

AMENDMENT NO. 1
TO THE SALES AGREEMENT DATED 22ND APRIL 2020
(THE “AMENDMENT”)

ENTERED INTO ON 17TH JUNE 2020 BY AND BETWEEN THE FOLLOWING PARTIES:

(1) **Ministry of Foreign Affairs and Trade**, with its seat at Bem rakpart 47, Budapest 1027, Hungary, TAX ID number: 15311351-1-41, duly represented by Dr. Csaba Balogh, Minister of State

(the “Customer”)

and

(2) **ProFound Bratislava, s.r.o.**, a company organized under the laws of the Slovak Republic (European Union), with its registered seat at Osadná 2, 831 03 Bratislava, Slovak Republic, company identification number: 50 044 818, registered in the Business Register of the District Court Bratislava I, registration number: Sro 107198/B, duly represented by Mrs. Beatrica Ličáková, Managing Director

(the “Supplier”)

(The Customer and the Supplier jointly as the “Parties” and individually as the “Party”)

WHEREAS:

- (A) The Parties concluded Sales Agreement dated 22nd April 2020 (the “Agreement”) subject of which is the sale and purchase of Ventilators VG70 (the “Ventilators VG 70”).
- (B) The Supplier is an experienced and proved supplier of medical products used in pandemic combat of virus COVID19 including also of Ventilators SH300 (invasive ventilators) specified in Schedule 3 to this Amendment (the “Ventilators SH300”; Ventilators VG 70 and Ventilators SH 300 together as the “Goods”).
- (C) In addition to the subject matter of the Agreement, the Customer is interested in the purchase of the Ventilators SH300 from the Supplier.
- (D) Based on the Customer’s interest, the Parties wish to (i) specify certain rights and obligations in addition to their will formulated in the Agreement, and (ii) confirm deliveries of the Goods made to date of this Amendment.
- (E) Unless stated otherwise in this Amendment (i) the capitalized terms and definitions used herein have the same meaning as ascribed to them in the Agreement and (ii) the interpretation rules agreed upon in the Agreement shall be used also in this Amendment.

IT IS THEREFORE AGREED AS FOLLOWS:

1 SUBJECT MATTER OF THE AMENDMENT

1.1 The Supplier shall sell to the Customer and the Customer shall purchase from the Supplier the following total volume of the Goods:

No.	Type of ventilator	Quantity in pcs	Unit price EUR	Value in EUR
1	VG70	300	78.000	23.400.000
2	SH300	814	67.000	54.538.000
TOTAL		1114		77.938.000

1.2 For the avoidance of any doubt, the Parties confirm that the Goods shall be delivered in the following batches:

Overview of delivered 1st batch of ventilators (the “**Batch 1**”):

No.	Type of ventilator	Quantity in pcs	Unit price EUR	Value in EUR
1	SH300	300	67.000	20.100.000
TOTAL		300		20.100.000

Overview of 2nd batch of ventilators to be delivered (the “**Batch 2**”):

No.	Type of ventilator	Quantity in pcs	Unit price EUR	Value in EUR
1	VG70	300	78.000	23.400.000
2	SH300	514	67.000	34.438.000
TOTAL		814		57.838.000

