

GENERAL PURCHASE TERMS AND CONDITIONS applied between Fosfa shareholding company as Purchaser and its Suppliers

1. Scope of Application of these General Purchase Terms and Conditions

1.1 Supplier and Fosfa shareholding company, ID No.: 00152901, VAT ID No.: CZ00152901, Registered Office: Hraniční 268/120, 691 41 Břeclav – Poštorná, Czech Republic, registered in the Trade Register of the Regional Court in Brno, part B, file 224, bank details: Account: 182690427/0300, IBAN: CZ94 0300 0000 0001 8269 0427, SWIFT: CEKOCZPP (hereinafter referred to as: "Fosfa or Purchaser"), performing the distribution of its goods on a mass scale, take into account that for assuring the effective implementation of the trade between them it is appropriate and advantageous to fix unified rules for the purchase of goods and services. Precise observation of these rules has maximum importance as otherwise both parties and the whole distribution chain would be burdened by the enormous cost of staff, logistics etc. and for these reasons both parties, i.e. Fosfa as Purchaser on one hand and the Supplier on the other hand, have interest in delivering goods by the Supplier to Fosfa under mutually advantageous conditions based on the following general purchase terms and conditions (hereinafter referred to as: "General Terms and Conditions"), to be applied to all the purchase contracts between Fosfa and Supplier, including the contracts for delivery of all the associated/supporting services (hereinafter referred to as: "Contract"), applying to purchase of certain goods or services and concluded between Fosfa as Purchaser or Client and the other party as Supplier (hereinafter referred to as: "Supplier").

1.2 These General Terms and Conditions shall be applied in the sense of section 1751 of the Civil Code as exclusive general conditions between the Purchaser and the Supplier and regulate the relationships between them following from the purchase/taking over of the goods and services if not agreed bilaterally in writing otherwise. Any other general conditions of the Supplier or business conditions elaborated by the professional or interest organisation which are different, in contradiction or replace these General Terms and Conditions shall be considered as a part of the Contract between Fosfa and the Supplier in each individual case only in the scope in which they were expressly and in writing approved in advance and accepted by Fosfa.

1.3 In case of differences between the individual contractual documents in the scope of the relationship between Fosfa and the Supplier, including the address and account numbers, the documents shall be applied in the following sequence: mandatory provisions of Czech Republic's legal regulations, Purchaser's instructions based on the Contract concluded between them, Contract provisions (possibly at first partial implementing contracts and then General Contracts) and finally the provisions of these General Terms and Conditions.

1.4 Any changes, amendments or Annexes of these General Terms and Conditions shall be agreed each time by both Contract parties in writing, otherwise they are invalid.

2. Validity of the Contract between Fosfa and the Supplier and its Conclusion

2.1 All the rights and duties following from the legal relationship concluded between the Purchaser and the Supplier are established by the written Contract containing all the preceding agreements and arrangements of Contract Parties concerning the Contract subject. If the Contract is concluded in the form of accepting an offer, the Supplier is obliged to confirm the Purchaser's offer within 3 workdays; afterwards the Purchaser is not bound by his offer, except if he sets a longer term for acceptance.

2.2 The Contract shall be signed on the Purchaser's behalf exclusively by its statutory bodies or persons expressly authorised by these bodies to sign. A part of the Contract is these General Terms and Conditions. The Purchaser is not obliged to take over goods and services delivered in contradiction to these General Terms and Conditions or Contract and is authorised to return them at the Supplier's cost.

2.3 All the oral obligations and promises of the Purchaser made before concluding the Contract, not confirmed by this Contract shall be not considered obligatory. All the oral arrangements concluded between the Contract Parties shall be replaced in the full scope by the written Contract, if it

does not follow from their contents expressly that they should be legally binding also after concluding the Contract.

2.4 The Purchaser as well as the Supplier takes into account as per section 1729 of the Civil Code that all the possibly initiated or continuing negotiations about possible Contracts (also partial ones) between them cannot be evaluated as highly probable resulting in contract conclusion and the Purchaser can terminate them without stating any reason any time without considering this as unfair by any party.

