

BUSINESS TERMS AND CONDITIONS OF ALFA PLASTIK, A.S. („Business Terms“)

A. PREAMBLE

- 1.1. These Business Terms are applicable to all business cases, in which Alfa Plastik, a.s. acts as the Contractor and the business partner as the Customer.
- 1.2. Should a Master Contract or a Separate Contract stipulate other terms and conditions than provided herein, the provisions of the Master Contract or the Separate Contract shall prevail over the herein stipulated conflicting terms and conditions.
- 1.3. By these Business Terms acceptance the Parties undertake to follow them in the future in all their mutual relationships belonging in the subject-matter hereof.

B. PURCHASE ORDER AND A SEPARATE CONTRACT CONCLUSION

- 2.1. Deliveries of the Goods between the Contractor and the Customer take place based on Separate Contracts concluded namely based on the Customer's Purchase Orders and in compliance with a Master Contract, if any. Should the Parties be already bound by these Business Terms, the Art. 2.5 shall not be applicable. In a contrary case, the Articles 2.2 through to 2.4 shall not be applicable.
- 2.2. The Customer is obliged to issue the Purchase Order in writing and state all data and details in the Purchase Order, whereat this requirement shall be deemed fulfilled also should the Purchase Order be sent electronically by an e-mail.
- 2.3. A Purchase Order delivered to the Contractor shall be binding for the Customer for the period of ten (10) working days.
- 2.4. A Separate Contract shall be concluded either by an express acceptance of the Purchase Order by the Contractor or by delivery of the Goods in compliance with the Purchase Order and in the period stipulated in the Art. 2.3 hereof, or by the Purchase Order acceptance with a deviation or an amendment, unless the Customer expresses its disagreement with such deviation or amendment in the period of five (5) working days.
- 2.5. The obligations of the Parties shall be in the first place governed by the express provisions of the Separate Contract, then and in the contents not stipulated by the Separate Contract by the express provisions of the Master Contract, if any, and then by the approved technical drawing, then by the provided sample and finally by these Business Terms.

C. PRICE AND PAYMENT TERMS AND CONDITIONS

- 3.1. The Price, regardless to whether it is provided by the Customer in the Purchase Order or not, shall be always governed by and computed using the current Price List.
- 3.2. The Price is exclusive of the VAT, which shall be always added in the relevant amount according to currently valid and effective legal regulations and paid by the Customer. Should the place of delivery differ from the place provided in the Art. 4.1 hereof the Price shall be exclusive of returnable packing (e.g. EURO pallets). The Price shall be exclusive of the costs of the Goods transport to the place of delivery and unloading.
- 3.3. If the Parties in the Master Contract approved a Price List, the Contractor shall inform the Customer in writing or by e-mail on any intended changes in the prices provided in the Price List at least ten (10) working days before the intended change effectiveness. The Price List amendment becomes effective for the Parties on the day provided in the Contractor's notice sent to the Customer. Should the Price List not form a part of the Master Contract, the Contractor shall be entitled to amend it per its own discretion and the Price List current at the time of a Separate Contract signing shall be applicable to such Separate Contract.
- 3.4. The Contractor is entitled to demand an advance payment of the Price. Should the Parties agree that the Price, or any part thereof, is to be paid after the Goods delivery, the Contractor shall issue an Invoice not sooner than on the day of the Goods delivery, with the maturity period of thirty (30) days from its serving to the Customer.

