

SHS CHEMIE SIA
Registration number: 40203228384

General Terms and Conditions

Version: January 1, 2022

1. GENERAL PART

1.1. Scope of application

1.1.1. These General Terms and Conditions („Terms“) apply to all of our business relationships with our contractual partners. All offers and contracts shall be governed by the present Terms. They only apply to contractual partners who are business entities for the purpose of the Commercial Law of the Republic of Latvia (“Commercial Law“) and/ or legal entities under public law.

1.1.2. Unless the parties have agreed otherwise, the current version of the present Terms or, at least the version which we have communicated to the contractual partner as recent applies, and it is also applicable to similar future contract without requiring us to refer to it specifically in each individual case.

1.1.3. Application of the Terms excludes application of any other terms or conditions. Deviating, conflicting or supplementary terms of the contractual partner may only be applied if and insofar we have expressly agreed to their applicability. This requirement of express agreement shall apply in any case, also if, for example, we execute or accept delivery without reservation being aware of the contractual partner’s conflicting or deviating terms.

1.1.4. Individual agreements made with the contractual partner in individual cases (including side agreements, supplements and amendments) shall in any case take precedence over these Terms. In order to prove the above, the content comprised by a written contract or our written confirmation shall be decisive for determining the content of such agreements.

1.1.5. Legally binding declarations and notifications of the contractual partner with regard to the contract (e.g. the term, notification of defects, withdrawal or reduction) shall be made in writing, i.e. in written form or text form (e.g. letter, e-mail, fax). The above shall not affect statutory formal requirements and the obligation to submit evidence, e.g. in the event if there are doubts concerning the right of representation of the person making the declaration.

1.1.6. References to applicable statutory provisions have only a clarifying meaning. Even without the above clarification, the statutory provisions shall apply, unless the present Terms directly and clearly exclude the relevant application.

1.1.7. In addition to the condition of the present General Part, the following shall apply:

a. our Conditions of Sale included in Part 2 of the present Terms if we sell or deliver movable goods (“Goods“) to our contractual partner (“Buyer“), irrespective of whether we manufacture the Goods ourselves or purchase them from suppliers, insofar as the Conditions of Purchase included in Part 3 of the Terms do not apply.

b. Our Conditions of Purchase included in Part 3 of the present Terms if our contractual partner (“Seller“) sells or deliver goods to us insofar as the Conditions of Sale included in Part 2 of the Terms do not apply.

1.2. Protection of trade secrets

All information regarding the cooperation of the parties, the content of the concluded contracts and Terms, consultants and business strategy, product and service specifications, prices,

invoices, delivery notes, intermediary names, and any other related information that is not in the public domain (“Trade Secret“). In order to protect our interests in preserving the Trade Secret and confidential information, the cooperation partner does not have the right to use or directly or indirectly disclose any our Trade Secret to others (unless required by the terms and substance of the signed contract).

1.3. Data processing

1.3.1. Within the scope of cooperation the personal data of the cooperation partner’s representatives – natural persons (“Data Subject“) may be processed. The processing of personal data shall be carried out in accordance with the requirements of the General Data Protection Regulation (“GDPR“) and other applicable laws and regulations.

1.3.2. The processing of personal data of data subjects shall be carried out in order to ensure the full performance of contractual obligations and compliance with contractual obligations (Article 6 (1) (b) of the GDPR), in order to fulfil our legal obligations in the field of accounting and financial reporting (Article 6 (1) (c) of the GDPR), and for the purpose of exercising our legitimate interests (including, but not limited to, improving the product quality, compiling statistics, notifying the contractual partners of any changes, financial and business accounting and analytics, ensuring efficient operation, payment administration, including the administration of untimely payments, customer identification, etc.(Article 6 (1) (f) of the GDPR), while respecting the rights of the Data Subject. The processing of personal data shall only be carried out to the extent and for the period required, in accordance with the requirements of the GDPR.

