

MEMORANDUM of understanding

I. Bystričany Municipality	
headquarters:	Mirka Nešpora 1/17, 972 45 Bystričany
ID number:	00 318 019
TIN:	202 121 1632
represented by:	Mgr. Filip Lukáč, mayor of the village
on page one (hereinafter referred to as the " Municipality ")	

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II. BIOGROGREEN CONCEPT SDN BHD	
headquarters:	Malaysia
ID number:	201 601 039 474 (1210615-W)
Acting:	Ing. Jozef Koňarik, proxy
as Investor on the other side (hereinafter referred to as " Investor " and together with the Municipality as contracting parties, hereinafter referred to as the " Parties ")	

Parties concludes in accordance with para. § 269 par. 2 of Act no. 513/1991 Coll. Commercial Code this

MEMORANDUM **on the understanding** (hereinafter referred to as "**Memorandum**"):

Preamble

*The investor is interested in the creation of job opportunities as well as the development of the region of the Municipality of Bystričany in the form of the construction of an industrial production hall and related premises for the purpose of carrying out business activities in the field of wood production of floor coverings (hereinafter referred to as "**Investment construction**").*

Article I. **Introductory provisions**

- 1.1** The municipality is the exclusive owner in the share of 1/1 of the following properties located in the district of Prievidza, village of Bystričany, cadastral territory of Bystričany

PROPERTY LIST	REGISTER'S LAND	PLOT NUMBER	TYPE OF PROPERTY	AREA IN M ²
2014	E	214/2	Arable land	2670
2014	E	214/1	Arable land	488
2014	E	1289/3	Other area	609

(hereinafter also referred to as "**Municipal Lands**")

- 1.2** The company POLNO VTÁČNIK a.s., with registered office Hájska 927/20, Lehota pod Vtáčnikom 972 42, ID number: 36 295 876 (hereinafter referred to as "**PV**"), is the sole owner in a share of 1/1 of the following properties located in the district of Prievidza, village of Bystričany, cadastral territory of Bystričany

PROPERTY LIST	REGISTER'S LAND	PLOT NUMBER	TYPE OF PROPERTY	AREA IN M ²
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1633	C	440/1	Built-up area and courtyard	5325
1633	C	440/4	Built-up area and courtyard	58
1633	C	440/7	Built-up area and courtyard	1250
1633	C	438/1	Built-up area and courtyard	369
1633	C	438/2	Built-up area and courtyard	204
1633	C	439/2	Built-up area and courtyard	298
1633	C	439/4	Built-up area and courtyard	175
1633	E	215	Arable land	31518

(hereinafter also referred to as "**PV Lands**" and together with Municipal Lands hereinafter referred to as "**Properties**")

1.3 Investor is interested in the company founded/identified by the Investor in the position of Future Buyer (hereinafter referred to as "**Future Buyer**") to acquire ownership rights from the Municipality and the PV company to the Real Estate for the purpose of Investment Construction.

1.4 The parties have agreed that, based on this Memorandum, they will perform joint actions in the future with the aim of fulfilling the purpose of the Investment Construction, and in particular, but not exclusively, that:

- a. Based on a written request from the Investor and/or the Future Buyer, the Municipality will conclude as the seller or the future seller of the contract, the subject of which will be the transfer of the Land of the Municipality under the agreed conditions in accordance with this Memorandum,
- b. The Municipality will provide the necessary cooperation in the acquisition of the PV Lands from the PV company,
- c. The Municipality will provide the Investor with the necessary cooperation in terminating the rental relationships with the Real Estate,
- d. The Municipality will provide the necessary cooperation in the event of the need for amendments to the territorial plan of the municipality for the purpose of investment construction,
- e. The Municipality will provide the necessary cooperation in obtaining regional investment aid in accordance with Act no. 57/2018 Coll. on regional investment aid,
- f. The Municipality will provide the necessary cooperation in zoning and construction proceedings in the matter of Investment construction,
- g. The Municipality will provide other necessary cooperation during the eventual implementation of the Investment Construction,
- h. The parties will act in good faith in order to fulfill the Investment Intent.

Article II.

Terms of transfer of Municipal Lands

2.1 The parties declare that they are interested in concluding a contract on a future purchase contract, or regular purchase contract for Real Estate for a fee determined by an expert opinion, tentatively set at €14/m². The future buyer and/or Investor will be entitled to send the Municipality a written invitation to conclude a purchase contract at any time at their own discretion.

Article III.

Declarations of the Municipality

3.1 The Municipality hereby declares that it has the necessary knowledge to be able to make all the following statements and acknowledges that the truth and completeness of each of these statements is a decisive fact for the Investor and the Future Buyer.

