



General Conditions for the Sale of Phosphorus derivatives – of the company Fosfa a.s.,
ID: 00152901, VAT ID: CZ00152901,

a company organised and existing according to laws of the Czech Republic,
with registered office: Hraniční 268/120, Poštorná, 691 41 Břeclav, Czech Republic,
incorporated in the Commercial Register maintained by the Regional Court in Brno, file No. B
224, bank connection: account No.: 6374280/0300, IBAN: CZ46 0300 0000 0001 8269 6917,
SWIFT: CEKOCZPP
(hereinafter referred to as „supplier“)

1. Buyer

- 1.1 The buyer according to this contract means only a legal entity authorised to disposition of the commodities constituting the object of the contract.
- 1.2 In the event of withdrawal of buyer´s authorisation, the buyer provided with repeated deliveries is obligated to notify the supplier of this fact without undue delay.

2. Validity and conclusion of the contract

2.1 Conclusion of the contract

2.1.1 All rights and duties of the contracting parties become binding:

- a) when the written contract is concluded,
- b) when the buyer´s accepts the supplier´s offer,
- c) or when the buyer´s order is confirmed by the supplier

(hereinafter collectively referred to as “written contracts“ or “contracts“).

2.1.2 All the above-mentioned methods of conclusion of the contract are deemed incorporated in or supersede all prior agreements, arrangements, representations or warranties between the parties.

2.1.3 These GCS constitute an integral part of all contracts concluded between the parties. All negotiations about conditions of the contract can be closed from the part of the supplier any time before conclusion of the contract. Provision of Section 1729 of the Civil Code shall not apply.

2.2 Acting on behalf of the buyer and authorisation to sign contracts

2.2.1 All written contracts shall be signed by members of the statutory body of the buyer or by persons expressly authorised by such members.

The buyer shall provide the supplier with a copy of the relevant extract from the Commercial Register (or another official record) not older than 3 months.

2.2.2 If contracting relations between the parties are based on **repeated orders**, this duty shall apply just to the first of such orders or if any change occurs.

2.2.3 The buyer assumes a liability for damage arisen as a result of a breach of the duty according to this provision.



2.3 Conclusion of the contract by acceptance of the offer, the time limit for acceptance of the offer and irrevocability of the offer

2.3.1 In case of conclusion of the contract in the form of acceptance of the supplier's offer, the buyer shall accept the offer within 3 working days, unless provided otherwise within the framework of the supplier's offer.

2.3.2 The buyer acknowledges that the supplier is not bound by its offer after lapse of the validity of the offer. The buyer's order is within the meaning of Section 1736 of the Czech Civil Code irrevocable for 20 days from the date of delivery of the order to the supplier.

2.4 Termination of the contract

2.4.1 The contract may be terminated:

- a) by lapse of the agreed time,
- b) by withdrawal from the contract,
- c) by notice of termination,
- d) by agreement of the parties,
- e) by dissolution of the buyer,
- f) by withdrawal of buyer's authorisation to disposition of the object of the contract,
- g) by other methods that may be provided by law.

2.4.2 Termination of the contract by notice

The contract may be terminated by any of the contracting parties by notice, if the contract is concluded for an indefinite period of time, with a notice of three-month term.

The countdown of the term of notice starts on the first day of the month following after the delivery of the notice.

The notice shall be delivered to the other party in writing, by registered mail or by e-mail.

3. Calculations

3.1 Calculations shall be based on prices valid as at the date of delivery of goods. In the event of a price increase, the buyer has a right to cancel the sale agreement within 14 days from the delivery of the written notice of the price increase. The right to cancel the agreement does not apply to cases of price increases caused by an increase in freight rates or customs duties.

3.2 What is relevant for calculation of goods invoiced according to the weight or volume is the weight or volume at dispatch.

4. Payment

4.1 Unless agreed otherwise in writing, the payment shall be made in advance (i.e. before shipment of the goods).

4.2 The costs arisen in connection with the payment, such as fees charged by the bank upon payment of the invoiced amount, fees charged by a correspondent bank and fees in connection with presentation of transport documents shall be covered by the buyer.

4.3 The buyer may assert a claim to setoff of receivables only if such claim is acknowledged by the supplier or if it can be easily proven that such claim is well-grounded.