1.3.3. Within the framework of cooperation, personal data such as the name, surname, contact information (telephone number, e-mail address) of the contractual partner’s representative, as well as other data may be processed, if there is a legal basis for processing such data. In any case, the Data Subject may submit any requests to us in accordance with the GDPR.

1.3.4. The processed personal data may be transferred to other companies related to HSH Chemie SIA within the group. Such processing of personal data shall be performed in order to ensure the fulfilment of contractual obligations, as well as the observance of our legitimate interests.

1.3.5. Taking into account the nature, scope, context and objectives of the processing of personal data, as well as the likelihood and severity of the risk to the Data Subject’s rights and fundamental freedoms, the Parties shall implement appropriate (effective and secure) technical and organisational measures to ensure the level of protection of the processing of personal data proportionate to the risk level, by providing for measures to ensure that personal data can only be accessed by authorised persons for the purposes referred to above, as well as by ensuring the continuous confidentiality, integrity, availability and durability of data processing systems and services.

1.3.6. As soon as the contractual partner becomes aware of an incident affecting the processing of personal data, it shall immediately, but no later than within 24 hours, inform us in writing. The parties shall cooperate with a view to performing a

thorough investigation and take appropriate actions concerning the incident. The concept "incident" means a complaint or request regarding the exercising of the Data Subject's rights under the GDPR; an investigation or confiscation of personal data by public officials or an indication that such an investigation or confiscation is unavoidable; unauthorised or accidental access, processing, deletion, loss or any other unlawful processing of personal data, breach of security or confidentiality.

1.3.7. The contractual partner shall confirm and guarantee that it has the necessary legal basis for the transfer of personal data to us, as well as confirms and guarantees that any personal data received from the contractual partner and/or its representative, which will be transferred to us within the framework of cooperation, is accurate and up-to-date. If necessary, the contractual partner undertakes to inform us in a timely manner about changes in the personal data provided to us. We are not obliged to check whether the contractual partner and/or its representative has a legal basis for the transfer of personal data to us and we do not bear any responsibility against the data subject if the contractual partner or its representative has performed unauthorised processing of the data subject's personal data and/or unlawfully transferred personal data to us.

1.3.8. The Parties shall ensure the confidentiality of personal data obtained in the process of data processing on the basis of a contractual relationship. The requirement of data confidentiality shall also remain in force after the termination of

2. CONDITIONS OF SALE

2.1 Scope of application

If we sell or deliver movable goods ("Goods") to our contractual partner ("Buyer"), irrespective of whether we manufacture the Goods ourselves or purchase them from suppliers, our General Conditions of Sale ("Conditions of Sale") included below in Part 2 also apply in addition to the provisions of General Part 1.

2.2 Entering into the contract

2.2.1 Our offers are subject to change and are not binding. The same applies to situations where we have provided the Buyer with product catalogues, technical documentation, product samples or other product descriptions, unless we have explicitly stated to the contrary.

2.2.2 An order for goods made by the Buyer shall be considered to be an offer to enter into a contract and is binding on the Buyer. Unless otherwise specified in the Buyer's order, the Buyer's offer shall be valid for 14 days from its receipt. If the Buyer has received our written confirmation within the aforementioned 14-day period or we have shipped the relevant goods, the parties shall be deemed to have entered into a contract binding on both Parties.

2.3 Prices; terms of payment

2.3.1 The prices (net) indicated by us include delivery according to INCOTERMS 2020 FCA terms at our warehouse, the prices do not include the Value Added Tax and the cost of packaging, except in cases when we have explicitly agreed with the Buyer on other conditions. We do not accept the return of goods packaging and it is considered the property of the Buyer, except in cases when we have explicitly agreed with the Buyer on other conditions. An exception to the above is transport packaging. Returned transport packaging must be the one delivered by us, clean, free of foreign matter and sorted by type of packaging.

2.3.2 We reserve the right to make adjustments to our prices

the contract for an indefinite period of time.

1.4. Applicable law and place of dispute resolution

1.4.1 Our contractual partners apply the legislation of the Republic of Latvia as regards the present Terms and the contractual relationship between us; application of international private law, in particular, the UN Convention on Contracts for International Sale of Goods (CISG) is excluded.

