
General Commercial Terms and Conditions of Supplies of Goods for Model Obaly a. s., Version 1/2019

1. Preamble

These General Commercial Terms and Conditions of Supplies of Goods for Model Obaly a.s., version 1/2019 (hereinafter only “**GCTC**”) are, within an intention of Section 1751 of Civil Code, an integral part of Purchase Agreements made by and between **Model Obaly a.s.**, registered office at Těšínská 2675/102, Předměstí, 746 01 Opava, Company Reg. No.: 451 92 944, entered in the Commercial Register maintained by the Regional Court in Ostrava, Section B, File No. 456 (hereinafter only “**Buyer**”) and sellers and regulate specific conditions of purchase of goods (hereinafter only “**Goods**”). Essential elements of the Purchase Agreements are mainly specification of the Goods, quantity of the Goods, purchase price for the Goods and date of delivery of the Goods.

2. Making of a Purchase Agreement

- 2.1. Purchase agreement between the Buyer and a Seller is always made pursuant to a written purchase order from the Buyer delivered to a Seller by e-mail, via postal service or in person. The Purchase Agreement is concluded by a delivery of a confirmed purchase order by a Seller to the Buyer (hereinafter only “**Confirmation of the Purchase Order**”) in the same form as the Purchase Order was delivered by the Buyer to the Seller. The Purchase Agreement is made only if the purchase order is confirmed by the Seller in its entirety, i.e. without any additions, reservations, limitations or other changes and alterations compared to the content that was delivered by the Buyer to the Seller.
- 2.2. The Buyer is entitled to withdraw, alter or amend his Purchase Order in writing (incl. e-mail – see paragraph 2.3. of GPC) till the moment of delivery of the Confirmation of Purchase Order.
- 2.3. For the purpose of these GCTC, a legal act performed via e-mail, in respect of the Purchase Order, Confirmation of the Purchase Order delivered to the Seller via e-mail and/or withdrawal, alteration or amendment of the Purchase Order, is considered a written legal act.
- 2.4. Confirmation of a Purchase Order that contains any additions, reservations, limitations or any other changes and alterations is not considered a Confirmation of the Purchase Order but it is always a new proposal raised by the Seller to make a Purchase Agreement (hereinafter only “**Counterproposal**”). The Purchase Agreement is then made on the basis of the Counterproposal only if the Buyer confirms it in writing.

- 2.5. Confirmation of a Purchase Order or its rejection must be delivered by the Seller to the Buyer within two (2) working days of the date of the Purchase Order receipt at the latest. Information of whether the Seller confirms or rejects the Buyer's Purchase Order is very important for the production process of the Buyer. If the Seller delays the Confirmation of the Purchase Order or its rejection the Seller is obliged to pay a contractual penalty in the amount of CZK 2,000.00 (two thousand Czech crowns) per each day of such delay to the Buyer; the Buyer's right of damages is not affected whereby.
- 2.6. If the Seller delivers the Confirmation of the Purchase Order to the Buyer after an expiration of the period specified in paragraph 2.5. of these GCTC the relevant Purchase Agreement shall be made only in the case that the Buyer approves this Confirmation of the Purchase Order in writing, via e-mail at least.
- 2.7. Upon entering into a Purchase Agreement the Buyer is entitled to require a change of type or quantity of the ordered Goods and/or date of delivery of the Goods only if utterly necessary for operating reasons.
- 2.8. A finally made Purchase Agreement is a single and complete document between the Buyer and the Seller for the same matter. Any previous agreements by the Buyer and the Seller, either written or oral, are then superseded by the provisions of the Purchase Agreement to the full extent.

