

General Delivery and Payment Terms and Conditions

issued pursuant to the provisions of section 1751 and subseq. sections and section 2079 and subseq. sections of the act no. 89/2012 Coll. , Civil Code, as amended,

by the company **Vodní sklo, a.s.**
with its registered office at Krakovská 1346/15, 110 01 Prague 1
entered in the Commercial Register, entry in the Commercial Register at the Municipal Court in Prague, section B, insert no. 12072

hereinafter referred to as the „**Seller**“

These General Delivery and Payment Terms and Conditions are issued by the Seller as an integral part of the purchase contract (of the order confirmed) for buyers.

I.

Introductory Provisions

- 1.1 These General Business and Payment Terms and Conditions (hereinafter referred to as the GBPC) adjust the contractual relationship between the Seller and the Buyer.
- 1.2 Subject to the contractual relationship is the duty of the Seller to supply to the Buyer the goods (hereinafter referred to as the “the Goods”) specified in the purchase contract and to enable it to acquire the ownership right to the Goods and the duty of the Buyer to take over the Goods and to pay a purchase price for them to the Seller.
- 1.3 Divergent arrangements in the purchase contract shall take precedence over the wording of these GBPC.

II.

Contractual Relationship

- 2.1 The contractual relationship between the Seller and the Buyer is established by the framework purchase contract or the purchase contract, whereby such contract originates:
 - by the receipt of an order and the confirmation thereof by the Seller,
 - by the receipt of an order and delivery of the Goods ordered.

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III.

Subject to Performance

- 3.1 Subject to performance are the Goods specified in the purchase contract which are, in particular, the products of calcium and silicate chemistry manufactured in accordance with the applicable technical regulations. A reference to the particular specification shall be always included in the purchase contract or in the pricelist.
- 3.2 Subject to performance may be also the carriage, or, where appropriate, ensuring the carriage of the Goods from the plant of the Seller in Ústí nad Labem – Neštětice or Brno to the place determined by the Buyer, including possible service of drawing the Goods, or ensuring it at the place of performance.
- 3.3 The Seller is ready to provide the Buyer also with other services associated with supplies of the Goods.
- 3.4 The list and overview of the Goods and services to be provided by the Seller are available at www.vodnisklo.cz
- 3.5 Subject to performance, according to the contract and these GBPC, shall be understood the Goods and/or associated services, as specified in the purchase contract. Individual specific requested performances are hereinafter referred to as the „Supply“.

IV.

Order

- 4.1 The Buyer is entitled to order specific supplies according to the respective framework purchase contract for the period of duration of the contractual relationship established by the respective framework contract.
- 4.2 If the Buyer concluded no framework purchase contract with the Seller, the relationship of the contracting parties shall be governed by these GBPC.
- 4.3 The Buyer is obliged to specify, when ordering individual particular supplies, in particular, the requested type and quantity of the Goods, the place of performance, the requested date of delivery, the possible requirement for ensuring the carriage and the date relating to the fact whether the Buyer also requests the provision of other associated services. The requested date of delivery must be at least 7 business days from the date of the issuance of the order.
- 4.4 The Buyer is obliged to determine to the Seller the persons who are authorised to take over the subject to the performance at the place of performance. The Buyer is obliged to ensure that any of these persons is present at the performance and will take over the performance. The Buyer shall be liable for the consequences of failure to fulfil this duty. In case of doubts, it shall be deemed that the person ordering and taking over the performance at the place of performance and confirming this on behalf of the Buyer is a person authorised and empowered to do so.
- 4.5 Orders must be made in writing, by e-mail or facsimile.

- 4.6 An order of the Buyer must include anything what are essentials, in particular:
- the identification data in accordance with an excerpt from the Commercial Register, or the similar register of a foreign state, if maintained,
 - the precise description of the requested Goods determined according to the quantity, type and quality, including the price thereof,
 - the requested delivery period and the place of delivery of the Goods,
 - the delivery conditions pursuant to INCOTERMS 2010,
 - the date on which it is drawn up,
 - the first name, surname and position of the entrusted employee of the Buyer who drawn up the order.

V.

