

General conditions of sale and delivery

Applicable from May 25th, 2018

Applicability

1. These General Conditions of Delivery shall be applicable to all deliveries from Arla Plast s.r.o., inasmuch as they are not amended by express written agreement between the parties. Arla Plast s.r.o. complies with the EU General Data Protection Regulation (GDPR) and our privacy policy is available on our website (www.arlaplast.com/about/).
2. In these Conditions, the term the "Seller" shall be taken to signify the company Arla Plast s.r.o.. The term the "Buyer" shall be taken to signify a firm, person or company with whom agreement on sale of Arla Plast s.r.o. products has been reached, or to whom a tender has been submitted. The term the "Goods" shall be taken to signify the product agreed for sale.

Conclusion of agreement

3. If the period of validity of the tender has not been specifically mentioned, this period is limited to sixty (60) days from the date of issue.
4. An agreement will not be binding on the parties in respect of individual deliveries until after the Seller has issued a written confirmation of the order. If the Buyer, in connection with placing an order, has stipulated conditions which are contrary to that set out in the Seller's confirmation of order or these General Conditions of Delivery, failure on the part of the Seller to object to such conditions does not imply that they have been approved by the Seller, but the confirmation of order shall be applicable and these General Conditions of Delivery shall remain applicable.

Quantities, the Nature of the Goods

5. Unless otherwise has been agreed upon the delivered Goods be calculated upon the theoretically calculated weight for each delivery.
6. Unless otherwise has been agreed in writing, the Seller's standard tolerances and the Seller's standard quantity in respect of the ordered Goods shall apply to ordered Goods.
7. When the agreement relates to delivery of Goods manufactured in accordance with special proposals, blueprints, drawings or stipulations, the Seller shall deliver Goods which correspond to these, the Buyer's specifications and manufacturing documentation, and with samples approved by the Buyer.
8. Once the Buyer has approved the manufacturing documentation or samples/ test sheets, the Buyer shall bear the full development responsibility for the Goods, even if the Seller had previously aided the Buyer with assistance and technical documentation. Unless otherwise is expressly agreed, the Seller is not responsible for Goods delivered being suitable for the Buyer's original purpose or subsequently intended purpose.

Production

9. In the event special accessories, tools or other equipment are required when manufacturing the Goods, the Buyer shall be charged with the costs therefore, and agreement thereon shall be reached between the parties hereto before manufacture is commenced.

Deliveries by instalment

10. When the agreement relates to deliveries by instalments, each delivery shall be considered as an independent sale. The Buyer

is not entitled to cancel the agreement in respect of other deliveries as a result of delay, defect or shortcoming in a part delivery.

Prices and payment

11. Unless otherwise has been agreed upon, payment shall be made not later than thirty (30) days after the date of invoice.
12. The Seller is entitled, prior to delivery, to demand acceptable security for payment of the delivery in question, and for previously delivered but as yet unpaid Goods (if any).
13. On payment after the due date, the Seller is entitled to charge penalty interest at the valid reference repo rate determined by the Czech National Bank (CNB) plus eight (8) percentage points from the due date and until such time as payment is made. Payment shall be deemed to have been made when the cash comes into the possession of the Seller. Accrued penalty interest will be invoiced monthly. If penalty interest, for some reason, is not debited for any delivery or deliveries, this does not prevent the Seller from debiting such interest for subsequent deliveries.

Reservation of title and repossession of Goods

14. Delivered Goods shall remain the property of the Seller until such time as full payment has been made, inasmuch as such reservation of title is valid in compliance with applicable Law. Seller shall also be entitled to reclaim possession of any delivered Goods, even delivered Goods that have been processed, in the event of any outstanding debt of any nature whatsoever to Seller. Buyer hereby waives any and all rights to such delivered Goods in the event of outstanding debts of any nature whatsoever and undertakes to facilitate and assist Seller in such repossession.

Deliveries

15. In respect of deliveries, delivery clauses shall be interpreted in accordance with the INCOTERMS valid on the date of conclusion of the agreement. If no delivery clause has been agreed upon, the delivery shall be Ex Works, Seller's factory (INCOTERMS 2000).
16. If the price disclosed in the agreement entails that the Seller shall wholly or partly be responsible for freighting costs, the Seller shall be entitled to choose the mode of transportation.
17. The Seller shall, unless otherwise agreed, determine how the delivered Good shall be packaged.
18. Should delay to delivery occur as a result of transport delays beyond the Seller's control, or because of any circumstance encompassed under Clause 31, or because of any action or failure to act on the part of the Buyer, the delivery time shall be extended by so much as, given all of the circumstances in the case, may be deemed reasonable. This applies regardless of whether the reason for the delay occurs before or after the expiry of the agreed delivery time.

The Buyer's Cooperation etc.

19. Unless suborder or specification on purchased quantity reaches the Seller within the agreed time, the Seller is entitled, at his discretion, either to cancel the agreement in respect of the nonsubordered or specified quantity and to obtain damages from the Buyer for his direct loss, or to complete delivery of and debit for the remaining quantity.
20. Should the Buyer fail to take delivery of the Goods at the appointed time, he is nevertheless obliged to make each payment as if delivery of the Goods in question had been taken.

If the Buyer, regardless of grounds, fails to take delivery of the Goods at the appointed time, the Seller shall be entitled, by written notification to the Buyer, to cancel the agreement in respect of such outstanding part of the goods that, due to the buyer failure has not been compensated from the Buyer for damage caused to him by the Buyer's failure to fulfil his obligations.