5. Late payment

- 5.1 The buyer shall pay delay charges at 25 % p.a. for a delay of the payment for the goods, starting with the day following after the due date or after the lapse of the period of maturity specified in the contract/in the agreement, which shall be paid automatically without extra notice, without affecting any right to a compensation for damage. In addition, the buyer shall pay (i) EUR 40 or (ii) the actual costs of recovery of the original invoiced price (incurred in a reasonable amount), whichever is higher.
- 5.2 The buyer's default in payment is classified as a material breach of the sale agreement which is the reason for withdrawal of the sale agreement under Article 2.4.
- 5.3 If:
- a. the buyer is in a delay and/or the financial situation of the buyer means a justified reason to worry, the supplier has a right, without being obliged to pay any compensation for damage and without any other rights are affected thereby:
 1. to demand prepayment before fulfilment of outstanding orders or deposition of a bond,
 2. to put off or to suspend performance of the sale agreement, either fully or partially,
 3. to cancel the agreed payment conditions, no matter whether they have or haven't been agreed upon in other agreements, as a result of which all (other) outstanding receivables shall become due for payment immediately,
 4. to put off or to suspend performance of duties arising from any other agreements with the buyer.

6. Delivery time

- 6.1 If not expressly agreed otherwise, the agreed delivery terms are never regarded as material conditions of the contract.
- 6.2 So in the event of a late delivery, the buyer shall give the supplier a written notice of the delay.

7. Force Majeure

- 7.1 The breach of the duties arising from the sale agreement from the part of the supplier shall not be deemed occurred if a default or a delay in performance of any duty is fully or partially, directly or indirectly caused by an event of Force Majeure (as defined below).
- 7.2 This also applies if such cause exists already when the order is placed or if it occurs after the supplier gets into a delay in performance of duties for another reason.
- 7.3 The event of Force Majeure includes e.g. the following events, this list is however not exhaustive: strike of lightning, storm, floods, earthquake and other natural disasters; epidemics; accidents affecting manufacturing or warehousing of products, overall or partial outage of supplies of raw materials or energies, failure of machines; troubles of labour nature, such as strikes, manufacturing slowdown or lockout, shortage of workforce; war, civil commotions, blockades, vandalism and demonstrations; acting or non-acting of any governmental or administrative authorities including embargoes, licence controls or limitation or production and distribution; any causes beyond reasonable control of the supplier. 7.4 If the event of Force Majeure takes more than one month, any of the parties has a right – to the exclusion of further rights – to terminate the sale agreement.



8. Dispatch

- 8.1 The supplier shall choose the most common route and method of shipment, respecting the nature of the transported goods. As far as possible, the supplier shall take into consideration the wish of the buyer.
- 8.2 Extra costs incurred in this connection shall be covered by the buyer. The supplier is not responsible for any delays caused thereby.

9. Claims for defects and pointing out to special features of some products

- 9.1 The supplier guarantees that the quality of products corresponds with catalogue sheet of the supplier, except any other warranty and/or liability. The weight and dimensions of the goods at the time of the dispatch shall correspond with the quantity delivered. The quantity tolerance of a delivery is +/- 0.5 %, as compared with the number of units mentioned in the order.
- 9.2 The buyer is obligated to check the goods to be sure whether the delivered goods comply with the sale agreement.
- 9.3 If the buyer fails to check the goods or to notify the supplier of the defects falling within the below mentioned conditions, the buyer can't assert any claim based on the fact that the goods do not comply with the sale agreement. Apparent defects shall be claimed immediately upon takeover of the goods. Latent defects shall be reported immediately after the buyer detects them, at the latest, however, within six months from the date of reception of the goods.
- 9.4 Claims shall be asserted in writing together with statement of details of the order, invoice number and consignment note number and also batch numbers if known. The goods in connection with which the claim is asserted can only be returned with express consent of the supplier.
- 9.5 If the claim is asserted properly and is well-grounded, the supplier shall choose one from the following options at its sole discretion and with respect to buyer's interests and to the nature of the claim:
- to deliver the missing goods,
 - to grant a discount,
 - to repair the delivered goods,
 - to replace the delivered goods,
 - to return the purchase price against return of the delivered goods.
- 9.6 Supplier shall choose the suitable remedy within 30 days from the date of delivery of the proper claim and shall meet its duties within a reasonable time. If the supplier fails to do so, the buyer has a right to choose the remedy method from the aforementioned options instead of the supplier.
- 9.7 Phosphate products with crystal structure (MAP, DAP, TSP 12H₂O, MSP 2H₂O, DSP 2H₂O) may cake and/or harden during transportation and storage. Due to the fact that this is an inherent feature of such products, it is not possible to assert any claims in connection with such transformations.
- 9.8 Product Trisodium Diphosphate (also Trisodium pyrophosphate, 3SP, E 450 ii) is intended only for food and/or feed applications. It is not REACH registered.



10. Special instructions and governmental regulations

- 10.1 As for certain goods sold by the supplier, the buyer shall be given instructions for storage, for handling or for processing, for use or for application, which the buyer is obliged to comply.
- 10.2 If the buyer resells the delivered goods – no matter whether processed or non-processed – the buyer is obligated to forward the above-mentioned instructions, standards and takeover regulations to buyer's contractual partners as far as applicable.
- 10.3 The supplier is not liable for damage sustained as a result of improper storage, processing, use or application of the delivered goods. The supplier is neither liable if the buyer fails to meet any legal regulations or if the buyer resells the delivered goods to persons not having the authorisation for disposition of such goods.

