

GENERAL CONDITIONS OF PURCHASE

of PLASTIKA a.s.

at Kaplanova 2830, 767 01 Kroměříž, ID no.: 27448550,

recorded in the Commercial Register of Regional Court Brno, file B 6202.

(hereinafter referred to as "the Customer" or "Customer")

In accordance with Section 1751 et seq. of the Czech Civil Code, Act No. 89/2012 Coll., as amended (hereinafter referred to as "CC") with a view to stipulate the basic rules of the business relationship between Customer and his Supplier.

1. General

This General Conditions of Purchase (hereinafter referred to as "GCP") is an indivisible part of each contract between contractual parties, when Customer is the above indicated company PLASTIKA a.s. and Supplier is natural person or legal person with its site, place of business, premises, plant, works, facility in or out of the Czech republic (hereinafter referred to as "the Supplier" or "Supplier").

A part of this GCP may be General Purchase Agreement (Supply Agreement), Works Contract, Quality Assurance Agreement, Quality & Purchasing Assurance Manual, Non-disclosure Agreement, Supplier Loan Agreement, Warehousing Agreement, Consignment Stock Agreement, Contract of Transportation and other closed agreements.

This GCP is valid unless otherwise agreed in particular written agreements between Customer and Supplier. Unless anything else is defined by a particular mutually concluded contract, the business relationship between Customer and Supplier shall be governed by this GCP. Other commercial terms and conditions with different wording and other stipulations in confirmations, correspondence etc. are invalid, although they are not expressly refused by the Customer. Acceptance / confirmation / acknowledgement of any offer, order, delivery, performance or their settlement (payment) shall not be considered as Customer's consent to Supplier's selling or commercial terms and conditions.

2. Contract Formation

Any agreements, orders, call-offs and their amendments shall be in written form. The written form shall be confirmed by electronic data exchange that defines both the content and the person responsible for completing it.

2.1 Unless expressly otherwise agreed, the goods also include services.

2.2 The Supplier is to perform Customer's orders in the range of 100% confirmed delivery of goods with allowed deviation in accordance with Article 3.4 of this GCP.

2.3 Unless Supplier expressly accepts the order in written form within 10 working days from the date of delivery of the order, the Customer is allowed to cancel it. The call-offs of orders, unless expressly cancelled by Customer in written form, become binding on the day of their delivery at latest.

2.4 All and any shipments shall be performed on the basis of this GCP.

2.5 This GCP shall be considered as accepted at the moment of request for quotation (enquiry, hereinafter referred to as "RFQ") or order received by Supplier at latest.

2.6 Oral or written stipulations and agreements before bilateral signature of a supply agreement governing the business relation upon the later concluded selling agreement lose effect unless included in the supply agreement or if they are in contradiction to this GCP.

3. Shipment

3.1 A place of handover (hereinafter referred to as "place of destination") shall be defined in Customer's RFQ or order at latest. Transportation to the place of destination shall be performed and paid by Supplier. Any risk of damage to goods shall be transferred to the Customer at the moment of receipt in place of destination. The Supplier is obliged to cover all goods in transit by all-risk insurance at his expense. Shipments shall be governed by delivery conditions according to INCOTERMS 2010, local delivery conditions as applied in other states are excluded.

3.2 All shipments of goods shall be accompanied particularly by:

- Certification of Origin,
- Quality Certificate,
- Motion Certificate,
- Delivery Note,
- all other identification and certification documents accompanying the goods which are required by law or Customer.

The delivery note shall be handed over to Customer by his receipt of goods at latest and it shall meet the following requirements at least: description of delivery note and its number, Supplier's and Customer's trade name, domicile or registered office, ID No. and VAT No., number of purchase order or contract, exact description of performance, date of delivery, number of units per package, number of packages, number and identification of returnable reusable packaging, purchasing price, method of transport, place of destination (delivery)

and exact description of Customer. The documents not meeting the above indicated requirements shall not be considered as a proper delivery note. If Supplier fails to meet these requirements, Customer reserves right to refuse the receipt of goods.

3.3 Partial shipments or performance before the agreed delivery term are not allowed unless otherwise expressly agreed in written form.

3.4 Deviation limit of delivered goods is allowed up to 5% after prior consent of Customer. The Supplier is allowed to be paid for the actually delivered goods only.

3.5 In case of Supplier's delay in shipment, Customer is allowed to withdraw from a contract after written request for performance that grants a reasonable additional time to deliver with a notice of possible withdrawal from a contract. The goods that have not been consumed may be returned by the Customer at the expense of the Supplier or the Customer is allowed to withdraw from a contract as it concerns the undelivered goods.

3.6 The Customer is allowed to claim damages in relation to the Supplier's failure to deliver properly and in time. In case of agreed contractual penalty the Customer's right to damages shall not be affected. Customer is allowed to charge the relevant costs to Supplier also in a case where a penalty is imposed by Customer's customer in consequence of Supplier's failure.

3.7 The date of Customer's receipt of goods is decisive for evaluation of fulfilment of agreed delivery term.

3.8 The goods shall be delivered in premium quality and shall correspond to the released reference sample, required specification, technical and acceptance conditions, all legal, technical, quality and logistic requirements of delivered goods. The Supplier is also aware and familiar with all his liabilities following from the quality evaluation system and he is obliged to meet principles in accordance with ISO 9001, IATF 16949 and ISO 14001 as amended within the Supplier's quality management system with an objective to become certified. Supplier is also obliged to announce any changes to Customer in his process flow before their implementation. Supplier is not allowed to implement the changes unless Customer gives prior consent.