D. DELIVERY TERMS AND CONDITIONS AND TRANSFER OF THE TITLE

- 4.1. The place of the Goods delivery is the Contractor's plant at the address Bruntál, Opavská or the Contractor's plant at the address Tachov, Oldřichovská. The delivery terms and conditions are EXW per the INCOTERMS 2010.
- 4.2. The Customer is obliged to provide the Contractor with all necessary assistance for a Separate Contract and the Master Contract performance. In the event of the Customer's delay with fulfillment of this obligation, the terms stipulated for the Contractor's obligations fulfillment shall be adequately extended.
- 4.3. If the delivery term is not agreed in a Separate Contract or the Master Contract, the Contractor shall deliver the Goods to the Customer not later than in six (6) months from the day of the Separate Contract signing.
- 4.4. The Customer is obliged to take over the Goods and confirm the take over at the delivery note, stating the name and position of the taking over person.
- 4.5. The risk of damages to the Goods (or any part thereof) passes to the Customer as of the moment of the Goods (any part thereof) handing over to the Customer (for transport arranged for by the Customer respectively) or by the delivery note signing on behalf of the Customer or by the Customer's delay with the Goods take over.
- 4.6. The title to the Goods passes to the Customer only upon full payment of the Price for the relevant Goods, with all potential additional charges and taxes. The Customer undertakes that until it acquires the title to the Goods, it shall care for the Goods free of charge and with professional care and it shall not dispose with the Goods in any manner incompatible with such care (the Customer shall namely not transfer or pledge the Goods). Should despite the above the Goods be processed or mixed or should any other circumstance resulting in transfer or transformation of the title occur, the Contractor shall become the exclusive owner of the resulting object without incurring any obligation to pay any compensation.
- 4.7. All intellectual property rights belonging to the Contractor remain the property of the Contractor and do not pass to the Customer and the Contractor does not provide the Customer with any license to use or dispose with such intellectual property rights, unless expressly agreed upon otherwise by the Parties in writing.
- 4.8. If the Goods are delivered on EURO pallets or in other returnable packing, the Customer may in return immediately hand over to the Customer undamaged returnable pallets and packing of the same type and quality. The Contractor shall be authorized to refuse acceptance of damaged pallets and returnable packing.

E. OTHER RIGHTS AND OBLIGATIONS OF THE PARTIES RELATING TO EXTRAORDINARY CIRCUMSTANCES

- 5.1. The Customer undertakes to immediately inform the Contractor on any decisions or actions of any nature of any public authority or on any interventions of third persons applicable to the yet unpaid for Goods and to provide the Contractor with all relating information and assistance. The Customer undertakes to immediately inform the Contractor on cancellation of its trade license or any other authorization and on its bankruptcy or threatening bankruptcy. At the same time the Contractor undertakes to immediately inform the Contractor on any changes in its bank details.
- 5.2. In case of the Customer's bankruptcy or threatening bankruptcy, an insolvency proceeding commencement or a distraint order for the Customer's assets, the Customer's liquidation or any other similar proceedings or decisions, the Contractor's receivables from the Customer become immediately due and payable. In such case the Contractor may immediately withdraw from Separate Contracts and Master Contracts and demand returning of the Goods, for which the Customer has yet not paid the Price.

F. RIGHTS RESULTING FROM DEFECTIVE PERFORMANCE AND THE OBLIGATION TO COMPENSATE DAMAGES

- 6.1. The Contractor is obliged to deliver the Goods to the Customer in the quality, quantity and design set forth exclusively by the Separate Contract and the Master Contract, if any, and these Business Terms.
- 6.2. The Customer shall have rights resulting from defective performance if the defect occurs after the moment of the risk of damage to the Goods transfer and only in the scope, in which the defect is caused by breach of the Contractor's obligations.
- 6.3. The Customer is obliged to inspect the Goods in presence of the Contractor's representative immediately upon the Goods take over; the Customer is namely obliged to check the type, quantity and completeness of the delivery. The Customer is obliged to claim discovered visible defects in writing in the delivery note or in the acceptance record. In case of the Customer's failure to claim visible defects in such manner, the Customer loses its rights resulting from defective performance associated with visible defects.
- 6.4. In case of other defects the Customer is obliged to inform the Contractor on the defects of the Goods in writing, without any undue delay, however not later than in three (3) working days from the moment of the defect in the Goods discovery by the Customer, and the Customer shall do so in writing or by e-mail. In the report on defects the Customer shall state the relevant Separate Contract identification, the type and quantity of the claimed Goods, the claimed Goods delivery note and/or the acceptance record number and the reason of the claim. If the claim is not submitted in the above described manner, the Customer loses its rights resulting from defective performance associated with such defects. The Customer is entitled to claim the delivered Goods only in such part, to which the reason of the claim may be provably related.
- 6.5. The Customer is obliged to document the claimed defects of the Goods to the Contractor and enable inspection of the delivered Goods by the Contractor, as well as investigation of the circumstances of the delivery, storing and use of the Goods. For such purposes the Customer shall be namely obliged to provide the Contractor with access to its buildings and other premises, land lots, equipment, provide the Contractor with documentation and standpoints of involved persons, all of the above according to the Contractor's request.
- 6.6. Should the claim be accepted, the Contractor shall replace the defective Goods by defect-free Goods or provide an adequate discount from the Price, according to the Contractor's discretion. Any other manner of the claim solution is possible only upon agreement of the Parties.
- 6.7. Should a discount amounting to 100% of a unit price of (a part) of the Goods be provided in the scope of the claim processing, upon the Contractor's request the Customer shall be obliged to return such Goods to the Contractor not later than in five (5) working days.

