

General Business Terms and Conditions for Supplies of Goods and Services of MERO ČR, a.s.

1 Conclusion of the Agreement

1.1 These General Business Terms and Conditions (hereinafter the "General Conditions") of MERO ČR, a.s. (hereinafter the "Purchaser") regulate the contractual relationship between the Purchaser and the second party (hereinafter the "Seller"). The contractual relationship shall only be established on the basis of a presented written order. Any oral covenants, amendments or changes must be in writing, including an express written confirmation by the Purchaser. These General Conditions constitute an integral part of the order/agreement (hereinafter the "Agreement") concluded between the Seller and the Purchaser.

2 Subject of Purchase and Place of Performance

2.1 The Seller undertakes to deliver to the Purchaser at his own costs and risk the subject of purchase specified in the Agreement (hereinafter the "Subject of Purchase"), in compliance with the Agreement and these General Conditions, together with the documents that are necessary for using the Subject of Purchase, or documents that are mandatory and hereinafter stated beyond the framework of the applicable legislation (hereinafter the "Documentation"). All drawings and calculations that are provided to the Seller or prepared on the basis of the Purchaser's instruction shall constitute the Purchaser's property and must not be used by the Seller for any other purposes, reproduced or provided to any third parties.

2.2 The Seller undertakes to deliver the Subject of Purchase to the Purchaser at the place determined by the Purchaser (hereinafter the "Performance Place"), pursuant to the delivery conditions stated in the Agreement in accordance with INCOTERMS 2010.

2.3 The Purchaser shall be entitled to reject the Subject of Purchase if the details, quality, quantity and specification do not correspond with the description stated in the confirmed Agreement, without the Purchaser being in default. In such an event, the Purchaser shall be entitled at his own discretion:

- a) To reject and return the goods at the Seller's costs.
- b) To request that the Seller checks the goods or service and removes defects.
- c) To request that the Seller replaces non-conforming goods by faultless performance.

2.4 The title to the Subject of Purchase and risk of damage to the Subject of Purchase shall pass to the Purchaser on the date of the handover and takeover of the duly delivered Subject of Purchase, i.e. on the date of signing a protocol on taking over the Subject of Purchase.

3 Date and Method of Transport

3.1 The Purchaser undertakes to take over the duly and timely supplied Subject of Purchase during the working hours on the date agreed. The Seller undertakes to deliver and hand over the Subject of Purchase at the place of performance on the date agreed, and the Seller shall be obliged to fulfill the date of delivery stated in the Agreement. If the Subject of Purchase is not delivered and handed over by the Seller to the Purchaser within the deadline agreed, the Purchaser shall be entitled to reasonably extend the deadline for delivery and handover of the Subject of Purchase, even repeatedly. This shall be without prejudice to the provisions on the contractual penalty and compensation for damage in favour of the Purchaser. The accompanying documents (delivery notes) containing complete data on the goods supply must be attached to the Subject of Purchase. The costs incurred in connection with the failure to fulfill the transport particulars shall be borne by the Seller.

4 Price and Invoice Due Date

4.1 The parties have agreed on the price for the Subject of Purchase in the Agreement (hereinafter the "Purchase Price"). Unless otherwise agreed, the Purchase Price shall be fixed and unchangeable from the execution of the Agreement throughout the term of the Agreement. The Purchase Price shall be determined as the maximum admissible price for the scope of the subject of the Agreement set forth in the Agreement, and it may not be exceeded. The Purchase Price shall be valid until the termination of the Agreement, and it shall include all costs of the due performance and completion of the subject of the Agreement.

4.2 Unless otherwise agreed in the Agreement, the Purchaser undertakes to pay the entire Purchase Price to the Seller upon the takeover of the duly delivered Subject of Purchase.

4.3 The due date of the invoice (tax document) shall be 60 calendar days following the delivery to the Purchaser at the address of his registered office. A protocol on the takeover of the Subject of Purchase signed by authorized representatives of both parties must be delivered to the Purchaser together with the invoice.

4.4 The invoice must have all the particulars arising from generally binding legal regulations, pursuant to Act No. 235/2004, Coll., on Value Added Tax, as amended, or, as the case may be, pursuant to a generally binding legal regulation replacing Act No. 235/2004, Coll. (hereinafter the "VAT Act"), and a handover protocol signed by the authorized representatives of both parties shall be attached to the invoice. The issued invoice must include the number of the relevant order/agreement. If the number of the order is not stated or if an incorrect number is stated, the Purchaser shall be entitled to not pay the invoice and return it to the Supplier; in such an event, the Purchaser shall not be in default in paying the invoice.

4.5 The Seller shall be obliged to deliver the invoice to the Purchaser at the address of his registered office within 15 days following the date of the takeover of the performance by the Purchaser. In the event of the delivery of the Subject of Purchase, the date of delivery pursuant to the VAT Act shall be considered as the date of the takeover of the performance.

5 Contractual Penalty and Default Interest

5.1 Should the Seller breach his obligation to duly deliver the Subject of Purchase within the deadline agreed, he shall be obliged to pay a contractual penalty to the Purchaser in the amount of 0.1% of the Purchase Price per day of default until the duly delivered Subject of Purchase is taken over by a protocol.

5.2 Should the Purchaser be in default in paying a monetary liability arising from the Agreement within the due date agreed, he shall pay a default interest to the Seller in the agreed amount of 0.01% of the amount outstanding per commenced day of default. The default interest shall be charged by the Seller to the Purchaser in the event of the Purchaser's default by a separate invoice.

