

# GENERAL BUSINESS TERMS AND CONDITIONS

## I. GENERAL PROVISIONS

1. These General Business Terms and Conditions regulate the terms and conditions of the sale of goods between the Purchaser and the Seller in case the Seller is Donauchem, Ltd. with registered seat at Trnavska cesta 82/A, 821 02 Bratislava, Company Registration No.: 31 359 248, registered in the Companies Register of the District Court Bratislava I., Section Sro, insert number 5836/B.

2. Special divergent stipulations in the Purchase Agreement/confirmed Purchase Order (hereinafter referred to as PA) take priority over standard business terms set out in these terms and conditions.

3. Legal relations not regulated by PA or by these terms and conditions shall be governed by the relevant provisions of law.

## II. PURCHASE AGREEMENT AND PRICE

1. Purchase Agreement/Purchase Order/Confirmation of Purchase Order shall be in writing. This written form is required in case of the change or termination of the Purchase Agreement. Contracting Parties have agreed upon the acceptance period of 5 working days, which shall start to run at the date stated in the draft of PA (Purchase Order). The draft of PA shall be terminated by passing the acceptance period.

2. Prices stated in the price list represent prices at the place of the Seller's warehouse, excluding extra payment for packaging, transport, import fees or marginal costs, and they are all net-prices without VAT.

3. Purchase Agreement shall be created only after the Seller confirms the price in writing, which shall be stated in the Purchase Order and in the confirmation of the Purchase Order.

4. In case of considerable price increase for raw materials, logistics or other serious changes in economic conditions having decisive impact on pricing during the period between concluding the Agreement and delivery of the goods, the Seller shall be entitled to make adequate change of purchase price for the relevant raw material/services, however, he is without needless delay obliged to inform the Purchaser about the change of price. If the Purchaser does not agree with this increase of purchase price, he is without needless delay entitled to terminate the Purchase Agreement. If the Purchaser does not exploit his right, it is understood that Contracting Parties have agreed on the change of purchase price.

## III. DELIVERY TERMS

1. Unless otherwise provided in the Purchase Agreement, the Seller shall fulfil his obligation of delivering the goods to the Purchaser and shall have the right to charge the agreed purchase price on the day when the goods have been delivered to the first carrier to perform the transport to the Purchaser with a duty to duly label addressee of the consignment as Purchaser.

2. In the case when the transport from the Seller's warehouse is to be arranged by the Purchaser, the Seller shall notify the Purchaser in writing or by phone that the goods are ready to be delivered.

3. The Purchaser, in the case of personal take over of the goods shall be bound to submit its identification documents or of the person entitled to take over the goods on behalf of the him (e.i. trade licence, identification card, driving licence, passport,...) and to confirm the taking over of the goods which form the subject-matter of the Purchase Agreement by its own signature attached to the original copy of the certificate of performance of the delivery ( delivery slip, loading slip, transport slip), specifying the Purchaser's position.

4. In case the transport is arranged by the Seller and the material availability has been confirmed to the Purchaser, the standard delivery period is 3-4 days after the confirmation of the Purchase order.

## IV. PAYMENT TERMS

1. The purchase price shall be payable at a date as specified in PA. Unless otherwise provided in the PA, the grounds for the payment of the purchase price shall be the invoice which is also a tax instrument. The Seller reserves the right to invoice also partial deliveries of goods, if such have been agreed.

2. The packages marked as returnable shall be charged by the Seller as a separate item. The value added tax rate shall be calculated separately.

3. The Purchaser shall notify the Seller of objections concerning an incorrect accounting within the maturity period.

4. The purchase price shall be deemed to be fully paid on the date of crediting the financial means to the benefit of the Seller's bank account, unless the amount is paid by the bank. In the case when the Purchaser accepts a quantity of goods which exceeds the quantity specified in the Purchase Agreement he shall be bound to pay the purchase price for actually delivered quantity of goods at the unit price as agreed in the Purchase Agreement.

