), the Buyer shall be informed of the obligations relating to regulated explosives precursors.
- 15.6. Informing the Buyer according to the Regulation:
- a. For explosives precursors subject to restrictions: "The acquisition, import, possession or use of this product by the general public is restricted by Regulation (EU) 2019/1148. All suspicious transactions and significant disappearances and thefts must be reported to the relevant National Contact Point."
 - b. For regulated explosives precursors that are not subject to restrictions: "This product is regulated by Regulation (EU) 2019/1148: all suspicious transactions and significant disappearances and thefts must be reported to the relevant National Contact Point."
- 15.7. The Buyer shall immediately notify the Seller of any change in the staffing of its statutory body and any change in the controlling entity within the meaning of applicable legislation, but in any case no later than 14 days from the moment when the change occurs. In case of violation of this obligation, a claim for damages arises to the Seller directly or indirectly as a result of a breach of this obligation of the Buyer.
- 15.8. The Seller reserves the right to withdraw from the Agreement in writing in the event that a change in the staffing of the statutory body of the Buyer or its controlling entity is assessed by the Seller as high risk. The withdrawal is effective upon receipt of the notice of withdrawal by the Buyer.
- 15.9. The Buyer may not, in whole or in part, assign or otherwise cause the transfer or assignment of any of its rights or any of its obligations under the Agreement, create any rights of third parties to them, without the prior written consent of the Seller.
- 15.10. The Buyer agrees not to disclose, make available or otherwise allow access to any third party or use itself or in favour of someone else contrary to the purpose of the Agreement, any information that is competitively significant, identifiable, measurable and normally inaccessible in the relevant business circles made available to the Buyer, directly by the Seller or indirectly, in tangible or intangible form, or that it learns in connection with the fulfilment of obligations under the Agreement (hereinafter referred to as the "**duty of confidentiality**").
- 15.11. In the event of a breach of the duty of confidentiality committed by the Buyer, the Buyer shall pay to the Seller a contractual penalty in the amount of CZK 100,000 for each breach.
- 15.12. The duty of confidentiality does not apply to information
- a. which the Buyer obtained before the date of the Agreement without breaching any legal obligation;
 - b. which the Seller had itself granted to third parties or published prior to the date of the Agreement or during the term thereof;
 - c. which became generally available before the date of the Agreement or before its termination without violating a duty of confidentiality of any of the Parties;
 - d. which is specifically designated in writing as information to which the duty of confidentiality does not apply by the Seller when providing it or making it available;
 - e. the disclosure of which is necessary for the performance of the Agreement, but only to provide such information to approved subcontractors of the Buyer and provided that such subcontractor will be obliged to protect the information at least to the same extent as the Buyer is obliged to protect it.
- 15.13. The Agreement may be amended or modified only by numbered written amendments signed by both Parties. The Parties exclude acceptance of an offer with an addition or deviation and insist on

achieving full agreement on the entire contents of a written amendment and its particulars.

- 15.14. The Buyer assumes the risk of change in circumstances within the meaning of Section 1765(2) of the Civil Code.
- 15.15. The Parties agree to exclude the application of Sections 1798 to 1801 of the Civil Code.
- 15.16. The Seller is entitled to set off its receivables arising from the Agreement against the receivables of the Buyer arising from the Agreement by a unilateral expression of its will (unilateral set-off). Any receivable of the Buyer arising from the Agreement against the Seller can only be offset against the prior written consent of the Seller. For the avoidance of doubt, the Parties agree that monetary receivables denominated in different currencies are only eligible if such currencies are freely convertible, and the CNB exchange rate valid on the day when the receivables became eligible for set-off is decisive for the eligible amount of such receivables.
- 15.17. The Seller as the personal data controller shall inform the other Contracting Party about the manner and extent of the controller's processing of personal data, including the extent of the rights of data subjects related to the processing of their personal data. Information about the processing of personal data is available at www.lovochemie.cz.
- 15.18. The Parties hereby declare and confirm by their respective signature that none of them feels as and is not considered the weaker party in comparison with the other Party and that they had the opportunity to familiarize themselves with the text and content of the Agreement, they understand it and that they want to be bound by it and that they mutually sufficiently discussed the Agreement before signature.
- 15.19. These GTCSG apply to all deliveries of goods by the Seller. Any other terms and conditions of the Buyer shall not apply to the contractual relationship established by this Agreement.