

General Business Terms of the PYRONOVA group of companies for suppliers- Addendum to the pre-order-Purchase contract – valid from 1.8.2016 (hereinafter the “General Business Terms”)

1. Subject matter

1.1 Reference to these general business terms governs the content of the contractual relation based on the purchase contract or the general purchase contract, accepted order or another contract (*hereinafter the “contract”*), where the subject matter is the delivery of any goods specified in detail and/or its addendum (*hereinafter the “goods”*) by the third party as the seller (*hereinafter the “seller”*) for the PYRONOVA group of companies and the purchaser (*hereinafter the “purchaser”*) (*hereinafter the seller and the purchaser referred to as “parties”*). These general business terms are an integral part of each contract if referenced by this contract. To exclude any doubts, in the case that the contract includes any addendum, these form an integral part of these general business terms and terms mentioned in the addendum are also considered to be mentioned in the contract. In the case of any variance between the provisions of the contract and the provisions of the addendum, the provisions of the contract have priority.

1.2 For the purpose of point 1.1 of these general business terms, the PYRONOVA group of companies is regarded as PYRONOVA s.r.o., registered office Strelecká 1, 931 01 Šamorín, Slovak Republic, ID number: 31 422 802, PYRONOVA IS s.r.o., registered office Studniční 248/18, 617 00 Brno, Czech Republic, ID number: 60723572, PYRONOVA IS Romania SRL, registered office Calea Turzii 192, 400495 Cluj-Napoca, Romania, ID number: 18781745, PYRONOVA HUNGARIA Kft, registered office Tétényi ut 79, 1119 Budapest, Hungary, ID number: A 01-09-943539, PYRONOVA IS POLSKA sp. z o.o. , registered office Pulawska 599B, 02-855 Warsaw, Poland, ID number: 1251594351, PYRONOVA IS UKRAINA TOV, registered office Svobodi 15/26, 902 52 V.Bakta, , ID number: 35343661, PYRONOVA IS BULGARIA Ltd., registered office Odrin 125, 1303 Sofia, Bulgaria, ID number: 175345196, as each other company from the PYRONOVA Group not mentioned in the calculation of this point above that contractually, refers to these General business terms. To exclude any doubts, any change in the company data from the PYRONOVA Group mentioned in this point will not affect the validity and efficiency of the contract and these general business terms to which the contract refers. Data regarding companies from the PYRONOVA Group has priority over those mentioned in this point.

1.3 The provisions mentioned in these general business terms are substantial requisites of each contract. The contracting parties may not deviate from the wording of the provisions of these General Business Terms with the exception of when expressly stated by these General Business Terms. Any

provisions deviating from the contract, with the exception of those enabled by these General Business Terms, do not have priority over the provisions of these General Business Terms and are invalid.

2. Delivery of goods

2.1 The seller undertakes to deliver to the purchaser the goods specified in detail in the contract or the addendum and to transfer to the purchaser the ownership right to these goods.

2.2 The seller must deliver the goods properly and in time. The seller fulfills their obligation to deliver the goods properly if the goods are handed over to the purchaser in the place of delivery and these goods are in the agreed quantity and constructed with the quality for the purpose designated in the contract, or in the case that the construction and the quality are not stated in the contract for the purpose for which the goods are usually used, is functional, has the properties agreed in the contract and resulting from the binding legal regulations, technical and other standards related to the stated goods directly or indirectly and resulting from the standpoints, decisions and other acts of public authorities directly or indirectly related to the stated goods, will correspond to the qualitative requirements stated by the contract and binding legal regulations and other standards directly or indirectly related to the stated goods and standpoints, decisions and other acts of public authorities directly or indirectly related to the stated goods, documentation is attached according to the contract and these General Business Terms and will not have any other flaws. If the seller breaches their obligation to deliver the goods properly, the delivered goods will be deemed to be defective. The seller fulfills their obligation to properly deliver the goods within the time that the goods are delivered within the delivery period stated in the contract or within the delivery period stated in these General Business Terms.

2.3 The place of delivery of the goods is the registered office of the purchaser or another place stated in the contract (*hereinafter the “place of delivery of the goods”*). The seller undertakes to ensure the delivery of the goods to the place of delivery at their own costs. The seller must deliver the goods at any time requested by the purchaser.

2.4 The delivery period is 14 (*in words: fourteen*) days from the date of concluding the contract, unless stated in the contract otherwise.

2.5 At the same time as the delivery of the goods, the seller must deliver the following documentation:

- a) delivery note containing:
 - business name, registered office and the identification number of the parties,
 - contract number and order number,

- place of delivery of the goods, delivery period of the goods, date of sending and delivery of the goods,
 - date of production of the delivery note,
 - type, quantities, price of the goods,
 - total purchase price of the goods without value added tax,
 - total purchase price of the goods with value added tax, if the seller is not a value added tax payer, and the rate of the value added tax,
 - name, surname and signature of person authorized by the seller and the purchaser.
- b) certificate of guarantee for the goods,
- c) Declaration of conformity in accordance with the respective binding legal regulation stipulating the technical and other requirements for products or goods concerning the evaluation of the conformity, also in the case of goods to which the provisions of this respective binding legal regulation relate,
- d) manuals, descriptions and conditions concerning the characteristics, properties, use and maintenance of the goods,
- e) according to the nature of the goods, confirmations, declarations, certificates, revision reports and other documentation required by special binding legal regulations for the stated goods, its packages, transport and distribution,
- f) other documents requested by the purchaser in the contract.