3. Purchase Price, Method of Payment

- 3.1. The Buyer is obliged to pay a purchase price for the Goods agreed in the Purchase Agreement (hereinafter only "**Purchase Price**") to the Seller. Such Purchase Price always includes all costs related to the Goods and its delivery, including packing of the Goods, costs of transport, insurance costs, and costs related to the arrangement for necessary documents, labelling, customs duty, taxes, storage fees, etc. A right and at the same time an obligation to invoice the Purchase Price for the Goods is created as on the date of due delivery of the Goods.
- 3.2. For the avoidance of doubt, GCTC determines that the Purchase Price is agreed in the DAP mode in accordance with INCOTERMS 2010, unless otherwise agreed by both parties in advance.
- 3.3. The Purchase Price setting in the Purchase Agreement can also be done in a form of a mutually agreed pricelist, usually for repeated supplies of the Goods. In this case the Purchase Agreement must contain a countersigned pricelist of the Seller forming an integral Attachment thereto or an express reference to the precisely specified and without doubt ascertainable or verifiable pricelist of the Seller which becomes an integral part of the Purchase Agreement (hereinafter only "**Pricelist**") and a percentage amount of a possible discount from the Pricelist provided by the Seller to the Buyer. Any alterations or changes in the Pricelist are allowed only if agreed by both parties in writing, unless otherwise specified by these GCTC.
- 3.4. Payment of the Purchase Price shall be made by the Buyer via a credit transfer to the Seller's account pursuant to the legitimate invoice issued by the Seller. The invoice containing all essential and formal elements for the purpose of an accountable and

taxable receipt must be served to the Buyer by the Seller within two (2) days of the date of delivery of the Goods at the latest in PDF format as an enclosure to an e-mail message sent to the Buyer's address **podatelna@modelgroup.com**. Both parties acknowledge and agree expressly with mutual issuance of the invoices in an electronic form, i.e. in PDF format.

- 3.5. Besides general elements of the accountable and taxable receipt, the invoice must always include the following elements:
 - 3.5.1. Serial number and date of Purchase Order;
 - 3.5.2. Designation and specification of the Goods;
 - 3.5.3. Unit Purchase Price for the Goods;
 - 3.5.4. Quantity of the invoiced Goods;
 - 3.5.5. Amount of the discount provided to the Buyer;
 - 3.5.6. Total Purchase Price for the Goods;

The invoice must be supported with a document proving due delivery of the Goods confirmed by a person authorized by the Buyer for this purpose, if any, otherwise due fulfilment of the invoicing conditions (mainly due and timely delivery of the Goods) shall be verified against the Buyer's documentary materials. If the Buyer's materials and/or Seller's documents attached to the invoice are insufficient to ascertain legitimacy of the invoice the Buyer will invite the Seller to support the due and timely delivery of the Goods and a period for due payment is suspended until such fact supporting.

The Seller is obliged to issue a separate invoice for each Purchase Agreement in compliance with these GCTC.

- 3.6. Invoices shall be due within sixty (60) days of the date of their receipt by the Buyer. In case the Buyer returns a received invoice back to the Seller because it doesn't meet these CGTC or any generally binding legal regulations, due delivery of the invoice to the Buyer becomes only be the moment of delivery of the correct invoice free of any defects and since that moment a period for due payment starts. The invoice is considered paid by the date the amount is debited and transferred from the bank account of the Buyer for the benefit of the Seller.
- 3.7. In case of a defective supply the period for due payment shall be extended by the time from putting forward the Claim to a due disposing of the Claim.
- 3.8. Returning of an invoice by the Buyer is justifiable if it lacks elements determined by the generally binding legal regulations or these GCTG, if it contains data contrary to the provisions of the Purchase Agreement or possibly made General Purchase Contract, if it lacks attachments required by GCTC or contains data that do not accord with the reality (e.g. incorrect information of the Goods delivery, quantity of the Goods, etc.).
- 3.9. If the Buyer pays the invoice within fourteen (14) days from the date of its receipt he is entitled to a discount in the amount of 3 % of the invoice total value. The Buyer is allowed to calculate the discount according to the date of payment of the invoice in relation to its delivery to the Buyer and the Buyer then pays an amount already reduced by such discount to the Seller.