3.2 The Municipality hereby also declares and guarantees to the Investor that as of the date of conclusion of this Memorandum:

- a. is fully authorized to conclude this Memorandum as well as any future purchase contract and exercise the rights and obligations arising from it,
- b. did not conclude a contract with any third party by which he would (i) sell, (ii) donate, (iii) exchange, (iv) encumber with a lien, right of pre-emption, or other right of a third party, (v) otherwise alienate the Municipal Land,
- c. The municipality acts in accordance with all its legal and contractual obligations and with professional care and has not violated any generally binding regulations or generally binding regulations by its actions so far.
- d. in connection with the Lands of the Municipality, there is no and there is no threat of any (i) administrative, (ii) judicial, (iii) arbitration, (iv) enforcement or (v) other proceedings,
- e. the conclusion of this Memorandum, as well as the fulfillment of the obligations arising from it, do not conflict with any generally binding legal regulation or any contract, document, court decision, arbitration decision or decision in administrative proceedings that are binding for the Municipality,
- f. in relation to the Land of the Municipality, there is no monitoring period related to projects financed mainly, but not only, through non-refundable financial contributions from EU funds and/or the state budget,
- g. The company is entitled to dispose of the Municipal Lands without any restrictions, with the exception of the necessary requirements for the disposal of the Municipal property and the restrictions expressly specified in this Memorandum.
- h. they are not aware of the fact that any engineering networks (electrical distribution, gas pipeline, water supply, sewerage or any other networks) would be run through the Municipal Lands (above, through and below), which would make investment construction impossible,
- i. access (on foot and also by motor vehicles, including trucks and construction machinery) to the Municipal Lands from public roads is not limited and is sufficient to ensure the proper operation of the planned production and the related business activities of the Investor and/or the Future Buyer,
- j. There is no environmental burden on the Municipal Lands in accordance with Act No. 569/2007 Coll. on geological works (geological law) as amended or any other environmental burden. Based on valid decisions of public administration bodies, the municipality has not imposed any measures and obligations related to the removal of environmental burdens,
- k. All documents submitted by the Municipality to the Investor before signing this Memorandum are true and complete,
- l. The Municipality undertakes to inform the Investor without delay, if at any time after the signing of the Memorandum it becomes aware of any fact that would cause the declarations and guarantees of the Municipality mentioned in this article not to be true, complete or accurate in any respect.

3.3 In the event that, at any time after the conclusion of this Memorandum, the falsity and/or incompleteness of any of the statements and guarantees of the Municipality listed in this Memorandum is revealed, and the Municipality does not provide remedial action within 30 days from the written request despite the provision of the necessary cooperation by the Investor and/or the Future Buyer, the Investor is entitled to immediately withdraw from this Memorandum.

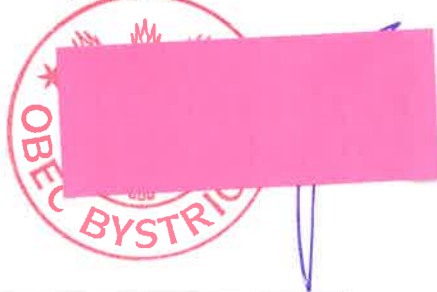
Article III. Common and Final Provisions

- 4.1** Changes to the Memorandum are possible only by written agreement of the Parties.
- 4.2** The parties undertake to provide each other with the necessary cooperation in fulfilling the obligations of the Memorandum and to inform each other in a timely manner of all facts necessary for their cooperation according to the Memorandum, in particular to notify each other of all changes and important circumstances, and

- to act in such a way that the rights of the other party were not violated or threatened.
- 4.3** The parties have agreed that the obligation to deliver the document according to the Memorandum is considered fulfilled in a specific case on the day of receiving the document or by refusing to receive this document.
- 4.4** In matters not regulated by the Memorandum, the relationship is governed by the relevant provisions of Act No. 513/1991 Coll. Commercial Code without the application of conflict of laws standards. The parties have agreed that in case of any disputes resulting from this Memorandum or arising on the basis of this Memorandum, their resolution will be under the jurisdiction of the relevant Slovak courts using the Slovak legal order.
- 4.5** If some provisions of the Memorandum are not valid or effective in whole or in part or later lose their validity or effectiveness, this does not affect the validity or effectiveness of the other provisions. Instead of invalid or ineffective provisions and to fill the gaps, an adjustment will be used which, as far as it is legally possible, comes as close as possible to the meaning and purpose of the Memorandum, if the Parties took this issue into account when concluding the Memorandum.
- 4.6** The Memorandum is drawn up in two (2) copies, one for the Investor and one for the Municipality.
- 4.7** This Memorandum enters into force on the day of its signature by the Contracting Parties and becomes effective on the day following its publication.
- 4.8** The Parties declare that they have read the Memorandum, understood its contents, and signed it as a sign that the contents of the Memorandum reflect their true and free will, and the Parties declare that they did not conclude the Memorandum under pressure under conspicuously disadvantageous conditions.

In Bystričany, on 08.11. 2022

Municipality:



Mgr. Filip Lukáč
mayor of
Bystričany Municipality

Investor



Ing. Jozef Koňarik
proxy
BIOGROGREEN CONCEPT SDN BHD