

**GENERAL CONTRACTUAL TERMS AND CONDITIONS  
of the joint stock company  
Duslo, a.s.**

**Sale**

**valid from 19 November 2021**

**Article I  
INTRODUCTORY PROVISIONS**

1. These General Contractual Terms and Conditions (hereinafter referred to as the "GCTC") regulate the relationship between the Buyer and the Seller (Duslo, a.s.) in compliance with the generally binding legal regulations applicable in the Slovak Republic. Any derogations from these GCTC shall be valid only if explicitly agreed in the Contract. In case of any doubt it shall apply that the agreements in the Contract take precedence over the agreements in the annex and the agreements in the annex attached to the Contract with lower serial number take precedence over the agreements in the annex attached to the Contract with higher serial number and the agreements in the annexes take precedence over GCTC.
2. In the case that the subject matter of the purchase contract is delivery of goods having the nature of dangerous substance pursuant to the European Agreement concerning the International Carriage of Dangerous Goods by Road (hereinafter referred to as the "ADR Agreement") or pursuant to the Regulations concerning the International Carriage of Dangerous Goods by Rail (hereinafter referred to as the "RID Regulations"), the provisions of Chapter 1.4 – Safety Obligations of the Participants shall be binding. The obligations shall depend on whether the contracting party is a consignor, carrier, consignee, loading organisation, packing organisation, filling organisation or tank-container operator.

**Article II  
ORDER AND DELIVERY OF GOODS**

1. Individual requirements regarding delivery of goods must be notified by the Buyer in writing well in advance prior to the required date of performance, taking into account the time necessary for preparation of dispatching. The Seller is obliged to give advice of a delivery by phone and/or via email no later than on the business day following the dispatch of the goods.
2. The goods are to be taken over by a person authorised by the Buyer who will acknowledge receipt of the goods by his/her signature, the Buyer's stamp, and the identification data in the delivery note, CMR or in the advice note.
3. Weighing takes place by using the officially verified scales of the Seller. The Buyer may carry out the check weighing and in case any differences are discovered, it is obliged to initiate the proceedings in the presence of both Parties.
4. If also transport of the goods is to be arranged, the Seller is obliged to pack and transport the goods so that the goods arrive undamaged, taking into account the distance of transport to the place of destination. Otherwise this obligation shall remain with the Buyer.

**Article III  
DELIVERY TERMS**

1. Delivery shall be deemed to have been executed upon delivery of the goods to the Buyer (pursuant to Incoterms 2010, according to the agreed parity of individual deliveries) in the quantity, on the date and in the parity agreed in the Purchase Contract (hereinafter referred to as the "Purchase Contract"). The Seller is obliged to send the accompanying documents agreed in the Purchase Contract to the Buyer along with the goods or after delivery of the goods.
2. If it is not possible for the Buyer to meet the specified dates, it must notify the Seller of this fact no later than 7 business days before the first day of dispatch so that the arranged transport can be cancelled. A failure to execute the delivery within the agreed period due to serious reasons shall not be deemed to be a material breach of the Purchase Contract. The Buyer is obliged to provide the reasonable period for execution of the late delivery, but at least 7 business days after the original date.
3. If the goods are delivered in the Seller's wagons, the Buyer is obliged, within 48 hours after the acceptance of the wagon from the railways, to empty the wagons and send them to the station Trnovec nad Váhom in case of dispatch from the plant in Sľa, or to the station Bratislava Predmestie in case of dispatch from the plant in Bratislava, unless otherwise agreed. Should this condition be not fulfilled, the Seller is entitled to charge a contractual penalty for demurrage of the wagons: €13.00 per one TDS wagon or €23.00 per one tank and each commenced day. If the goods are delivered in returnable packages, the packages are not included in the price of the goods and remain the property of the Seller. The Buyer warrants that the original packages dispatched by the Seller, labelled with Duslo logo, shall be returned undamaged to the Seller. In the case of a breach of the above provision, destruction, theft of or

damage to the package making its further use impossible the Buyer is obliged to pay the Seller the acquisition price of the package within 14 days after becoming aware of the fact. If the damage to the package occurred during it is borrowed by the Buyer is removable by a repair, the Seller is entitled to invoice all costs associated with the repair to the Buyer who is obliged to pay these costs within 14 days of the issue date of the invoice. Should the Contract be terminated, the Buyer is obliged to return the packages borrowed free of charge within 30 days.

