

GENERAL BUSINESS AND DELIVERY TERMS AND CONDITIONS
of JKZ BUČOVICE, a.s.
for the sale of goods valid as from 14 May 2018

1. Introductory Provisions

1.1 These General Business and Delivery Terms and Conditions (the “**GBDTC**”) are general terms and conditions within the meaning of Section 1751 et seq. Act No. 89/2012 Coll., the Civil Code, as amended (the “**Civil Code**”). The purpose of the GBDTC is to govern the obligations arising from contracts concluded between the seller, i.e., JKZ Bučovice, a.s., Company ID No. 25587820, registered office at Bučovice, Ždánská 210, Postal Code 685 01 (the “**Seller**”) and the buyer, i.e., a natural or legal person (the “**Buyer**”) in the sale of goods.

1.2 These GBDTC together with specific business terms and conditions contained in the framework contract concluded between the Seller and the Buyer, or separate implementation purchase contract, written confirmation of an order made by the Seller or a business offer of the Seller accepted by the Buyer (collectively the “**Contract**”) represent the entire agreement of the parties on the terms of the sale of the goods which, effective as from 14 May 2018, replace all previous terms and conditions prior to the sale of the goods of the Seller. In the event that the contract or the Seller's offer accepted by the Buyer (also the “**Offer**”) will result in a divergent arrangement between the parties compared to the GBDTC, the terms of the Contract or Offer shall prevail.

1.3 The GBDTC are binding on the parties from the date of the conclusion of the Contract if the GBDTC are attached to the Contract or Offer or if the relevant Contract or Offer contain a reference to the GBDTC and the Buyer confirms in the Contract or in Offer confirmation or otherwise that it is familiar with the content of the GBDTC and agree with them without reservations. The Seller hereby excludes the possibility of acceptance of the Offer by the Buyer with a supplement or deviation within the meaning of Section 1740, paragraph 3 of the Civil Code. In the event of the Buyer accepts the Offer with a supplement or deviation, it shall be deemed it new draft contract submitted by the Buyer.

1.4 Any changes, supplements, or amendments to the Contract may be only in writing in the form of numbered and dated amendments signed on both Parties after prior approval by both Parties. Any amendments or additions to the GBDTC already agreed by the Buyer within the meaning of paragraph 1.3 herein shall be permissible only upon written agreement of the Parties.

1.5 As legal acts made in writing shall also be deemed legal acts made by electronic or other technical means which allow the capture of content and identification of the agent provided the content is clear and comprehensible and the legal act is made by the person specified in the Contract; this shall not apply in the case of acts according to paragraph 1.4 of the GBDTC.

1.6 All information contained in the Contract or Offer, as well as information, documents, and other background information provided by the Seller to the Buyer in connection with the Contract, which is not publicly available, are trade secrets of the Seller (“**Confidential Information**”). The Buyer undertakes that without a prior written consent of the Seller such Confidential Information will not be used for its own purposes contrary to the purpose of the Contract or disclosed to a third party.

1.7 If the Buyer fails to fulfil any of its contractual or statutory obligations, the Seller may insist on their fulfilment or withdraw from the Contract. In both cases, the Seller shall have the right to damages it incurs.

2. Price and Payment Terms

2.1 Agreement on the amount of the goods or method of delivery are required to conclude the Contract.

2.2 The Contract shall contain the price of goods without value added tax (“VAT”). The Buyer shall pay the price increased by VAT at the amount determined in accordance with the relevant legal regulations. This shall not apply in the case of the reverse charge regime when the Buyer is required to pay VAT.

2.3 When the price of the goods per unit of weight is agreed (e.g., kg per CZK/EUR), the weight measurement of the Seller shall be decisive for determination of the total price. When determining the price of goods according to other units (e.g., metre) or number of pieces of goods, the data about the goods in the respective shipment documentation shall be decisive.

2.4 The Seller shall have the right to bill the price of the goods on the basis of the tax document (invoice) issued on the date of the taxable event, i.e., on the date when the delivery obligation is fulfilled in accordance with the delivery terms set forth in Article 3 of the GBDTC, unless the Contract sets forth otherwise.