1.4.2 All disputes between the parties arising directly or indirectly from a contract concluded by the parties or the law of tort shall be resolved by the courts of the Republic of Latvia. In any situation we reserve the right to initiate a claim with the court according to the place of performance of the contract or the contractual partner's place of jurisdiction.

1.5. Withdrawal due to sanctions

1.4.3 Either party has the right to withdraw from performance of its further obligations by unilateral termination of the contract if economic sanctions compliance with which is provided by the applicable law are applied against the other party.

1.4.4 This condition does not affect the parties' obligations which can be performed and the relevant party if obliged to act as far as possible in order to perform its obligations under the contract.

in the event of an unforeseen reduction or increase in costs following the conclusion of the contract, in particular due to purchase costs, material costs and similar changes of costs. This, inter alia, also applies to introduction and/ or increase of fiscal payments (e.g. customs duties or taxes), increase of transportation and/ or insurance costs, high or low sea freight premiums, or similar. At the request of the Buyer, we shall provide the Buyer with documents confirming the respective costs.

2.3.3 Payment for the purchase shall be made within 14 days from the date of receipt of the invoice and delivery of the goods, unless it is stated to the otherwise in the invoice. Upon reaching the above payment term and not receiving payment from the Buyer, the Buyer's default on liabilities sets in and the Buyer is obliged to pay the late payment interest of 0.5 (zero point five) % per day of the outstanding liability for every day of delay.

2.3.4 The invoice and/or delivery note-invoice for the ordered goods shall be prepared electronically and without a secure electronic signature, and it shall be deemed valid and binding. The invoice will contain the following text at its end: "The present invoice has been prepared electronically and is valid without a signature. Approved by signing the purchase contract of the goods". This invoice and/ or delivery note-invoice of the goods shall be sent to the Buyer's electronic mail address. It shall be deemed to have been received within one business days following its dispatch.

2.3.5 The right of set-off and lien shall only be exercised by the Buyer if its counterclaim has been legally declared final and uncontested, has not been contested or has been expressly acknowledged by us. The Buyer can only exercise the right of retention if its counterclaim arises from the same contractual relationship.

2.3.6 If, after concluding the contract, it becomes clear that our right to receive payment for the purchase is endangered due to the Buyer's insufficient solvency (for

example, on the basis of an insolvency application) or the circumstances arising from application of economic sanctions against the Buyer, we have the right to refuse delivery or unilaterally withdraw from the contract following setting of the term of compliance with the liabilities, if necessary.

2.4 Deliveries

2.4.1 Unless otherwise provided in these Terms or the contract, the goods are delivered in compliance with the INCOTERMS 2020 FCA and the place of delivery is our warehouse. Upon the respective request from the Buyer, the goods may be delivered to another delivery address, but in this case delivery of the goods shall take place at the expense of the Buyer and the Buyer shall bear the risks associated with the delivery of the goods. In this case, we have the right to determine the method of transportation of goods (in particular, the carrier, the delivery route and packaging). If the Parties have agreed on the delivery of the goods to another address, the delivery terms and dates shall apply to the delivery of the goods to the forwarder, carrier or third party responsible for the delivery of the goods. Delivery of goods shall not be insured. The Buyer has the right to provide the insurance of goods at its own expense.

2.4.2 The risk of accidental loss or damage of the goods shall be transferred to the Buyer latest at the moment of delivery of the goods. If there has been an agreement on delivery to another delivery address, the risk of accidental loss, accidental damage or late delivery shall be transferred to the Buyer at the moment when the goods are delivered to the forwarder, carrier or third party to whom the delivery of the goods is entrusted.

2.4.3 If the delivery of goods in portions does not cause additional costs to the Buyer and such delivery does not interfere with the use of the goods for the intended purposes, we have the right to deliver the goods in portions. In this case, we shall inform the Buyer in a timely manner about the delivery of the goods in portions.