4. If the goods are delivered in the Seller's returnable packages, the Buyer is obliged to empty and return the packages to the Seller, or to prepare them for returning (if the transport is arranged by the Seller) within 90 days after takeover of the goods. Otherwise the Seller is entitled to issue the invoice for the acquisition price of the package, due and payable within 14 days after its issue date.

#### **Article IV PAYMENT TERMS**

1. The invoice must contain particulars of a tax document pursuant to the applicable legal regulations.
2. The Seller is entitled to invoice the dispatched goods after the goods are handed over and accepted. The Buyer is obliged to send to the Seller without undue delay via fax or by email the confirmed document proving that the goods have been handed over and accepted at the storehouse of the consignee. If the goods are exported from the EU countries and the transport is arranged by the Buyer, the Buyer is obliged to send to the Seller (or to arrange sending) without undue delay a unified customs declaration (Section 3.8 of the UCD) confirming exit of the goods from the EU.
3. The Buyer undertakes to pay the purchase price of the goods delivered by the Seller under the Purchase Contract in a due and timely manner, i.e. to credit the purchase price to the account of the Seller no later than on its due date. The failure to pay the invoice by the Buyer until the due date shall be deemed to be a breach of the Contract and the Seller is entitled to immediately suspend any and all other deliveries to the Buyer until the outstanding amount is paid in full without suspension of the deliveries being considered to be the default in performance under the conditions of the Purchase Contract. Any default in payment for more than 10 days shall be deemed to be a breach of the Contract, giving rise to the Seller's right to withdraw from the Contract with immediate effect, as well as from any other applicable contracts with such Buyer.
4. In the event that there is price increases of inputs (especially raw materials, energy and fuel) or other circumstances affecting the increase of the purchase price, the Seller is entitled to increase the purchase price of the goods. The Seller shall inform the Buyer in writing (a notice) of its intention to increase the purchase price of the goods, specifying in the text of the notice the date from which the Seller requires increasing of the purchase price of the goods together with the new purchase price of the goods. If the Buyer does not agree with the proposed purchase price of the goods and the Contracting Parties do not agree upon price increase within 5 days after delivery of notice to the Buyer, the Seller is entitled to withdraw from the Contract with immediate effect. For avoidance of doubt such withdrawal from the Contract by the Seller should not be considered as a breach of the Seller's contractual obligations and the Buyer has no claim for compensation for the damage incurred.
5. If the amount of invoice is not paid to the Seller's account until its due date, the Buyer undertakes to pay a contractual penalty of 0.05 % of the outstanding portion of the invoice for each day of default in payment. The contractual penalty shall not be included in the compensation of damage.
6. If the delivery takes place on the basis of the advance payment the Seller is obliged to commence the performance only after the invoiced amount is credited to its account. In extraordinary cases the authorised person of the Seller may permit the performance provided that the payment in favour of the Seller is proven in the form of the statement of account confirmed in writing by its bank.
7. In the event of delivery of the agreed performance by pledging the funds in favour of the Seller or by the irrevocable or documentary letter of credit, the Seller is entitled to commence the performance of the Contract only after the Buyer deposits, at the former's request, with the Buyer's financial institution the funds pledged in favour of the Seller or gives the irrevocable or documentary letter of credit in order to pay its receivables arisen by performing this Contract.
8. The Buyer is not entitled to transfer the rights and obligations arising from the Contract or to assign any receivable or any part thereof and/or appurtenances thereof arisen from and/or in connection with any contractual relationship with the Seller to any third person, or to unilaterally set off and/or pledge the respective receivable without the prior written consent of the Seller.
9. In the case of payments from abroad any and all banking charges except for the bank of the Seller shall be borne by the Buyer.
10. The Buyer agrees with insurance of receivables arisen in performing this Contract. For this purpose, the Buyer undertakes to provide the Seller without undue delay with all documents necessary in order to insure the receivables arisen in performing this Contract.

