

GENERAL BUSINESS TERMS AND CONDITIONS

of the business corporation PEBAL s.r.o.

With its registered office in Nýřany, at U Mexika 1339, post code 330 23, ID No. 64830942,
Registered in the Commercial Register maintained by the Regional Court in Pilsen, section C, entry
7252

I. Scope of Application of the General Business Terms and Conditions

These General Business Terms and Conditions (hereinafter referred to as to the "GBTC") regulate any and all legal relations arising from purchase agreements concluded by and between the Seller – the business corporation PEBAL s.r.o., and the Buyer.

They apply to all purchase agreements concluded by and between PEBAL s.r.o. and the Buyer (regardless on the manner in which the agreement was concluded and its form). By entering into any purchase agreement with PEBAL s.r.o., the Buyer confirms that, prior to such deed, he became acquainted with these PEBAL s.r.o. General Business Terms and Conditions. These GBTC are accepted by virtue of the conclusion of any purchase agreement between PEBAL s.r.o. and the Buyer.

These GBTC shall not govern the rights and obligations of the parties to such purchase agreements where the parties excluded their application by a special written stipulation.

II. Subject-matter of the General Business Terms and Conditions

The subject of purchase agreements shall be the goods that PEBAL s.r.o. delivers within the scope of the line of its business, on the basis of the Buyer's orders.

A purchase agreement shall be concluded by virtue of the confirmation of the Buyer's order. Upon the conclusion of the purchase agreement, the Seller's obligation to deliver the ordered goods arises.

Should the Seller accept an order with amendments, reservations, restrictions, or other changes, the Buyer shall register its disagreement with respect those changes within 24 hours of the delivery of his order with amendments, reservations, restrictions, or other changes. Should the Buyer fail to do so, the Seller shall consider the changes approved and shall accept the order with such changes.

An order may also be cancelled by a mutual agreement of the parties.

III. Purchase Price

The purchase price shall mean the price of the goods, unless the agreement stipulates otherwise.

The purchase price shall be agreed between the parties, on the basis of the Buyer's order (regardless of its method and form), by the Seller confirming the price of the goods in its confirmation of the Buyer's order. Should the Buyer fail to register his disagreement with respect to the purchase price confirmed by the Seller within 24 hours of order confirmation, the price of the goods confirmed in the order by the Seller shall apply. Should the Seller and the Buyer fail to explicitly agree on a price, the Buyer shall be deemed to have purchased the ordered goods at the prices that are stated in the Seller's price list on the day of its sale to the Seller.

The Seller undertakes to deliver the goods at the agreed price or at the price that is stated in the Seller's price list on the day of the sale of the goods to the Buyer.

IV. Delivery of Goods

The method of the delivery of the goods, delivery periods, and place of delivery shall be stipulated in the purchase agreement. The Seller shall deliver the goods to the Buyer and enable the Buyer to obtain ownership of the goods.

The goods delivered shall be packaged, stowed, and duly secured for the purpose of carriage.

The place of the performance of the deliveries of goods shall be the place at which the goods are handed over to the Buyer or to the first shipper for shipping to the agreed point. Unless otherwise agreed in the agreement, the place of performance shall be the registered seat of the Seller. In the case of delivery to another point, the Buyer shall duly ensure safe access for the vehicle by which the goods are carried, from a public road to the point of delivery, and safe departure back to a public road. The Buyer shall also ensure the smooth unloading of the goods, such that all of the goods delivered could be unloaded smoothly, without a need for interruption, as quickly as possible, without detracting from the quality of the goods.

Unless otherwise stipulated in the Agreement, the Seller may deliver an amount diverging from the purchase agreement if the discrepancy between the amount stated in the agreement and the actually delivered amount of goods does not exceed 20% of the value stated in the agreement. The Seller shall be entitled to a payment of the purchase price for the goods actually delivered. Should the Seller deliver a greater amount of goods than it is obliged to deliver pursuant to this paragraph, the Buyer may refuse to accept the excess goods at the time of the acceptance of the goods. Should the Buyer fail to do so at the time of the acceptance of the goods, i.e., should it fail to state this in writing on the delivery document or another document, the Buyer shall be deemed to have accepted the excess amount of goods and shall pay the purchase price of the goods determined from the individual price agreed in the agreement.