2.5 The Buyer shall pay the price of goods to the Seller's bank account stated in the tax document within 14 days from the date of issuance of the tax document, unless the Contract stipulates otherwise. The Buyer may raise objections to the content of the invoice within 5 days from the date of its delivery.

2.6 The date of payment of the invoice shall be the date the correct amount of the price or another financial debt is credited to the Seller's bank account.

2.7 In the event that the Buyer is in default in the payment of any amount or part thereof due to the Seller, the Seller shall have the right to charge a default interest of 0.03 % of the amount due for each started day of default.

2.8 The Seller is not obliged to deliver the good, is entitled to withdraw from the Contract, or exercise other rights under the GBDTC if the Buyer fails to pay any financial debt to the Seller, if the Buyer fails to provide the Seller with sufficient collateral for its financial liabilities in accordance with the Contract, or if it fails to meet any other obligations under this Article. Such conduct of the Seller shall not be considered a violation of its obligations or default in the delivery of goods.

2.9 The Buyer is not entitled to assign any of its receivables against the Seller arising from or in connection with the Contract to any third party or establish a lien on such receivables in order to secure its financial liabilities or financial obligations of third parties without the prior written consent of the Seller. In the event of violation of this Buyer's obligation, the Seller may charge a contractual penalty of 20 % of the nominal value of the wrongfully assigned or encumbered receivable.

2.10 In the event that circumstances arise or the Seller receives information about circumstances that may reduce the credibility of the Buyer (e.g., poor payment habits, bankruptcy, overindebtedness, default in payments of more than 30 days, etc.), the Seller shall have the right to demand the Buyer pays all its invoiced debts at once regardless of their maturity date. The Buyer shall pay such debts within 7 days of the invitation,

unless agreed otherwise. In that case, the Seller shall also have the right to advance payments for any outstanding deliveries of goods regardless of the payment terms already agreed.

3. Delivery Terms

3.1 The Seller shall deliver goods to the Buyer within the term stipulated in the Contract. The Seller may deliver goods earlier if early delivery is agreed with the Buyer after the Buyer have been informed of the goods being ready for dispatch. The Buyer is not entitled to require early delivery of goods.

3.2 The term of performance may be prolonged by the Seller for an appropriate period of time necessary to remove obstacles that make it difficult or impossible for the Seller to provide the performance. The Seller shall inform the Buyer about such facts without delay and undertakes to make every effort to remove such obstacles quickly. The Seller may also extend the term of performance for the period during which the Buyer is in default in the payment of its financial obligations to the Seller, including under another contract.

3.3 If the Contract stipulates that the Seller ensures transport of goods to the agreed place of destination, the Buyer is obliged to deliver written instructions to the Seller on the transport of goods not later than 10 days prior to the dispatch of the goods, unless set forth otherwise. These written instructions shall contain all relevant information necessary for the transport of goods, in particular identification of the consignee and place of delivery of goods, working time for receipt of the consignment, holiday specifications and other restrictions or exclusions on the part of the consignee. In the event that the Seller does not receive these instructions within the agreed time or if the instructions are incomplete or inaccurate, the Seller may extend the term for the delivery of goods without this being a violation of the Contract or part thereof. The Seller may also request payment of property damage that has arisen to it by violation of the Buyer's obligation to submit proper and timely written instructions for the carriage of goods.

3.4 The Seller may make partial delivery of goods before the delivery date and the Buyer shall accept it.

3.5 If the Parties agree that goods will be collected from the Seller's warehouse, the Buyer or its authorized person shall collect the goods there within the time specified in the Seller's written invitation to collect the goods. If the Buyer fails to do so, the Seller's obligation to deliver the goods to the Buyer shall be deemed fulfilled by expiry of the last day of the delivery period. At the same time, the Buyer shall become liable for damage to the goods. By default in collecting goods from Seller's warehouse, the Seller shall be relieved of its liability for defects in the goods which cannot be prevented by standard storage methods (e.g., atmospheric corrosion, etc.). At the same time, the Buyer shall pay to the Seller a storage fee of 1 % of the price of the stored goods, exclusive of VAT, for each and every commenced day of storage. If the Buyer is in delay with collecting the goods from the Seller's warehouse, the Seller is entitled to ensure transport of the goods to the registered office of the Buyer at the expense of the Buyer. In this case, the goods shall be deemed delivered to the Buyer by handing it to the first carrier for transport to the Buyer. All cost of such replacement delivery and storage of the goods shall be paid by the Buyer to the Seller within 30 days from the date of delivery of a written billing to the Buyer.