Supplies to be Carried Out

- 5.1 Supplies shall be carried out based on the purchase contract and in accordance with the specific requirements (orders) of the Buyer confirmed by the Seller.
- 5.2 The place of performance shall be:
- the dispatching place, unless another place is explicitly agreed (pursuant to INCOTERMS 2010)
 - another place - building, manufacturing plant of the Buyer etc. which is explicitly stipulated in the contract (pursuant to INCOTERMS 2010)
- If the place of performance is a place other than the dispatching place, it shall be deemed that:
- if the Seller ensures the carriage from the dispatching place, the Seller is entitled to include the price of the carriage into the purchase price;
 - if the Buyer requests that the acceptance tests are carried out, this has to be included in the Contract including the designation of the person who will perform them. The proprieties of the Goods ascertained at the place of performance shall be decisive for consideration of the quality.
- 5.3 Planned supplies, i.e. supplies based on the requirements of the Buyer claimed in accordance with paragraphs 4.3 and 4.5. GBPC, shall always, as a rule, take precedence over the unplanned supplies. Unplanned supplies shall be carried out according to the free manufacturing capacity of the Seller.
- 5.4 Supplies beyond the specified usual working hours of the Seller, or, where appropriate, of its respective dispatching place, may be carried out only after a prior agreement. In such case, the purchase price may be increased by supplementary charges subject to an agreement.
- 5.5 For every individual Supply, the Seller shall issue a delivery note which shall include, at least, the name of the Seller and the Buyer, the type and quantity of the Goods to be supplied and, where appropriate, of the associated services, the date on which the Supply is carried out and further data relating to the Goods according to the

- applicable technical standard or another regulation, in accordance with which the Goods are supplied (see paragraph 3.1 GBPC). The Buyer may only supplement the delivery note if this is stipulated in the contract or these GBPC. Other supplements or changes shall not be taken into consideration.
- 5.6 The Seller is obliged to hand over to the Buyer at least one exemplar of the delivery note confirmed.
- 5.7 The Buyer is obliged to take over the Supply at the place of performance and to confirm the receipt through a signature of the authorised person (see paragraph 4.4 GBPC) in the delivery note. It shall be deemed by confirming the delivery note, unless it includes any reservations of the Buyer, that the Supply was carried out duly and in a timely manner in accordance with the contract. Should the Buyer refuse to sign the delivery note unreasonably, or should no person authorised to take over the Supply be present, the Seller is entitled to refuse to hand over the Supply. In such case, the provision of Art. 6.2. shall apply accordingly. The same shall apply if the Buyer is obliged to pay the purchase price in cash upon take-over of the Supply and if it refuses to do so unreasonably.
- 5.8 If the Buyer refuses to take over the Goods at the place of performance for the reasons that the Goods have defects, it is obliged to state, in the delivery note, the specific property/properties which are contrary to the contract concluded and the manner in which it discovered the defects.
- 5.9 The Seller shall fulfil its duty to fulfil by handing over the Goods and by providing associated agreed services at the place of performance in accordance with the agreed delivery condition pursuant to INCOTERMS 2010. The confirmed delivery note shall be a document proving the fulfilment.
- 5.10 If the Buyer ensures the transportation of the Goods to the final place of destination, the Buyer is obliged to submit to the Seller the delivery note or the document for carriage of the Goods („CMR“) with a confirmation of acceptance of the Goods at the final place of destination.

VI.

Cancellation of the Supply, Consequences of Refusal to Take Over the Supply

- 6.1 The Buyer shall not be entitled to cancel the confirmed requirement for the Supply of the Goods.
- 6.2 Should the Buyer refuse to take over the Supply, it is obliged to pay to the Seller:
- a contractual penalty in the amount equal to the price of the Supply being not taken over, i.e. in the amount equal to the sum of the purchase price of the Goods and services being not taken over, including the price for carriage of the Goods to the place of performance;
 - all costs expended for carriage of the Goods back to the Seller;
 - all further costs incurred.

- 6.3 The arrangement regarding the contractual penalty shall not affect the right to compensation for damage incurred due to failure to fulfil the duty being subject to a contractual penalty, in full.

VII.