2.6 The seller must supply the documentation mentioned in point 2.5 of this article in the language of the country where the delivery place of the goods is located if the contract does not state that this documentation is to be provided in another language. The seller must supply the original documentation mentioned in 2.5 of this article in unless stated in the contract otherwise or unless the purchaser notifies the seller in writing that a photocopy of the original is sufficient or verified by a notary or another public institution.

2.7 The hand over of the goods by the seller and take over by the purchaser is completed in the delivery place for the goods.

2.8 The purchaser undertakes to takeover the goods delivered properly and in time, which will be confirmed by the signature of the person authorized by the purchaser on the delivery note. The purchaser is entitled, in the case of any justified doubt about the quality of the goods, to condition the takeover of the goods with tests on the goods, demonstration of the goods or the verification of their function. In this case, the seller must conduct tests on the goods, demonstrate the goods or verify the function at their own costs and own risk. If no tests or demonstration of the goods or verification of the function are conducted, the risk of damage to the goods is not transferred to the purchaser from the seller and the purchaser is entitled to refuse to takeover the goods, and in this case, there is no breaching of the contract by the purchaser regarding the takeover of the goods.

2.9 The purchaser is entitled to refuse to takeover the goods, if:

- a) a situation occurs as mentioned in point 2.8 of this article, or
- b) the goods are defective.

2.10 If the purchaser refuses to takeover the goods in accordance with point 2.9 of these General Business Terms, the seller is not released from the obligation to deliver the goods properly and in time. In this case, it is deemed that the seller is in delay with the delivery of goods up to the proper fulfillment of its obligations pursuant to the contract and these General Business Terms.

2.11 The purchaser is not obliged to inspect the goods before takeover for the purpose of identifying defective goods. If any goods were defective at the time of takeover that were not notified by the purchaser, these can be reclaimed after the takeover of these goods in the form of the procedure described in Article 5 of these General Business Terms.

2.12 In the case that the purchaser will takeover defective goods, the seller is not released from the obligation to deliver the goods properly and in time. In this case, it is deemed that the seller is in delay with the delivery of goods up to the proper fulfillment of its obligations pursuant to the contract and these General Business Terms. The parties will write these defects into the delivery note, which in this case also fulfill the function of a complaint report and the parties undertake when settling the complaints about these defects to proceed appropriately according to Article 5 of the General Business Terms.

2.13 In the case of a risk that the seller will not deliver the goods within the deadline stated in the contract, the seller must immediately inform the purchaser in writing as soon as they become aware of the risk. This notification is to contain the reasons for the delay and the revised date of delivery of the goods. The fulfillment of the obligations of the seller mentioned in this point will not affect the demands of the purchaser resulting from the breaching of the obligations of the seller to deliver the goods in time and does not release the seller from this obligation.

2.14 The seller must pack the goods in the usual manner unless legally bound to pack the goods in a different manner. However, in each case, this must prevent any damage during loading, transport, and unloading. Costs related to the packing are covered by the seller.

3. Purchase price and payment terms

3.1 The purchaser undertakes to pay the purchase price for the properly and in time delivered goods agreed in the contract.

3.2 Irrespective of any usage common in the industry, the purchase price includes all costs related to the delivery of goods to the purchaser and the transfer of the ownership right to the purchaser, specifically the costs for packing the goods, costs for loading the goods, transport of the goods to the place of delivery of the goods and unloading the goods in the place of delivery, insurance costs against damage to the goods during transport, loading, and unloading, customs duties and other

import related fees and fees covering the certification of the goods, administrative and similar fees, especially for recycling collected by a public authority, costs for conducting any tests on the goods, checking the goods and verifying functionality, costs for production, acquisition and delivery of documentation to the goods pursuant to the contract.

3.3 The purchase price will be paid by the purchaser after the delivery of the goods on the basis of invoice issued by the seller.

3.4 The seller is entitled to issue an invoice after the delivery of the goods provided that the goods will be delivered properly and if the goods are not delivered properly, after removing all defects to the goods, which the purchaser discovered at the time of the handover of the goods from the seller when taking over the goods described in the delivery note.

3.5 Invoices issued by the handing over party must fulfill the requirements stated by binding legal regulations stipulating invoices or tax / accounting documents and, in addition, must contain the number of the contract and the order and the number of the bank account for payment of the purchase price. The addendum to the invoice will be the delivery note signed by the person authorized by the purchaser and any other document mentioned in the contract. In the case that the seller's invoice will not contain the requirements or an addendum is not attached to the invoice according to this point, the purchaser is entitled to return the invoice to the seller for correction or submission of the addendum.