#### **Article V**

#### **SECURING THE PURCHASE PRICE OF THE GOODS AND THE CREDIT LIMIT**

1. The Contracting Parties may agree in the Purchase Contract on a credit limit for the Buyer. The Seller shall release the goods against the Buyer's orders up to the amount of thus determined credit limit.
2. The credit limit is equal to the sum of unpaid receivables of the Seller to the Buyer arisen by reason of delivery of the goods, including VAT. The credit limit shall also include the future receivables of the Seller against the Buyer that will arise from the accepted orders or otherwise concluded Purchase Contracts under which the Seller has the obligation to deliver the goods to the Buyer in future.
3. If the credit limit is specified in the Purchase Contract, the Buyer is obliged to provide the security up to the amount of agreed credit limit in the form of a pledge, guarantee or blank promissory note, i.e. the note issued by the Buyer and co-accepted by a natural person. The issued promissory note with the unfilled amount and due date shall be stored at the registered office of the Seller who is entitled to fill it out in case the Buyer fails to meet its obligations arising from the Purchase Contract or from the deliveries of goods, and to submit it to the Buyer for payment.
4. If the Buyer is in default in payment of the purchase price or other obligation specified in the Contract or in these GCTC, the Seller is entitled to execute the security, i.e. to request that the guarantor meets the obligation, to execute the lien, or to fill out the amount in the blank note up to the total amount of the Buyer's debt arising under the Contract as at the day when the blank note is filled out, i.e. up to the amount of unpaid purchase prices for deliveries of goods, along with appurtenances and sanctions. The notes shall be due on the seventh day after they are filled out.

#### **Article VI**

#### **LIABILITY FOR DEFECTS – COMPLAINTS HANDLING**

1. If the quantity, quality or packaging of the delivered goods is not in compliance with the conditions set forth in the Purchase Contract, the goods shall be deemed to have defects. The defects of the goods must be proven by the Buyer to the Seller in a reliable manner.
2. The Buyer is obliged to inspect the goods immediately after the risk of damage to the goods passes onto the Buyer.
3. The Buyer is obliged to notify the Seller in writing (e.g. by fax, via telegram, e-mail, by a courier) of any defects identifiable at the time of takeover or inspection of the goods within 3 days of the day of takeover of the goods and no later than within 3 business days following takeover of the goods the Buyer is obliged to send the Seller the document on the performed inspection of the goods and identified defects of the goods, confirmed by the independent inspection body (the third party expert). The Buyer is obliged to notify the Seller in writing of any defects identifiable by a laboratory analysis within 14 calendar days of the day of takeover of the goods. Otherwise the Buyer's right to claim defects of the goods shall not arise.
4. Unless otherwise agreed by the Parties, any differences in weight, damage to the package, poor quality or impairment of the goods must be proven by the Buyer within the filed complaint to the Seller also by the document confirmed by the independent inspection company (the third party expert). If the Buyer identifies any damage to the means of transport or the circumstances from which the loss of the goods may be presumed, it is obliged to request that the carrier re-weigh the shipment and in case any deviation from the weight stated in the transport document is identified, to request that the respective report is drawn up and to file the complaint with the carrier and also with the Seller if the transport is arranged by the Seller. Any differences in weight of the shipments transported using railway shall be solved in accordance with the shipping rules of the respective railways.
5. Unless otherwise agreed by the Parties, if the complaint refers to the defect of quality of the goods, when filing the complaint, the Buyer is obliged to submit to the Seller also a sample of the goods the complaint relates to which have been taken in the presence of the independent third party expert, or in the presence of the Seller's representative. The Buyer shall divide the sample in the presence of the independent third party expert into 3 parts and send 1 part to the respective inspection body without undue delay, unless the Contracting Parties agree on a different institution. The result of the laboratory analysis of this authority shall be then binding upon both Contracting Parties for the purpose of complaint handling.
6. Unless otherwise agreed by the Parties, during the period of handling of the complaint regarding the quality of goods until the time the complaint is completely resolved the Buyer is obliged to store the goods the complaint relates to separately and to ensure adherence to all storage conditions for the respective goods and to invite the Seller and/or the independent inspection body (the third party expert) to identify the extent of defects. Without the prior explicit written consent of the Seller such goods may not be handled in the manner that would make the subsequent inspection of the defect the complaint relates to difficult or impossible. For this purpose, the Buyer is obliged to allow the Seller to inspect the goods the complaint relates to at the place of their storing.
7. The complaint regarding the latent defects of the delivered goods must be filed by the Buyer with the Seller no later than within the warranty period. The Seller warrants that the goods shall maintain the usual features at least for the period stipulated in the technical standard or technical specification.

