

**SHP GROUP****GENERAL TERMS AND CONDITIONS OF PURCHASE OF SHP GROUP GOODS AND SERVICES**

Definitions The terms and abbreviations given below shall have the following meanings:

Parties shall mean the Buyer/Customer/Contractor and the Seller/Supplier/Provider collectively hereinafter referred to as "the Contracting Parties", respectively also individually as "a Contracting Party".

Buyer/Customer/Contractor shall mean any of the companies listed below.

- (i) SHP Harmanec, a.s.
- (ii) SHP Slavošovce, a.s.
- (iii) SHP Celex, a.d.
- (iv) Paloma d.d.
- (v) ECOPAP s.r.o.

Seller/Supplier/Provider is a natural or legal person specified in the Order selling the goods to the Buyer, respectively providing the Services or other Deliveries specified in the Order to the Buyer/Customer/Contractor.

Order shall mean a purchase order generated in the information system of the Buyer/Customer/Contractor through which the Buyer/Customer/Contractor orders a Delivery specified in the Order.

Delivery shall mean any delivery of goods and/or services specified in the Order.

I. General Provisions

Unless agreed otherwise by the Parties, the General Terms and Conditions of Purchase of Goods/Services (hereinafter referred to as the "GTC") represent the basic arrangements of the Contracting Parties that apply to the adjustment of the rights and obligations of the contractual legal relations arising from the Order of any of the companies belonging to the SHP Group. The GTC are binding for the Contracting Parties. Any other arrangements or any conditions differing from the GTC, in particular the Terms and Conditions of the Supplier, shall not apply to the relations between the Parties, unless expressly agreed otherwise between the Contracting Parties.

II. Order

These GTC are an integral part of each Order. The Customer shall be entitled to cancel the placed Order in writing or by email at any time prior to its acceptance by the other Party in writing or by email. The other Party is obliged to confirm the Order within 24 hours of its receipt at the latest. In case the Supplier does not confirm the Order within 24 hours of its receipt, the Order is deemed to have been confirmed. In case the Supplier wishes to cancel their Order, they shall do so within the applicable time limit and, at the latest, prior to the Order confirmation made by the Customer, otherwise this Order shall remain valid.

III. Time and Place of Delivery

Unless stated otherwise, the time and place of the Delivery specified in the Order shall be binding for the Parties. The Supplier is obliged to inform the Supplier without delay of any facts that may result in the Delivery not being delivered duly and in a timely manner. In case the Supplier is delayed in delivering the goods/providing the services for more than 10 days, the Customer shall be entitled to withdraw from the contract. This shall not affect the entitlement to the contractual penalty settlement. Unless agreed otherwise by the Parties, the INCOTERMS 2010 "DAP" General Rules shall apply to the delivery of goods. The Delivery shall be received and confirmed by an authorized person. The Contracting Parties shall specify the authorized person(s) in the Order.

IV. Transition of risk of damage to goods

Proprietary rights and the risk of damage to goods are transferred to the Customer at the moment of receipt of the Delivery. The transfer of risk of damage to goods is governed by the respective general terms and conditions in accordance with INCOTERMS 2010.

V. Liability for Damage

While providing the Delivery specified in the Order, The Supplier is obliged to proceed with the highest level of professional care and they are obliged to always respect and act in accordance with the Customer's interests. The Supplier shall be liable for any damage occurring during Order Delivery. The Supplier shall promptly inform the Customer of any damage that occurs during Order Delivery. The Customer is entitled to set-off the claims against the Supplier arising from the claim for compensation.

VI. Purchase price, packaging

The purchase price shall be agreed in the Purchase Order. Unless agreed otherwise, the purchase price includes packaging charges, shipping to the delivery point, as well as other costs associated with delivery, in particular shipping costs, customs duties and other charges related to its import, certification, and disposal. The purchase price shall be valid only if agreed by the Customer in advance.

VII. Payment terms, invoicing

Unless otherwise agreed by the Parties, the invoice issued by the Supplier shall be the basis for payment of the purchase price. The Supplier is obliged to issue an invoice for Delivery only after the respective Delivery specified in the Order is completely supplied. The Customer pays due invoices on the 5th and 20th business day of the calendar month (the "Payment Day"). In case the last day of the invoice due date under this point of GTC falls on the day other than a Payment Day, the maturity of the respective invoice shall be prolonged to the next payment date, while the Customer shall not be late in paying the invoice, and the Seller gives their consent herewith. An invoice is deemed to have been paid in time if the invoiced amount has been debited from the Customer's account in favour of the Supplier on the last due date, even if the funds are credited to the Supplier later. The Supplier's invoice must comply with all the details of a tax document, otherwise the Customer shall be entitled to return the respective invoice to the Supplier; the maturity period in such a case shall begin only after receipt of the corrected invoice in accordance with the terms and conditions set out in this point.