Inspection

21. If no agreement on extensive delivery inspection and verification has been reached, the Goods shall be subject to that inspection employed by the Seller in his normal business. Delivery inspection carried out by the Seller does not, in any event, exempt the Buyer from conducting such incoming goods inspection as, given the nature of the Goods and the business, is motivated on receipt of the Goods.

Defects and Shortcomings in the Goods

22. If delivered Goods suffer from defects or shortcomings, the Goods shall, in accordance with the provisions of this Clause and of Clauses 23 to 28, be replaced by perfect Goods or such shortcoming be remedied. If the defective Goods are not replaced or the shortcoming not remedied within a reasonable time, the Buyer is entitled to a deduction in price corresponding to the difference between the value of the Goods in the defective and in the agreed condition. The Seller's liability for defects or shortcomings is limited to that embodied in this Clause. Above and beyond these provisions, the Seller has no liability whatsoever for production losses, loss of profits, costs for intervention in the Goods on dismantling or assembly work, or other direct or indirect damage, loss or cost suffered by the Buyer, his customers or other third parties.

23. In the event that delivered Goods is proven defective the Seller undertakes to defray all costs for and assume all risk of transport of such defective Goods back to the Seller. The Seller shall, furthermore, defray all costs for and assume all risks of transport of replacement or repaired Goods delivered to the place of delivery set out in the agreement. The Seller is entitled to, at his discretion, with regard to the value of the defective Goods, decide whether return of defective Goods shall be made or not.

24. The Seller assumes no liability for the Goods to be suitable for any given purpose unless having expressly referred through the agreement to a written guarantee which declares that such is the case. 25. The Buyer undertakes, on retailing and marketing of the Seller's Goods, not to make any commitments whatever on behalf of the Seller and binding on the Seller in respect of the performance and properties of the Goods. The Buyer is obliged to indemnify the Seller in the event the Seller suffers damage as a result of breach of this condition.

26. The Seller's liability applies only to cases which occur under conditions foreseen in the agreement and in correct use, installation and refinement of the Goods.

27. The Seller's liability does not encompass defects caused by circumstances which have arisen after the risk for the Goods has been transferred to the Buyer. For example, such liability does not encompass defects caused by faulty maintenance or incorrect assembly on the part of the Buyer, modifications without the written consent of the Seller, repairs incorrectly carried out by the Buyer, as well as normal wear and tear. Nor does the Seller's liability encompass such loss as the Buyer could have limited by taking reasonable action for limiting such loss.

28. The Buyer shall immediately report visible defect or shortcoming in the Goods, which may be assumed to have occurred during transport, to the carrier, by noting such

occurrence on the waybill. As soon as possible after receipt of the Goods, the Buyer shall examine that the Goods correspond with that set out in the agreement. At the latest within ten (10) days from receipt of the Goods, the Buyer shall inform the Seller of such defect or shortcoming as he has noticed or ought to have noticed on such reception inspection. Report on such defect in delivery as could not have been discovered at the time of reception inspection shall be made immediately after the defect was noticed or ought to have been noticed by the Buyer, but at the latest within four (4) weeks after delivery. Should the Buyer fail in the performance of his obligations pursuant to this Clause, the Buyer will forfeit those rights due to him as a result of the defect or shortcoming.

Purchase to Order etc.

29. When delivery takes place of Goods in compliance with the instructions of the Buyer (purchases made to order), the Buyer is responsible vis-à-vis the Seller that the Goods do not constitute infringement into patent rights or registered design protection rights or other intellectual property rights belonging to a third party. Should claims arising out of such infringement be filed against the Seller, it is incumbent upon the Buyer on request to provide all requisite assistance and also to compensate the Seller for damages which he may be ordered to pay in such matters, together with all costs which the Seller may have incurred in connection therewith.

30. The Seller's liability does not encompass defects arising as a result of material provided by the Buyer. The Buyer shall, if applicable, compensate the Seller for loss of production or damage to machinery caused by PVC or metal or other contaminations in material provided by the Buyer.

Ground for Exemption

31. In the event of State intervention on the part of the state of Czech Republic or an alien state, war, labour disputes, military mobilization or other difficulties in obtaining a workforce, scarcity of means of transportation, general scarcity of goods, shortage of raw materials, electric power or other power, delivery delays, non-delivery or other disruption to delivery from subcontractors or others, fire, damage to machinery or other accident at works, vessel disablement, obstruction by ice or other circumstance of any type whatever beyond the parties' control which impedes the parties' possibilities of discharging their obligations pursuant to the agreement, the parties are entitled to postpone completion for such time as is required for obviating the effects of any such circumstance as is envisaged here. Should this time exceed six (6) months, each party is entitled wholly or partly to cancel the agreement by written notification to the other party.

Arbitration, Applicable Law

32. Any dispute, controversy or claim arising out of or in connection with this agreement, or the breach, termination or invalidity thereof, shall be resolved, with final validity, in arbitration proceedings before the Court of Arbitration of the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic in Prague according to its Rules, by three (3) arbitrators appointed in accordance with the Rules. The place of arbitration shall be Prague. The language to be used in the arbitral proceedings shall be English. The arbitrators shall issue their award in writing, setting forth the reasons therefore. The arbitration award shall be final, enforceable and binding on both parties. This agreement shall be governed by the substantive laws of Czech Republic without regard to its principles on conflict of laws.