8. The Seller is obliged to notify the Buyer, within 7 business days after the acceptance of the proper notification of the Buyer of identified defects, of the proposal of further handling of the complaint or to refuse the complaint in the same period. Even after this period the Seller is entitled to refuse the complaint provided that it proves to be unjustified.
9. If the Seller finds the complaint justified, the Buyer may request the delivery of the missing goods or to have the defective goods replaced, or a discount from the purchase price.
10. Should the Buyer be in breach of its obligation to inspect the goods in a timely manner or to notify the defects of the goods in a due manner under these GCTC, the Seller is entitled to refuse the complaint and if this is the case, the Buyer's rights shall not arise from the liability for defects of the goods.
11. If there is any need to prove the existence of defects of the goods by means of an expert assessment, the cost of such assessment shall be borne by the Party which ordered the assessment, having the right to claim compensation of the costs from the other Party provided that the findings of the complaint handling procedure are to its advantage.
12. The Buyer is not entitled to retain the purchase price or any part thereof or the goods the complaint relates to on the grounds of any claims against the Seller. The Buyer is not entitled to set-off any of its claims against the purchase price even if these claims are based on the rights arising from the complaints filed in a due time. Any discount from the purchase price by reason of defects of the goods shall be settled after payment of the purchase price by a credit note.

#### **Article VII.**

##### **PASSAGE OF THE TITLE AND RISK OF DAMAGE TO THE GOODS**

1. Unless otherwise agreed in the Purchase Contract, the delivery shall take effect upon handover of the goods at the place of delivery to the Buyer. This is also when the risk of damage to the goods shall pass onto the Buyer. The risk of damage to the goods passes onto the Buyer when the goods are handed over to the first carrier if the Seller dispatches the goods to the Buyer from the place of performance to the place of destination through the carrier, unless otherwise stipulated by the Purchase Contract. In other cases, the risk of damage to the goods passes in accordance with the respective delivery clause (parity) under INCOTERMS 2010 as amended.
2. The title to the goods shall pass onto the Buyer no sooner than after the purchase price is paid in full, save for the cases when the goods are processed before payment of the purchase price in which case the title shall pass together with the risk of damage to the goods under the provision of Article VII paragraph 1, unless otherwise stipulated in the Purchase Contract.
3. The costs of transport from the place of performance to the place of destination are paid by the Buyer, unless the agreed clause of INCOTERMS 2010 stipulates otherwise.