2.5 The Purchaser and the Supplier takes into account as per section 1736 of the Civil Code and they have agreed that the offers submitted by the Supplier towards the Purchaser are irrevocable up to the moment of the Purchaser's reaction, however, maximally 20 days from the day of offer delivery.

2.6 The Supplier is obliged to send to the Purchaser a copy of the excerpt from its Trade Register not older than 3 months immediately. In case of a repeated order, this duty applies only for the first order/delivery and subsequently in case of any change otherwise the Supplier is liable for damage following from this.

2.7 If the Supplier does not confirm expressly the order in the term set by the Purchaser, but delivers in this term the goods/services stated in the order, it is supposed that it accepted by this performance all the conditions stated in the order and in these General Terms and Conditions.

3. Time as an Essential Prerequisite of Contractual Relationships and Alternative Solution

3.1 Time is an essential prerequisite and all the terms and data stated in the Contract are firmly fixed, final and obligatory. Any delay with the delivery of goods/services means an essential Contract violation. The Purchaser has the right to reject any late delivery of the goods/services.

3.2 If the Supplier finds out or anticipates any problems with performance of the agreed date of delivery or any duties under the Contract, the Supplier is obliged to inform the Purchaser of this in writing without undue delay and to suggest a possible new date of delivery or new term to meet such duty.

3.3 If the (i) Purchaser does not accept this newly suggested date of delivery of goods/services by the Supplier or (ii) the Supplier does not deliver the agreed amount of goods/services in the agreed date of delivery, the Purchaser is authorised to implement completely or partly an alternative delivery of the not delivered amount of goods/services from third persons at its option instead of the original delivery completely or partly ("Substitute Purchase").

3.4 If the Purchaser performs the Substitute Purchase in accordance with these General Terms and Conditions, the Supplier is obliged to pay to the Purchaser the damage compensation amounting to the difference between the purchase price of not delivered (or defective) goods/services agreed in the Contract and the purchase price of goods/services under the Contract of Substitute Purchase.

3.5 Regardless of the above mentioned and regardless of payment of the possible contract penalty and/or interest of late payment, the Supplier is obliged to indemnify and to hold harmless the Purchaser, its representatives and employees from all the damage caused in connection with the delivery of goods/services to the Purchaser and caused (also partly) by the action of the Supplier and/or persons acting at its instructions, regardless of their reason.

4. Delivery, Delivery Terms and Unloading

4.1 Delivery of goods/services takes place from the respective transport place in accordance with the conditions agreed in the Contract, interpreted in accordance with INCOTERMS 2010. If not expressly agreed otherwise, delivery of goods/services take place under the clause of delivery "DAP Břeclav (Fosfa shareholding company)".

4.2 If in individual case no firm date of goods/services delivery is agreed or if this date was not announced expressly to the Supplier by the Purchaser after concluding the Contract, the Supplier is obliged to exert any effort to deliver the goods/services in the shortest possible term. If the term of goods/services transport was agreed, the delivery terms relate to the moment of transferring goods/services to the agreed transporter.

4.3 If not expressly agreed otherwise in the Contract, the moment when the Purchaser was allowed to manipulate with goods/services without defects in the Purchaser's enterprise in Břeclav and simultaneously the Purchaser confirmed acceptance of goods/services in writing shall be considered as the moment of delivery performance.

4.4 If not expressly agreed otherwise in the Contract, the supplier is not authorised to deliver goods/services in the form of partial deliveries or before the date of delivery agreed in the Contract. The Purchaser reserves the right to reject the delivery of goods/services and to return it to the Supplier at its cost and risk in case of the Supplier's delay with the delivery of goods/services or the Supplier's fault in the agreed way of delivery of goods/service. The Purchaser is not liable for any cost the Supplier incurs in connection with production, installation, assembly or any other activity associated with goods/services before their delivery to the Purchaser.