3.6 The seller undertakes to send the invoice to the purchaser together with any appendixes to e-mail address of the purchaser:

- invoice.sk@pyronova.com (for the Slovak Republic),
- invoice.cz@pyronova.com (for the Czech Republic)
- invoice.pl@pyronova.com (for Poland)
- invoice.ro@pyronova.com (for Romania),
- invoice.hu@pyronova.com for Hungary),
- invoice.bg@pyronova.com (for Bulgaria),
- invoice.ua@pyronova.com (for Ukraine),

always to e-mail address of the purchaser for the country that corresponds with the country of the registered office of the purchaser or another e-mail address stated in the contract or after concluding the contract, to the address notified to the purchaser by the seller. The payment date for each invoice of the seller is 60 (*in words: sixty*) days from the date of delivery of the invoice by the seller containing all requirements to which all addendum are attached according to point 3.5 of this article to the e-mail address of the purchaser according to the previous sentence, unless stated in the contract otherwise. In the case that the invoice issued by the seller will not contain the requirements or the addendum is not attached according to point 3.5 of this article or the invoice of the seller or its addendum contains erroneous or incorrect data or the invoice was not delivered to the e-mail address of the purchaser mentioned in the first sentence of this point, the purchaser is entitled to return the invoice back to the seller for correction with the documentation for revision of the addendum to the e-mail address according to this point. In this case, the payment period according to this point will run from the beginning up to

the delivery of the corrected invoice of the seller together with all addendum to the purchaser or from the date of delivery to the correct e-mail address of the purchaser according to this point.

3.7 The purchaser undertakes to pay the purchase price for the delivered goods in the form of a non-cash bank transfer to the bank account stated in the invoice of the seller. The date of payment of the invoice of the seller means the date that the financial funds are transferred from the bank account of the purchaser to this account.

3.8 If the seller is a tax payer, the VAT amount will be invoiced pursuant to binding legal regulations. Immediately after concluding the contract, the seller is obliged to inform the purchaser in writing about any change in its registration for the value added tax, mainly about the cancellation of such registration or about the registration for the value added tax.

3.9 The parties agree that all financial transactions will be made in EURO (*in words: Euro*), unless stated in the contract otherwise. To exclude any doubts, in the case that the parties will agree on another currency for financial transactions than the EURO (*in words: Euro*); this will not affect the currency stated in the provisions regarding contractual penalties contained in these General Business Terms.

4. Acquiring ownership right and the risk of damage to the goods

4.1 The ownership right to the goods is transferred from the seller to the purchaser on the date of the takeover of the goods by the purchaser in the place of delivery of the goods.

4.2 The risk of damage to the goods is transferred from the seller to the purchaser on the date of the takeover of the goods by the purchaser in the place of delivery of the goods. The risk of damage to the goods includes any damage that may occur to the goods caused by force majeure.

5. Liability for defects and guarantee of quality

5.1 Within the liability for defects to the goods, the seller is liable that the goods will be delivered in the agreed quantity, in the construction and quality designated in the contract or if the construction and the quality is not mentioned in the contract, for the purpose for which the goods are usually used, will be functional, will have the properties agreed in the contract and resulting from binding legal regulations, technical and other standards directly or indirectly applicable to the stated goods, and resulting from standpoints, decisions and other acts of public authorities directly or indirectly related to the stated goods, will correspond to the qualitative requirements stated by the contract and binding legal regulations, technical and other standards directly or indirectly related to the stated goods and directly or indirectly resulting from standpoints, decisions and other acts of public authorities, and that the documentation is attached to the goods according to the contract and these General Business Terms and will not have any defects (*hereinafter "properties of goods"*). The parties may contractually agree a wider scope of liability for defects by the

seller.

5.2 The seller is liable for defective goods at the time when the risk of damage to the goods is transferred to the purchaser and also once a defect becomes visible (*the purchaser discovers it*) after this time.

5.3 The seller is liable for defective goods identified after the transfer of the risk of damage to the goods to the purchaser if the defects occur due to the breaching of the obligations of the seller stated in the contract, in these General Business Terms or resulting from binding legal regulations. The seller is also liable for defects to the goods caused by acts of the purchaser or a third party in accordance with the user manual for the goods or other documentation delivered by the seller together with the goods.

5.4 The liability for defects to the goods stated in the respective legal regulation in the part in which the responsibility of the seller for defective goods is extended as mentioned in these General Business Terms is valid and effective with the stipulation of the liability for defective goods mentioned in these General Business Terms.

5.5 The seller provides a guarantee for the quality of goods based on the fact that the goods will have, and will retain the properties mentioned in point 5.1 of this article during the guarantee period in the length of 2 (*in words: two*) years (*hereinafter referred to as the "guarantee for quality"*). The guarantee period runs from the date of taking over the goods by the purchaser. The guarantee period will not run when the purchaser cannot use the goods due to defects. The parties may agree in a contractually wider scope, a guarantee for the quality or longer guarantee period.

5.6 The purchaser undertakes to reclaim in writing any defective goods after identification; however up to the expiration of the guarantee period according to point 5.5 of this article and in the case of defects to the goods according to points 5.2 or 5.3 of this article after the expiration of the guarantee period.

5.7 The claim report may be sent to the seller at the address of the registered office or e-mail address mentioned in the contract or another address. The claim report must include:

- a) type of reclaimed goods,
- b) indication of the contract,
- c) number of items of goods that are defective,
- d) description of the defective goods,
- e) delivery note number,
- f) option for settlement of defects.

5.8. A claim report delivered after 17:00 is deemed to be delivered on the next working day at 8.00.

5.9 The seller must remove the defects to the goods at its own costs for which they are liable or which appear during the guarantee period and will be reclaimed by the purchaser also in the case of the option for the settlement of defects by the purchaser.

5.10 In the case that the goods are defective, the purchaser is entitled to select one of the following options:

- a) removing defects by the delivery of alternative goods or the delivery of the missing part of the goods, removing legal defects to the goods, repairing the defects to the goods or
- b) to claim an appropriate discount on the purchase price,
- c) cancellation of the contract,
- d) or other claims from defects as stated by binding legal regulations.