**SHP GROUP****VIII. Grounds for excluding liability**

The Contracting Parties shall not be held mutually responsible for any breach of their obligations caused by the circumstances excluding liability, provided that the Contracting Party claiming the application of a circumstance excluding liability notifies the other Contracting Party of the existence of such a circumstance in writing not later than 10 days after becoming aware of that event. Circumstances excluding liability include fire, disaster, flood, earthquake, war, strike, lockout, and any other circumstances whose creation could not be anticipated by the other Party and whose consequence is that the other Party could not fulfil the Order.

IX. Defect Liability, Guarantee

The Supplier shall be liable for the defects the Delivery (Goods/Service) shall have at the moment of the risk of damage to goods being transferred to the Customer, even if the defect becomes visible only after that time. The Supplier is liable for any defect that shall occur during the period of 3 (three) years after the risk of damage has been transferred, regardless of whether the defect has been caused by a breach of obligation or not. This shall not affect the Customer's right to compensation for damages incurred as a result of the Delivery defect.

In case the Supplier provides a defective Delivery or is delayed with the goods/services delivery, the Customer may claim any of the following choices:

- (i) a removal of defects by supplying replacement goods or non-defective service, delivery of missing goods, performance of what has not been done or a removal of legal defects,
- (ii) a removal of the defects by repairing the goods, if the defects are repairable,
- (iii) an appropriate discount on the purchase price,
- (iv) or a withdrawal from the Order.

The choice of the above stated claims lies with the Customer. In addition to the above claims, the Customer shall be entitled to compensation as well as a contractual penalty.

X. Contractual penalties

In the event of the Supplier's failure to fulfil obligations, the Parties have agreed on the following contractual penalties:

- (i) 1% of the price of the unsupplied products or services per day, for each started day of the delay in case the Supplier is delayed with the fulfilment of goods/service delivery up to 30 days following the agreed Delivery date;
- (ii) A penalty of EUR 5,000 in the event of a breach of confidentiality by the Supplier per each infringement.

The payment of the contractual penalty shall not invalidate the claim for compensation. The Contracting Party concerned shall be entitled to claim compensation exceeding the contractual penalty. The Contracting Party which has breached the obligation shall pay the contractual penalty within 30 days of receipt of the eligible Contracting Party's written request to pay the penalty. In case the eligible Party does not exercise the right to a contractual penalty, this entitlement shall cease after the expiry of a 60-day period after the date of entitlement.

XI. Copyrights and Intellectual Property Rights

The Supplier undertakes that the provided Delivery shall not infringe or interfere with the rights of third parties or otherwise harm them.

XII. Supplier's declaration (on supply chain security)

The Supplier is obliged to ensure that the goods supplied by their company are produced, stored, processed, packaged and loaded in secure facilities or premises and that they are protected against unauthorized manipulation and access by unauthorized persons during production, storage, processing or fitting, loading and transport. The supplier is also obliged to ensure that the workers responsible for the production, storage, processing, packaging, loading, transport and taking over the goods are reliable. The business partners acting on behalf of the Supplier shall be instructed by the Supplier on the need to ensure the supply chain security in accordance with the above requirements.

XII. Confidential information

The Parties are obliged to maintain confidentiality in the matters of commercial, manufacturing and technical facts which have come to their knowledge in fulfilling the obligations arising from the Order against any third parties. All obligations of the Parties regarding the protection of confidential information and personal data shall be valid irrespective of the duration of the Order.

XIII. Applicable Law, Transfer of Rights and Obligations

The applicable law is the law of the Slovak Republic, in the case of SHP Celex, it is the law of Bosnia and Herzegovina, the Republic of Serbia and in the case of Paloma, it is the law of Slovenia. The Parties have agreed that any dispute arising from the content of their obligations incurred in connection with Order Delivery shall be resolved with priority by mutual agreement. In case such an agreement is not possible, the dispute shall be resolved with definite effect by the Arbitration Court of the Slovak Chamber of Commerce and Industry in Bratislava, in the case of the Celex company, the dispute will be definitively resolved by the respective court in Banja Luka and in the case of the Paloma company by the relevant Arbitration Court of the Slovenian Chamber of Commerce and Industry in Ljubljana. The language of the arbitration shall be English. The Contracting Parties declare that its decision shall be binding upon each Party and they shall be subject to it. The transfer of rights and obligations arising from the Order and/or these GTC to a third party is possible only upon the written consent of the Customer.