2.5 Delivery terms; delay of delivery; failure to deliver

2.5.1 If our order confirmation does not set a specific delivery date of the goods, or the specified delivery date/deadline is not clearly stated as binding, any delivery date or deadline specified in the order confirmation shall be considered to be approximate.

2.5.2 The delivery period may be extended or the term may be moved for a period during which obligations cannot be fulfilled due to force majeure or other unforeseeable circumstances beyond our control, such as strikes, production interruptions or restrictions, natural disasters or delayed deliveries of raw materials due to the supplier's fault. We shall immediately inform the Buyer in writing about the occurrence of such circumstances, at the same time informing the Buyer about the approximate duration of such circumstances. If such circumstances persist for more than three months, both parties have the right to unilaterally withdraw from the contract. In this case, the Parties shall return the payments received from the other Party, as well as the goods, unless the Parties agree to the contrary.

2.5.3 Subject to the provisions of Clause 2.7.2 of the present Conditions of Sale, we shall not be liable for the late delivery or a failure to deliver the goods, if the delivery of goods is delayed or the goods are not delivered on the basis of our obligation to comply with the requirements of the European Parliament and Council Regulation pertaining to Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).

2.6 Liability for defects in goods

2.6.1 The Buyer is obliged to inspect the delivered goods in

accordance with the provisions of the Commercial Law. If the Buyer finds any defects during the inspection of the delivered goods or following this, the Buyer shall immediately inform us in writing. If the goods are intended for incorporation in another product or other further processing, inspection of the goods shall be performed immediately prior to processing in any case.

2.6.2 The above requirement to inspect the delivered goods set in Clause 2.6.1 includes an obligation to verify that we have not delivered more or less goods than ordered, as well as the obligation to verify that we have not delivered the wrong (other) goods.

2.6.3 If the Buyer notifies any defect of the delivered goods to us within 3 (three) business days, we have the right, at our sole discretion, to either remedy the defect identified by the Buyer or deliver the same product without defects within a reasonable term, and we have the right to eliminate defects at least twice. If a defect is indeed identified, we shall bear the costs of remedying the defect. If we have not been able to remedy the defect within a reasonable term or our attempt to remedy the defect is not acceptable to the Buyer, the Buyer, in compliance with the conditions stipulated by the legislation, has the right, at its discretion, to request reduction in the purchase price or unilaterally terminate the contract. The Buyer only has the right to demand compensation and/or the reimbursement of expenses in accordance with Section 2.7 of the present Terms.

2.6.4 The general limitation period for claiming the warranty for defects in the quality of goods and defects is one year from the date of delivery of the goods. The statutory provisions governing the right of third parties to request the return of goods, our liability in the event of our bad-faith action, and the supplier's right of recourse against goods delivered to the final consumer, shall not be restricted by the above limitation. The above restrictions regarding the limitation period shall not apply to the Buyer's right to claim damages, for which, in accordance with Clause 2.7.2 of these Terms, our liability is not limited.

2.6.5 The limitation periods referred to above in Clause 2.6.4 shall apply to both contractual and non-contractual claims by the Buyer for damages based on defects found in the delivered goods, unless the applicable laws and regulations provide for a shorter limitation period for bringing claims.

2.7 Liability

2.7.1 Claims for damages against us shall only exist in accordance with the provisions of Section 2.7 of the Condition of Sale; all other claims are excluded.

2.7.2 In accordance with applicable laws and regulations, we shall only be liable and at fault if the person's life or health has been harmed or personal injury has been caused as a result of misconduct or gross negligence. In accordance with the applicable laws and regulations, we shall also be liable if we have abusively concealed defects in the goods or guaranteed the quality of certain goods delivered. The above also applies to the Buyer's claims for product defects in accordance with applicable laws and regulations.

2.7.3 Our liability for damages shall be limited to events set in Clauses 2.7.1 and 2.7.2, except for situations when we have committed a material breach of the contract and/or these Terms. In this case, our liability shall be limited to the damages that are foreseeable and typical of the particular legal relations. A material breach is one that, if committed, would prevent the proper performance of the obligations, on the compliance of which the other party relies and can rely.