5.11 The choice between the claims mentioned in point 5.10 of this article belongs to the purchaser if this option is notified to the seller in the complaint report sent to the seller.

5.12 In the case of choosing the option to remove the defects, the seller must remove the defects to the goods within 48 (*in words: forty-eight*) hours from reclaiming the defective goods by the purchaser. The parties may agree on another deadline within which the seller is obliged to remove the reclaimed defect to the goods. In the case of a complaint that defective goods pose a risk to the property, life, and health of people or in the case that defective goods prevent the proper use of the goods, the seller must remove the defect within 24 (*in words: twenty-four*) hours from notification by the purchaser.

5.13 The seller must also remove the reclaimed defects to the goods where the seller rejects liability; however, a postponement cannot be accepted. If it is proven that the seller is not liable for a defect removed by themselves, the justified costs of the seller will be paid by the purchaser on the basis of mutual agreement between the parties. The level of costs of the seller will be stated in this case on the basis of the usual process at the time of removing the reclaimed defect to the goods.

5.14 In the case that the seller is in delay with removing the reclaimed defect to the goods, the purchaser may remove such defects itself or through a third party and the seller must pay the costs purposefully spent by the purchaser. In this case, the level of costs will be stated on the basis of the usual prices at the time of removing the reclaimed defect to the goods. The purchaser will notify the seller in advance about the application of this method. The purchaser will apply these costs on the basis of an extraordinary invoice sent to the seller with a payment period of 14 (*in words: fourteen*) days from the date of the issue of the invoice. The purchaser is entitled to unilaterally offset the costs originated for removing the defects to the goods with any reclaims from the seller against the purchaser. By removing the defects to the goods by the purchaser or a third party at the costs of the seller, the liability of the seller for defects to the goods or the guarantee for quality according to these General Business Terms of the contract will not expire and the scope will not be restricted and the claim from the purchaser will not expire, including claims for contractual penalties related to delays in removing defects to the goods.

5.15 In the case that the seller removes the reclaimed defect to the goods, the purchaser undertakes to issue a written confirmation.

5.16 Up to the time of the removing the defect to the goods, the purchaser is not obliged to pay any part of the purchase price that would correspond to the claim for a discount on the purchase price if the defect to the goods is not be removed.

5.17 If it is proven that:

- a) the defect to the goods cannot be fully or partially removed or
- b) excessive costs relate to removing the defect, or
- c) disproportionate assistance of the purchaser is required to remove the defect to the goods, or
- d) removing the defect to the goods is only possible only after an unacceptable time,

the purchaser is entitled (i) to claim from the seller the execution of the alternative fulfillment within the deadline stated by the purchaser or to ensure such alternative fulfillment by a third party at the costs of the seller and/or (ii) to claim from the seller a discount on the purchase price.

5.18 In a case where the purchaser requires a discount on the purchase price as a reclaim of the defects, the parties agree that when determining the level of the discount, the purchaser will take into account the following facts:

- a) costs for time that the purchaser must spend on activities and assistance required to make the goods perfect, the
- b) value of delivered defective goods, and
- c) the importance of the defective goods for the economic and business activity of the purchaser or third party, and the
- d) level of damage that may be caused for the purchaser or the third party.

5.19 The purchaser is entitled to apply the level of the discount on the purchase price directly in the claim protocol or after its calculation.

5.20 The purchaser may reduce the purchase price or part of it by applying the discount on the purchase price. In the case that the purchaser pays the purchase price or part of it to the seller, the purchaser is entitled to:

- a) a refund of the purchase price or part of it up to the level of the discount applied to the purchase price,
- b) unilaterally offset the claim for the discount on the purchase price against any claim from the seller against the purchaser.

5.21 Any delivered alternative goods completed with missing goods or any other fulfillments in relation to removing defects to the goods will be the subject of provisions concerning liability for defects to the goods, the guarantee for quality and the guarantee period according to these General Business Terms or according to the contract and the original fulfillments on which the defects to the goods were removed. The new guarantee period for these executed fulfillments according to the previous sentence will run from the date of confirmation of removing the defect to the goods by the purchaser.

5.22 If the commitment of the seller to deliver the goods expires wholly or partially in another manner than by the fulfillment , the seller is liable for defects to the goods taken

over by the purchaser within the scope and under the terms similarly to the commitment of the seller to deliver the goods expired upon the fulfillment and, at the same time, the seller provides the guarantee for quality according to these General Business Terms of the contract. In this case, the guarantee period runs from the date when the commitment of the seller to deliver the goods wholly or partially expired in another manner than by the fulfillment.

5.23 In the case that the goods purchased by the seller from a third party for the purpose of resale to the purchaser are the subject of the guarantee for quality provided by a third party, the seller must inform the purchaser of any facts that may influence the application of claims for defects to such goods, and must inform the purchaser in writing of the date the guarantee will expire and is obliged to handover to the purchaser all documents that must be submitted in the case of the application of the claim for liability for defects to a third party. The seller authorizes the purchaser for the application of any claims from the guarantee for quality provided for the goods by a third party and the related actions. To exclude any doubts, the guarantee for the quality of the seller according to these General Business Terms or the contract is not affected and is valid together with the guarantee for quality provided by a third party for the goods.