- 3.10. If the Buyer is in default of payment of the Purchase Price for the Goods the Buyer is obliged to pay a statutory interest on payment in default in accordance with the generally binding legal regulations for the respective time of default.
- 3.11. The Seller is allowed to assign any claims against the Buyer arising from the Purchase Agreement or GCTC or a General Purchase Contract, if any, to a third party, or put such claims as a security in a third party favour, only upon a preceding written approval by the Buyer. The parties agree that such an approval cannot be made by e-mail.
- 3.12. The Buyer is entitled to set off any claims, either original or acquired by assignment from a third party, recognized or uncertain or indefinite, due or undue, statute-barred or not, he records towards the Seller unilaterally against the Seller's claims (receivables) arising from the Purchase Agreement or GCTC or a General Purchase Contract, if any, or incurred in relation thereto.
- 3.13. The Seller is entitled to set off his claims towards the Buyer arising from the Purchase Agreement or GCTC or a General Purchase Contract, if any, or incurred in relation thereto only upon a written agreement with the Buyer, but he is not in any case authorized to make an unilateral set-off.

4. Delivery of the Goods, Packing of the Goods

- 4.1. The Seller is obliged to deliver the Goods properly and in due time as agreed by the parties in the Purchase Agreement.
- 4.2. Terms of delivery shall be governed by the international rules for commercial transactions and procurement processes (INCOTERMS 2010) issued by the International Chamber of Commerce in Paris. For the purpose of the Purchase Agreement, delivery means the DAP term - Delivery at Place, i.e. at the relevant Buyer's manufacturing plant platform according to INCOTERMS 2010, unless otherwise agreed by both parties.
- 4.3. The Seller is obliged to inform the Buyer of the fact the supply is ready to be delivered no later than two (2) working days before the actual delivery, by an e-mail at least.
- 4.4. The Seller is obliged to enclose a delivery note to each supply. Such delivery note must contain a complete number or designation of the Purchase Order by the Buyer or the Purchase Agreement, date of handover of the Goods to a carrier, name, type number, internal designation of the Buyer and a quantity of individual items of the Goods, kind and number of packages, method of transportation, vehicle registration number, confirmation of a quantitative check performed by the carrier at taking the Goods for transport and a **number of a platform at the relevant Buyer's plant for unloading the Goods**.
- 4.5. The Seller is obliged to make sure that the carrier performs the quantitative check at taking the Goods for transport and confirms the performance in the delivery note.
- 4.6. Unloading of the Goods at the Buyer in his individual plants is agreed to be on working days from 06:00 to 13:00 o'clock, unless otherwise agreed.
- 4.7. The Goods shall be delivered at a pallet facilitating handling with forklift trucks, unless otherwise agreed.

- 4.8. The pallet must be suitable for the nature of the Goods as well as it must meet the safety requirements and also must be compatible with the storage management of the specific plant of the Buyer. If doubtful about it, the Seller is obliged to require an approval of the pallet compatibility from the Buyer and ensure that the pallets on which the Seller would deliver the Goods are in compliance with the Buyer's storage management at the respective Buyer's plant.
- 4.9. The Goods must be packed and transported in such a way that no damage by mechanic, weather or any other conditions could occur.
- 4.10. The Seller is aware of absolutely fundamental importance to deliver the Goods to the Buyer properly and in due time, mainly in respect of further supplies of the Buyer's final products to his customers. If the Seller fails to deliver the Goods in due time he is obliged to pay a contractual penalty to the Buyer in the amount of 0.5 % of the Purchase Price for the Goods in default per each day of such default, but at least CZK 1000.00 (one thousand Czech crowns) per each day of default; however the Buyer's right of damages is not affected whereby. Further, in the case of the above described Seller's default of delivery the Buyer is entitled to withdraw from any of the Purchase Agreements concluded with the Seller as well as from a General Purchase Contract, if any exists.
- 4.11. The packed Goods must be labelled according to the agreement between the Seller and the Buyer, minimum information on the supplied Goods are as follows:
 - 4.11.1. Name or designation of the Seller;
 - 4.11.2. Identification number of a storage item specified by the Buyer;
 - 4.11.3. Quantity of the Goods in the package;
 - 4.11.4. Identification of the Purchase Agreement;

Labels on the packages must be prevented from any damage or destruction during transportation or storing.