4.5 If not expressly agreed otherwise, the Supplier is obliged to arrange unloading of the delivered goods/services in the time of unloading set by the Purchaser, i.e. every workday from 6:30 a.m. to 5 p.m. ("i.e. Unloading Time"), at the place set by the Purchaser. The Supplier carries out its duty by handing over to the authorised person of the Purchaser. If not expressly agreed otherwise, the delivery shall be not considered as performed by handing over the goods to the transporter. The Purchaser reserves the right to reject the delivery of goods/services and to return it to the Supplier at the Supplier's cost and risk if the goods/services are not delivered and unloaded during the Unloading Time or in the place determined for this by the Purchaser.

4.6 The Supplier is obliged to arrange that the guaranteed consumption term is not exhausted of more than 15% of the total consumption term of the respective goods for any goods at the moment of the transfer of the proprietary right to goods to the Purchaser. If this acceptable exhaustion of the term is exceeded, the Contract Parties shall agree on the way of solution in the term of 14 days as of the day the announcement that this term was exceeded by the Purchaser to the Supplier. If no agreement is reached, the Supplier is liable to the Purchaser for damage the Purchaser suffered by the term being exceeded.

4.7 The Supplier is obliged to assure that during the delivery of goods/services to the place of business/take-over of the Purchaser, the Supplier's employees or the transporter engaged by him shall observe in these premises: the strict prohibition of smoking, drinking alcohol and using narcotic and psychotropic substances, of photographing; principles of occupational safety and health protection, fire-protection regulations, rules of accident prevention, road traffic regulations and environment protection regulation, also the principles of operation and behaviour in the Purchaser's premises; they are obliged to familiarize themselves with them in advance at the gatehouse before entry of the Purchaser's premises (especially as for the duty to use personal protective aids at determined places during the whole time of stay in Purchaser's premises). In case of the violation of the stated duties the Purchaser is authorised to order out the violator of the stated duties out of its premises/place of take-over and to withdraw this person's permission for entry into the Purchaser's premises. The Supplier is simultaneously liable towards the Purchaser for all the damage it suffered in consequence of violating the mentioned duties and simultaneously the Purchaser is not liable for damage the Supplier or persons authorised by him suffered.

4.8 If the Purchaser requires or agreed with the Supplier that the take-over and delivery of goods shall be performed by the Purchaser, i.e. through its own transport or hired transport, the Supplier is obliged if it cannot observe the term of dispatch of goods set in the order/Contract, to announce this fact to the Purchaser without undue delay, however, at least 3 days in advance at the latest, so that the Purchaser may cancel the ordered transport. The notice shall contain the reasons of delay and alternative term of goods delivery based on the Purchaser's selected delivery parity INCOTERMS 2010. In case of failure to observe this duty **the Supplier is liable** for the Purchaser's damage and cost exerted by the Purchaser in this connection. Complying with announcing duty of impossibility to dispatch the goods in the set term by the Supplier does not change any other consequences of the late dispatch of goods (interest on late payment, contractual penalty, Substitute Purchase etc.).

5. Purchase Price and its Determination

5.1 The price stated in the Contract or the price approved in the form of confirming the offer by both parties shall be applied as the purchase price.

5.2 The purchase price is fixed as a firm price. It includes besides the price of goods also all the associated cost especially packaging, transport, insurance, bank fees for payments abroad and it does not involve only the legal VAT.

5.3 If not expressly agreed otherwise, the agreed purchase price applies to delivery of goods/services as per DAP Břeclav (Fosfa shareholding company).

5.4 The invoiced weight of delivered goods is determined in the place of delivery in Purchaser's enterprise, if the Purchaser does not require the certified weighing in the respective place of dispatch.

6. Invoicing, Terms of Payment, Offset

6.1 If not agreed otherwise, the purchase price is due within sixty (60) days from the day of delivery of the invoice properly issued by the Supplier, however only on condition that goods/services were delivered to the Purchaser in time in accordance with the Art. 4.3 of these General Terms and Conditions. In case of partial deliveries, the Supplier is authorised to issue partial invoices.

