

GENERAL BUSINESS AND DELIVERY TERMS AND CONDITIONS

INNOFILM s.r.o.

Art. I General Provisions

These General Business Terms and Conditions are a part of the Purchase Agreement concluded by and between the Seller and the Buyer. Any deviations from the General Business Terms and Conditions shall be agreed between the Parties in writing and added as an amendment to the Purchase Agreement. Any unilateral changes and/or amendments to these General Business Terms and Conditions shall be deemed invalid.

Art. II Delivery of Goods

Transport: Arranged by the Buyer at the Buyer's cost, unless agreed otherwise.

Place of supply: According to the Purchase Agreement. The place of supply is the Seller's warehouse, unless agreed otherwise.

Delivery period: Specified in the confirmed and accepted purchase order and depends on the nature of the product. If the supply time is conditioned by Buyer's meeting a condition, the delivery period starts from the date when the condition has been met.

This date may be:

- Date of pro forma invoice payment; or
- Date of the Purchase Agreement approval by the Buyer; or
- Date of the graphic and photo reproduction work approval.

Amount: The Seller is entitled to meet its obligation also by means of partial deliveries, which the Buyer undertakes to accept and pay. With regard to the production technology, the Parties agree on an admissible tolerance of the delivered amount compared to the confirmed amount, namely 10% for volume of up to 5 t, and 5% for volume of over 5 t.

Packaging: Returnable, not included in the price of goods, unless agreed otherwise.

Documents: Together with the goods, the Seller is obliged to deliver accompanying documents to the goods, necessary for acceptance and handling of the goods by the Buyer.

Collection and takeover: Immediately after the goods delivery, the Buyer is obliged to perform due takeover and acceptance, check the type, amount and quality of the goods. If the delivery is rejected and the goods are returned to the Seller's warehouse, the Seller is entitled to claim compensation of related costs, damages and lost profit from the Buyer. The Buyer is obliged to collect the goods within 7 calendar days from the date of notification about the goods being ready for collection. After this deadline, the Seller is entitled to invoice the goods according to the terms and conditions stipulated in the Purchase Agreement.

Storage conditions: Self-adhesive foils and products with applied self-adhesive foil may be stored in dry environment under temperatures ranging from +40 degrees C to -5 degrees C. Before application, they need to be tempered to +18 to +25 degrees C for at least 24 hours.

Protective foils may be removed under the minimum temperature of +5 °C.

Quality guarantee: Warranty period for the goods is 12 months from delivery. The Buyer undertakes to ensure such storage of the goods to prevent any damage, destruction or theft. The Seller only guarantees conformity of the delivered product characteristics with the characteristics of the approved referential or test sample and the values stated in the product TDS.

Defects of goods: Seller's liability for defects of goods and deadlines for claiming warranties are governed by the provisions of Sections 436 to 441 of the Commercial Code. The Buyer is obliged to inform the Seller about any defects of the goods in writing, immediately after finding such defects. The Buyer shall store goods with claimed defects separately and shall not handle them without the Seller's consent until an agreement is reached by and between the Parties on further procedure to settle the warranty claim. The Seller may remove the claimed defects in the agreed period, propose a substitute delivery or give a discount on the price of the products with claimed defects. The Buyer may not withdraw from the Agreement due to defects of delivered goods, except for cases when the Seller seriously breaches the Agreement by the delivery, fails to remove the defects or provide a substitute delivery within the period agreed with the Buyer. The right to withdraw from the Agreement and entitlement to compensation for lost profit due to defects of delivered goods ceases if the claim has been settled by a discount on the price of the defective products. The claim shall not cancel the Buyer's obligation to pay outstanding invoices for goods that are not subject of the warranty claim.

Art. III Payment Terms

Price: Determined by agreement of the Parties pursuant to Section 448 of the Commercial Code. Unless stated otherwise in the Agreement, the price is ex warehouse of the Seller.