2.7.4 To the extent that we provide technical information or advice that does not fall within the range of services, regarding the provision of which we have agreed in the relevant contract,

this is done to the exclusion of any of our liability.

2.7.5 The above referred exceptions and limitations to our liability shall apply to the same extent to our Company's executive bodies, legal representatives, employees and all substitutes for the foregoing entities.

2.8 Withdrawal; notice of termination

2.8.1 If we have committed a breach and it is not related to a defect in the goods, the Buyer may only unilaterally withdraw from the contract or terminate it, if we have committed the breach due to our fault or negligence.

2.8.2 We have the right to withdraw from the contract if the Buyer fails to pay invoices within the term set by the present Terms or a written agreement of the parties and the delay exceeds 30 (thirty) calendar days.

2.8.3 The Parties do not have the right to terminate the contract unilaterally without a good reason.

2.9 Retention of title

2.9.1 We retain the title of the goods delivered by us until all payments arising from the business relations have been made by the Buyer in full. scope.

2.9.2 If the Buyer breaches the terms of the contract, in particular, with regard to payment terms, we have the right to demand the return of the delivered goods. If we have requested the return of the delivered goods, it shall be considered that we have unilaterally terminated the contract with the Buyer (this termination is not restricted by the term of delay of payment of the invoice set by Clause 2.8.2). After the return of the requested goods, we have the right to sell the returned goods. Revenues generated from the sale of goods shall be credited to cover the Buyer's liabilities, less the costs of the sale of goods.

2.9.3 The Buyer shall be entitled to resell the goods in the course of its business, but any rights of claim acquired by the Buyer against its buyers or third parties as a result of the resale of the goods shall be deemed to have been assigned to us to the extent of our claim against the Buyer (including the turnover tax), regardless of whether the goods have been resold without treatment or after treatment. The Buyer shall maintain the right to recover payments regardless of the assignment of the claim to us. Our right to demand performance shall remain valid, but we shall not demand performance while the Buyer is fulfilling its payment obligations to us, not delaying payment deadlines, and the Buyer's insolvency proceedings have not been started. If the above is established, we have the right to demand that the Buyer informs us about the Buyer's assigned claims and its debtors, provides all the information necessary for the exercising of the

right of claim, transfers related documents, as well as notifies debtors of the assignment of the rights of claim to us.

2.9.4 The processing and/or transformation of our goods shall always be performed by the Buyer. If the Buyer processes or transforms our goods using goods or materials not owned by us, we shall acquire joint ownership of the goods resulting from the processing or transformation in proportion to the value of our goods to the value of the other goods or materials used in processing or transformation at the time of processing. Goods resulting from processing operations shall be subject to the same rules as the goods delivered by us.

2.9.5 If, as a result of processing, our goods are inseparably mixed with the goods or materials not owned by us, we shall acquire joint ownership of the goods resulting from processing or transformation in proportion to the value of our goods to other goods or materials used in processing or transformation at the moment of processing thereof. If, as a result of the processing of the goods by the Buyer, they are mixed in such a way that the goods of the Buyer are considered to be the main component of the goods obtained by processing, it shall be considered that the Buyer grants us proportional joint ownership to the goods obtained as a result of processing or transformation. The joint ownership rights acquired as a result of the above processing or transformation, shall be retained by the Buyer on our behalf.

2.9.6 The Buyer is obliged to ensure that the goods to which we have ownership have been insured against the usual risks (e.g. theft, robbery, complete loss or damage of the goods) inherent for such goods and prove the existence of such insurance at our first request. The Buyer is obliged to ensure our right to insurance indemnity in the full amount of our claim.

2.9.7 If the value of the collateral provided to us exceeds the amount of our claim by more than 25 (twenty five) %, we shall release or return the relevant part of the collateral at the request of the Buyer. In this case, we have the right to choose the collateral to be retained.