6.2 The Supplier is authorised to submit to the Purchaser the invoice for the goods taken over 2 workdays after the day on which it was delivered the certificate of the proper take-over of faultless goods by the Purchaser. The Supplier shall issue an independent invoice for each order, if not agreed otherwise. The invoice shall contain the complete number of Purchaser's order and if it is relevant, also the number of Supplier's delivery note. The invoices shall be in accordance with the data in the order, concerning the description of goods, price, amount, sequence of items and numbers of items. The invoices shall be sent to the invoice address stated by the Purchaser in the order.

6.3 The purchase price is considered as paid on the day of crediting the respective amount to the Supplier's bank account.

6.4 If the Supplier does not carry out any of its duties set by the Contract, especially concerning the date of delivery and/or defects and quality, the Purchaser is authorised to stop all the payments for the Supplier under the Contract.

6.5 The Purchaser is entitled, without any limitation, to offset any of its obligations towards the Supplier or its affiliated companies against the claim the Purchaser has towards the Supplier or its affiliated companies, regardless of the character of these obligations and claims.

6.6 The Supplier gives the consent to the Purchaser, that the Purchaser proceeds in accordance with section 109a of the Act No. 235/2004 Coll. of VAT in justified cases, i.e. if the Supplier requires the payment, partly or completely to the account not published in the register of Payers or is designated as unreliable in this register. By confirming the order/partial Contract, the Supplier gives its consent to this procedure, and it shall consider VAT paid to its account to the Financial Authority for payment of its claim.

7. Quality, Amount and Packaging of Goods, Returnable Packaging

7.1 If not agreed otherwise, the quality of delivered goods/services shall be set expressly by Purchaser's specification being an inseparable part of Purchaser's purchase order.

7.2 In case of bulk (unpacked) goods delivery, transport of goods by freight traffic or in ISO-tanks, the Supplier is authorised to deliver the goods with the permitted deflection of the delivered quantity in the range plus minus five percent (+/- 5 %) of ordered quantity. If an error in measuring/weighing higher than 0.3% is proved, the Supplier shall accept the determination of the quantity of supplied goods performed by the Purchaser. The Purchaser at its discretion may require a corrected invoice for the correct quantity of goods and/or it may register the difference in the quantity and may make compensation by future supplies and /or by offset in the scope of the mutual obligations and claims with the Supplier.

7.3 The way of packaging the goods shall be set each time expressly by the Contract. The Supplier cannot deliver to the Purchaser the goods (i) in contradiction to conditions of packaging agreed in the Contract or (ii) if agreement of the way of goods packaging is missing in the Contract. If agreement of the way of packaging is missing in the Contract, the Supplier is obliged to contact the Purchaser to determine the way of goods packaging without undue delay.

7.4 The Supplier undertakes to provide to the Purchaser the copies of all the relevant licence agreements relating to the goods together with goods

delivery. Each delivery of goods shall also contain a) a bill of freight containing each time at least (i) the number of concerned Contract registered in Purchaser's files, (ii) goods specification, (iii) delivered quantity and (iv) date of delivery, b) certificate of quality and c) Delivery Note. If the goods are delivered in the road tanker, also the certificate of the certified cleaning station about cleaning the tanker before loading the goods shall be enclosed besides the other transport documents (attached by the Supplier).

7.5 If not required otherwise by the Purchaser, the goods shall be delivered only on EUR pallets or CHEP pallets (hereinafter referred to as "pallets") and in agreed returnable packaging as per applicable standards. In case of supplies on damaged pallets or in other than agreed transport packaging the Supplier is obliged to reload the goods during the delivery. Nevertheless, the Purchaser's right not to accept the defective delivery and/or the delivery with the damaged or other than agreed packaging or to return it to the Supplier; the Supplier is obliged to pay all the associated cost and damage including the contractual penalty and interest on late payment for late/substitute delivery to the Purchaser based on the respective invoice. If the Supplier carries out the distribution of goods through a third person, the Supplier undertakes hereby that all the issues associated with returnable packaging shall be solved between the Supplier and this third person and the Purchaser shall be held harmless and not burdened. The Supplier takes into account that the returnable packaging is not a taxable performance as per the VAT Act No. 235/2004 Coll. as amended. The Supplier is obliged to take all the returnable packaging back from the Purchaser free of charge.