5. In case of delayed payment of the purchase price (invoice), the Seller shall be entitled, without prior notice, to charge default interest in the amount pursuant to § 399 of the Commercial Code.

6. After signing the Purchase Agreement, the Seller, in case of being aware of the facts concerning the Purchaser's insolvency or credibility, is entitled to deny delivery of goods until the time the Purchaser shall provide an advance payment of 50% of the agreed purchase price or submit a guarantee for payment of the purchase price. In the event that the Purchaser fails to fulfil this requirement or its refusal, the Seller shall have the right to terminate the Agreement and the Purchaser shall not have right for indemnification.

7. The Seller is entitled, irrespective of determination of the Purchaser's performance obligations, in the first place, to set off all the payments against the older Purchaser's obligations, i.e. the firstly payable obligations of the Purchaser. In case the Seller shall be entitled to interests for late payment or to the contractual penalties, the Purchaser has the right to set off its performance upon the contractual penalties firstly, then upon default interests and other receivable attribution of the Seller, and lastly upon the principal.

8. The Purchaser shall be entitled to perform setting off of the mutual receivables, to withhold or reduce its performance under PA against the Seller only if he properly and on time made warranty claim for defective goods or counterclaims and those counterclaims have been acknowledged by the valid decisions or they are not disputable, otherwise he shall be entitled to perform setting off only with consent of the Seller.

## V. RESPONSIBILITY FOR DEFECTS, WARRANTY CLAIMS

1. The Seller provides a warranty for quality of goods during the warranty period.

2. The Purchaser shall be obliged to notify the Seller of all visible defects of the goods within 24 hours from goods delivery, in other defects immediately after they have been revealed. In case the Purchaser shall not file a warranty claim in respect of any defects, this right is extinguished. Delivery of defect goods is not a serious breach of the Agreement.

3. Notification of defects (warranty claim) shall be submitted in writing. A warranty claim must comprise a specification of the Purchase Agreement, payment bases (invoice), description of defect or precise specification of its character, number of defective pieces, contact data of the Purchaser representative who is authorised to communicate about this issue with the Seller.

4. The Purchaser shall be bound to enable the Seller upon his request, to check if the warranty claim is justified. The goods which are a subject –matter of a warranty claim

must be stored separately until the warranty claim has been settled and any disposal of such goods that may hinder or prevent the checking of claimed defects shall be inadmissible without a prior consent of the Seller.

5. Warranty claim of quantity of goods shall be proved by the Purchaser in a way that has the force of official measuring or quality control certificate.

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7. The Purchaser shall be obliged to check the goods for the purpose intended before using them, even he has performed such control of samples, which were delivered for his disposal. Failure to fulfil this requirement shall result in the extinguishing of the Seller responsibility. The warranty claim is effective only if the Purchaser has at his disposal test material as well as the goods, which are a subject –matter of a warranty claim, and thus to enable the Seller to perform the check and to judge the warranty claim.

8. In case the goods, which are a subject–matter of a warranty claim, shall be proceed, changed or stored under unsuitable conditions, the Seller shall not be responsible for the defects occurred. The same shall apply in the case when the samples of this material have been earlier delivered to the Purchaser.

9. Entitlement to indemnification exceeding the contractual framework shall be excluded. Exception shall be applied in the case when the reasons of the Purchaser's requirements have arisen due to the deliberate fault of the Seller. Infeasibility of some contractual provisions shall not affect the application of other contractual clauses.