2.9.8 If the above provisions of retention of title cannot be applied due to the law of the country where the goods are located, it should be at least assumed that the parties have agreed that we hold the title to the goods until the payment of the relevant delivery invoice. However, if this cannot be applied and the law of the country where the goods are located allows us to benefit from another security in relation to the goods, we shall be entitled to use all the rights of this type. The Buyer shall be obliged to cooperate in application of the means selected by us for protecting our title or in application thereof in relation to the goods.

3 CONDITIONS OF PURCHASE Scope of application

Our General Conditions of Purchase ("Purchase Conditions") included in Part 3 shall apply in addition to the provisions of General Part 1, insofar as our contractual partners ("Seller") sell or deliver movable goods ("Goods") to us, irrespective of whether Sellers manufacture the Goods themselves or purchase them from suppliers.

3.2 Conclusion of contract

3.2.1 Our orders and other notices shall only be deemed binding once we have made and confirmed them in writing.

3.2.2 The Seller is obliged to confirm our offer within a period of 2 weeks. A delayed acceptance of our offer or submission of an offer with different conditions shall be deemed a new offer and requires a written acceptance by us.

3.3 Deliveries; passing of the risk

3.3.1 Delivery shall be effected to the delivery address specified in the delivery document. The place to where the goods shall be delivered is also the place of performance of the contract (the obligation to deliver the goods to the buyer), except cases when there is another agreement thereto.

3.3.2 The Seller shall provide suitable packaging at its own expense. The Seller is obliged to take back packaging material at our request.

3.3.3 The Seller shall package, label and ship dangerous goods in accordance with the applicable laws and regulations.

3.3.4 The delivery is to be accompanied by a delivery document setting out, inter alia, the date of preparation of the delivery and the date of its dispatch, the content of the delivery

(article numbers of goods and number of items) and the order identification number. If the delivery document is not enclosed with the delivery or the delivery document contains incomplete information, we shall not bear any liability for delay of processing of and/ or payment for the delivery if the delay was caused by the lack of the delivery document or incomplete information contained by the delivery document. On the day of shipping of the delivery, the Seller shall send us a written shipping note regarding the fact of shipping containing the same information as stated in the delivery document enclosed with the delivery.

3.3.5 The risk of accidental loss or damage of the goods passes to us at the moment of delivery of the goods to use at the delivery place defined in the delivery document. Until the moment of delivery the Seller shall bear the liability.

3.3.6 The transfer of ownership in the goods delivered by the Seller to us takes place unconditionally and irrespective of whether we have made payment for the delivered goods. If in a particular case we have agreed to the Seller's offer according to which the transfer of the title in the delivered goods is conditional upon the payment by us, the Seller's title shall only be maintained in relation to the goods in which the Seller has the right to maintain the title until payment according to our agreement with the Seller. We are entitled to resell the goods prior to payment of the full purchase price in the normal course of our business. In the situation described in the second sentence of this Clause the simple retention of the Seller's title extended for the term of resale shall apply. All other forms of retention of title are excluded.

3.3.7 If we have delays acceptance of the goods and have not notified this in writing, the valid statutory provisions shall apply, however, upon the condition that the Seller shall offer its services even if an obligation to cooperate exists on our part, based on which a particular or definable calendar term has been agreed and we have not complied with it. If we are in default of acceptance of the goods, the Seller may demand compensation for its additional expenses in accordance with the statutory provisions.

3.4 Delivery terms; delay of delivery

3.4.1 The delivery deadlines or delivery periods set out in the order are binding for the Seller. The Seller is obliged to inform us without delay about every threatening or existing delay in delivery, the reasons for it and the probable length of the delay. The commencement of delivery default is unaffected by the Seller's notice of delay.

3.4.2 If the event of default in delivery the Seller shall be obliged to pay the liquidated damages in the amount of 0.5 (zero point five) % of the net order price for every business day of delay, however totally not exceeding 5 % of the net price of the goods of the delayed order. In any case we maintain the right to prove higher loss resulting from the delay and to claim the relevant damages. The Seller maintains the right to prove that the delay of delivery has not caused any loss or the caused loss is considerably lower. The above shall not affect our other statutory rights.