11. The duty of notification about delivery of the goods to another country

- 11.1 The buyer is obligated to inform the supplier about the fact that the goods have been transported to the territory of another Member State of the EU or to the territory of a Non-Member State of the EU and to prove such fact without undue delay after delivery of the goods to the place of delivery. The definite requirements will be specified by supplier in the documentation related to supply of particular goods.
- 11.2 In case of delivery of goods on FCA basis, the buyer must always provide transport. The buyer undertakes to inform the supplier immediately if the obligation to arrange transport would be transferred to another customer in the business chain.
- 11.3 When providing the order, the buyer is obliged to state its valid EU VAT number, which is to be used in particular delivery of goods. It is not possible to change used VAT ID number after the delivery of the goods. Upon receipt of order confirmation/draft of the purchase agreement, the buyer is obliged to check all details and should it find any discrepancy, immediately inform the supplier.
- 11.4 If the buyer fails to inform/notify the supplier pursuant to preceding paragraphs of this Article 11, the buyer is obligated to compensate the supplier for all damages incurred by the supplier as a result of breach of such obligation, especially for the additionally assessed value-added tax with appurtenances, related penalties and other costs.

12. Special duties in connection with delivery of goods outside the European Union

- 12.1 The buyer is obligated to ensure that the goods delivered outside the EU are transported, packed and marked properly in compliance with the law and other binding regulations of the country or countries where the goods is introduced onto the market.
- 12.2 The buyer is furthermore obligated to keep the supplier informed, without undue delay, about all changes in national legal regulations and in other binding legal regulations.
- 12.3 Should a breach of legal regulations and other binding regulations occur as a result of a buyer's breach of the duty to inform the supplier about all changes in the legislation, the buyer is obligated to provide
- a representation of the supplier to hold the supplier harmless if any disputes arise as a result of the breach of the duties according to this Article,
 - to provide a representation of the supplier to defend the supplier from any claims, from compensation for damage, from recovery of costs and expenses, and to assert a claim



on behalf of the supplier for recovery of any costs paid by the supplier or of any costs and expenses incurred by the supplier in connection with all such disputes arisen, including but not limited to court fees and reasonable costs of attorney or other legal representation, penalties and other costs, resulting from or in any way connected with the breach of the relevant national legal regulations and other binding regulations.

13. Liability

- 13.1 The liability of the supplier as a result of the failure to deliver, a delay in a delivery or defects of delivered goods is limited by the net invoiced value of the concerned goods, however at maximum up to the amount the supplier is able to recover in this regard from a third party or from insurers.
- 13.2 The same limitation of liability applies if the buyer holds the supplier liable on a basis other than the sale agreement.

14. Reservation of ownership title

- 14.1 The goods remain in sole ownership of the supplier until the purchase price is fully paid and until the buyer has performed everything the supplier has claimed or can claim in the future under all (previous or later) agreements with the buyer concerning the sale and/or services or work provided to the supplier within the framework thereof. In this result, in the event of a delay or default in payment (full or partial), the supplier reserves the right to claim return of the delivered goods on first demand and without prior formal notice. Therefore, the buyer shall not grant to any third parties any rights that may limit the application of the provision of this condition. If third parties wish to acquire or to exercise any right to goods falling within the reservation of the ownership title, the buyer is obligated to notify the supplier of this fact in writing immediately.
- 14.2 All costs of return of goods shall be covered by the buyer.
- 14.3 The buyer is obligated within a reasonable extent to cooperate in all measures the supplier wishes to undertake to protect the delivered goods and/or the supplier's reservation of ownership title to such goods.
- 14.4 Until the reservation of the ownership title is valid, the buyer has a right to use, to process or to resell only the goods, to which the reservation of the ownership title doesn't apply.
- 14.5 Upon use or processing of the mentioned goods, to whom the reservation of the ownership title of the supplier apply, without the consent of the supplier, the supplier becomes a (co-) owner of the goods made from the mentioned goods fully or partially and the buyer shall automatically possess such goods in the name of the supplier further on. If, notwithstanding the provision above in the previous paragraph, the supplier does not acquire the ownership title to the goods made by the buyer, the buyer shall provide the supplier, upon first demand, with all necessary cooperation needed for acquisition of the retention right, whether with the ownership title or without it, (which in certain cases arises also for the other beneficiaries), to the concerned goods to the benefit of the supplier.
- 14.6 In the event of the buyer's default or delay in any payment that shall be made by the buyer or if there is a justified reason to worry that such default or delay will occur, the



supplier, from the buyer 's disposition has a right to remove or get removed the delivered goods encumbered with the reservation of the ownership title mentioned in paragraph 1, the goods mentioned in paragraph 5 encumbered with the retention right without ownership title.