4. Prices

4.1 Price of goods as indicated in the supply agreement, purchase order or works agreement and/or other bilaterally concluded price agreement (hereinafter referred to as "price agreement") is fixed. Changes of costs on Supplier's side shall not affect the price of goods. Supplier is not allowed to apply another price unless another price is agreed in writing by Customer in advance.

4.2 Unless otherwise defined in the price agreement, the prices in the price agreement include complete packaging costs, freight costs and insurance costs. The prices shall include value added tax at the current statutory rate as required by tax regulation.

5. Payment Conditions and Documentation

5.1 Customer shall pay the price to Supplier upon a properly issued invoice. Supplier is allowed to issue an invoice only on the basis of proper receipt of goods according to delivery conditions.

5.2 The invoice shall be sent in two originals by registered letter to Customer's address and include particularly data in accordance with a provision of Section 435 of CC and valid accounting and tax regulation and last but not least definition of relevant delivery condition according to INCOTERMS 2010 in the form of abbreviation and exact place of destination.

5.3 Customer is allowed to return invoice and payment documentation or arrest its payment due to a mistake in its content or form. Customer is obliged to inform the Supplier about the fact without delay who shall correct the invoice and payment documents, otherwise the invoice will not be paid.

5.4 Supplier's invoices shall be payable within 60 days net from the date of their issue unless otherwise agreed in written form.

5.5 In case of a delay in invoice payment, Supplier is allowed to charge interest on late payment only at the amount by law as a percentage of the due amount. Appropriate payment means a withdrawal of the invoiced amount from Customer's account on specified date.

6. Transfer of Ownership and Risk of Damage to Goods

6.1 Ownership to goods as well as risk of damage to goods shall be transferred to Customer after he receives the goods in the place of destination. The receipt of goods shall be confirmed by Customer on delivery note. A copy of the delivery note shall be held by the Customer. An option of a consignment stock agreement between the contractual parties is not limited by this article.

7. Warranty and Defect Liability

7.1 Supplier guarantees quality of goods to Customer for at least 24 months, starting from the date of delivery according to article 6.1 of this GCP unless a longer period is defined by law. Supplier declares that the goods are not affected by mistakes of law and that he shall maintain requested, agreed or common characteristics and conditions defined by legal rules

and technical standards. The legal rules are among others as follows: Act no. 22/1997 Coll., (technical requirements of product), as amended, Act no. 102/2001 Sb., (general product safety), as amended (hereinafter referred to as "GPSA"), and Section 2939 of CC (regulating liability for damage caused by a defective product). In accordance with GPSA the Supplier is obliged to appoint a product safety attorney. Length of warranty period shall be independent of Supplier's liability for defects that already existed at the moment of passage of risk of damage to goods.

7.2 The warranty applies also to all delivered goods including subcontractors' deliveries of plastic resins, provided services etc.

7.3 The defects that already existed at the moment of transfer of risk of damage to goods may be claimed by Customer anytime after their discovery independently on the course of agreed warranty period also after its expiry. Defects which have arisen within the warranty period may be claimed by Customer anytime within the warranty period.

7.4 In case of complaint, Customer is allowed to:

7.4.1 require removal of defects by replacement delivery of new goods for defective goods or by additional delivery of missing goods, or:

7.4.2 require removal of defects by repair of goods in case of reparable defect, or

7.4.3 require an adequate discount of purchasing price, or

7.4.4 withdraw from the agreement.

7.5 The choice among the claims as indicated in article 7.4 as well as the lead times of replacement delivery belong to the Customer. The claim may be changed by Customer also without Supplier's consent. If the goods show any defects and Supplier fails to remove them within the period defined by Customer, Customer is allowed to require a discount of the purchase price or withdraw from the agreement. Customer is also allowed to withdraw from the agreement in the event of Supplier's significant breach of obligation or in a case of force majeure. This right shall not affect Customer's right to compensation for damage and any incurred costs in consequence of defective fulfilment.

7.6 Supplier may request a Customer's statement if he withdraws from the contract or if he insists on fulfilment within reasonable alternative delivery term. If the Customer fails to send his statement within reasonable period, Supplier may withdraw from the contract. It shall not affect Customer's right to compensation.

7.7 Supplier is obliged to compensate Customer in case of damage in consequence of delivery of goods or breach or negligence of Supplier's duties upon this GCP, agreement, contract, orders or other stipulations or which shall be applied by the third parties on the basis of claimed compensation at Customer or which shall relate with delivered goods. This

provision is valid also after the relationship upon this Agreement between Customer and Supplier is terminated and it is not limited as to time. Customer may not waive a claim for compensation against Supplier in future.

7.8 Defects of goods shall be claimed from Supplier on the day when Customer receives an announcement from his Customer about defects on goods.

8. Final provisions

8.1 Contractual relations shall be expressly governed by Czech law, particularly by the provision of Section 2079 et seq. of CC.

8.2 The competent court for any disputes and reconciliation shall be fixed according to the registered office of Customer.

8.3 This GCP shall govern all and any purchase agreements and supply agreements between Supplier and Customer. Differing provisions in particular concluded contract shall prevail over this GCP according to Section 1751 of CC.

8.4 Invalidity of any provision of these GCP shall not have any impact on validity of remaining parts of these GCP.

8.6 In case of dispute of language interpretation of these GCP, Czech version shall be exclusively valid for Czech and Slovak Suppliers and English version for other foreign Suppliers.