Payment: The price agreed herein shall be invoiced to the Buyer. The Buyer undertakes to pay the purchase price in accordance

with the payment terms agreed on page 1 of the Purchase Agreement. If the invoice is not paid within the agreed period, the Seller is entitled to claim default interest of 0.05% of the invoiced amount for each day of the default. When in doubt, the invoice shall be deemed delivered 3 days after the goods delivery to the Buyer.

If the Parties agreed on an advance payment, the Seller shall send a pro forma invoice to the Buyer together with the Purchase Agreement. The Buyer is obliged to send a copy of the payment document to the Seller within 12 calendar days from the date of the pro forma invoice issue. If the Purchase Agreement is confirmed and the pro forma invoice is paid after this deadline, the Purchase Agreement shall not be considered executed, unless the Seller expresses consent with the delayed payment in writing.

Art. IV Transitory and Final Provisions

The Buyer is obliged to submit to the Seller a copy of valid trade license, current extract from the Companies Register and tax registration certificate.

If the Buyer's assets become subject to declared bankruptcy or liquidation after the conclusion of the Purchase Agreement, the Seller is entitled to reject the performance of the Agreement. The Seller shall inform the Buyer about this decision in writing. In such a case, the Buyer is not entitled to claim performance of the Agreement, or potential damages or sanctions from the Seller.

The Buyer undertakes to inform the Seller immediately about any judicial measures or any other third party interventions related to unpaid goods. Moreover, the Buyer undertakes to inform the Seller immediately if the Buyer's trade license or enterprise, cooperative or company cease to exist. The Buyer also undertakes to inform the Seller about any changes related to the Buyer's bank account and bank details and/or insolvency. In the event of insolvency, the Seller's receivables become immediately due and payable.

Cases of force majeure, such as interventions by the state, operating, transport and power breakdowns, strikes, lockouts and other objective obstacles on the part of the Seller constitute a reason for postponement of performance of contractual obligations by the Seller for the time and to the extent of effect of said events. The same shall also apply to said events having occurred with the subcontractors.

The Buyer is entitled to export goods delivered by the Seller outside the Czech Republic solely with explicit consent of the Seller.

Cases when the performance of the Agreement is preceded by conditions to be met by the Buyer (e.g. sending a pro forma invoice payment document, GN approval, etc.) shall not be considered failure to perform the Agreement by the Seller.

In case of unilateral termination of the Agreement, the Parties agree on the following sanctions:

- In the event of a complete or partial purchase order cancellation by the Buyer, the Buyer shall pay to the Seller any and all costs incurred until then and a contractual penalty of 50% of the price of the uncollected products;
- In the event of the Seller's withdrawal from the Agreement, the Seller shall pay a contractual fine of 50% of the price of undelivered products.

The above sanctions shall apply, unless the Parties agree otherwise.

In the event the Purchase Agreement draft signed by the Buyer includes changes and/or amendments made unilaterally by the Buyer, the Seller shall only be bound by the Agreement if the Seller informs the Buyer within 7 days after its receipt in writing that the Seller agrees to the changes and/or amendments. Otherwise the Purchase Agreement modified by the Buyer is a new Purchase Agreement draft.

Art. V Legal Regime and Arbitration Clause

The goods shall be transferred to ownership of the Buyer only on the day of the purchase price payment in full, including interest, if any.

The legal relations between the Parties subject to these Terms and Conditions shall be governed by the laws of the Czech Republic.

The Parties undertake to attempt to settle any disputes arising between them in relation to these Terms and Conditions, termination of the legal relation established hereby and/or any related settlement in an amicable way.

Under Section 89 of the Civil Procedure Code, the Parties agree that in the event of any dispute to be decided by a district court as the court of first instance, the court having territorial jurisdiction is the District Court in Prague, in the event of disputes under the competence of regional courts, the court having territorial jurisdiction is the Regional Commercial Court in Brno.