



General conditions for processing and purchasing of raw materials containing precious metals

These conditions come into force on March 21st 2022

The Term "Customer" in these General Conditions denotes a legal entity or natural person handing over a raw material / material containing precious metals for reprocessing to SAFINA, a.s.

1. Binding nature of the Conditions

These General Conditions apply to all orders for reprocessing of raw materials (hereinafter "raw material") containing precious metals (Au, Ag, Pt, Pd, Rh – hereinafter "PM"). Any other provisions are binding for SAFINA, a.s. only when confirmed by SAFINA, a.s. in writing (e.g. in the form of a contract). Reprocessing of raw materials means homogenization, sampling, analyses, and subsequent refining. The "Procedure for purchasing of raw materials containing precious metals applies in SAFINA, a.s.' s outlets or any other SAFINA a.s. owned or operated facility.

2. Acceptance of the Conditions and contract

Transfer of the raw material containing PM in the purchase facility or acceptance of a contract for reprocessing raw material containing PM is at the same time viewed as acceptance of these Conditions by the Customer unless provided otherwise by the contract. Changes, amendments or cancellation of the contract or these Conditions do not become effective until written confirmation by SAFINA, a.s. is issued.

3. Delivering raw material containing PM for reprocessing

The Customer shall deliver the raw material containing PM for reprocessing to the place of business of SAFINA, a.s. at Vídeňská 104, Vestec, 252 50. The Customer shall guarantee that the Customer is the sole and rightful owner of the raw material containing PM and that this raw material containing PM is not encumbered with any receivables, restrictions, liens or claims limiting the disposal of the material in any way. The customer shall be bound to provide all requisite information on physical and chemical properties of the raw material containing PM and to highlight possible risks that might occur during processing. If this duty is neglected, the Customer shall be liable for incurred damages. Radioactive raw material containing PM is not accepted for reprocessing (unless there is a special agreement to that purpose); neither are accepted raw materials containing PM that are explosive or susceptible to self-ignition and magnetically active raw materials containing PM.

4. Packaging and Documents

The raw material containing PM must be delivered in packaging conforming to all transport regulations. The raw materials containing PM delivered in unsecured, damaged or opened during transport packaging shall not be accepted. The packaging is considered disposable by SAFINA, a.s. (unless the Customer requires that it be returned). The packaging costs shall be the responsibility of the Customer. The raw materials containing PM must be properly marked and labeled. The packaging of hazardous materials must be clearly marked with warning labels providing all requisite information required by the appropriate legal regulations. All material shall conform to the requirements of Act No. 185/2001 Coll., on waste, any subsequent amendments. The raw materials containing PM marked incompletely or incorrectly may not be processed until the missing information is received. Delays caused by the shipper or carrier will be added to the order completion date according to SAFINA, a.s. conditions or according to the contract.

Domestic delivery: Raw material containing PM must be accompanied by a delivery note stating the type of raw material containing PM for reprocessing, number of packages or containers. The packaging should be marked with gross (including packaging) or net weight. If the raw material containing PM is identified as waste then it must be accompanied by duly completed form Basic Description of Waste. In the event the waste is classified as "Hazardous" by its characteristic or other reason, it must be also accompanied by an Identification Sheet of Hazardous Waste and by completed Registration Sheet for Hazardous Waste Transport.

Inside EU deliveries: Prior the transport of the first Customer's supply of raw material/waste containing PM starts, the Contract for disposal of waste as listed in enclosure III ("green list") in line with regulation (EC) of the European Parliament and of the Council no. 1013/2006 dated 14th June 2006 has to be effective. Then the waste must be accompanied by duly completed ANNEX VII and by delivery note stating all necessary details for INTRASTAT-CZ statistic data collection (material/waste description, quantity and value, HS code, delivery conditions INCOTERMS, mode of transport).

Outside EU deliveries: Prior the transport of the first Customer's supply of raw material/waste containing PM starts, the Contract for disposal of waste as listed in enclosure III ("green list") in line with regulation (EC) of the European Parliament and of the Council no. 1013/2006 dated 14th June 2006 has to be effective. Then the waste must be accompanied by duly completed ANNEX VII and by delivery note stating material/waste description, quantity and packaging specification. It is also necessary to send an Invoice for customs purposes (Customs or Proforma Invoice) showing besides material/waste description and the quantity also the value and HS code of each item, total value, delivery conditions INCOTERMS, mode of transport.