Further Conditions and Facts Associated with Performance

- 7.1 Should the dispatching place be a place of performance, the Buyer undertakes to ensure that:
- it will, in the business premises of the Seller, comply with the generally applicable regulations and conduct according to the instructions of the Seller and the security staff of the business premises;
 - it will familiarize itself with the instructions of the dispatching place and the procedure for loading of the Goods and will follow them;
 - also all employees of the Buyer as well as all other persons who are used by the Buyer for the performance of the present contract, i.e. also carriers and drivers, will fulfil all duties stipulated in this Article;
 - it will equip the drivers with the identification data of the Supply, i.e. the number of the confirmation of the order of the Seller, and will ensure that the driver produces this identification data when entering the business premises; should the Buyer fail to fulfil this duty, the Seller shall be entitled to refuse to hand over the Goods; in such case, the Buyer shall be obliged to pay to the Seller contractual penalties and reimbursement pursuant to Art. 6.2. above.
- 7.2 The tank designated for the carriage of the Goods to the Buyer must be driven for loading always completely empty and clean (without remains of other Goods, water after washing out or other impurities). The driver of the tank shall always be obliged to produce a document proving that the tank has been washed out by a certified wash service. Otherwise, the Seller shall be entitled to refuse to hand over the Goods to the Buyer. In such case, the Buyer is obliged to pay to the Seller contractual penalties and reimbursement pursuant to Art. 6.2 above.
- 7.3 Drivers of the Seller or drivers of the tanks ensured by the Seller shall not be entitled to bind the Seller in any way and with anything.
- 7.4 Should a place other than the dispatching place of the Seller be stipulated as the place of performance (taking delivery), the Buyer undertakes to fulfil and ensure that all conditions for smooth carriage of the Goods and the unloading thereof will be fulfilled. For this purpose, the following shall be ensured, in particular:
- that the Seller got familiar with the prescribed access transport routes including approaching the premises;

- safety, accessibility, ability to be passable, sufficient loading capacity, lighting of access roads and the place of performance of the Supply;
- safe and sufficiently spacious place for placing means of transport and pumps at the place of performance of the Supply;
- necessary cleaning of means of transport in order to prevent from polluting roads when leaving the premises of the place of the Supply; if buildings, roads, plots, areas of waters and liquid discharges are polluted in any way due to the breach of this duty, the Buyer is obliged to ensure that they are cleaned at its cost;
- necessary ensuring of closures of roads and pavements;
- for hand-over and unloading of the Goods, the conditions according to the generally applicable regulations regarding the safety at work and health protection; if the principles of safety at work and health protection are not fulfilled by the Buyer, the Seller may refuse to hand over the Goods; in such case, the Buyer is obliged to pay to the Seller contractual penalties and reimbursement pursuant to Art. 6.2. above;
- permission to enter for means of transport, if needed, e.g. in case of transport restrictions.

7.5 The Buyer is obliged at the place of performance:

- to ensure the presence of a person with adequate knowledge and expertise who is entrusted with the acceptance of the Supply of the Goods and the storing and treatment thereof;
- to take over the Supply within one hour (or, where appropriate, within the period stipulated in the contract) from the arrival of the means of transport in the place of performance; if this period is exceeded, the Buyer is obliged to pay to the Seller a supplementary charge in the amount equal to the supplementary costs incurred.
- Should any duty stipulated in this Article be breached, the Seller may also refuse to hand over the Goods; in such case, the Buyer is obliged to pay to the Seller contractual penalties and reimbursement pursuant to Art. 6.2. above.

7.6 The Buyer shall verify whether the data in the delivery note are in accordance with the confirmed requirement for the Supply and the actual state of the Supply and shall check, immediately upon the receipt, the properties of the Goods to be checked visually (quantity, consistency, homogeneity etc.). The Buyer confirms by the receipt or confirmation of the delivery note that the Supply has been duly fulfilled with regard to the properties mentioned above.

VIII. Quality, Conformity, Warranties

- 8.1 The quality of the Goods is stipulated and checked according to the respective technical specifications.
- 8.2 In case of the Goods for which the legal regulations require it, the Seller shall issue a certificate of conformity or a certificate of properties in accordance with the respective regulations.
- 8.3 Rights of the Buyer arising from the defective performance shall be governed by the respective provisions of the legal regulations, unless the purchase contract or these GBPC stipulate otherwise. Rights arising from the defective performance for the Buyer, besides further cases specified by the purchase contract, these GBPC or the act, also shall not be established if:
- the Buyer fails to ensure, at the place of hand-over of the Goods, the quality of storing, processing and treatment thereof;
 - the Buyer handles the Goods improperly when storing or processing the Goods;
 - the Buyer or a third party interferes in the Goods manufactured by the Seller, e.g. by adding water, admixtures, additives, or any material which will change the composition and therefore also the properties of the Goods manufactured.