3.6 If the Buyer fails to accept the goods at the time and place agreed in the Contract, the Seller may withdraw from the Contract, sell the goods to a third party, and demand damages from the Buyer it incurred.

3.7 If the Seller delivers goods to the Buyer, which is a person registered for VAT in the territory of another EU country, the sale of the goods shall be subject to the statutory requirements of the reverse charge regime to be fulfilled by the Buyer.

3.8 The Buyer shall inform the Seller in writing without delay of any changes concerning his tax identification or VAT registration regime. In the event of violation of this obligation by the Buyer, the Seller is entitled to claim damages against the Buyer it incurred as a result of the payment of VAT or penalties or other charges to the tax administrator.

3.9 Documents necessary for the acceptance and use of the goods or any other documentation related to the goods (e.g., certificates, etc.) to the extent stipulated by the Contract shall be provided by the Seller to the Buyer at the latest at the same time with the goods, unless set forth otherwise in the Contract.

4. Ownership of Goods

4.1 Goods remain the property of the Seller until the price of the goods is paid in full, including VAT (reservation of ownership).

4.2 The Buyer may sell or further process the goods subject to reservation of ownership only in the ordinary course of business and under normal business conditions, but only if it demonstrably informs its buyers of the existence of the reservation of ownership in the sale of such goods. The Buyer may not dispose of such goods in any other manner, in particular it shall not encumber them with a lien or provide them as other security to a third party.

4.3 In the event that the Buyer is in default in the payment of the price of the goods, the Seller is entitled to invite the Buyer to return the goods at once. The Buyer shall allow the Seller to collect the goods and the related documentation at the place of storage of the goods and to provide the Seller with all the necessary cooperation. All costs associated with exercise of the reservation of ownership shall be paid by the Buyer.

4.4 The Buyer may export goods outside the territory of the EU, further export of goods to the territory of another EU country and re-import the goods into the Czech Republic shall be made only with the prior written consent of the Seller. In the event of violation of these obligations by the Buyer, the Buyer shall pay to the Seller a contractual penalty of 20 % of the price of the goods, excluding VAT, which has been unlawfully exported outside the EU or into another EU country or imported back to the Czech Republic. The contractual penalty shall be without prejudice to the Seller's right to damages.

5. Force Majeure

5.1 In the event that an unusual, unpredictable, and irreconcilable obstacle arises during the duration of the contractual relationship without the fault of either Party which barrier temporarily or permanently hinders either Party from fulfilling their contractual obligations, the Parties undertake without undue delay to inform each other in writing about such obstacles, including their expected duration, and discuss further steps. Such obstacles include strike, war, and other unrest of a similar nature, trade, monetary, political, or other measures of public authorities, natural disasters such as fires, floods, earthquakes, lightning strikes, arctic freezes hindering transportation of goods, etc., delay in the supply of materials and components, traffic congestions or delays, theft or other loss of goods during transportation, failures of production facility or its part, and similar events of force majeure, including decisions or instructions by a competent governmental authority that restrict or prevent the performance of the contractual obligations. A Party in which force majeure circumstances has occurred shall not be liable for any violation of the Contract or default.

5.2 If a force majeure obstacle lasts for less more than 30 calendar days, the Parties shall fulfil their obligations under the Contract as soon as the obstacle is removed, whereas the delivery periods and all other

terms shall be extended by the duration of the obstacle. If a force majeure obstacle last over 30 calendar days, the Parties may withdraw from the Contract.