3.5 Prices; payments; rights of set off and retention

3.5.1 The price set out in the order is binding. All the prices defined by the order include the statutory Value Added Tax unless it is specified and stated separately.

3.5.2 Unless the parties have expressly agreed to the contrary, the price also includes the delivery costs and other ancillary costs, for example, costs for delivery and transportation of the order to the delivery address specified in the delivery document, as well as the costs related to provision of suitable

packaging.

3.5.3 Unless the parties have agreed on other payment terms, we will pay the purchase price within 14 (fourteen) days of delivery of the goods and receipt of the invoice or the delivery note-invoice of the goods by applying a deduction of 3 (three) % or within 30 (thirty) calendar days without deduction.

3.5.4 The Seller shall prepare the invoice and/or delivery note-invoice for the goods ordered by us electronically and without a secure electronic signature, and sends it to our defined e-mail address. The invoice shall contain the following text at its end: "The present invoice has been prepared electronically and is valid without a signature. Approved by signing the purchase contract of the goods". The invoice or delivery note-invoice of the goods prepared according to the above terms and sent electronically to our defined electronic mail address shall be deemed to have been received within one business days following its dispatch and shall be deemed valid and binding for the parties without a signature.

3.5.5 Our payment obligations shall be deemed to be complied with at the moment when we have submitted an order to the bank for making the relevant transfer.

3.5.6 Late payment interest may only be applied and assessed if we have delayed performance of obligations. If we have delayed performance of obligations the valid statutory provisions shall be applied, however, in any case the Seller is obliged to remind us about outstanding payment obligations in writing.

3.5.7 Set off and retention rights and the defence of non-fulfilled contractual obligations are available to us to the extent provided for in statutory law. We are in particular entitled to retain due payments for as long as we have claims against the Seller for incomplete performance of obligations or found defects of delivered goods.

3.5.8 The Seller is not entitled to enforce a set off or retention right unless the Seller's counterclaim is uncontested or has been legally established as final and absolute.

3.6 Warranty rights

3.6.1 Provided that nothing to the contrary is stipulated below, the statutory provisions shall apply to our rights regarding the warranty of goods and any found defects in goods.

3.6.2 We have unrestricted warranty rights to submit complaints regarding defects even if we failed to recognise the defect upon conclusion of the contract due to our gross negligence.

3.6.3 Regarding the inspection of delivery and presentation of objections the statutory standard shall apply, however, with the following additions: our duty of inspection of the delivered goods and finding of defects is limited to defects that become apparent during our external inspection of the delivered goods including the inspection of the pertaining shipping documents (e.g. damage in transit, mis-deliveries and short deliveries), as well as within the scope of our quality control by performing the control of individual samples of delivered goods. Subject to the aforesaid, the extent of the inspection required depends on what is reasonable considering the individual circumstances of the matter in the ordinary course of business. Our obligation to give notice of defects shall remain unaffected. A claim shall be deemed to have been submitted in due time and without grounded delay in any case if it has been submitted to the Seller within 5 (five) business days following delivery of the goods in case of obvious defects or within 5 (five) business days following finding of the relevant defect if the defect was hidden.

3.6.4 If the goods are delivered directly to our customer (without our intermediation), the customer shall have the right

to notify the Seller regarding found defects in goods on our behalf in compliance with the provisions of Clause 3.6.3. The above does not deprive us of the right to notify the Seller regarding found defects in the goods.

3.6.5 We do not waive warranty rights by accepting or approving samples provided to us.

3.6.6 The costs incurred by the Seller in connection with the examination of the goods and elimination of defects shall be borne by the Seller even though it was later determined that a defect actually did not exist. Our liability to cover loss in case of an unjustified examination is limited to gross negligence if it has resulted in not observing that there were no actual defects.