- 4.12. At the Buyer's written notice, the Seller is obliged to ensure collection and transportation of reusable packages (e.g. pallets, etc.) from the agreed place of delivery of the Goods at his own cost and risk. Such collection of the reusable packages must be carried out on the date requested by the Buyer. If the Buyer does not request any specific date then the collection is always performed with the next delivery of the Goods to the agreed place of delivery. In case the Seller delays the collection of the reusable packages he is obliged to pay a storage fee to the Buyer for the time from the first day of the delay to the date of its collection in the amount of CZK 10.00 (ten Czech crowns) per each m² of the area taken by the stored packages, and a contractual penalty in the amount of CZK 100.00 (one hundred Czech crowns) per each day of the delay of one piece collection. For the duration of such delay a risk of damages in respect of the packages is borne by the Seller and the Buyer is released from duty to take care of them. If the collection of the reusable packages is delayed by more than 3 months the Buyer may handle the packages as he thinks fit, e.g. to deliver the packages to the Seller's place of business at the Seller's expense, sell them and use the proceeds thereof to settle the claims incurred towards the Seller under this provision or dispose of them at the Seller's expense.

5. Quality of the Goods, Warranty

- 5.1. The Seller is obliged to manufacture the Goods or procure manufacturing of the Goods so as the quality and properties comply with the technical document, valid technical conditions, national standards, legal regulations, quality standards and the Purchase Agreement requirements. The Seller is informed of the specific way of subsequent using the Goods at the Buyer site and is fully aware of that the Goods must have the properties suitable for this way of using. If the Seller is doubtful about a way of subsequent using of the Goods by the Buyer he is obliged to notify the Buyer in writing and ask for the Buyer's opinion.
- 5.2. Each item of the Goods must be identified with:
 - 5.2.1. a brand name, trademark or logo of a manufacturer;
 - 5.2.2. identification number of the Goods (product of the Buyer),
 - 5.2.3. a code including a date of manufacture, if relevant to the Goods (e.g. with respect to guaranteed properties of the Goods)
other designation if prescribed by the generally binding legal regulations, homologation regulations, approved technical document or the Purchase Agreement.
Method of designation (marking, labelling, etc.), design and positioning shall be agreed by the parties, unless resulting from the approved technical document.
- 5.3. The Seller is responsible for and ensures that the system of inspections and tests implemented by the Seller guarantees the Goods can be used by the Buyer for subsequent manufacturing without any further inspections at the Buyer's plant.
- 5.4. The Seller is obliged to deliver the Goods with the "Quality Certificate" enclosed in each supply, which certifies conformity of the Goods to the approved technical document. The Goods without such Quality Certificate may be rejected by the Buyer, unless otherwise agreed. The Quality Certificate can be a part of the delivery note.
- 5.5. The Seller is responsible and ensures that the Goods subject to the provisions of Act No. 22/1997 Coll., on Technical Requirements for Products and on Amendments to Some Acts, as amended, meet the requirements of applicable technical regulations and standards in force in the Czech Republic and that the Seller observes the procedure of the Goods conformity assessment.
- 5.6. The Seller is obliged to hand over copies of the relevant "CE Declaration of Conformity" or "Declaration of Conformity", if required by the Buyer, unless otherwise agreed.
- 5.7. The Buyer is entitled to perform tests and inspections, at his own discretion, in order to verify the agreed quality, properties and parameters of the Goods.
- 5.8. The Buyer is entitled to carry out an audit at the Seller or his subcontractors participating in any way in the Goods supply and to verify whether the actions to assure full quality meet the Buyer's needs. Such audit may be carried out to the extent of the entire system, manufacturing process or a product. The Seller is obliged to enable the audit.
- 5.9. If the audit under Article 5 paragraph 5.8. of GCTC discovers any non-conformities the Seller is obliged to draw up and implement a plan of corrective measures to remove them. Subcontractors of the Seller participating in the Goods supply in any way are

bound by the same rules as the Seller himself in the field of quality management system and the Seller is responsible for their observance.