## VI. RETURNABLE PACKAGING AND HANDLING FEES

### 1. Returnable Packaging

Donauchem Ltd. shall charge deposit excluding VAT for all returnable packaging as follows:

<b>20-35 l PE Jerrycans</b>	<b>10 EUR/ pc</b>
<b>50-60 l PE Balloons</b>	<b>17 EUR/ pc</b>
<b>Containers 600-1000 lit.</b>	<b>300 EUR/ pc</b>
<b>Barrels 200 l</b>	<b>50 EUR/ pc</b>
<b>Wooden pallet</b>	<b>13 EUR/ pc</b>

Deposits on packaging are refundable within 270 days from the date of delivery and shall be added to invoices with the oldest delivery date. Donauchem Ltd. shall provide redelivery of packaging to the client by its own transport services only when delivering new goods. Otherwise, the customer shall be obliged to return those packages. When taking over returnable packages, the Seller shall make sure that those are undamaged, provided with functional cap, labelled by the Donauchem Ltd. etiquette, not contaminated by other chemical substances. In this case, the deposit minus the amortisation according to the following key shall be returned.

<b>Redelivery:</b>	<b>Credit Note:</b>
<b>2-60 days from the date of delivery</b>	<b>100% of deposit</b>
<b>61-180 days from the date of delivery</b>	<b>70% of deposit</b>
<b>181-270 days from the date of delivery</b>	<b>50% of deposit</b>

after 271 days the client loses the right to the return of the deposit.

### 2. Containers 600-1000 litres

Containers up to 1000 litres can be borrowed free of charge for the period of 60 days since the date of delivery. After this date, we shall charge rental fee amounting to 35 EUR/pc per each started month until the date of its redelivery.

All returnable containers shall be marked with a number for monitoring the containers movement. Donauchem Ltd. shall provide redelivery of empty, undamaged returnable containers labelled Donauchem Ltd. etiquette free of charge only if the new goods are delivered on the same day.

### 3. Handling fees for tapped chemicals

For delivery of liquid tapped chemicals in returnable packaging we shall charge non-returnable fee (cleaning, filling, labelling) as follows:

<b>Canisters, jerrycans and balloons</b>	<b>0.7 EUR/ pc</b>
<b>200 l PE barrels, 200 l metal barrels</b>	<b>1.7 EUR/ pc</b>
<b>600 l and 1000 l containers</b>	<b>3.3 EUR/ pc</b>

### 4. Charges for supply of below the limit amounts and transportation in case of below the limit amounts

a) Purchase of goods of the total amount not lower than 70 EUR (excluding VAT and charges for returnable packaging and handling fees) can be realized only in cash in the warehouse of the Seller. In this case, the Seller shall charge extra fee for the supply of below the limit amount of 7 EUR.

b) When agreed, the Seller shall provide transportation of the material to the place specified by the Purchaser. In case that the total amount of purchase is lower than 330 EUR (excluding VAT and charges for returnable packaging and handling fees) and if not agreed otherwise, the Seller shall charge flat transportation fee of 35 EUR (excluding VAT).

## VII. FORCE MAJEURE

1. The force majeure events shall be deemed to mean objective, unforeseeable, unpredictable circumstances beyond the control, occurred after the conclusion of PA and disallowing the fulfilling of obligations.

2. In the event of a circumstance of force majeure, the Seller shall be entitled to extend the delivery time for a period corresponding to the duration of force majeure events or to withdraw from the Agreement. The Seller, in any of these cases, shall not be obliged to pay compensation for damage incurred.

3. The Seller shall be obliged to notify the Purchaser of such event and duration of force majeure within 10 days.

## VIII. FINAL PROVISIONS

1. In case of serious breach of the contractual obligations by the Purchaser, the Seller shall be entitled to terminate the Contract. Those obligations are as follows:

a) late payment of the purchase price for delivery of goods, as well as for the partial deliveries and repeated performances for more than 3 (three) working days.

b) failure to notify in writing and without needless delay the Seller of the following circumstances: declaration of bankruptcy of the Purchaser's assets, composition, dissolution without liquidation, change of legal form.

2. These General Business Terms and Conditions set forth above are effective as of February 1, 2010.

These Business Terms and Conditions form inseparable part of the Purchase Agreement, what the parties have confirmed by their signatures.