5. Weighing and sampling

All raw materials containing PM intended for reprocessing shall be weighed upon receipt (delivered weight). Obligatory confirmation of net weight (after homogenization), taking samples, determining, moisture content and analyses shall be performed by SAFINA, a.s. within 5 to 40 working days according to the specific type of raw material containing PM. However, SAFINA, a.s. reserves the right to extend this period in situations when

this is necessary for technical reasons regarding the specific nature of the material containing PM. During reprocessing, the customer shall remain the owner of the raw material containing PM. The Customer has the right to be present or represented during weighing and sampling. Any customer wishing to witness the homogenization process is required to notify SAFINA a.s. about this fact and agree on a date or period in advance and must provide the name and address of the proposed representative. Should the Customer fail to notify SAFINA a.s. in advance or if the Customer's representative fails to be present on the given date, SAFINA, a.s. shall have the right to assume that the Customer does not wish to exercise his right and weighing and sampling shall proceed in Customer's absence. The sample taken for analysis shall be divided into three parts. The first part for the customer, second part for SAFINA a.s., and the third for potential umpire analysis. In the case the customer does not request taking of sample for Customer's purposes, two samples shall be taken - one for SAFINA, a.s. and the other one for umpire analysis. The sample for the umpire analysis shall be sealed and stored at SAFINA, a.s. The Customer may receive this sample based on a previous request up to three months after final billing of the order. After the 3 month period, the arbitration sample shall be disposed of.

6. Processing raw material containing PM

Once material is transferred to SAFINA a.s., SAFINA a.s. is entitled to release a raw material containing PM for processing unless the Customer reserves in writing that the Customer must approve such release (in this case the Customer first approves the analysis and only after that the raw material is released for processing). The Customer shall notify this fact upon or before delivery of the raw material containing PM. This information is to be recorded on the delivery note, which the Customer signs upon transfer at the purchase facility. Once the raw material containing PM has been released for processing, the retained sample is the representative source for all information and decision concerning further procedures.

7. Confirmation of precious metal content and refining time

The retain samples shall be analyzed in a special SAFINA, a.s. laboratory for the content of purchased PM. SAFINA, a.s. shall inform the Customer of the results in the form of a Confirmation of Precious Metal Content report in the case of MA owners also crediting to the customers Metal Account (hereinafter "MA")

The same process shall be used to provide data for invoicing (for parties interested in selling of PM), at the same time the costs of reprocessing / refining will be communicated. SAFINA, a.s. undertakes to issue these documents immediately upon performing the analyses.

If the Customer does not agree with the supporting documents of crediting to MA or with the data for invoicing, the Customer must deliver a written complaint to SAFINA, a.s. as soon as possible, but no more than 3 working days from receipt of the settlement document. If the Customer fails to do so, it is assumed that the Customer agrees with the settlement. If the Customer is a VAT payer, the Customer shall be bound according to Act on Vat No. 235/2004 Coll., Section 26 to issue a tax document within 15 days of the date of taxable supply. The date of taxable supply is the date of completion of refining. The date of completion of the refining is stated on the settlement document. For the raw materials containing PM that are homogenized by melting and contain Ag, Au, Pt, Pd and Rh have the refining time of 10 - 60 week days (more specific information in „Price conditions for reprocessing of raw materials with precious metals“). For the raw materials containing PM that are not melted (usually called sweeps) and contain Ag, Au, Pt, Pd and Rh have the refining time of 45 - 90 week days (more specific information in „Price conditions for reprocessing of raw materials with precious metals“). In case the Customer uses the opportunity of "approval of analyses", the above stated refining time periods do not start until the analyses are approved by the Customer. Unless stated otherwise (e.g. by the contract), the maturity of the Customers invoices is 21 days.

If the Customer has taken over the samples to perform his own analyses, the results of the analyses shall be exchanged on a date negotiated in advance. If the differences between analyses are within agreed tolerances, the results of SAFINA, a.s. analyses shall be the basis for settlement. If the analyses results are outside the agreed tolerances, both parties shall try to determine a basis for settlement by an agreement (e.g. arithmetic mean of the results of analyses).