- 5.10. If the Buyer finds out any defects in the supplied Goods he sends a written notice to the Seller, usually by e-mail, (hereinafter only “**Claim**”). The Claim form must include a description of the defect, how it shows, in which supply it was detected, and a required method of remedy (removal of the defect). The Seller is obliged to confirm receipt of the Claim form in the same form without any undue delay.
- 5.11. The Seller is obliged to examine and assess the Claim within forty eight (48) hours from the Claim receipt at his own expense and inform the Buyer of his first written opinion of the Claim which must contain all required elements of “3D Report” of the Buyer. Thereafter, the Seller is obliged to send the final assessment opinion of the Claim containing all essential elements of the Buyer’s “8D Report” to the Buyer within thirty (30) days of the Claim receipt.
- 5.12. Product liability claims, their type and a method of remedy shall be exclusively opted by the Buyer and the Seller shall be obliged to respect the Buyer’s option. Until a total removal of the defects, the Buyer may change the opted type of product liability claims and the method of remedy by a written notice delivered to the Seller, via an e-mail message at least. The Seller agrees to pay a lump-sum fee of CZK 1000.00 (one thousand Czech crowns) to the Buyer for the administration of every justified claim.
- 5.13. The Seller guarantees to the Buyer that it will meet all its obligations arising from its liability for defective Goods in a due and timely manner. If the Seller is in default in fulfilling any of its obligations arising from or related to its liability for defective Goods, the Seller agrees to pay to the Buyer a contractual penalty of 0.1% of the price of defective Goods (but no less than CZK 1000.00) for each day of default in fulfilment of its obligation arising from its liability for defects for each item. Payment of the contractual penalty shall not affect the right to claim damages or any other contractual or legal obligation of the Seller associated with liability for defects.
- 5.14. The Seller provides to the Buyer a Warranty applicable to the Goods. The Warranty period is twenty four (24) months and starts from the first day following acceptance of the Goods by the Buyer.
- 5.15. Type defect. In case the Seller supplies the Goods of the same type or more types of the Goods repeatedly and at least 5 % of the Goods (but minimum two pieces of the Goods or two units of measurement of the Goods – e.g. litres, kilograms, etc.) from the amount of totally supplied Goods of the specific type in individual supply or in all supplies delivered during twelve (12) months preceding the month in which the defect was found out are defective, then such a defect is a type defect and any so far supplied Goods of the same type is considered defective. Rights arising from the type defect liability may be exercised by the Buyer until expiration of the Warranty period or within three (3) years from its termination at the latest. Unless otherwise determined by the Buyer, the Seller is obliged to solve the Claim in respect of the type defect within ten (10) days of the date of the defect detection in such a way that he will deliver a substitute supply of the Goods in lieu the Goods according to the Purchase Agreement or Purchase Agreements which is considered defective in compliance with this provision. Failure to perform the obligations resulting from this provision towards the Buyer properly and in due time means that the Buyer is entitled to withdraw from any of the Purchase Agreements and/or General Purchase Contract, if made.

The Seller provides to the Buyer a Warranty applicable to the Goods. The Warranty period is twenty four (24) months and starts from the first day following acceptance of the Goods by the Buyer.

6. Industrial Property Rights

- 6.1. The Seller guarantees that the Goods, as a whole or individual parts and components thereof, do not infringe industrial property rights or other similar rights of third persons.
- 6.2. The Purchase Agreement does not grant any licence to use nor assign any rights to inventions, patents, industrial designs, utility models, trademarks, brand names, know-how, copyright and any other forms of industrial or intellectual property.
- 6.3. In case the Goods are manufactured according to the technical document of the Buyer that was provided to the Seller for this purpose, or the Buyer allowed the Seller to get familiarized with the document in any other way, the Seller has no right to manufacture and deliver the Goods according to this technical document to any third person.
- 6.4. The Seller is not entitled to register or enable registration of a technical solution contained in the technical document of the Buyer as mentioned in the foregoing paragraph for industrial right or copyright protection by a third person.
- 6.5. The Seller is obliged to inform in writing of any possible use of his own patents, utility models and industrial designs for the Goods and of a licence application in respect of patents, utility models and industrial designs. Own and licence industrial rights to the Goods cannot exclude or limit an export of the final products of the Buyer.
- 6.6. Models, matrices, dies, patterns, designs, tools or any other devices, instruments, jigs and equipment provided by the Buyer to the Seller for the purpose of manufacturing of the Goods or paid by him shall not be used for production intended for third persons.

