

PURCHASING TERMS AND CONDITIONS

of
VIADRUS a.s.

with its registered seat at Bohumín, Bezručova 300, postcode: 735 81, ID No.: 294 00 082
registered at the Trade Register kept by the Regional Court in Ostrava in section B, insert 4512, dated from August 1,
2012

1. These terms and conditions are binding for procurement of goods. Any deviations from these terms and conditions or their amendments are valid only when agreed by both contracted parties and when included in the purchase contract.
2. Confirmation of a written purchase order (a purchase order draft) by the Buyer shall also be considered as a conclusion of the purchase contract in a written form. A purchase order (a purchase order draft) shall contain at least the following data:
 - specification of the purchased goods, individually or in terms of quantity and type,
 - specification of the required quality and configuration of the goods,
 - identification of the sample / pattern and reference to the protocol regarding the properties of the sample / description of the pattern when the goods are delivered according to the sample / pattern,
 - price of the goods,
 - date and place of delivery, warranty period,
 - a clause stipulating that the Purchasing Terms and Conditions of VIADRUS a.s. form an integral part of the purchase order,
 - a period for which the Buyer is bound by his purchase order,
 - a clause stipulating that the purchase order must be confirmed in writing, otherwise no purchase contract is concluded.
3. Upon conclusion of the contract, any previous agreements and correspondence referring to the content of the contract become legally void and null. Any amendments and modifications to this purchase contract are valid only in a written form. The Buyer is authorized to sign and mark purchase contracts, modifications and amendments electronically. Any communication by electronic means allowing capturing of the content of the legal act and identification of the person performing the legal act is considered as a written form.
4. Price agreement is a precondition for the conclusion of the contract. The Seller after the conclusion of the contract is not authorized to change the price to the detriment of the Buyer without his written agreement.
5. The price of the goods includes also all supplementary costs of the Seller and unless the contract stipulates otherwise the price includes the costs for transporting the goods to the place of delivery and possibly other costs for services or activities implemented by the Seller in connection with the delivery of the goods. The price includes also the costs for insurance of the goods if the Seller is obliged to insure the goods according to the contract or the law.
6. The place of delivery of the goods means the place agreed in the contract. Unless the purchase contract stipulates otherwise, a delivery of the goods to be considered by their handover to the Buyer. Delivery of the goods by their handover to the first forwarder for transport must be explicitly agreed in the contract.
7. Risk of damages on the goods shall pass to the Buyer in the moment of a receipt of the goods by the Buyer.

8. The Seller shall always provide notification of each delivery to the Buyer always indicating the whole number of the purchase order, its date, configuration and exact specification of the goods corresponding with the concluded purchase contract or the purchase order of the Buyer.
9. During shipment of the consignments the Seller shall comply with the instructions of the Buyer. In case of shipment of consignments in material units transported by railway it is necessary to ensure official weighing of the consignment.
10. The Seller is obliged to ensure transport of the goods to the place of delivery and ensure all approvals and decisions of the corresponding authorities that are necessary for the delivery and transport of the goods to the place of delivery, unless the contract stipulates otherwise. The Buyer agrees to provide the necessary cooperation for the latter.
11. Delivery of a tax document – invoice, based on which the purchase price is payable, is a precondition for the payment of the purchase price. The invoice must include all details required by the corresponding legal regulation (Act no. 245/2004 Sb., on the value added tax (the VAT act), as amended, when the Seller has a registered office / place of business in the Czech Republic, or when the Seller is subject to the payment of the value added tax in the Czech Republic). Each invoice must be delivered to the Buyer always in the original and in one copy or electronically in case it is delivered with electronic signature according to a special legal regulation. In case the Seller does not fulfill these conditions, the Buyer shall consider this invoice as incomplete and he shall not be obliged to pay this invoice until receiving a complete one. The Seller further agrees to cooperate with the Buyer in case the tax authority subsequently questions the completeness of the tax document issued by the Seller on the grounds that it does not include all details of a tax document in accordance with the effective wording of the VAT act or any other relevant legal regulation. If the Seller does not fulfill his obligation to provide cooperation, the Buyer is not obliged to pay any part of the purchase price or to fulfill any other financial obligation arising for him out of the purchase contract or these terms and conditions.
12. A Seller having a registered office / place of business in the Czech Republic, or who is a subject to the payment of the value added tax in the Czech Republic explicitly declares that he does not have any outstanding financial obligations towards the tax authorities and that he does not meet the conditions and circumstances stipulated in Section 109 Act no. 235/2004 Sb, in the wording effective as of April 1, 2011 which with respect to mandatory liability that could result to the obligation of the Buyer to pay the value added tax on behalf of the Seller in accordance with the aforementioned provision and at the same time the Seller declares that in his case there is no risk of fulfillment of these conditions and circumstances and that he will adopt all measures necessary to avoid fulfillment of these conditions and circumstances. The Seller agrees that in case these conditions and circumstances are fulfilled in the moment of the actual taxable performance or in case of risk of their fulfillment he will immediately inform the Buyer in writing. In order to prove the above, the Seller agrees to submit a current confirmation (not older than seven days) on payment of all taxes (confirmation on the balance of the personal tax account) to the Buyer based on his request within 30 days at the latest upon receiving a request sent by the Buyer to the Seller. In case that in time of conclusion of this purchase contract the collection of deeds of the companies register does not include the latest financial statements of the Seller, in case the Seller is obliged to prepare the financial statements, or the latest financial statements verified by the auditor, if verification of these financial statements of the Seller is required by the law, the Seller agrees to submit a copy of such financial statements to the Buyer upon his written request. In case the Seller is in delay with fulfillment of any obligation according to this paragraph, the Seller is obliged to pay to the Buyer a contractual fine of 2000 CZK for each day of the delay; if the delay of the Seller is