5.24 Any cost that the seller must pay the purchaser in relation to removing defects to the goods includes the costs for identifying the defective goods, removing the defect to the goods, including removing any defective part, installation of a replacement part and all additional deliveries and/or work, as well as all tests and additional tests of the goods conducted in relation to removing the defects, or are necessary after removing, costs related to the provision of assistance by the purchaser and other costs.

5.25 The purchaser is entitled to change the justified applied claim from defects without the consent of the seller when:

- a) the seller is in delay with removing the claimed defect to the goods, or
- b) the previous procedure of the seller initiates for the purchaser justified doubts about the capability of the seller to remove the claimed defect, or
- c) after expiration of the appropriate time, the seller did not take the significant part of the action required to settle the claim from the purchaser for defects.

5.26 The application of a claim for defects by the purchaser does not affect the claim for compensation for damage or the contractual penalty or any other claim against the seller.

5.27 The parties agree that the guarantee for quality according to these General Business Terms or the contract is also retained in the case that the goods will be used by the purchaser for any business purposes, which also include any actions with the goods and processing or construction.

5.28 In the case of the cancellation of a partial contract as a claim for defects, the purchaser will process this according to Article 10 of these General Business Terms.

6. Liability for damage

6.1 The seller is liable for damage incurred by the purchaser if caused by the seller and/or the breach or omission of any of the obligations resulting from the contract, these General Business Terms or from the binding legal regulation by the seller.

6.2 The seller undertakes to compensate the purchaser for any and all obligations, losses, penalties, demands, complaints, commitments, disputes, costs and expenses, which the purchaser has that relate or originate on the basis of the activity or inactivity of the seller in relation to the contract and/or the direct or indirect breaching of any obligation resulting from the contract, these General Business Terms or from binding legal regulation.

6.3 The purchaser bears liability only for damage caused to the seller by the breaching of the contract or binding legal regulation up to a maximum level of 10% (*in words: ten percent*) of the purchase price without value added tax, unless stated by the contract otherwise. The purchaser is not liable for lost profit, lost earnings and other indirect damages caused for the seller in the case of the breaching of the contract, these General Business Terms or the binding legal regulation by the purchaser.

7. Protection of confidential information

7.1 The parties are obliged during the duration of their contractual relation based on the contract for the following 5 (*in words: five*) years after its termination to maintain confidentiality regarding confidential information with the exception of cases where such information is required by a court or another justified public authority.

7.2 Confidential information is defined as all types of information, including business information (*facts representing business secrets*), technical and information of any other nature concerning the parties, the contract, as well as all other information obtained before or after signing the contract, that the contracting party obtained during oral discussions or through any other forms of communication.

7.3 The parties are obliged to protect confidential information as if it were their own information, to use it only in relation to the fulfillment of the subject of the contract, not to misuse it and not to provide it to any third parties. Third parties are not considered as members of the bodies of the parties, auditors or legal advisors of the parties bound by the obligation to maintain confidentiality on the basis of binding legal regulations.

7.4 The parties must ensure that confidential information is only accessed by those employees and other personnel aware of this due to their work duties and these personnel must be bound to maintain secrecy about confidential information within the scope according to point 7. 1 of this article in relation to points 7.2 and 7.3 of this article.

7.5 The obligation to keep confidential information secret according to point 7.1 of this article does not apply to:

- a) information that the contracting parties had before starting contractual negotiations that is not subject to confidentiality according to these General Business Terms,
- b) information which is generally known or will become known in the future in another manner than publication by either of the contracting parties in variance with these General Business Terms,
- c) in cases of the provision of confidential information for personnel listed in the exception mentioned in point 7.3 of this article, persons related to the parties, banks providing financing, if such subjects accept the obligation for confidentiality within the scope according to point 7.1 of this article in relation to points 7.2 and 7.3 of this article,
- d) in cases of the provision of confidential information to potential investors if these persons will accept the obligation of confidentiality within the scope according to point 7.1 of this article in relation to points 7.2 and 7.3 of this article.

8. Force majeure

8.1 The seller and the purchaser are not obliged to fulfill their obligations according to the contract and these General Business Terms throughout the duration of circumstances independent of the will of the parties, that the parties could not prevent or reasonably predict while making the utmost effort that excludes their liability pursuant to the respective binding legal regulations. In the case that such circumstances occur, the seller is entitled to extend the delivery period and the purchaser is entitled to extend the payment period of the invoice of the seller by the time corresponding to the duration of these circumstances. The party suffering due to such circumstances must immediately inform the second party in writing, otherwise, they will not be entitled to apply their rights according to this point. The purchaser is entitled to cancel the contract if such circumstances persist for more than 30 (*in words: thirty*) days. In the case of cancellation, the procedure according to Article 10 of these General Business Terms will be applied.

9. Contractual penalties

9.1 In the case that the seller is in delay with the fulfillment of obligations to deliver the goods to the purchaser within the deadline stated in the contract or these General Business Terms, the seller undertakes to pay the purchaser a contractual penalty in the amount of = 200 EUR (*in words: two hundred*) per day, per each day or part day of the delay with the fulfillment of this obligation up to the proper fulfillment.

9.2 In the case that the seller is in delay with removing defects to the goods within the stated deadlines, the seller undertakes to pay the purchaser a contractual penalty in the amount of =500 EUR (*in words: five hundred*) per day, per each defect and each day or part day of delay with the removal of the defect.