7.6 If the goods are delivered to the Purchaser's central warehouses, the Pallets as well as other returnable packaging remains in the ownership of the Supplier and the Supplier shall not invoice them to the Purchaser. The Supplier is obliged to agree directly with the warehouse operator the exchange and take-over of Pallets and other returnable packaging by means of its distribution vehicles. If the Supplier does not take back the Pallets and other returnable packaging immediately and leaves them in the Purchaser's central warehouse, he has the term for their transport of 14 days from the day of implementation of the respective goods delivery or it announces in the same term to the Purchaser the way and deadline for manipulation with them. After the lapse of this term, the ownership to this returnable packaging as dispensable waste is transferred automatically to the Purchaser.

7.7 If such kinds of goods are delivered to which the duty of return of products as per Waste Act applies, the Supplier is obliged to take away these kinds of goods from the Purchaser at the Supplier's cost, or to assure transport by a third person free of charge.

8. Guarantee

8.1 The Supplier declares hereby, is responsible and provides a guarantee to the Purchaser that the delivered goods (a) are suitable for intended way of usage and are new, saleable, of corresponding quality and without defects, (b) meet the Purchaser's requirements precisely, correspond to approved samples and all the other requirements of Contract, (c) are not burdened by the rights of third persons (d) were designed, produced and delivered in accordance with all the concerned legal regulations and (e) are delivered together with all the information and instructions necessary for their proper and safe use.

8.2 The Supplier declares hereby, is responsible and provides a guarantee to the Purchaser, that the goods and/or their use by the Purchaser does not violate any inland or foreign patent, copyright, trade secret, protective trademarks or other rights to intellectual property of third persons.

8.3 The warranty term for which the Supplier is liable to the Purchaser for defects and quality of goods/services is, if not agreed otherwise, 36 months from the day of take-over of the faultless goods/services by the Purchaser and it starts to run by the take-over of goods/services. The agreed warranty term is without prejudice to the minimum legal liability of the Supplier for defects of goods/services. As for the announcement of defects by the Purchaser "without undue delay", it applies: in view of necessity to verify and to describe the defects, the term "announcing without undue delay" shall be the term of 90 days from establishing the defect by the Purchaser. Other claims and rights of the Purchaser towards the Supplier following from the Contract and these General Terms and Conditions are not affected hereby.

9. Purchaser's Claims from Defect of Goods and Complaints

9.1 If any defects occur in goods/services delivered to the Purchaser or goods/services are incomplete, the Supplier is obliged during the additional term determined by the Purchaser to deliver to the Purchaser the missing part of goods/services and substitute goods/services instead of defective goods/services, properly and without defects ("Facultative Compensation"). If the Purchaser announces to the Supplier that it is not interested any more in Facultative Compensation, the Supplier a) is not authorised to provide the performance to the Purchaser and b) is obliged to pay to the Purchaser the compensation in accordance with the Art. 3.4 and 3.5 of these General Terms and Conditions and the Supplier is obliged without undue delay to take-over from the Purchaser all the defective goods back and it is obliged to cover all the cost of return of defective goods, its testing and of the possible Facultative Compensation, especially the cost of transport, labour force and necessary equipment.

9.2 If the a) the Purchaser is not interested in Facultative Compensation and announced this fact to the Supplier in accordance with the Art. 9.1(i), or b) the Supplier does not deliver to the Purchaser the Facultative Compensation in the additional term, the Purchaser is authorised to implement a substitute purchase and to require from the Supplier the compensation as per the Art. I. 3.4 and 3.5 of these General Terms and Conditions.

9.3 Provisions 9.1 and 9.2 do not exclude Purchaser's right to assert the claim to repair of defective goods and/or to appropriate discount.

9.4 If the transporter does not wait for inspection of delivered goods and/or this inspection is impossible, the Purchaser is authorised to reclaim the apparent defects towards the Supplier within 14 workdays from the day of goods take-over.

