

GENERAL TERMS for purchase of GOODS AND WORKS

1. The Contract – governing law etc

1.1 The Buyer's Purchase Order ("PO") together with these General Terms ("GTC") constitute the entire agreement between the parties ("the Contract") related to the Works. No other terms (for instance printed on Supplier's order confirmation or invoices) shall apply. In case of evident conflict, the PO takes precedence over the GTC.

1.2 In addition to the above, the following definitions shall apply to the GTC; "Contract Price": the lump sum (in the PO), or the estimated aggregate amount payable for completion of the Works in case of unit rates; "Works": all services and other deliverables to be delivered or performed according to the Contract; "Defect": any noncompliance with the requirements of the Contract in relation to the Works

1.3 The Contract shall be governed by the laws of the country of the Buyer's site where the Works shall be delivered (the Site). The courts applicable for the Site shall have exclusive jurisdiction over all disputes related to the Contract.

1.4 Supplier may not assign the Contract without the prior written consent of Buyer, such consent not to be unreasonably withheld.

2. Confidentiality – work environment

2.1 All information submitted to or acquired by the other party in relation to the Works, shall be deemed as confidential unless it is clearly not of a confidential nature. Confidential information shall be protected and shall not be disclosed to any third party or obtained or used for any purpose other than the performance of this Contract. However Buyer may use or submit such information to its subcontractors for service or maintenance.

2.2 Supplier will observe all Site regulations. Supplier will enforce Buyer' policy that use or possession of alcoholic beverages or unauthorized drugs on the Site is strictly prohibited.

3. The Works

3.1 The Works shall be executed in a prudent, professional and safe manner in accordance with prudent petrochemical practices, applicable law, all applicable guidelines, procedures and instructions by Buyer, including health safety and security regulations at Site.

3.2 The Works shall be of sound quality, free from Defects and fit for the purpose in accordance with the Contract. The Works comply with all applicable laws and regulations and shall be fit for the purpose in accordance with the Contract. The Works shall not infringe any IPR and be free from all liens and claims of third parties.

4. Subcontracting

4.1 Irrespective of Buyer' prior consent, any subcontracting shall be at Supplier's sole risks and costs and shall not relieve Supplier of any of its risks, obligations or liabilities under the Contract.

4.2 Supplier is responsible for the due compliance by its subcontractors with all applicable laws, regulations and tariff agreements, with a particular attention to those relating to health, safety, environment, and prevention of illegal work and tax evasion.

5. Progress of the Works - delays

5.1 The goods shall be delivered DDP Incoterms 2020, at the place of delivery and on the Delivery Date specified in the PO. Title passes to the Buyer upon full payment of the Contract Price.

5.2 If at any time Supplier is not making sufficient progress to meet the time schedule and or the Delivery Date, it shall immediately notify Buyer in writing. Supplier shall as soon as possible thereafter inform Buyer about:

- a) the reason for and the duration of the delay, and
 - b) the measures necessary to comply with the Delivery Date.
- Supplier shall, at no cost for Buyer, immediately effect all such measures

5.3 If Supplier's measures (clause 5.2) are not sufficient, Buyer may undertake all necessary and reasonable measures at Supplier's cost, including termination of the Contract.

5.4 If the delivery of the Works is delayed beyond the Delivery Date, for reasons for which Buyer is not responsible, Supplier shall pay liquidated damages to Buyer at a rate of 0,35% of the Contract Price per calendar day of delay. Except in case of gross negligence or wilful misconduct, Supplier's aggregate liability for the liquidated damages under this Clause is limited to 15% of the Contract Price.

5.5 Except in case of gross negligence or wilful misconduct, and except for the measures mentioned in Clause 5.2, the obligation to pay liquidated damages is Supplier's only liability for damages incurred by Buyer due to delay of delivery.

6. Testing, inspection, documentation, and acceptance

6.1 Supplier shall perform such tests and inspections as are necessary to verify the quality of the Works and/or as specified in the PO, and shall in good time invite Buyer to be present. Buyer has the right, but not the obligation, to inspect the Works upon reasonable notice..

6.2 Supplier shall as part of the Works deliver all documentation specified in the PO and/or as required by regulations and/or as is customary in the relevant trade.

6.3 Upon completion of the Works, including compliance with testing and document requirements, the Works shall be accepted by Buyer who shall confirm this acceptance in writing.