9.3 In the case that the seller breaches any other obligation stated by the contract or these General Business Terms, than mentioned in points 9.1 and 9.2 of this article, the seller undertakes to pay the purchaser a contractual penalty in the

amount of =500 EUR (*in words: five hundred*) per day, per each case of breaching the obligation stated in the contract or these General Business Terms. The seller undertakes to pay the contractual penalty within 10 (*in words: ten*) days from the date of delivery of the written call of the purchaser for payment of the contractual penalty.

9.4 In the case of breaching the obligation of the seller according to point 7.1 of point 7.3 of these General Business Terms, the seller undertakes to pay the purchaser a contractual penalty in the amount of = 10,000 EUR (*in words: ten thousand*) per each breach of this obligation within 7 (*in words: seven*) days from the date of delivery of the notification from the purchaser for payment of the contractual penalty addressed to the seller.

9.5 In the case that the purchaser is in delay with payment of the contractual price resulting from the contract, the purchaser undertakes to pay to the seller a contractual penalty in the amount of = 0.05 % per day of the sum of the unpaid purchase price per each day or part day of delay with the fulfillment of this obligation up to its proper fulfillment.

9.6 The agreement on the contractual penalty in favor of the purchaser does not affect any claim for compensation of damage, which can be claimed in addition to the contractual penalty, in the full scope from the seller.

10. Cancellation of the contract

10.1 The purchaser is entitled to cancel the contract in the case that:

- a) the seller is in delay with the fulfillment of obligations to properly deliver the goods by more than 7 (*in words: seven*) days, or
- b) the seller is in delay with removing a claimed defect to the goods by more than 7 (*in words: seven*) days, or
- c) if the seller breaches any other obligation than mentioned in points a) and b) of this point resulting from the contract, these General Business Terms or from binding legal regulations, and the purchaser was notified of the breach of the obligation and the defective status occurred by breaching the obligation was not removed within 5 (*in words: five*) days from the notification by the purchaser, or
- d) if due to the behavior of the seller or the economic situation of the seller there is a risk that the seller will not fulfill its obligations resulting from the contract, these general business terms or from binding legal regulations, or
- e) if the seller declares that they will not fulfill the obligation resulting from the contract, these General Business Terms, or from binding legal regulations, or
- f) if bankruptcy proceedings have started against the seller, bankruptcy was announced concerning the property of the seller, a proposal for the declaration of bankruptcy concerning the property of the seller was submitted, restructuring expert opinion has commenced concerning the seller, restructuring of the seller was permitted, or the seller entered liquidation. The seller must notify this fact to the purchaser within 3 (*in words: three*) days from the

date that any of these scenarios occur,

- g) if the seller or another person participating directly or indirectly in the delivery of goods uses a person, who is the subject of any definition of illegal occupation according to Article 14 of these General Business Terms during the delivery of goods.

10.2 The seller is entitled to cancel the contract only for the reasons stated in the respective binding legal regulation.

10.3 The purchaser is entitled to cancel the contract and also any fulfillment that has already been accepted, or for which there was no delay if this fulfillment is not financially significant without the remainder of the fulfillment.

10.4 The contract must be canceled in writing and must be delivered to the second party. The cancellation of the contract comes into legal effect by the date of delivery of the notification of the cancellation of the contract to the second party.

10.5 The contract expires upon its cancellation. The legal consequence of the cancellation of the contract is the obligation of the parties to hand over all that was the subject of the fulfillment up to the time of the cancellation of the contract, within 5 (*in words: five*) days from the effective date of the cancellation.

10.6 The cancellation of the contract does not concern the claim for compensation for damage incurred by the breaching of obligations stated by the contract, these General Business Terms or binding legal regulation, claim for payment of the contractual penalty and default interest, claim for compensation of any cost, provisions of the guarantee for quality and the provisions on liability for defects and claims from them, as well as contractual provisions concerning the resolution of disputes between parties and other provisions, which according to expressed will of the parties or due to their nature, are to persist after the termination of the contract.

11. Other rights and obligations

11.1 The seller must obtain the consent of the purchaser before passing to a third party any receivable incurred by the purchaser on the basis of the contract. Without this consent or in the case of not issuing the consent, the seller is not entitled to pass to any third party any receivable incurred for the purchaser on the basis of the contract.

11.2 The seller is not entitled to unilaterally offset a claim against the purchaser with a claim by the purchaser towards the seller.

11.3 The seller must request the consent of the purchaser before passing rights and obligations to a third party resulting from the contract, these General Business Terms. Without this consent or in the case of not issuing such consent, the seller is not entitled to pass to any third party the rights and obligations resulting from the contract or these General Business Terms.

11.4 The seller must provide the maximum possible assistance for the purchaser and submit at the request of the purchaser

within 3 (*in words: three*) days the necessary documents or submit a written explanation or take another form of action. In the case of the breaching of obligations according to the previous sentence, the seller undertakes to pay the purchaser a contractual penalty in the amount of =3,000 EUR (*in words: three thousand*) per day, per each day or part day of the delay in the fulfillment of obligation. This negotiation about the contractual penalty will not affect any claim by the purchaser for compensation of damage, which the purchaser may enforce against the seller, in addition to the contractual penalty in the full amount.

11.5 The parties undertake to mutually inform each other of all changes in their contact data or any other related changes.

11.6 The seller must restrain from taking any action where the consequence results in incurring damage or prejudices the purchaser. In the case of breaching the obligation by the seller as mentioned in the previous sentence, the seller must pay the purchaser a contractual penalty in the amount =10,000 EUR (*in words: ten thousand EUR*), per each breach of this obligation. This negotiation about the contractual penalty will not affect the claim of the purchaser for compensation of damage, which the purchaser may enforce from the seller, in addition to the contractual penalty in the full amount.