7. Insolvency Proceedings Consequences and Security for VAT

- 7.1. The Seller is obliged to notify immediately the Buyer in writing in case he becomes insolvent, even if such insolvency is temporary and insufficient to result in a bankruptcy within the intention of the Insolvency Act, should the insolvency influence a due performance by the Seller.
- 7.2. In case that insolvency proceedings are commenced against the Seller the Buyer is entitled to withdraw from this Purchase Agreement and any other Purchase Agreement with immediate effect, notwithstanding such Purchase Agreement has been partially performed already.
- 7.3. In the case the Seller is identified as an unreliable taxpayer of VAT in accordance with the provisions of Section 106a et seq. of Act No. 235/2004 Coll., on Value Added Tax, as amended, (hereinafter only “**VAT Act**”) as on the day of taxable supply and no proof of due payment of VAT is submitted by the Seller to the Buyer at least ten (10) days prior to expiration of a period for the relevant invoice payment, the Buyer has a right to pay only the Purchase Price excl. VAT to the Seller for the supplied Goods. The parties agreed that the retained sum of VAT should be used as a security for the outstanding VAT not paid by the Seller. The Buyer is entitled to use such retained sum of VAT for payment of the outstanding tax arrears if he, under the duty of security, becomes liable

for the payment in lieu of the Seller, or to pay out the retained sum of VAT to the Seller within ten (10) working days of the submission upon a proof of due payment of VAT submitted by the Seller. The Seller is further obliged to inform the Buyer of the fact he became an unreliable taxpayer of VAT under the VAT Act within five (5) working days of publishing such a fact. If the Seller breaks this obligation he shall pay to the Buyer a contractual penalty in the amount of CZK 50,000.00 (fifty thousand Czech crowns).

8. Damages, Insurance

- 8.1. The Seller is fully liable for damages or loss incurred to the Buyer as a result of a breach of any of his obligations under this Purchase Agreement or GCTC and/or any statutory obligations or duties by law, other generally binding legal regulations as well as technical standards and other similar applicable regulations related to the Goods or performance of the supply.
- 8.2. The Seller assumes full responsibility for the Goods, dates of delivery, Purchase Price, due performance, quality indicators and conformity of the Goods' properties to the way of their subsequent use by the Buyer. The Seller must notify the Buyer immediately of any problem that could adversely affect the continuous performance of the supplies of the Goods or even interrupt the supplies of the Goods. Failing that, he will be liable for damages incurred to the Buyer consequently.
- 8.3. The Seller declares he indemnifies the Buyer in the case any person, including state administration bodies and self-government authorities, exercises any claim for damages against the Buyer based on a supply of the Goods to the Buyer or in relation thereto.
- 8.4. The Seller shall within ten (10) calendar days of acceptance of these GCTC, signing GPC or the first Purchase Agreement hand over a copy of an insurance policy authenticated by a notary public and/or an insurance certificate (original or an authenticated copy) to the Buyer that will prove the existence of a liability insurance effected by the Seller applicable to the damages caused by delivery and use of the Goods or in relation thereto and an amount of an insurance claim shall be corresponding to the risk of possible damages to the Buyer in casual relation to any delayed or defective supplies of the Goods. In case of doubts the Seller is obliged to ask the Buyer in writing for stating the required amount of the insurance claim according to the nature of the Goods and respect it. The Seller further agrees that such insurance will not be cancelled or withdrawn or altered for the worse conditions for the whole term of validity of the obligations arising from the Seller's duty to perform the existing GPC and individual Purchase Agreements.
- 8.5. The Buyer is entitled to withdraw from the General Purchase Contract and any of the Purchase Agreements if the Seller fails to hand over a proof of insurance according to paragraph 8.4. hereof to the Buyer.