9.5 The Purchaser is authorised to return at any time at the Supplier's cost the goods located in its premises in which it is not interested in the scope of the complaint, however, it is not obliged to do that till the moment of return of respective purchase price and associated fees and cost.

10. Contractual Penalty and Interest on Late Payment and Damage Compensation

10.1 In the case of the Supplier's delay with delivery of goods/services, the Purchaser is authorised to require and the Supplier is obliged to pay to the Purchaser the contractual penalty of 0.04 % of the price of not delivered goods/services for each day of the delay, including the day of delivering the goods/services. By paying contractual penalties, Purchaser's right to damage recovery is not affected.

10.2 In case the Supplier delivers to the Purchaser defective goods/services, the Purchaser is authorised to require and the Supplier is obliged to pay to the Purchaser the contractual penalty of 0.04 % of the price of defective goods/services for each day of the delay with putting the goods/services into the state without defects, including the day of delivering the goods/services. By paying contractual penalties, Purchaser's right to damage recovery is not affected.

10.3 In case of the Purchaser's delay with payment of the purchase price of goods/services is in contradiction to the Contract of these General Terms and Conditions, the Supplier is authorised to require and the Purchaser is obliged to pay to the Supplier the interest on late payment of 0.04 % of the price of properly delivered, invoiced and not paid goods/services for each day of the delay, including the day of payment. The Purchaser is obliged to pay only the payment proved to it and exceeding the sum of paid price and contractual penalty.

10.4 In the case of violation of the duties stated in the section 4.7, the Purchaser is authorised to require and then the Supplier is obliged to pay to the Purchaser the contractual penalty of CZK 1,000.- for each individual violation.

10.5 The contractual penalty shall be asserted against the other party in the form of a written request, together with a proper tax document with the maturity of 14-days and the Purchaser is authorised to assert the whole amount of contractual penalty towards the Supplier also in the form of unilateral offset against payments to be paid to Supplier (claims).

10.6 If the Supplier's duty to damage recovery towards the Purchaser is set in these General Terms and Conditions and/or this duty follows from another arrangement between the Supplier and the Purchaser, the damage recovery shall be interpreted as the Purchaser's indemnification and holding it harmless from any duties, loss, damage, penalty, claim, complaint, tax, obligation, conflicts, expenses and cost (including the appropriate fees for

legal consulting, cost and investigation expenses), the Purchaser suffered and which are associated in any way and/or come into being based on the direct or indirect violation of any declaration, guarantee and/or the Supplier's obligation as per the Order, or the Contract. The Supplier undertakes also to pay to the Purchaser damage recovery if the Supplier violates order's or Contract's provisions regardless if in an essential or not essential way; this damage recovery shall be the difference between the price which shall have been paid as per the confirmed order or Contract for delivered goods/services and the price agreed in substitute transaction between Purchaser and the third person if the Purchaser performs the substitute purchase of goods/services.

11. Limiting the Liability for Damage

11.1 The Purchaser is not liable to the Supplier or third persons for any special, secondary, indirect or consequential damage or loss of profit in any case.

11.2 The term for which the claims for any legal reason towards the Purchaser may be asserted is 6 months from the day of delivery of goods/services and in the case of claims following from an offence 12 months from the day on which the Supplier learned or shall have learned about the reasons of occurrence of this claim and the responsible person if the occurrence of this claim was not caused by the Supplier's gross negligence.

12. Transfer of proprietary right and transfer of risk of damage occurrence

12.1 The Purchaser acquires the proprietary right to goods/services in the moment of delivery implementation.

12.2 The risk of danger occurrence is transferred to the Supplier in accordance with agreed delivery clause INCOTERMS 2010.

13. Force Majeure

13.1 Any circumstances excluding the responsibility ("Force Majeure") as e.g. unpredictable interruption of production, transport or deliveries, fire, explosion, natural disaster, floods, drought, unpredictable lack of labour forces, energies, raw materials or stock, strike, stoppage of operation by employees, war, political disturbances, terrorist acts, government regulation or another obstacle outside the Purchaser's control, decreasing, extending or preventing the production relieves the Purchaser of the responsibility for complying with duties to perform (purchase) as per Contract for the term of this Force Majeure.