longer than 14 days, the Buyer has the right to withdraw from the purchase contract. This does not affect other rights of the Buyer arising out of the breach of the obligation of the Seller to deliver the goods properly and on time, and especially the right of the Buyer for compensation of damages or the right for payment of other contractual fines.

13. The purchase price declared by an invoice is payable within 60 days upon receiving the invoice by the Buyer. In case of a delay of payment of the purchase price (payment of the invoice) from the Buyer the Seller has the right to demand payment of penalty for delay in an amount of 0.03 % of the due amount for each day of the delay.
14. In case the Seller does not comply with the agreed delivery period, he is obliged to pay to the Buyer a contractual fine in an amount of 0.10% of the price of the goods not delivered for each day of the delay. This does not affect other rights of the Buyer arising out of the breach of the obligation of the Seller to deliver the goods properly and on time, and especially the right of the Buyer for compensation of damages or the right for payment of other contractual fines. If the delay of the Seller is longer than 7 days, the Buyer has the right to withdraw from the purchase contract by sending a written notification to the Seller. In such a case the withdrawal from the contract is effective on the day of receiving the notification on the withdrawal from the contract by the Seller. If the withdrawal from the contract is not delivered to the Seller even after 10 days from its sending, then it is considered as properly delivered. The Buyer does not provide any additional reasonable period of time to the Seller.
15. The Seller guarantees that he will deliver the goods in the quantity, quality and configuration as specified in the contract and that he will prepare the goods for transport in the mode specified in the contract. Therefore, the Seller further guarantees that the goods will be fit for application for the purpose indicated in the purchase contract (otherwise for the usual purpose).
16. The Seller shall provide the Buyer with a warranty for the quality of the agreed goods. Unless the contract specifies otherwise the length of the warranty period is 12 month. The warranty period starts on the day of the delivery of the goods. The period of time for which the Buyer cannot use the goods because of its defects is not counted to the warranty period.
17. When the delivered goods have any defects or when any defects are found on the delivered goods during the warranty period, the Buyer have the right to demand removal of the notified defects in the form of a repair of the goods (if the goods is repairable) which shall be performed within 10 days from the notification of the defect by the Buyer to the Seller, unless the parties agree otherwise. In case the goods delivered with a defect have already been incorporated into the final product of the Buyer or in case the Seller does not remove the defects within the aforementioned period of time, the Buyer can demand, together with the rights specified above, also a reasonable discount from the purchasing price or the Buyer can withdraw from the purchase contract. In case the goods delivered with a defect have already been incorporated into the final product of the Buyer and this product has already been sold to a third party ("the final product customer"), the Buyer, together with the rights specified above, has also the right for compensation of all reasonably spent costs the Buyer incurs in connection with removing the defects on the final product that were claimed on the Buyer by the final product customer or by the end-user of the final product. The right of choice between the individual aforementioned specified rights connected with liability for damages / warranty liability of the Seller is with the Buyer.
18. When the delivered goods have any defects or when any defects are found on the delivered goods during the warranty period, the Buyer also has the right to demand the Seller to pay a contractual fine in an amount of 0.05% of the price of the defective goods. In case of a

delay of the Seller with the obligation to remove the defect of the delivered goods within a period of time of 10 days according to the preceding paragraph, the Buyer has the right to ask the Seller to pay a contractual fine of 0.10% of the price of the defective goods for each day of the delay. This does not affect other rights of the Buyer arising out of the breach of the obligation of the Seller to deliver the goods properly and on time, and especially the right of the Buyer for compensation of damages or the right for payment of other contractual fines.