To this aims, the buyer is obligated to provide all cooperation. If the buyer fails to provide such cooperation, the buyer is obligated to pay the supplier a contractual penalty at 10 % of the amount owed to the supplier.

14.7 However, the risk related with goods shall pass to the buyer at delivery.

15. Marks

If the delivered goods are provided with a mark, the buyer is allowed to use such mark only in combination with a product containing such goods or made of such goods, with express written permission of the holder of the rights to such mark.

16. Transport material and packaging

16.1 Borrowed packaging shall be returned in a proper condition and without remnants of the product at the latest within six months from the date of delivery of the goods, freight paid. Should the packaging not be returned within the time provided or should the packaging be damaged or contain remnants of the product, the buyer shall cover the costs of replacement or repair and/or cleaning and removal of the remnants.

16.2 The packaging having passed to ownership of the buyer can be used for a purpose other than the intended one only if the following information is removed from it (or made unrecognizable): the name of the company and logo of the supplier, supplier's trademarks and other reference to the supplier. Tanker vehicles in ownership of or provided by the supplier shall be emptied immediately after arrival. In case of a delivery in a tanker vehicle of the buyer, the vehicle shall be made available in a ready-to-fill condition, in particular, empty and clean, without any reminder of previous transportation.

16.3 It is the responsibility of the buyer that the transport material and packaging provided by the buyer comply with the legal requirements and standards for safe transport. The supplier has a right to refuse to load or to fill in the material and packaging made available by the buyer if such material or packaging does not comply with the aforementioned requirements and standards. In the event of such a refusal, the supplier shall not be held liable for the consequences that may arise from the delay.

17. Conditions of Incoterms and ADR

For the supply of the goods the latest edition of the INCOTERMS (issued by the International Chamber of Commerce in Paris) and the ADR treaty (United Nations treaty that governs transnational transport of hazardous materials) valid at the time of the sale shall apply The following terms of delivery are possible:

- a) free carrier (named place) (FCA),
- b) carriage paid to/carriage and insurance paid to (named place) (CPT/CIP),
- c) delivered at place or frontier (named place), duty unpaid (DAP),
- d) costs and transport to an agreed port of destination (CFR),
- e) costs, insurance and transported to an agreed port of destination (CIF).



If the goods are not under the conditions referred in point a), b), c), d), and e) it is possible to apply other INCOTERMS conditions, but only after mutual agreement.

In terms of delivery of the products under the ADR regulations and the simultaneous use of the FCA the buyer is responsible for providing the means of transport in full compliance with the ADR treaty, Par. 4.3.2.2.4

18. Governing law and jurisdiction

All sale agreements shall be governed by laws of the Czech Republic. All disputes that may arise from and/or in connection with the sale agreement shall be solved by the Arbitration Court at the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic according to its rules through three arbitrators and in accordance with the Rules of the Arbitration Court.

19. Personal data protection

19.1 The supplier shall process buyer's data in compliance with legal regulations and safeguarding buyer's rights.

19.2 In the course of fulfilling the subject of the contract, can happen the transfer of personal data within the meaning of Regulation (EU) No. 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing the Directive 95/46/EC (General Data Protection Regulation).

19.3 In case if necessary, that that personal data protected by the aforementioned legislation should be transmitted to the other party for proper fulfillment of the subject matter of this Agreement, personal data processing agreement will be concluded with this other party prior to the transfer of personal data, which details the scope, purpose and other conditions for the processing of such personal data. The Contracting Parties declare that they fulfill and will fulfill all the obligations arising from the data protection legislation in this respect and that they implement appropriate technical and organizational measures to ensure adequate protection of personal data.

20. Final provisions

20.1 In case of a discrepancy between the contract and these general commercial conditions of the supplier, provisions of the contract shall prevail.

20.2 If not agreed otherwise in writing between the contracting parties, these General Conditions of Sale (hereinafter referred to as "GCS") within the meaning of Section 1751 of the Act No. 89/2012 Coll., Civil Code (hereinafter referred to as "Civil Code") shall apply exclusively to all purchases and deliveries of products and/or services realised between the buyer and the supplier.

20.3 Any general conditions of the buyer or any other general conditions compiled by professional associations deviating from, contradicting or superseding these GCS shall apply as an integral part of each contract between the buyer and the supplier only if the supplier gives a prior written consent thereto.



20.4 Should any provision or a part of these GCS be or become invalid or unenforceable, the validity and enforceability of the remaining provisions/parts shall remain thereby unaffected.

In Břeclav on March 19th, 2021