13.2 If the Force Majeure lasts more than six (6) weeks and this interruption is considered by the Purchaser as serious, the Purchaser is authorised to withdraw from the Contract in the whole scope or its part. In case of temporary duration of Force Majeure, all the terms for performance shall be extended or postponed by the term of Force Majeure and appropriate term for production renewal.

14. Documents delivered with Goods, Necessary Official Permissions, Duties from the "REACH" order

14.1 The Supplier is obliged to acquire in time all the permissions and other decisions for the Purchaser necessary to perform the general purchase contract as well as partial purchase contracts from the respective Authorities in the CR as well as in other countries of delivery of goods/services, regardless if the necessity of such permission of other decision was fixed before or after Contract conclusion.

14.2 The Supplier is obliged to hand over to the Purchaser the instruction (user's) manual in Czech with the delivery of goods at the latest, if such instruction is not written directly on individual pieces of products destined for independent sale and moreover documents proving that the goods meet all the requirements fixed by the hygienic and safety regulations and standards, legal regulations and standards regulating technical requirements on products, including the technical requirements fixed for individual kinds of goods (e.g. for toys, aerosol sprays or cosmetic means), as well as by legal regulations concerning the chemicals and other similar substances and means (e.g. safety sheets), legal regulations concerning food and tobacco products and regulations concerning the specific medicaments and by other legal regulations and standards regulating closer conditions or requirements on a certain kinds of goods as well as other conditions as per all the other legal regulations or standards regulating handling with some kind of goods.

14.3 The Supplier is responsible for the fact that all the goods/services delivered by it comply with conditions and criteria set by legal regulations and standards, especially legal regulations and standards regulating the protection of consumer and technical requirements on products including technical requirements on a certain kind of goods (e.g. toys, cosmetics – here the EC Regulation No. 1223/2009 or aerosol sprays), hygienic and safety regulations and standards, legal regulations or standards concerning the chemical substances and means, food and tobacco products, specific medicaments as well as other goods for which the legal regulation or standard set closer conditions and criteria. The Supplier is responsible each time also for observing the duties fixed by legal regulations or standards concerning the manipulation with any kind of goods.

14.4 The Supplier shall be involved into the system of packaging usage as per respective legal regulations and standards regulating the packaging and manipulation with it and is obliged to prove conclusively to the Purchaser with goods delivery at the latest that the packaging of delivered goods meets the requirements as per the respective legal standards and regulations.

14.5 If the Supplier violates any of its duties as per the Art. 14 sec. 14.1 - 14.4 in connection with sections 14.6 and 14.7, or if untruthful or incomplete data are stated in the documents, handed over and submitted to the Purchaser or the goods are not classified correctly, the Supplier is responsible to the Purchaser for damage the Purchaser suffers in consequence of it in the full scope.

14.6 If any legal regulations and standards are mentioned in this provision, they shall be understood as legal regulations and standards of the Czech Republic as well as legal regulations, standards, orders and directives of EU.

14.7 The Supplier undertakes to meet all its duties following from the Regulations of the European Parliament and Council on Registration, Evaluation, Authorization and Restriction of chemicals (REACH), and it provides to the Purchaser all the co-operation which can be fairly required from it in the light of provisions contained in REACH or in any other Acts, rules or regulations applying to goods/services and their parts.

15. Intellectual Property Rights, Confidentiality Duty

15.1 The Supplier undertakes to indemnify the Purchaser as well as its distributors, representatives, employees and any other third person selling or using any Purchaser's product and to hold them harmless against any claims, damage, expenses or cost (including but not limited to loss of lost profit and cost of legal representation), which came into being due to any claim of a third person following from the fact that any goods/services or their combination or its use violates patent rights, protective trademark rights, copyright, rights to business name (firm), trade secret, licence or other property rights of third persons or any other intellectual property right. In case of occurrence of above mentioned claims, the Purchaser has also the right to order the Supplier to defend the interests of the Purchaser or other concerned persons itself and upon its cost.