The Seller shall not provide any warranty for quality (and if the Seller granted it, then no rights arising from such warranty shall originate to the Buyer) in cases as stated in the previous provision and, further, in the following cases:

- the Buyer ordered the Goods contrary to the conditions for the use thereof;
- the Seller ensure no carriage of the Goods to the place of the immediate storage of the Goods;
- supplies of the Goods from different suppliers or of different quality or different composition are mixed at the place of storing.
- the Buyer fails to ensure a proper storing and treatment of the Goods for the period necessarily needed in accordance with the requirements of the applicable technical regulations.

IX. Prices and Payment Conditions

- 9.1 All prices are stipulated through an agreement between the Seller and the Buyer. Unless agreed explicitly otherwise, the contracting parties agree on a price excluding VAT for the respective performance (hereinafter referred to as the „Purchase Price“), as specified in the applicable pricelist of the Seller, applicable on the day of concluding the purchase contract (in case of framework contracts on the day of

- concluding the own purchase contract, concluded based on the framework contract).
- 9.2 The Seller shall be entitled to charge supplies of the Goods paid in a manner other than through payment in cash upon the receipt of the Goods immediately after supplies are carried out. The maturity period of invoices shall be fourteen days and it shall start to run from the day of the issuance of the invoice, unless agreed otherwise.
- 9.3 A financial amount is paid, as soon as the respective amount is credited to the account of the Seller stated in the invoice.
- 9.4 In case of default of the Buyer with payment of the Purchase Price, the Seller shall be entitled to require default interest amounting to 0,05% of the amount due for every day of default. The arrangement regarding the default interest shall not affect the right to compensation for damage incurred due to failure to fulfil the duty being subject to the default interest. The Seller and the Buyer affirmatively declare that the default interest agreed in such a manner is appropriate with regard to the value and importance of the secured duty and with regard to the payment conditions agreed.
- 9.5 Default with payment of the Purchase Price shall be considered a material breach of the purchase contract. If the Buyer is in default with payment of the Purchase Price, even only in part, the Seller shall be entitled:
- to request, in case of all further supplies based on all contracts between the Buyer and the Seller, payment in advance (an advance payment);
 - to refuse the fulfilment of supplies from all contracts concluded between the Seller and the Buyer, if the default lasts for a period longer than 14 days;
 - to terminate the contractual relationship established through the purchase contract as well as all further legal relationships established by contracts between the Buyer and the Seller by a notice of termination, with effects as of the day on which the notice of termination is delivered to the Buyer.
- 9.6 If the Buyer takes over the Supply and if it fails to exercise the rights arising from the defective performance or from the warranty, if granted, or if it fails to exercise these rights duly and/or in a timely manner, or if these claims are not recognised by the Seller to be rightful, the Buyer shall be obliged to pay invoices for the supplies taken over (i.e. for supplies of the Goods, services of transport and further services performed) in full within the maturity period. The Purchase Price shall be paid by the Buyer based on invoices issued by the Seller. Invoices shall be issued by the Seller with requisites of a proper accounting and tax document including VAT pursuant to the legal regulations applicable on the day of the performance of taxable supply.
- 9.7 The quantity stated in the delivery note shall be decisive for the determination of the quantity of the supplied Goods and services which will be invoiced.
- 9.8 The so called credit may be stipulated in the purchase contract; the credit shall be understood the maximum volume of the Goods and services which are to be delivered by the Seller to the Buyer. The credit is expressed through the total amount

of the price of supplies including VAT, regardless the fact whether they have already been invoiced, their maturity has occurred or not, whereby in case of using it up (i.e. in case when the price of the purchased and requested Goods and services exceeded the agreed credit regardless the invoicing or the maturity thereof), the Seller shall not be obliged to provide the Buyer with further performances, until the moment when the Buyer settles the price in a manner that the total amount of the outstanding price for the received Goods and services falls under the agreed amount of the credit stated in the purchase contract.