3.6.7 If the Seller fails to ensure due performance of obligations within a reasonable time (at our choice by remedying the defect or by delivery of an item free of defects) or refuses to perform obligations, we shall have the right to provide elimination of defects and to claim the expenses related to elimination of defects from the Seller, provided that we have allowed a reasonable term for performance of obligations and elimination of defects to the Seller. We reserve the right to further claims, in particular, regarding compensation of caused loss. In addition, we shall have the right to immediate remedy of defects without prior setting of the term for remedy, when such setting of the term is not reasonable (e.g. in particularly urgent situation, due to the threat to operational safety or the risk of disproportionate loss). In all cases, we will notify the Seller immediately of the above referred circumstances.

3.6.8 The general warranty term of the goods shall be set by the manufacturer. It shall be applicable as from the moment of transfer of risks.

3.6.9 The warranty term of the goods defined above in Clause 3.6.8 shall be applicable to all the complaints regarding the quality of delivered goods arising under the contractual relationship. If we have the right to receive compensation of loss due to defects towards the Seller based on the Seller's liability for tort, the time limitation defined by the Commercial Law shall apply unless the applicable special legislation provide another limitation term for the particular situation.

3.7 Liability

3.7.1 If the present Conditions of Purchase do not provide to the contrary, the Seller's liability is defined in accordance with applicable statutory provisions.

3.7.2 We only bear liability for intentional acts, gross negligence, as well as light negligence, however, only upon the condition that such intentional act or negligence results in harming a person's life or health or causing bodily injuries. If the above referred consequences do not result, our liability for light negligence is excluded, except situations when we have committed a major breach of the contract and/ or the present Terms. A major breach is a breach resulting in prevention of due performance of the obligation and on the performance of which obligation the other party relies and may rely. If we have committed a major breach based on light negligence, our liability is limited to expected loss typical for the particular contractual relationship.

3.7.3 The restrictions defined by Clause 3.7.2 regarding our liability shall also apply to our liability in tort.

3.8 Recourse within a supply chain

3.8.1 In addition to our right to submit complaints regarding defects in goods and non-compliance with the quality documents, we are entitled to the statutory rights of recourse within a supply chain. In particular, we have the right to demand performance of obligations by the Seller (remedy of defects in

goods or delivery of new goods) within the scope equal to our liability to perform obligations towards our Buyer in the relevant case.

3.8.2 Our statutory rights of recourse within a supply chain shall also apply if the delivered goods have been further processed by us or a third party.

3.9 Product liability

3.9.1 If the Seller is responsible for product-inflicted damage, it has to hold us harmless of claims from third parties to the extent that the cause is in the Seller's scope of control and administrations and it can assume liability towards the third parties.

3.9.2 Within the context of the Seller's obligation to hold us harmless against claims of the third parties, the Seller shall be obliged to reimburse the expenses we have incurred due to or in relation to the claims of the third parties, inter alia, in relation to recall of goods performed by us. We will inform the Seller about the contents and the extent of recall measures if this is possible and reasonable and will provide the possibility of to submit its considerations. The statutory rights shall remain unaffected if they are broader.

3.9.3 The Seller is obliged to conclude and maintain product liability insurance providing the cover of the consequences caused by a product defect with the limit of 10 (ten) million EUR per event causing damage to a person or property.

3.10 Property rights of third parties

3.10.1 In accordance with the provisions of Clauses 3.10.2 and 3.10.3, the Seller warrants that the products supplied by it to us do not infringe any third party industrial property rights in the European Union or other countries in which it manufactures or has manufactured the goods.

3.10.2 In case of the above referred infringement of the industrial property rights, the Seller shall be obliged, at our discretion and on its own account, either to provide the right of use of the goods to us or to modify the delivery item to ensure the protected rights of the third parties are not infringed, or to replace the delivered goods with other goods provided it does not affect the use of the goods provided by the contract or presumed by us.

3.10.3 Furthermore, the Seller shall be obliged to indemnify us against all claims asserted against us by the third parties on account of the infringement of the rights referred to in Clause 3.10.1 and to reimburse us for all necessary expenses incurred in connection with such claims. The above shall not apply if the Seller proves that it is not liable for the infringement of the industrial property rights and it was not aware of the infringement at the time of the delivery if it has applied the standard business diligence.