- 6.8. Until the Contractor decides on the claim justification the Customer shall not be entitled to dispose with the Goods. Without the Contractor's express prior consent the Customer shall namely not be entitled to send the claimed Goods to the Contractor by post or demand take over of the claimed Goods, the claim of which is still being processed, by the Contractor's representative.
- 6.9. In case of defects of the Goods the Contractor shall not be obliged to compensate any harm suffered by the Customer or any third persons (namely the Customer's clients) above the scope of the Customer's rights resulting from defective performance set forth in these Business Terms, except for compensation of harm to natural rights caused willfully or by gross negligence. In case of a justified claim each Party bears its own costs of the claim process.
- 6.10. For the purposes hereof of the term harm shall be interpreted as harm to property (damage) in the meaning of Sec. 2894, subseq. 1 of the Civil Code, and should the Customer be the harming party also non-pecuniary damages in the meaning of Sec. 2894, subseq. 2 of the Civil Code. This provision contains an express arrangement on the Customer's obligation to compensate non-pecuniary damages in cases of any breach of the obligations resulting from the Separate Contract, the Master Contract and these Business Terms.

G. CONTRACTUAL PENALTIES

- 7.1. Should the Customer refuse to take over the Goods without having any right to do so (namely in cases, should it fail to prove that the Goods have not been ordered by the Customer or that the entire delivery of the Goods is defective), the Customer shall be obliged to pay to the Contractor the contractual penalty amounting to 0.2% (two tenths of one percent) of the total Price for the relevant Goods for each day of the delay and compensate to the Contractor all costs associated with the delivery and additional care of the Goods.
- 7.2. Should the Customer breach any of its obligations stipulated in the Art. 4.5, it shall be obliged to pay to the Contractor the contractual penalty amounting to 20% (twenty percent) of the Price for the relevant Goods for each individual breach of any of the above obligations.
- 7.3. Should the Customer breach the prohibition to dispose with the Goods until the claim procedure closing or the ban to send the claimed Goods back to the Contractor or to demand taking over of the claimed Goods from the Contractor's representatives per the Art. 6.8., the Customer shall be obliged to pay to the Contractor the contractual penalty amounting to 10% (ten percent) of the Price for the relevant Goods for each individual breach.
- 7.4. The contractual penalty shall be due and payable within fourteen (14) days from the Contractor's call for payment delivery.
- 7.5. In case of the Customer delay with payment of the Price the Customer shall be obliged to pay to the Contractor the delay payment interest amounting to 0.2% (two tenths of a percent) of the due amount for each day of the delay.
- 7.6. Should any of the Customer's obligations be breached and the Customer is obliged to pay to the Contractor any contractual penalty or delay payment interest, it shall have no effect on the Contractor's right to demand compensation of damages in the full amount.

H. SEPARATE CONTRACT TERMINATION, MASTER CONTRACT TERMINATION

- 8.1. The contractual relationship established by a Separate Contract may be prematurely terminated by:
 - (a) a written agreement of the Parties; or
 - (b) a written withdrawal by any of the Parties from legal or agreed upon reasons. For the case of an insignificant breach of the Contract by the Contractor the Parties agreed an additional period of at least 10 working days as a period sufficient for the Contractor's obligations fulfillment, whereat it shall not be possible to withdraw from the Contract without provision of such a period together with a call for remedying the breach.
- 8.2. For the purposes of withdrawal from a Separate Contract, and unless stipulated otherwise by the Master Contract, a significant breach shall mean any breach of the Customer's obligations, namely any delay with payment of the Price for any Goods exceeding fifteen (15) days.
- 8.3. Furthermore, the Contractor shall be entitled to withdraw from any Separate Contract and/or Master Contract should the Customer enter into liquidation, become bankrupt or should bankruptcy be threatening, should it submit a motion for voluntary bankruptcy declaration or should an enforcement order or a distraint order be issued for its assets.
- 8.4. The provisions of Sec. 1978, subseq. 2 of the Civil Code stipulating that a futile expiry of a sufficient period of time results in withdrawal from a contract without the need of any other acts, shall not be applicable to a Separate Contract or the Master Contract.
- 8.5. Should any of the Parties withdraw from the Separate Contract or the Master Contract, and should the Contractor return any paid money or provide any performance based on such withdrawal for the purposes of settlement of the relationships between the Parties, the Contractor shall not be obliged to do so before the Customer returns the performance provided by the Contractor and provides the Contractor with all potential performance due to the Contractor. From such money to be returned to the Customer the Contractor shall be entitled to deduct all paid applicable taxes (namely the VAT).