6. Rights from Defective Performance – Complaints

6.1 The Seller is obliged to deliver goods to the Buyer in the agreed quantity (weight), quality, and execution according to the technical specification specified in the Contract, technical conditions, or in another document agreed between the Parties. It shall not be deemed defective performance and the goods shall be deemed to have been properly handed over if the quantity (weighty) or quality of the delivered goods correspond to the tolerance deviation allowed under the Contract, the GBDTC, technical conditions, applicable standards, or other generally binding regulations.

6.2 The Buyer is obliged to inspect the goods for their properties and quantity without undue delay after acceptance.

6.3 The Seller is not liable for defects in goods resulting from wear and tear caused by the normal use of goods or the use of goods which is contrary to the Contract or related documentation.

6.4 Apparent defects in goods that could have been detected during the inspection upon acceptance of the goods shall be notified to the Seller without undue delay, but not later than 15 days from the date of receipt of the goods by the Buyer. Hidden defects in goods that could not be detected during the inspection shall be notified by the Buyer to the Seller without undue delay, i.e., within 15 days of discovery, but no later than 6 months from the date of receipt of the goods by the Buyer.

6.5 All claims of defects in goods must be in writing and include the identification data of the claimed delivery (contract number, delivery date, invoice number, etc.) and a description of the defects, including a proof. The Buyer must allow the Seller access to the claimed goods for the purpose of recollection back to the Seller's registered office to inspect and further investigate the legitimacy of the claim. Claims regarding quantity must be substantiated by a supporting document (weight note) of an independent entity. A quantity defect shall not be a deviation within the range of +/- 5 %, unless the Contract sets forth otherwise.

6.6 The Buyer is obliged to ensure separate storage of claimed goods until the recollection by the Seller to inspect and investigate the goods or until the complaint is processed. Handling of claimed goods, which would make the complaint procedure difficult or even impossible, is not allowed without the Seller's prior consent. If the Buyer violates these obligations and also does not allow the Seller to inspect the defects or recollect goods for further investigation of the complaint, and if the Buyer fails to provide the Seller with supporting documentation so that the Seller could calculate a discount on the price of the goods, the complaint shall be dismissed and the Buyer's right from defective performance shall cease.

6.7 Within 30 days from the date of receipt of the claim, the Seller shall notify the Buyer in writing of its decision regarding the claim. This should include confirmation of the date of exercise of the right from defective performance and, provided the claim is dealt with by removal of defect, also the estimated date of removal of the defect. In the case of a legitimate complaint, the Seller may grant a discount on the price of the goods, make a replacement performance that is free of defects under the originally negotiated conditions, or to remove the defects within the agreed time. The Seller shall notify the Buyer of the method of resolution of the complaint when communicating its decision on the complaint.

6.8 Claims from defective goods shall not allow the Buyer to suspend (withheld) the payment of the price of the goods or refuse to accept the goods.

6.9 In the event that the Buyer incurs damage as a result of a violation of any obligations of the Seller under the Contract (e.g., due to defective performance), subject to force majeure circumstances, the Seller shall pay only for the actual damage calculated by the Buyer, but excluding lost profit, up to the maximum amount of 100 % of the price of the goods under the Contract.

7. Final Provisions

7.1 The Buyer has assumed the risk of changing the circumstances after the conclusion of the Contract, i.e., the Buyer may not exercise the rights under Section 1765, paragraph 1 of the Civil Code.

7.2 The legal relationships arising out of this Contract or any other related matters not covered by the Contract or the GBDTC shall be governed by the laws of the Czech Republic, in particular by the relevant provisions of the Civil Code and related legal regulations.

7.3 All disputes arising out of this Contract shall be finally resolved by the Arbitration Court at the Chamber of Commerce of the Czech Republic and the Agrarian Chamber of the Czech Republic in accordance with its rules by a single arbitrator appointed by the President of the Arbitration Court.

7.4 The arbitration clause according to paragraph 7.2 of the GBDTC shall not apply if the Buyer is an entity based in the Czech Republic. In such a case, disputes shall be resolved by the court competent for the registered office of the Seller.

7.5 The GBDTC are drawn up in the Czech and English versions, and the Czech version shall prevail in case of questions regarding the interpretation of the Contract.