- 9.9 The Seller is also entitled to request, in case of all further supplies, payment in advance (an advance payment) or payment in cash upon hand-over of the Goods, or to request the provision of securing the debts of the Buyer which it has against the Seller in connection with supplies of the Goods. Should the Buyer fail to agree hereto, the Seller shall have the right to refuse the performance of supplies from all contracts concluded between the Seller and the Buyer.
- 9.10 The Buyer is obliged to reimburse the Seller for all costs associated with enforcement of the receivable of the Seller with regard to payment of the Purchase Price due, including costs of remuneration of a third party who will enforce the receivable for the Seller based on the contractual relationship, costs of litigations, lawyer's fees etc. At the same time, the Buyer is entitled to request, instead of costs stated in the previous sentence, only the costs associated with enforcement of the receivable in the amount specified by the legal regulations. The Seller has reserved the ownership right to the Goods. Thus, the Buyer shall become an owner of the Goods only after the Purchase Price is paid in full.
- 9.11 Should the Buyer go into liquidation or the insolvency proceedings is initiated against the Buyer, it shall be obliged to immediately notify the Seller of such fact. In such case, the Seller is entitled to terminate the contract through a notice of termination with effects on the day of delivery of the notice of termination to the Seller.

X.

Complaints Procedure

- 10.1 Defects apparent upon the receipt of the Goods, i.e., in particular, the case of defects with regard to the quantity of the Goods supplied and the difference between the specifications of the Goods, as agreed and as stated in the delivery note, the Buyer is obliged to complain about them („to make a complaint“) within 24 hours after the take-over of the Goods or discovery thereof, in a written form on the websites www.vodnisklo.cz. The record shall always include the place and time of storing the Goods which the complaint concerns („Goods Being Subject to a Complaint“), and the name and signature of the person who makes a complaint on behalf of the Buyer. If the Buyer discovers (after the entrance check of the Goods is carried out) further defects of the Supply (consistency, composition of the Goods etc.), it is entitled to

make a complaint regarding the Goods, as stated in the previous sentence, and/or to refuse them. If the Buyer fails to do so and if it uses the Goods without knowledge and written consent of the Seller, no rights arising from defects for the Buyer shall originate. This provision shall also apply to the notification of other defects accordingly.

- 10.2 The record of the complaint made shall precisely specify the place of storing the Goods and properties being subject to a complaint. Both parties shall give their statements. The technologist of the Seller must be involved in the complaint procedure related to the quality of the Goods. Results of checks and tests of the quality of the Goods performed by the Seller in the business premises in Ústí nad Labem – Neštětice shall be decisive for the decision on the quality of the Goods. If there are any doubts of the Buyer, supplementary tests of properties of the Goods in question may be ordered after an agreement with the Seller, i.e. first through the proof in an accredited testing laboratory. Furthermore, control non-destructive tests may be performed in the presence of persons authorised to do so on behalf of the Buyer and the Seller in accordance with the stipulated procedures including the interpretation pursuant to the applicable regulations.
- 10.3 A statement of the respective accredited testing laboratory which is approved by both parties in advance shall be binding on the contracting parties for the resolution of disputed questions of the quality of the Goods. Should the complaint made be recognized to be rightful based on the results of the accredited testing laboratory, the Buyer shall bear the costs of works of this testing laboratory. Proof of divergent properties of the Goods obtained by the Buyer independently of the agreement with the Seller shall be only of an informative nature and the Seller shall not be obliged to follow it.

XI.

Final Provisions

- 11.1 The purchase contract may only be altered or cancelled by an agreement of the parties in writing. The purchase contract may only be altered in the form of written, numbered, dated and duly signed amendments to the contract.
- 11.2 If the reason for withdrawal is default of either of contracting parties, the withdrawal must be made explicitly and in writing. The provisions of section 1978 ss. 2 of the act no. 89/2012 Coll., Civil Code, as amended, shall not apply.
- 11.3 The participants declare that they have concluded the purchase contract freely, seriously and without pressure, and the content thereof corresponds to their free and true will. In witness thereof they also sign it.
- 11.4 If, along with the Supply of the Goods, also services based on transportation and/or drawing of the Goods are provided to the Buyer, the rights and duties of parties associated with providing these services shall also be governed, besides these GBPC, by the general and payment conditions of suppliers of these services.

11.5 The contracting parties shall settle any disputes, in particular, through common negotiation with the goal to achieve an amicable resolution. Should the contracting parties fail to settle a dispute in an amicable way, the entitled party shall be entitled to initiate litigation.

These General Business and Payment Terms and Conditions shall come into force on 1st October 2015.