- 1.3 The Supplier scheduled 2 aircrafts for delivery of contracted Batch 1 to Budapest International airport. Flight schedule for these aircrafts is stated in Part (A) of Schedule 1.
- 1.4 The Customer scheduled 2 aircrafts for delivery of contracted Batch 2 to Budapest International airport. Flight schedule for these aircrafts is stated in Part (B) of Schedule 1.
- 1.5 The Parties confirm that aircraft costs related to the delivery of the Goods from airport TSN (China) to airport BUD (Hungary) shall be covered by the Supplier.
- 1.6 In order to clarify payment obligations under the Agreement amended by this Amendment in relation to the Batch 1 and Batch 2, it is agreed that:
- (a) 85% advance payment for the 1st batch of Ventilators VG70 as agreed in the total amount of EUR 19.890.000 (sum of 1st instalments of EUR 18.780.000 and 2nd instalment of EUR 1.100.000) pursuant to Clause 2.2(a)(i) of the Agreement (the “**Advance Payment**”) shall be used for the payment of the Batch 1 purchase price. The difference between the Batch 1 purchase price and the Advance Payment in the amount of EUR 210.000 (in words – two hundred and ten thousand EUR only) (the “**Difference**”) shall be settled between the Parties on basis of the mutual set-off to be agreed upon within the payment of 15% final balance for the Batch 2 under Clause 2.2(a)(ii) of the Agreement (the “**Final Balance**”).
 - (b) Apart from the Difference, the Final Balance shall also reflect deduction in total value of EUR 161.420 consisting of:
 - (i) EUR 62.000 – difference of delivered Goods in 2 batches vs budget 78.000.000 EUR;
 - (ii) EUR 99.420 – 50% of initial cargo costs, as per the official letter of the Supplier dated May 1st 2020 attached in Schedule 2, in the amount of USD 112.215 (exchange rate 1.12 EUR/USD).
 - (c) 15% final balance for the 1st batch of Ventilators VG70 as agreed in the total amount of EUR 3.510.000 pursuant to Clause 2.2(a)(i) of the Agreement shall be used for the payment of the Ventilators SH300 within the Batch 2.
 - (d) Further payment terms in relation to the remainder of the Batch 2 shall be agreed upon by the Parties based on the Customer’s advance payments set out in Clause 2.2(ii) of the Agreement.
 - (e) The Customer pays the remaining amount (EUR 8 028 580) within 8 days of the arrival of the remaining products and the issued pro-forma invoice about the delivery.
- 1.7 Unless not specified otherwise in this Amendment, the rights and obligations of the Parties agreed in the Agreement (in particular relating to Ventilators VG70) shall apply *mutatis mutandis* also to the sale and purchase of Ventilators SH300.

2 GOVERNING LAW AND DISPUTE RESOLUTION

2.1 Hungarian law shall govern this Amendment and all non-contractual obligations between the Parties in relation to this Amendment.

2.2 The Parties agree to use their best efforts to settle any dispute arisen under or in connection with this Amendment (the “Dispute”) amicably. If the Parties fail to resolve a Dispute amicably, the Dispute, including the issues of validity, interpretation, settlement or termination of the rights stemming from this Amendment, shall be referred to a Hungarian court having the subject matter jurisdiction

3 FINAL PROVISIONS

3.1 This Amendment shall become valid and effective upon its signing by all Parties and it shall be binding upon their successors as well.

3.2 The Schedules to this Amendment form its integral part. This Amendment has the following Schedules:

- Schedule 1: Flight Schedule
- Schedule 2: Official Letter
- Schedule 3: Specification of Ventilators SH 300

3.3 This Amendment may be executed in two (2) counterparts in English language. This has the same effect as if the signatures on the counterparts were on a single copy of this Amendment.

The Parties hereby expressly acknowledge that they enter into this Amendment as their free act and deed, in witness whereof they attach their respective signatures hereunto.

SIGNED BY AUTHORIZED REPRESENTATIVES:

SUPPLIER

CUSTOMER

Name: Mrs. Beatrica Ličáková
Function: Managing Director

Name: Dr. Csaba Balogh
Function: Minister of State
Ministry of Foreign Affairs and Trade



FINANCIAL COUNTERSIGNATURE:

LEGAL COUNTERSIGNATURE: 2020.06.17

Name: András Magyar
Function: Department for Financial Administration of Foreign Missions
Ministry of Foreign Affairs and Trade

Name: dr. Attila Véték
Function: Head of Legal Department
Ministry of Foreign Affairs and Trade

SCHEDULE 1
FLIGHT SCHEDULE

(A) Flight schedule for aircrafts for delivery of contracted Batch 1 to Budapest International airport

Flight no.1 TSN – BUD

Flight No.	Date	Route		Departure UTC Time	Arrival UTC Time
GJT771	26MAY20	VNO	OVB	04:45	09:30
GJT771	26MAY20	OVB	TSN	10:15	14:45
GJT772	27MAY20	TSN	OVB	08:00	13:00
GJT772	27MAY20	OVB	BUD	13:40	20:00