11.7 The seller must ensure that any other person participating directly or indirectly in the delivery of the goods restrains from taking any action where the consequence may incur damage or another form of prejudice against the purchaser. In the case of breaching the obligation by the seller as mentioned in the previous sentence, the seller must pay the purchaser a contractual penalty in the amount of =10,000 EUR (*in words: ten thousand EUR*), per each breach of this obligation. Negotiations regarding the contractual penalty will not affect the claim from the purchaser for compensation for damage, which the purchaser may enforce on the seller, in addition to the contractual penalty.

11.8 In the case that any sanction will be imposed on the purchaser (*especially the obligation to pay penalties, damage, financial penalties, any costs, wages, taxes, insurance or another sanction*) by a public authority due to the non-fulfillment of the obligation by the seller or another person participating directly or indirectly in the delivery of goods resulting from the contract, these General Business Terms, binding legal regulations or due to other actions of the seller or another person participating directly or indirectly in the delivery of goods, the seller must pay this sanction instead of the purchaser within 3 (*in words: three*) days from the notification from the purchaser to pay the sanction. In the case that the seller does not pay the sanction according to the previous sentence, the seller undertakes to pay the purchaser a contractual penalty in the amount of =1,000 EUR per day, per each day or part day of the delay in the fulfillment of the obligation. Negotiations regarding the contractual penalty will not affect the claim from the purchaser for compensation for damage, which the purchaser may enforce on the seller, in addition to the contractual penalty.

11.9 In the case that any sanction is imposed on the purchaser

(*especially the obligation to pay penalties, damages, financial penalties, any costs, wages, taxes, insurance or any other sanction*) by a public authority due to non-fulfillment of obligations resulting from the contract, these General Business Terms, binding legal regulations by the seller or another person participating directly or indirectly in the delivery of goods, or also due to other action by the seller or any other person participating directly or indirectly in the delivery of goods, or any sanction will be transferred (*especially the obligation to pay penalties, damages, financial penalties, any costs, wages, taxes, insurance or any other sanction*) originally imposed on the seller, or another person participating directly or indirectly in the delivery of goods by a public authority, the purchaser is entitled to unilaterally offset this against any claims from the seller against the purchaser.

11.10 The purchaser is entitled to unilaterally offset any due or undue claim against the seller with any due or undue claim of the seller against the purchaser.

11.11 The seller must prevent any damage to the property, life, and health of the purchaser and third parties. At the same time, the seller must ensure that any other person participating directly or indirectly in the delivery of the goods prevents damage to the property, life, and health of the purchaser or third parties.

12. Delivery

12.1 Written materials concerning the contract can be delivered personally, by mail or electronic mail (*e-mail*). The contract or these General Business Terms state the written materials and in which form they are delivered. In the case that the contract or the General Business Terms do not state the form of delivery of written materials, it is considered that delivery can be made in person or by mail.

12.2 The parties agree that any written materials concerning the contract will be delivered to the address mentioned in the contract, these General Business Terms, or another address if the party will notify it after concluding the contract with the second party.

12.3 Written materials delivered by mail must be delivered by the party in the form of registered mail.

12.4 The parties undertake to confirm the receipt of the written materials delivered in person by either contracting party.

12.5 The written material delivered through electronic mail (*e-mail*) is deemed to be delivered on the date of delivery to the party to whom the written material was addressed.

12.6 The written material from either contracting party is deemed to be delivered to the second contracting party at the time when the second contracting party refuses to accept the written material or delivery is intentionally prevented or when the holder of the mail license returns the written material sent to the address of the party mentioned in the contract, or another address if after concluding the contract the party

notified this in writing to the second party, with a notification that the written material was undelivered due to any reason.

13. Representation of parties

13.1 The list of personnel in the parties authorized to act in matters governing the fulfillment of the contract will be included in the contract or in the addendum to the contract or notified in writing after concluding the contract.

14. Illegal employment

14.1 Illegal employment is employment by a corporate body or a natural person who is an entrepreneur who uses dependent work (*i.e. work executed in relation to a superior employer and inferior employee, personally by an employee of the employer, according to instructions of the employer, on its behalf, during working hours stated by the employer*):

- a) a natural person who does not have a labor contract or civil service contract according to the respective binding legal regulations stipulating labor-legal contract or civil service contracts,
- b) a natural person who has a labor-legal contract or civil service contract according to the respective binding legal regulations stipulating labor-legal contracts or civil service contracts and did not fulfill the obligation to register this natural person into the register of policyholders and savers of pension savings at the competent authority for mandatory contributions (*health insurance, insurance during unemployment, accident insurance, guarantee insurance, pension insurance (age and invalid), or any other type of insurance or savings*) stated by the respective legal regulations,
- c) a state citizen of a country that is not a member of the EU, a party to the Agreement on the European Economic Area or the Swiss Confederation or a stateless person (*hereinafter a "state citizen of a third country"*), if the conditions for his/her employment according to special legal regulations are not fulfilled.

14.2 Illegal employment is also the employment of a state citizen of a third country who is located in the territory where the goods are to be delivered in variance with the respective binding legal regulations stipulating the stay of foreigners or asylum who executes dependent work.