Unless the agreement is reached, the retain sample shall be sent to the Assay Office in Prague (Puncovní úřad, Praha) to conduct the umpire analyses if an agreement that another entity is to carry out the umpire analyses is not reached. The result of the umpire analyses shall be binding for both parties.

The costs of the umpire analyses shall be covered by the party whose analyses results were more different from the analyses of the Assay Office in Prague or any other entity conducting the analyses.

8. Prices for reprocessing

Reprocessing charges of single items are billed on the base of SAFINA, a.s. "Price Terms for Reprocessing of Raw Materials Containing PM". The prices stated in these conditions are excluding VAT. SAFINA, a.s. reserves the right to adjust the pricelist or quoted prices, time and the terms of purchase, in case that specific characteristics of the raw material containing PM unknown at the moment of accepting of the order for reprocessing require a special treatment and additional costs and/or longer time for reprocessing.

The Customer acknowledges and agrees that any material taken by SAFINA, a.s. for purchasing or reprocessing always has the character of the raw material from which PM specified in SAFINA, a.s. price list shall be extracted. It is not possible to claim a value of anything other than the value of the agreed PM contained in the raw material supplied.

The parties have agreed that value added tax (VAT) shall be added to the price in the amount and in the way set by the respective law.

In case SAFINA, a.s. purchases PM from the Customer, the parties have agreed regarding the payment of VAT in conformance with Section 109 of Act No. 235/2004 Coll., on value added tax, that SAFINA, a.s. as the recipient of taxable supply shall be entitled to pay VAT on behalf of the Customer (seller) as the provider of taxable supply directly to the tax administrator without being called on as the guarantor. It relates to the case that SAFINA, a.s. can suspect having liability for the Customer's (seller's) delinquent tax for any of the reasons stated in Section 109 of Act No. 235/2004 Coll. or in the case that insolvency proceedings are launched against the Customer (seller) or the Customer (seller) goes bankrupt. In case SAFINA, a.s. uses this entitlement, it shall notify the Customer (seller) of this fact without any delay.

By paying the VAT to the account of the respective tax administrator, the Customer's (seller's) claim against SAFINA, a.s. regarding the amount of paid VAT is considered settled notwithstanding other provisions of the respective contract. At the same time, the Customer (seller) undertakes to notify SAFINA, a.s. immediately whether the VAT payment is registered by Customer's tax administrator.

9. Alternatives for disposition of the recovered precious metals

a. Direct Sale of PM to SAFINA, a.s.

b. Crediting of PM to the Metal account (hereinafter "MA") from which the Customer may withdraw PM for use in purchasing products from SAFINA, a.s. or the Customer may request that the PM be delivered back (article b is subject to conclusion of the contract for depositing of precious metals on the Metal account).

In case that the Customer is interested in crediting of PM to the Metal account, the Customer must confirm this fact in writing at the time of delivery of the raw material containing PM. Otherwise, it is assumed that the raw material containing PM is handed over to SAFINA, a.s. for the purpose of its sale (article a.).

When taking PM back, the Customer shall be bound to pay all associated production costs. The production price is based on the actual SAFINA, a.s. price list.

10. Determining of purchase prices or returning of precious metals

In case of purchasing, the price of individual PM is determined based on current SAFINA, a.s. purchase prices effective on the day of delivery of the raw material.

In case that the owner of the MA requests returning of the recovered PM, it shall be returned to him on the date stated in the Contract of Deposition of Precious Metals at the MA.

The Customer shall always bear the costs of returning of PM. Packaging, method of transport and the transport route is selected by SAFINA a.s. as per its best discretion. SAFINA, a.s. shall be entitled to arrange a transportation contract and take out an insurance covering the value of the goods.

11. Conditions for opening of a Metal account (MA)

A Metal account is opened based on the Contract for Deposition of Precious Metals. SAFINA a.s. shall store, administer and protect Customer's precious metals. When the metal is credited to the MA, the Customer may request fabrication of products from these PM in the period corresponding to the production cycle or in the period individually agreed.