7. Defects

7.1 Upon detection of a Defect the other party shall be notified promptly. Supplier shall then consult with Buyer as to how to remedy the situation: Buyer may exercise the following contractual remedies:

- a) require the Supplier to promptly remedy the Defect at Supplier's expense; or
- a) reject such goods and direct Supplier to properly dispose of such goods; or
- b) obtain non defective replacement goods from Supplier; or
- c) if necessary, purchase similar goods from another vendor; or
- d) terminate the Contract and get reimbursement of any part of the Contract Price paid, and
- e) obtain compensation for the direct loss or damage caused by the Defect, in combination with any of the above remedies (a – e).

7.2 If Supplier fails to remedy any Defect within a reasonable time, Buyer may fix a reasonable final date by which Supplier must make good the Defect. If Supplier fails to remedy by such date, Buyer may have necessary remedial actions performed. In such a case:

- Supplier shall immediately make available all documents required by Buyer in order to make good the Defect; and
- the reasonable direct and documented costs incurred by Buyer shall be recoverable from Supplier.

7.3 The defects liability period for the Works starts on the date of the acceptance (clause 6.4) and shall continue for a period of twenty four (24) months thereafter. However, for Works re-performed or modified as a consequence of a Defect, the defects liability period shall start from the date of acceptance by Buyer of the rectification of the Defect.

7.4 Receipt, inspection, or payment by Buyer shall not be deemed as an acceptance of the Works as non-defective. Supplier warrants the goods as non-defective for a period 24 months from delivery. This does not apply to Defects caused by normal wear and tear or Buyer's negligence.

8. Changes

8.1 Buyer may request changes to the Works. Supplier must advise Buyer in writing of the effect on the Contract Price and on the Completion Date within a week after receipt of such request. Supplier shall not implement the change until receipt of Buyer's written confirmation to proceed.

8.2 In case the parties disagree on the effects of a change, the Supplier shall nevertheless proceed with the change if so instructed by Buyer, and may then refer the dispute to settlement under clause 1.2. If legal proceedings are not initiated within 60 days after the instruction to proceed, the Supplier shall be deemed to have accepted Buyer's position in the dispute.

9. Compensation and payment

9.1 Unless otherwise provided in the PO, the Contract Price shall include all expenses in connection with the Works, including packaging, transport, insurance, and any taxes, except VAT. Upon Buyer's request, the invoices shall specify the various expenses, except those included in agreed lump sums. Unless otherwise provided in the PO, payments shall be made net 60 days end of month from completion of the Works.

10. Termination

10.1 Without prejudice to its other remedies, a party may terminate the Contract by written notice in case the other party becomes insolvent, bankrupt or makes an assignment for the benefit of its creditors. The same applies if the other party is in material breach of its obligations hereunder. Buyer may likewise terminate the Contract if Supplier does not comply with the Completion Date and the maximum liquidated has become applicable.

10.2 Buyer may, at its sole discretion, by written notice, terminate the Contract for convenience. Upon such termination Buyer shall, in addition to the fees for the Works delivered, compensate the Supplier for all direct expenses caused by the termination.

11. Limitation of liability – Force Majeure - insurance

11.1 Except in the case of gross negligence or wilful misconduct or breach of confidentiality obligations, neither party shall be liable to the other for any indirect or consequential damage, including loss of products, loss of profit or business.

11.2 A party's obligations shall be suspended to the extent that, by no fault of such party, the performance of its obligations is prevented by circumstances that could not have been foreseen and prevented or overcome by reasonable means (Force Majeure).

11.3 During possible work on Site (such as installation and maintenance), Supplier shall keep adequate insurance for its personnel, equipment and potential liability. Supplier shall keep the Works adequately insured until transfer of title to Buyer. Upon Buyer's request Supplier shall evidence the existence of such insurances.

12. Ethics and Compliance

12.1 Supplier agrees to conduct business with Buyer in accordance with LAT's Ethics policy for business partners ([Ethics \(lat-nitrogen.com\)](https://www.lat-nitrogen.com/ethics)).

12.2 Supplier as well as any of its affiliates, respective directors, officers or employees shall not engage in, support or facilitate transactions or activities that violate any laws, regulations, rules or requirements in force from time to time, including without limitation, of the European Union, any EU member state, the United Kingdom, the United Nations or the United States of America relating to trade sanctions, foreign trade controls, export controls, non-proliferation, anti-terrorism and similar laws.

12.3 Notwithstanding any other provisions hereunder, national data protection laws and the General Data Protection Regulation (GDPR) EU 2016/679 as amended shall apply and be adhered to by both parties. Each party shall use, and ensure that its respective subcontractors use, all personal data of the disclosing party exclusively for the purposes of performing the Contract. The disclosing party confirms that it is authorized to provide the receiving party with personal data.