19. The Buyer has the right to withdraw from the contract or its part anytime if the Seller does not provide the goods in the agreed quantity, quality and configuration properly and on time.
20. When the claim against defects of the delivered goods is evaluated as justified, the Buyer has the right for compensation of all reasonably spent costs connected with the claim. This does not affect other rights of the Buyer especially the right for compensation of damages or the right for payment of corresponding contractual fines.
21. In case of breach of the obligations arising out of this purchase contract or these terms and conditions, the party breaching the contractual obligations shall compensate the damaged party for the actual damage and lost profit. The provisions of Section 379, the second sentence of the Commercial Code shall not be applied to the relationships arising out of the purchase contract of these terms and conditions.
22. The ownership title to the goods shall pass to the Buyer in the moment of the handover of the goods to the Buyer in the place of delivery. However, when the Buyer acquires the right to dispose with the goods before receiving the goods in the place of delivery, then the Buyer acquires ownership title to the goods in the moment when it acquires right to dispose with the consignment.
23. The Seller does not have the right to retain the goods for the reason of existence of any of his outstanding receivables from the Buyer or to unilaterally set off such receivables against the receivables of the Buyer from the Seller. The Seller also does not have the right to assign or pledge any of his receivables from the Buyer. In case of breaching the obligations of the Seller specified in this paragraph, the Buyer has the right to demand the Seller to pay a contractual fine in an amount of 30% of the concerned receivable. This does not affect the rights of the Buyer for compensation of damages or the right for payment of other contractual fines.
24. Upon withdrawal from the contract all rights and obligations of the parties from the contract become null and void. However, the withdrawal from the contract does not affect the right for compensation of damages, the right for payment of contractual fines, penalties for delay and other rights associated with the breach of the contract, or the contractual provisions referring to the selection of the law, the resolution of disputes between the parties of the contract and other provisions which according to the expressed will of the parties or with respect to their nature shall persist even after the termination of the contract. The party that before the withdrawal from the contract received a payment from the other party shall return it, in case of a financial liability this payment shall be returned together with lawful penalties for delay. If the payment is returned by the party withdrawing from the contract, then this party has the right for payment of the associated costs.
25. The Seller shall always indicate in the purchase contract and in the invoice whether the delivery includes returnable packaging. The price for the returnable packaging shall be

invoiced by the Seller separately in a separate invoice, unless the Buyer returns this packaging to the Seller within a period of 6 months from the day of delivery of the goods.

26. The Seller is obliged to send an advice note on each partial consignment sent to the address to which he sends the goods. The Seller shall mark all consignments (piece consignments, mail consignments, railway consignments, etc.) by an exact address and number of the corresponding purchase order (purchase order draft) or the purchase contract on the outer side of the packaging, in all written documents, shipping documents (way bill, dispatch notes, delivery bills, etc.), the Seller shall always indicate the exact address and number of the purchase order (purchase order draft) or the purchase contract of the Buyer. In case that the Seller combines in one shipment goods that is delivered within the framework of more than one purchase contract concluded with the purchasing party, the Seller shall send an advice note for each consignment separately and he shall invoice it, unless agreed otherwise, in a separate invoice. The Seller shall send all documents necessary for proper reception of the delivered goods (the advice note, delivery bill, packaging bill, loading bill, etc.) together with the delivery of the goods at the latest. In case of noncompliance with these provisions the Buyer has the right to ask the Seller for compensation of incurred damages and possible extra costs.

27. The costs for transport of the goods, including packaging, are paid by the Seller, unless the contract specifies otherwise. The costs for transport of the packaging returned by the Buyer are paid by the purchasing party, unless the contract specifies otherwise.

28. The Seller shall guarantee that the delivered goods will satisfy the requirements of act no. 22/1997 Sb., regarding technical requirements for products, as amended.

29. The purchase contract is governed by the law of the Czech Republic with the exclusion of conflicting standards and the Vienna Treaty on international purchasing of goods, in the corresponding parts especially by the Commercial Code.

30. These purchasing terms and conditions are valid from August 1, 2012 and they are an integral part of the concluded purchase contract.