9. Governing Law, Dispute Resolution

- 9.1. Any legal relations between the parties created in connection with and on the basis of the duly made Purchase Agreements, general purchase agreements and these GCTC are governed by the Czech law.

- 9.2. Any disputes between the parties arising from or in relation to the Purchase Agreements made and these GCTC shall be resolved primarily in mutual discussion of the both Parties. If the specific dispute is not settled amicably within thirty (30) days of its creation the dispute shall be resolved by a court having general and territorial jurisdiction of the Buyer on a motion of either party.

10. Final Provisions

- 10.1. Limitation period. Any Seller's claims towards the Buyer are subject to the statute of limitations in the limitation period of one (1) year. Any Buyer's claims towards the Seller in respect of damages or loss are subject to the statute of limitations in the limitation period of ten (10) years.

- 10.2. Trade secrets. The Seller shall not be entitled to communicate, disclose or make accessible to a third party any information that the Seller obtained from the Buyer in the performance hereof or separate purchase agreements or in connection therewith or otherwise if such information forms or could form part of the Buyer's trade secrets. Confidential information in accordance with this clause means information regarding competition-relevant and determinable facts that is valuable and not commonly available in business circles and is in any way associated with the operation of the Buyer's plants or the Buyer's business activities ("**Confidential Information**"). The Seller shall keep the Confidential Information secret, refrain from using it without the Buyer's consent or misusing it under any circumstances. If any Confidential Information must be communicated, disclosed or made accessible to a third party, including but not limited to the Seller's subcontractors involved in deliveries or the manufacture of the delivered Goods as the case may be, the Seller shall restrict the scope of such Confidential Information to the very minimum and impose proper measures for the transfer of the obligation of confidentiality on such third parties, and the Seller must be able to demonstrate the transfer of the protection of Confidential Information onto the third party to the Buyer at any time. The Seller shall comply with reasonable, but adequate security measures that ensure the protection of the Buyer's Confidential Information primarily against the loss, theft, destruction thereof, unauthorised access, any intentional, accidental or other damage thereto, or other unauthorised use or processing thereof. The Seller's obligation to maintain the confidentiality of and protect the Confidential Information for the duration of the effectiveness hereof and/or of the last concluded purchase contract, and then for a period of 5 (five) years from the end date of the effectiveness of the last one of them.

Should the above obligations arising from this article of the GCTCs be violated, the Seller is obliged to pay to the Buyer a contractual penalty of CZK 50,000.00 (fifty thousand Czech crowns) for each violation of obligations which shall not affect the Buyer's right to claim damages.

- 10.3. Severability. If any of the articles, paragraphs, subparagraphs, clause or provisions of these GCTC becomes invalid or unenforceable this situation does not affect validity and unenforceability of the rest of the provisions. In such a case, the contracting Parties undertake to agree on a legally acceptable procedure how to ensure realization of their business plans and intentions established in such invalid or unenforceable provision.

- 10.4. Rights and obligations subject-matter, interpretation of practice. Subject-matter of the rights and obligations in these GCTC is always interpreted primarily according to a

linguistic expression of their individual provision. An intention of either Party may only be taken into consideration if not contrary to the linguistic expression. In case of doubts about correct meaning of the linguistic expression of the individual provisions the Parties can use other statutory rules to determine the subject-matter of the rights and obligations of the Seller and the Buyer. Any arrangements preceding or following GPC or individual Purchase Agreements may only be taken into consideration if not in conflict with the subject-matter or meaning and purpose of these GCTC. Within this intention, the Parties exclude any established practice of delivery of the Goods existing between them.

10.5. The parties may withdraw from GPC and/or individual Purchase Agreements for the reasons agreed expressly in the individual Purchase Agreements, GPC and these GCTC and/or for the reasons by virtue of law.

Corporate name/name and surname: _____
Registered office: _____
Company Reg. No./VAT No. _____
/date of birth/ personal ID No.: _____
Entered in Commercial Register _____
/Register of Trades: _____
Represented by/title/power of attorney _____

Place _____ date _____