5.3 The Seller shall be obliged to pay a contractual penalty to the Purchaser in the amount of CZK 50,000 per day of default:

- (i) In commencing to remove the defect of the Subject of Purchase within the warranty period pursuant to Article 7.2 of the General Conditions, and/or
- (ii) in removing the defect of the Subject of Purchase in compliance with the Agreement within the deadline agreed between the parties in writing, otherwise corresponding with the shortest possible period of time reasonable in terms of the extent and complexity of the Subject of Purchase.

5.4 The provisions on the contractual penalties shall be without prejudice to and shall not restrict the Purchaser's right to request full compensation for damage from the Seller or the Purchaser's right to rescind the Agreement.

6 Warranty Period

6.1 The Seller shall take over a warranty for the delivered Subject of Purchase on the basis of legal regulations. The warranty period shall be 24 months following the delivery of the Subject of Purchase, unless a longer warranty period is agreed upon in the Agreement. An objection against the notification of a defect that was not submitted on time shall not be admissible. Payments made shall not constitute a waiver of the right to the removal of the defects arising from the complaint. Other conditions shall be governed by the valid Civil Code.

6.2 The Purchaser shall also be entitled to raise claims under the quality warranty until the warranty period expires, in respect of hidden defects existing before or during the takeover.

6.3 Should portions or parts of the Subject of Purchase be replaced by new ones, a new warranty period shall apply to such portions or parts in the duration of 24 months following the date of replacement of the defective portions or parts of the Subject of Purchase by new portions or parts. The warranty period shall not run for the period during which the Purchaser cannot duly use the Subject of Purchase or a part thereof due to defects for which the Seller is liable. The warranty period shall also not run from the time when the Purchaser raises rightful claims *vis-à-vis* the Seller arising from the quality warranty until the Seller completely fulfills such claims.

7 Complaints and Defect Removal

7.1 The Purchaser shall be obliged to raise complaints concerning defects to the Seller in writing. Defects must be described in a written complaint or it must be stated how the defects are manifested. The Purchaser shall state in the complaint how the defects should be remedied.

7.2 The Seller shall be obliged to inform the Purchaser in writing within seven days following the receipt of the complaint whether or not the Seller recognizes the complaint, whether he will remove the defect, when he will commence to remove the defect and within what period of time he will remove the defect, i.e. whether within the period of time agreed upon in the Agreement or within a shorter period of time. Should the Seller fail to do so, it shall be deemed that the Seller has recognized the Purchaser's complaint.

8 Rights and Obligations of the Parties Arising from Force Majeure

8.1 The parties shall be exempt from partial or full failure to fulfill the contractual obligations in the case of a force majeure circumstance/event.

9 Other Covenants

9.1 The rights and obligations of both parties that are not expressly stipulated in the Agreement shall be governed by the applicable provisions of the Civil Code and other generally binding legal regulations of Czech law. This provision shall survive the termination of the Agreement.

9.2 Both parties shall be obliged to keep confidential all information (a) that concerns the Subject of the Agreement, (b) that is directly or indirectly obtained from the other party in connection with the execution and performance of the Agreement, and/or (c) that is contained in the Agreement, and/or (d) that was disclosed to such party by the other party in connection with the Agreement, and/or (e) that concerns the party or its business partners, or information that constitutes business secrets, or which has the nature of the other party's business secret or any other confidential information that is familiar to such party (hereinafter the "Confidential Information"), and shall not misuse the Confidential Information. The Confidential Information shall be considered as confidential data in the sense of Section 1730 of Act No. 86/2012, Coll., the Civil Code, and also as a business secret in the sense of Section 504 of the Civil Code. Publication of information that (a) is, or comes to be, in the public domain or is publicly available on grounds other than a breach of the Agreement, or that (b) a party is obliged to publish or make available to an authorized person pursuant to the applicable legal regulations, shall not be considered a breach of the obligation set forth in this paragraph (such published or available information shall remain Confidential Information and the obligations of the parties concerning handling such information as Confidential

- Information under the Agreement shall not be affected thereby). Each party shall be obliged to contractually assign its employees and persons on whom it will impose individual tasks in connection with the performance of the Agreement to keep classified information confidential at least to the same extent to which the relevant party keeps such information confidential. The Seller undertakes to refrain from publishing any confidential information or using it to his own benefit or to the benefit of any third parties, without the Purchaser's prior written consent. The provisions of this article shall survive the termination of the Agreement for a period of five years.
- 9.3 The Seller shall take into account that the Purchaser is considered to be a public contracting authority pursuant to the Public Procurement Act, and in compliance with the said act he is (i) obliged to publish the Agreement on his profile in the case of below-limit and above-limit public procurements, including all its annexes and amendments, the price actually paid and a list of subcontractors; (ii) in case of small-scale public procurements whose price exceeds CZK 50,000, excluding VAT, he is obliged to publish the Agreement, including all its annexes and amendments, on his profile. By his fulfillment of the Agreement, the Seller agrees with the publication of the said information.
- 9.4 The Seller shall not be entitled to assign his rights and obligations arising towards the Seller under the Agreement to any third parties without the Purchaser's prior written consent.
- 9.5 Should the parties to the Agreement be dissolved, all rights and obligations arising from the Agreement shall pass to their legal successors. .
- 9.6 The Supplier shall be obliged to ensure the take-back of packaging or packaging waste for supplied packaged goods in compliance with Section 10 of Act No. 477/2001, Coll., on Packaging.
- 9.7 If the Seller uses third parties to perform the Agreement, the Seller shall be liable *vis-à-vis* the Purchaser in the same manner as if he rendered such performance himself.
- 10 The Seller undertakes to comply with the principles leading to reducing the energy demands within the framework of ISO 50001:2011.**