Withdrawal of PM from the MA (conditions, periods, etc.) shall be governed by the Contract for Depositing of Precious Metals at MA. The Customer shall be bound to pay all associated production costs. The production price is based on the actual SAFINA, a.s. price list.

12. Paying the price for reprocessing and other costs

Unless otherwise agreed the billed costs for reprocessing are due immediately. In the cases when the assumed costs of reprocessing exceed the value of the extracted PM contained in the raw material supplied, SAFINA, a.s. reserves the right to have these costs paid in advance.

13. Force majeure

In case of occurrence of events that the parties cannot affect and that influence one of the parties during the term of the contract (the so-called force majeure), all obligations under the contract are suspended for the period of duration of force majeure, however, only from the moment when the affected party notifies the other party of occurrence of force majeure and its extent. The parties shall agree on a reasonable substitute solution and deadline.

14. Governing law and disputes

All legal relations resulting from concluded contracts and these General Conditions are subject to the respective regulations of Act No. 513/1991 Coll., Commercial Code, and as amended. Any dispute regarding interpretation of the concluded contracts or these conditions shall be settled by the parties by mutual agreement. In case that the agreement is not reached, the dispute may be presented to the respective court in the Czech Republic only.

15. Suspension of purchasing of raw materials containing precious metals

SAFINA, a.s. reserves the right to suspend purchasing of raw materials containing precious metals until such suspension is revoked.

16. Partial invalidity

If any of the provisions of these General Conditions become legally invalid, other provisions remain in effect. These General Conditions supersede all previous issues of the General Conditions.

17. SAFINA, a.s. Supply Chain Due Diligence Policy

SAFINA, a.s. exercises due diligence in accordance with OECD Guidance, RMAP (Responsible Mineral Assurance Process) and also with EU regulation 2017/817. The process is integrated into management systems and is being constantly monitored. The independent third-party audit is being performed annually to confirm SAFINA, a.s. is acting in accordance with guidance on Minerals from Conflict-

Affected and High-Risk Areas.

Preamble

Recognizing that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and recognizing that we have the responsibility to respect human rights and not contribute to conflict, we commit to adopt the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas. We commit to refraining from any action which contributes to the financing of conflict, human rights abuse or associated with any crime activity.

Our main goal is to ensure, that we source precious metals only from legitimate sources.

Key principles

Regarding serious abuses associated with the extraction, transport or trade of minerals:

1. While sourcing from, or operating in, conflict-affected and high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
 - i) any forms of torture, cruel, inhuman and degrading treatment;
 - ii) any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
 - iii) the worst forms of child labour;
 - iv) other gross human rights violations and abuses such as widespread sexual violence;
 - u) war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

Regarding risk management of serious abuses:

2. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in paragraph 1.

Regarding direct or indirect support to non-state armed groups:

3. We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- i) illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
- ii) illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or

Regarding risk management of direct or indirect support to non-state armed groups:

4. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in paragraph 3.

Regarding public or private security forces:

5. We agree to eliminate, in accordance with paragraph 10, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.

6. We recognize that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

7. Where we or any company in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.

8. We will support efforts, or take steps, to engage with central or local authorities, international organizations and civil society organizations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.

9. We will support efforts, or take steps, to engage with local authorities, international organizations and civil society organizations to avoid or minimize the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

Regarding risk management of public or private security forces:

10. In accordance with the specific position of the company in the supply chain, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces, as identified in paragraph 5, where we identify that such a reasonable risk exists. In such cases, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan. 8 Where we identify a reasonable risk of activities inconsistent with paragraphs 8 and 9, we will respond in the same vein.

Regarding bribery and fraudulent misrepresentation of the origin of minerals:

11. We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export. 9

Regarding money laundering:

12. We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

Regarding the payment of taxes, fees and royalties due to governments:

13. We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments and, in accordance with the company's position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

Regarding risk management of bribery and fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to governments:

14. In accordance with the specific position of the company in the supply chain, we commit to engage with suppliers, central or local governmental authorities, international organizations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measurable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

18. The limitation period

The Contracting Parties shall, in accordance with the provisions of the Civil Code, stipulate a limitation period of four years.

* This document is translated from the Czech Language. In the event of discrepancies the intent of the Czech Language document shall prevail.