14.3 In points 14.1 and 14.2 of this article is the definition of illegal employment, which is binding for the purchaser and the seller. Special binding legal regulations stipulating illegal employment may state another definition of illegal employment which takes priority over that defined in points 14.1 and 14.2 of this article, which is also binding for the seller and the purchaser.

14.4 The seller is prohibited from using for the delivery of goods any person who is the subject of the definition of illegal employment mentioned in points 14.1 and 14.2 of this article, or mentioned in the respective binding legal regulation stipulating illegal employment.

14.5 Sellers must ensure that no other person participating in the delivery of the goods directly or indirectly will use a person who fulfills the definition of illegal employment according to points 14.1 and 14.2 of this article or as contained in the respective legal regulation stipulating illegal employment for the delivery of goods.

14.6 In the case of the breaching of obligations by the seller mentioned in point 14.4 or 14.5 of this article, the seller must pay the purchaser a contractual penalty in the amount of = 200,000 EUR (*in words: two hundred thousand EUR*), per each such breach of the obligations. Negotiations regarding the contractual penalty will not affect the claim of the purchaser for compensation of damage that the purchaser may claim from the seller, in addition to the contractual penalty, in the full amount.

14.7 In the case that in relation to the breaching of obligations according to this article by the seller or in relation to the breaching of obligation stated by the respective binding legal regulation stipulating illegal employment by the seller or another person, who directly or indirectly participates in the delivery of the goods, a sanction was imposed (*especially the obligation to pay penalties, damages, financial penalties, any costs, wages, taxes, insurance or another sanction*) for the purchaser, the seller must pay this instead of the purchaser within 3 (*in words: three*) days from the notification from the purchaser for payment. In the case that the seller will not pay the sanction according to the previous sentence, the seller undertakes to pay the purchaser a contractual penalty in the amount of =1,000 EUR (*in words: one thousand EUR*) per day or part day of the delay with the fulfillment of this obligation. Negotiations regarding the contractual penalty will not affect the claim from the purchaser for compensation for damage, which the purchaser may enforce on the seller, in addition to the contractual penalty.

14.8 In the case when in relation to the breaching of obligations according to this article by the seller or in relation to the breaching of obligations stated by the respective legal regulation stipulating illegal employment by the seller or another person who directly or indirectly participated in the delivery of the goods, a sanction is imposed (*especially the obligation to pay penalties, damages, financial punishments, any costs, wages, taxes, insurance or another sanction*) to the purchaser or the transfer of any sanction (*in particular, the obligation to pay penalties, damages, financial punishments, any costs, wages, taxes, insurance or any other sanction*) imposed on the seller or another person directly or indirectly participating in the delivery of goods to the purchaser, the purchaser is entitled to unilaterally offset any claims by the seller against the purchaser.

14.9 The seller undertakes to provide maximum possible assistance in the case that a public authority inspected the purchaser in relation to illegal employment and to submit at the request of the purchaser within 3 (*in words: three*) days the necessary documents or to submit a written explanation or to take another course of action. In the case of breaching the obligation outlined in the previous sentence, the seller undertakes to pay the purchaser a contractual penalty in the

amount of =3,000 EUR (*in words: three thousand EUR*) per each day or part day of the delay in the fulfillment of this obligation. Negotiations regarding the contractual penalty will not affect the claim from the purchaser for compensation for damage, which the purchaser may enforce on the seller, in addition to the contractual penalty in the full amount.

In _____ date _____

15. Final Provisions

15.1. In the event that any provision of the contract or these General Business Terms is or becomes invalid, ineffective or unenforceable due to any reason, (*obsolete*), it will not result in the invalidity, unenforceability or ineffectiveness of the other provisions in this contract or the General Business Terms. The parties shall negotiate in good faith to make any invalid, void or unenforceable provision replaced, in writing, by another provision where the factual content shall be identical or the most similar to the provision to be replaced, and retain the purpose and meaning of the contract and the General Business Terms. When the parties reach agreement and in the event that they may not agree at all, the invalid, ineffective or unenforceable provisions shall be replaced by other provisions in the contract and these General Business Terms, and failing that, the provisions of the relevant binding regulations and provisions that correspond to the criteria in the previous sentence.

15.2 Changes and amendments may only be made in writing by agreement between the parties in the form of an addendum to it signed by the personnel authorized to act on behalf of the parties.

15.3 The contract, including these General Business Terms, is governed by the legislation of the country in which the purchaser has its registered office and all negotiations and decisions regarding all potential disputes resulting from or related to the contract are under the authority of the courts of the country where the purchaser has its registered office.

15.4 This agreement arises and becomes effective on the date it is signed by both parties. The provisions of these General Business Terms become on this date an integral part of the contract if it does not contain any references to these General Business Terms.

15.5 The parties agree the exclusion of the application of the UN Convention on Contracts for the International Sale of Goods (CISG) of 11.04.1990 and the UN Convention on the Limitation Period in the International Sale of Goods of 14.06.1974 to the contract, as well as the rights and obligations resulting from the contract and these General Business Terms.

15.6 The seller hereby expressly confirms with their signature, that they are familiar with the following provisions of these General Business Terms, and that they understand and expressly accept all such provisions : (a) the contractual penalties mentioned in Article 9 of these General Business Terms, (b) contractual penalties mentioned in Article 11 of these General Business Terms, (c) contractual penalties mentioned in Article 14 of these General Business Terms.

(Seller)