I. FINAL PROVISIONS

- 9.1. Unless expressly agreed upon otherwise, the Customer shall not be entitled to assign or transfer, fully or in part, any of its receivables resulting from the Master Contract or any Separate Contract to any third person without the Contractor's prior written consent.
- 9.2. The Customer shall not be entitled to pledge any of its receivables from the Contractor resulting from the Master Contract or any Separate Contract.
- 9.3. For the purposes of the Master Contract, as well as for the purposes of Separate Contracts, in compliance with Sec. 2913 subseq. 2 of the Civil Code, the force major shall mean circumstances, which are provably, permanently or temporarily, preventing fulfillment of obligations resulting from a relevant contract, which are extraordinary and insurmountable, occurring independently on the will of the parties, namely, however not limited to, natural disasters, wars, changes in the political situation, which exclude or inadequately complicate execution of the rights and obligations resulting from contracts, or any other similar causes, events or circumstances. The circumstances of force majeure form the grounds for postponing fulfillment of the contractual obligations on the Contractor's side for the period and in the scope of the relevant circumstance existence. The same conditions shall be applicable should the circumstances of force major have affect the Contractor's subcontractors.
- 9.4. The Parties hereby expressly exclude application of provisions on references to the business conditions in contracts concluded in an accessory manner and clauses contained in such contracts provided in Sec. 1799 and Sec. 1800 of the Civil Code to the Master Contract, the Separate Contract and these Business Terms.
- 9.5. These Business Terms shall be valid and effective as of 01 October 2015 and shall be terminated by effectiveness of New business terms with a later date of issue, which will replace the Business Terms and become the Business Terms. The Contractor is entitled to unilaterally change or amend the wording hereof. Should the Customer not approve the New business terms, the Customer shall be entitled to terminate any relevant Separate Contracts and the Master Contract (if any) by a written notice delivered to the Contractor within five (5) working days from the New business terms announcement, with the notice of termination effectiveness as of the intended effectiveness of the New business terms.
- 9.6. Should any provision of these Business Terms, the Separate Contract or the Master Contract become void or unenforceable, or should it be illusory, the remaining provisions hereof shall remain valid. In such case the Parties shall replace the void, ineffective or illusory provision by a new provision as close to the economic purpose of the void, unenforceable or illusory provision as possible.
- 9.7. Unless agreed upon otherwise by the Parties, the Master Contract, any Separate Contracts, any other relationships arising from such contracts respectively, shall be governed by the laws of the Czech Republic, excluding the international private law norms. Business habits do not have any priority over any provisions of the law, not even provisions of the law not having an enforcing force.
- 9.8. Any potential disputes arising from or in relation to the Master Contract or the Separate Contract shall be resolved amicably. Should the Parties fail to resolve any dispute amicably, such dispute shall be submitted to a Czech Court of material and local jurisdiction per the Contractor's registered office.
- 9.9. For the event of the Master Contract and Separate Contracts signing and amendments the Parties exclude application of the provisions of Sec. 1740 subseq. 3 and Sec. 1751 subseq. 2 of the Civil Code stipulating that a particular contract is concluded also if the Parties do not fully agree on the demonstration of the will relating to the contents of such contract.

J. CERTAIN TERMS

- “Separate Contract” – any contract concluded between the Parties (except for employment contracts and agreements on works executed outside an employment relationship, potentially similar contracts concluded under other than Czech law), based on which the Contractor is obliged to deliver a certain performance to the Customer and the Customer is obliged to take over such performance and pay for it the Price to the Contractor;
- “Contractor” – Alfa Plastik, a.s., ID No.: 607 93 791;
- “Customer” – each entity, with which the Contractor enters into a Separate Contract
- “Performance” or “Goods” – any performance provided by the Contractor to the Customer based on a Separate Contract, namely a tangible asset, but also work or services;
- “Master Contract” – a master contract concluded between the Customer and the Contractor, relating to stipulation of terms and conditions binding for the Parties and relating to all future deliveries of the Performance by the Contractor to the Customer, unless it is a Separate Contract;
- “Parties” – the Customer and the Contractor.