#### **Article VIII**

##### **OTHER ARRANGEMENTS**

1. The Parties have agreed on the contractual penalty of 5% of the price of non-accepted goods in case that the Buyer fails to meet the obligation to take over the goods. This is without prejudice to the claim for compensation of damage caused by a breach of the above obligation. The contractual penalty shall not be included in the compensation of damage. This provision does not apply if the goods have apparent defects of quality.
2. Each Contracting Party is obliged to notify the other Contracting Party of any circumstances that could put the performance under the Purchase Contract at risk.
3. Unless otherwise stipulated in the Purchase Contract, packages are non-returnable and their value is included in the purchase price.
4. In the event that the Buyer arranges transport of the goods from the Seller by itself or through a third person, the Buyer shall be liable for damage to the Seller's property caused by the carrier within the site of Duslo, a.s.. For this purpose, the Buyer declares that it has read the provisions of the Organisational Directive – Safety Rules for Employees of Other Organisations (Contractors) and the schedules thereto (hereinafter referred to as the "Safety Rules"), published on <https://www.duslo.sk/sk/informacie-pre-partnerov>, as well as the provisions of the Safety Instructions for Stay and Driving of Motor Vehicles within the Site of Duslo Šaľa, published on <https://www.duslo.sk/sk/na-stiahnutie> (hereinafter referred to as the "Safety Rules") and agrees to adhere to the same. The Organisational Directive – Safety Rules for Employees of Other Organisations (Contractors) and its schedules are available to the Seller through a login name and password disclosed and made available to the Seller prior to signing the respective contract. The Buyer acknowledges that any violation of the obligations specified in the Safety Rules is subject to penalties as stipulated therein, and the Buyer declares that it considers these penalties to be appropriate, taking into account the type and importance of the secured obligations. By signing the Contract, the Buyer further acknowledges that it agrees with the content of the Safety Rules without any reservations and undertakes to comply with and adhere to the same. The Buyer also undertakes to make its employees and subcontractors familiar with the content of the Safety Rules and to ensure that they are adhered to by its employees and subcontractors.

A damage claim report shall be drawn up and signed by the carrier (or a driver), the security service member, and the responsible representative (employee) of the Seller. Any damages in the form of financial compensation shall be due and payable within 10 days of the date of delivery of the written claim for compensation of damage to the Buyer.

5. The Buyers to whom the goods have been delivered in the Seller's wagons are obliged to take care to prevent any damage in their handling. In handling the tanks they are obliged to become familiar with and to follow the Tanks Operating Manual available on the website [www.duslo.sk/vzp](http://www.duslo.sk/vzp). If the Buyer, acting violently, causes damage to the wagon, it shall pay the cost of repair and the contractual penalty as compensation for loss of use. The amount of penalty in € shall be calculated as the wagon's length in meters multiplied by a coefficient 1.6 per calendar day of being out of operation.
6. If the Buyer or the person arranging for the Buyer the transport of dangerous substances becomes aware of any violation of the provisions of ADR and/or RID and/or generally binding legal regulations concerning transport of dangerous substances and/or transport as such applicable on the territory of the country being the place of delivery, it may not carry out the transport of dangerous substances. If it carries out the transport despite the above findings, it shall be liable for damage incurred thereby.
7. The Buyer undertakes not to indicate the Seller as a consignor in any documents (especially transport documents) relating to the goods delivered upon the Purchase Contract, which the Buyer resells to a third party and/or continues with their transportation and also the Buyer undertakes to ensure that the Seller is not indicated as a consignor in these documents. In the event that any sanctions and/or claims for any damage due to breach of the Buyer's obligations under the first sentence of this point of this GCTC are applied by the state or other authorities and/or by a third party, the Seller is entitled to payment of a contractual penalty in the amount of 500, - EUR for each individual case of infringement. The Buyer takes the view that the contractual penalty fits the seriousness and value of the infringement. The payment of the contractual penalty shall not affect the Buyer's claim for compensation for the damage incurred. The contractual penalties shall not be taken into account for damages. Contractual penalties are due within 14 days from the date of the invoice issue by the Buyer.
8. The Seller may request an original or certified copy of the valid business licence of the Buyer, no older than 3 months, which shall later become a part of the Contract. The Buyer is obliged to inform the Seller without undue delay about any change in the staff of its statutory body and any change in the controlling entity pursuant to Section 66a of the Commercial Code as amended, no later than within 14 days after the change takes effect. In the event of a breach of the aforementioned obligation the Seller shall be entitled to claim the compensation of damage incurred directly or indirectly as a consequence of the breach of this Buyer's obligation.
9. The Seller reserves the right to withdraw from the Contract in writing in the event that it considers the change in the staff of the statutory body of the Buyer or of its controlling entity to be a high-risk change. The withdrawal shall take effect upon its delivery to the Buyer.