15.2 The Supplier undertakes to inform the Purchaser about each claim as per the Article 15.1. without undue delay. The Supplier undertakes to provide to the Purchaser or its affiliated companies in connection with such claim all the co-operation which can be required fairly from it.

15.3 5 years after the termination of contractual relationship between the Purchaser and the Supplier, or after the termination of activities between them the Supplier is obliged to observe unconditional confidentiality of all the business matters and activities, especially of business and bank details, balance, turnover, calculations, important correspondence, lists of clients, price lists, production, work, sale and promotion methods of the Purchaser. The provisions of this section and sanctions for its violation are valid between the contract parties independently on the validity of the contractual relationship; the same applies to other provisions of these General Terms and Conditions (VOP) or of contractual relationship between the Supplier and Purchaser regulating the situations and relationships which shall exceed the term of validity of contractual relationship (as e.g. the Purchaser's claim to contractual penalty and other sanctions, especially in consequence of withdrawal from Contract etc).

16. Contract Termination, Withdrawal from Contract

16.1 The Purchaser is authorised to withdraw from the Contract immediately in case of an essential violation of the Contract by the Supplier,

by delivering the notice of withdrawal to the Supplier. As per this provision, Contract violation shall be understood as:

- a) Supplier's delay of delivery of goods/services or
- b) Supplier's delay of delivery of Cure or
- c) complying with any condition for occurrence of liability of recipient of taxable performance as per section 109 of VAT Act.

16.2 The Purchaser is authorised to terminate the Contract in writing without stating the reasons. The term of notice amounts to 60 days and starts to run on the day following the day of notice delivery to the Supplier.

17. Communication of the Parties

17.1 Place for delivery of documents is the address of registered offices of participants stated in the Contract heading or the new address announced in writing to the other participant as the delivery address.

17.2 If no written form is set for a legal act of any Contract Party, it may be also be done by fax or by electronic mail.

17.3 If the Supplier has its registered office abroad and the parties do not agree the Czech language as communication language, it applies that the communication language between the contract parties is the English language.

18. Applicable Law and Settlement of Disputes

18.1 These General Terms and Conditions, Contract, its binding formulation and other associated legal regulations between the Purchaser and the Supplier shall follow the law of the Czech Republic, especially the provisions of the Act No. 89/2012 Coll., Civil Code as amended if not agreed otherwise between the Contract parties ("Applicable Law"). If in the term of validity of these General Terms and Conditions a change in the provisions of law, or Acts quoted in these General Terms and Conditions occur, the newly formulated provisions of law/Acts shall apply to the concerned provisions of these General Terms and Conditions the meaning of which come as close as possible to meaning of here quoted legal provisions.

18.2 All the disputes following from the Contract or occurred in connection with it shall be finally decided in the Czech language by general courts of the Czech Republic, preferentially by the Regional Court in Brno.

18.3 It applies by accepting these General Terms and Conditions in the scope of Contract or in the form of a reference to them included in the offer of one party accepted by the other party that both parties, i.e. the Purchaser as well as the Supplier have read these General Terms and Conditions (minimally at the web address <http://web.fosfa.cz/cs/vop-pro-nakup>) and they correspond to their right will and were accepted, as part of the contractual relationship between them freely and not under duress, and both parties, i.e. the Purchaser and Supplier are able to evaluate the scope of mutual rights and duties following from these General Terms and Conditions and they consider them for balanced for both parties (as per sec. 1793, par. 1) of Civil Code, the mutual performances are balanced); their provisions correspond to the usual customs between them or trade customs usual at the comparable market according to their best persuasion. Simultaneously each of the parties is itself responsible as per section 1726 of the Civil Code that the General Terms and Conditions contain all the prerequisites a contractual relationship should contain in its opinion and moreover as per sec.1728, par. 2), Civil Code that it announced to the other party all the facts and legal circumstances it knows and/or should know.