Flight no.2 TSN – BUD

Flight No.	Date	Route		Departure UTC Time	Arrival UTC Time
GJT640	26MAY20	VNO	OVB	04:45	09:30
GJT640	26MAY20	OVB	TSN	10:15	14:45
GJT641	27MAY20	TSN	OVB	08:00	13:00
GJT641	27MAY20	OVB	BUD	13:40	20:00

(B) Flight schedule for aircrafts for delivery of contracted Batch 2 to Budapest International airport

Flight no.1 TSN – BUD

Flight No.	Date	Route		Departure UTC Time	Arrival UTC Time
KE0318	13JUN20	TSN	ICN	16:00	20:00
KE0543	14JUN20	ICN	FRA	08:00	16:45
KE4113	16JUN20	FRA	BUD	22:00	10:00 + 2 days

Flight no.2 TSN – BUD

Flight No.	Date	Route		Departure UTC Time	Arrival UTC Time
KE0318	13JUN20	TSN	ICN	16:00	20:00
KE8523	15JUN20	ICN	VIE	11:00	15:00
KE4404	17JUN20	VIE	BUD	12:00	22:00

**SCHEDULE 2
OFFICIAL LETTER**



Ministry of Foreign Affairs & Trade

State Secretary
Budapest
Hungary

May 1st 2020

SUBJECT:

Official update on the execution of a contract for the supply of 1.000 VG70 Invasive ventilators and delivery of 1st batch of 300pcs of VG70 ventilators (agreement between Ministry of Foreign Affairs & Trade Hungary & ProFound Bratislava, s.r.o.)

Your Excellency,

Company ProFound Bratislava, s.r.o., as the contracting partner of your Ministry of Foreign Affairs and Trade of Hungary, would like to officially update and confirm steps related to the execution of our contract for the supply of 1.000 pcs of VG70 Invasive ventilators divided into 2 batches (300 pcs and 700 pcs).

Our company together with the export company in China managed to process all necessary administrative steps and approvals, where the last permission, the export authorisation was granted to Export company on April 30th 2020 by the Ministry of Commerce of China.

The announced 5 days holidays in China from May 1st – May 5th 2020 have an impact on the smooth finalisation of the our first timeline, unfortunately.

We have successfully managed to coordinate together with airlines the mobilisation, submission of special diplomatic flight permit status and shared with your logistics team the AWB Number for local customs purposes.

ProFound Bratislava is always a trustworthy and reliable partner, who stands to its contractual commitments and resolves any challenges or problems we may face to the fulfilment of our obligations.

The unfortunate later granted export approval, which our export partners received only on April 30th 2020 instead of forecasted April 28th 2020, created a time limit to the manufacturer and their compliance.

The manufacturer company Aeonmed Co did not have sufficient time to process the full clearance and dispatch of approved 1st batch of 300pcs of ventilators on April 30th 2020 before the factory closes. (Instead of the required minimum of 4 hours the manufacturer operated with only 1.5 hours available time. The impact is incapability to handover to Customs Directorate required set of documents).

Our Export partner was seeking to receive special permission from local authorities to process the clearance and dispatch of our goods to Tianjin. Due to the beginning of May 1st holidays, they were asked to respect the compliance and process early morning on May 6th the clearance.



In light of this unforeseen delay, our team managed within the last 12 hours to develop and agree on an updated roadmap. We are officially committing to it along with our Export partners (kindly see attached official letters from company Anshan Lize Commercial and Trading Co Ltd).

We believe it is a positive moment that our shipment will have only 3 days delay (May 9th 2020) to the scheduled date of arrival to Budapest on May 6th 2020.

New flight schedule:

FltId	DepStn	ETD	ArrStn	ETA	Date
GJT721	04:45	VNO	OVB	09:30	08 May 2020
GJT721	10:15	OVB	TSN	14:45	08 May 2020
GJT722	08:00	TSN	OVB	13:00	09 May 2020
GJT722	13:40	OVB	BUD	20:00	09 May 2020
GJT722P	11:00	BUD	VNO	12:45	10 May 2020

Reflecting the impact on already submitted flight permit, we would like to officially confirm to the Ministry of Foreign Affairs and Trade that our company will:

1. 100 % full cost coverage of the costs of necessary new diplomatic flight permit approval and rescheduling the flight. The airlines estimated costs approximately 60.000 USD. We will share the payment confirmation by Monday, May 4th 2020.
2. 50% of already paid costs by the Ministry of Foreign Affairs and Trade to the airlines, which is 112.215 USD (we propose it as a discount deducted from the last invoice for the 1st batch shipment)

The following new road map will be jointly executed (as per the official confirmation of Export company).