#### **Article IX LIABILITY FOR DAMAGE**

1. The Contracting Parties have agreed that overall liability of the Seller arising from the Purchase Contract, including contractual penalties and other sanctions, amounts to 100% of the purchase price of the goods under the Purchase Contract.
2. The Contracting Parties have agreed that the Seller's liability for any indirect damage (such as loss of profit, manufacturing loss, etc.) is excluded.

#### **Article X CIRCUMSTANCES EXCLUDING LIABILITY**

1. The liability of the Parties for a partial or full failure to meet the contractual obligations is excluded in the case that the contractual obligations are not met:
  - a. as a consequence of force majeure. Force majeure means the circumstances occurred after conclusion of the Contract as a result of unpredictable events of extraordinary nature unavoidable by the other Contracting Party, e.g. a breakdown of manufacturing equipment, natural disaster, war, sabotage, strike. If the force majeure lasts for the period not exceeding 90 days, the Parties shall fulfil all obligations arising from the Agreement immediately after the force majeure effects cease. The delivery periods and all other periods shall be extended by the period of force majeure, or
  - b. as a consequence of interference of the official authority of the country of the Seller or the Buyer that will make it impossible for the Contracting Parties to meet the obligations arising from the Purchase Contract.

#### **Article XI FINAL PROVISIONS**

1. The Contracting Parties have agreed that this Contract may be terminated only by:
  - mutual written agreement of both Contracting Parties signed by the statutory representatives of the Contracting Parties



- written notice giving by the Seller to the Buyer at any time and without cause; such termination shall become effective after the expiry of a period of one month after month in which the notice was delivered to the Buyer
  - written notice of withdrawal in case of material breach of the Contract; the withdrawal shall take effect on the date of delivery of to the other Contracting Party
2. The Contracting Parties have agreed that this Contract may be amended or supplemented only in the form of written amendments approved by both Contracting Parties.
  3. The Contracting Parties have agreed that their mutual relations not explicitly regulated herein shall be governed by the generally binding legal regulations of the Slovak Republic. The application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 and the rules of international private law is excluded.
  4. The Contracting Parties have agreed to settle any disputes primarily amicably. Any disputes arising from this Contract, including those regarding its validity, interpretation or cancellation, shall be settled before the courts of the Slovak Republic. If the registered office or place of business of the Buyer is outside the territory of the Slovak Republic, but within the EU (except for Denmark), the Contracting Parties have agreed, in compliance with the provision of Section 7 of Council Regulation (EC) No. 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters as amended on the jurisdiction of the Slovak court to settle the disputes arising from this Contract. If the registered office or the place of business of the Buyer is outside the territory of the Slovak Republic and the EU (except for Denmark), the Contracting Parties have agreed in accordance with the provision of Section 37e of Act No. 97/1963 Coll. on International Private and Procedural Law as amended that the Slovak court shall be competent to settle the disputes arising from the Purchase Contract.
  5. The Contracting Parties have agreed on the substitute delivery of notices addressed to the other Contracting Party also in the case the delivered notice contains a legal act leading to the amendment or termination of the contractual obligation. Under the agreement on substitute delivery the notice sent by registered mail to the address of the registered office of the addressee shall be deemed to have been delivered upon expiry of the deposit period at the post office with no effect, or on the day when it is returned to the other Contracting Party as undeliverable, or refused to be accepted.
  6. Should any provisions of the Purchase Contract and/or GCTC become invalid by reason of amendment of legislation, this shall not render the entire Purchase Contract or GCTC invalid and the Contracting Parties undertake to replace the ineffective or invalid provisions by the new provisions within 10 business days, unless otherwise agreed.