- May 6th 2020 – manufacturer Aeonmed Co will finalise the clearance and dispatch goods to our company
- May 6th 2020 – all 300 VG70 ventilators are transported to ProFound Bratislava dedicated warehouse in Tianjin city (150km distance) managed by Tianjin Gang Qiang Group CO., LTD
- May 6th 2020 – company Tianjin Gang Qiang Group CO., LTD will issue an official confirmation of stored 300 VG70 ventilators
- May 6th 2020 – handover of a full set of documents from factory for customs clearance to Tianjin Gang Qiang Group CO., LTD.
- May 7th 2020 – inspection of stored goods by the assigned representative of the Embassy of Hungary in Beijing
- May 7th 2020 & May 8th 2020 – customs clearance of 300 pcs of VG70 with Tianjin Customs Office.
- May 9th 2020 – loading cargo at Tianjin Airport and departure to Budapest Airport
- May 9th 2020 – landing with 1st batch of 300 pcs VG70 at Budapest Airport

We are expressing our sincere apology for the administrative delay, and we believe our proposal and commitment confirms that ProFound Bratislava highly values trust, the confidence and the assistance of the Ministry of Foreign Affairs and Trade of Hungary.



We are thankful for professional support we are honoured to work with at the Ministry of Foreign Affairs and Trade and the Embassy of Hungary.

Yours sincerely,

Profound Bratislava, s.r.o.
Ovadná 267/2, Bratislava 031 03, Slovakia
IČO: 50 044 818, IČ DPH: SK2329150592
Mrs Beatrice Licakova,
Managing Director

SCHEDULE 3 SPECIFICATION OF VENTILATORS SH 300

Monitoring specification

VTE VTE MV MVspn
Spn Frequency IF
Ppeak Pmean Pplate Pmin PEEP
FIO2
Compliance Resistance
Waveform P-T, F-T, V-T
Loops P-V loop, V-T loop

Alarm

VTE Low/High
MV Low/High
FIO2 Low/High
Paw Low/High
Frequency Upper 1 100bpm
Lower 0 99bpm
Continuous airway pressure High
Apnea
O2 sensor failure
AC Power failure
Low battery
Battery exhausted
Alarm silence time ≤ 120 s
Alarm log
Optional
Air compressor
Humidifier
Support arm
Trolley



ETERNITY
SH300




Ventilation


Tidal volume 20 - 2500ml
Ventilation mode VCV VCV + Sigh PCV
PTVC: QMV + VCV
SIMV+PCV SIMV+PRVC
SPONT (PAP/PGV)
BIPAP APN⁺

IE 1 10 10 1
Inspiratory time 0% - 32 s
Pause time 0 - 90%
Pressure trigger sensitivity (PEEP: 20 to 8cmH2O)
Flow trigger sensitivity 1 - 20 L/min
PEEP/CPAP 0 - 90cmH2O
Paw/Pr 0 - 70cmH2O
Flow 0 - 70cmH2O
FIO2 21-100%
Prugh 0 - 70cmH2O
Paw 0 - 70cmH2O
O2 suction 100% O2 ventilation
Ins Hold 15s Max
Exp Hold 15s Max
Manual ventilation
Waveform Free+ Yes
Nebulization 0-60 minutes
CO2(optional)
ETCO2(optional)



ETERNITY



ETERNITY

Basic specification

Display 12.1" TFT touch screen
Type pneumatically driven
electronic control
Gas supply medical O2, medical air
Pneumatic system safe pressure
 ≤ 125 cmH2O
Power supply AC 110-240V, 50/60 Hz
Battery Lithium battery, backup for more than 2 hours
Weight (net) 16KG
Dimension (H)400 X (W)301 X (L)250mm

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