Unless otherwise stipulated in the agreement, the Seller may deliver the goods even before the set delivery date. The Seller may also deliver a portion of the goods and the Buyer may not reject partial performance of the agreement.

The Buyer shall accept the goods delivered, and shall confirm acceptance in the delivery document or hand-over documents. The Buyer shall have that obligation even in the event that it has objections as to the method of the delivery of the goods or the goods themselves. The Buyer shall state all of his reservations in the delivery document.

Should the Buyer default in the acceptance of the goods, the Seller may, at its discretion, either store the goods at the expense of the Buyer or withdraw from the agreement in full or in part. If the goods are stored, the third calendar day following that on which they were put into storage shall be deemed to constitute the day of their delivery. In that case, the Buyer shall, aside from paying the purchase price to the Seller, also pay any costs incurred by the Seller in connection with the storing of the goods. The rights of the parties shall be governed by the provisions of the Commercial Code.

In the event of the Seller's default in the delivery of the goods, the Buyer may only withdraw from the agreement if it has duly asked the Seller to deliver on its obligation after the Seller's default occurred, has granted the Seller an appropriate grace period for doing so, which must not be shorter than 14 business days, and the Seller fails to deliver the goods within the grace period thus granted. In its request, the Buyer shall inform the Seller of its intention to withdraw from the Agreement. Should it fail to inform the Seller about the possibility of withdrawing from the Agreement, the Buyer shall not be entitled to withdraw from the Agreement.

The Seller shall, however, not be in default in the performance of its obligation to deliver the goods in a timely manner if the default is caused by circumstances that occurred independently of the Seller's will. The contractual parties consider such circumstances to be, in particular, public administrative decisions or measures, strikes, lockouts, or other traffic restrictions on the roads concerned, as well as other accidental events that cannot be objectively averted on the part of the Seller or its contractual partners whose performance is causally connected to the performance of the Seller's obligation to the Buyer.

A delivery shall be deemed performed upon the acceptance of the goods by the Buyer at the point of delivery and confirmation of the delivery document or upon the Buyer's refusal or failure to accept

the goods at the point of their delivery, or at the time when the Buyer refused to confirm a delivery document. The Buyer shall be bound by the confirmation of a delivery document by a person located at the point of the delivery of the goods.

The risk of damage to the goods shall transfer to the Buyer upon the acceptance of the goods from the Seller or once the Seller hands them over to the first carrier who provides carriage of the goods for the Buyer. No damage to the goods arising after the risk of damage transferred to the Buyer shall have an impact on its obligation to pay the purchase price.

V. Acquisition of Ownership

The Buyer shall acquire ownership of the goods upon the payment for it in full. The Buyer may only handle the goods (process, sell, use for its own purposes, etc.) after the acquisition of ownership unless explicitly agreed otherwise in writing.

VI. Payment Conditions and Sanctions for Default in the Payment of the Purchase Price

Unless otherwise agreed in the agreement (order), the Buyer shall pay to the Seller for the goods delivered the purchase price stipulated by an agreement of the contractual parties pursuant to Art. III (2) of these Terms and Conditions.

The Seller may issue and hand over to the Buyer a tax document (invoice) together with the delivery of the goods or at any time after their delivery. In the event of partial delivery, the Seller may invoice the part of the goods actually delivered. Each invoice shall have the requisite details of a tax document. The Seller may send invoices to the Buyer in electronic form.

The Buyer shall pay the purchase price by the dates stipulated in the Agreement. If no deadline is stipulated in the agreement, the Buyer shall pay the purchase price after the delivery of the goods, within 14 days of the date of the delivery of the goods.

The Buyer shall fulfil all of the Seller's financial claims in cash at the Seller's registered officer or by a bank transfer to the Seller's bank account provided to the Buyer. The date on which the performance was credited to the Buyer's account shall be deemed to be the payment date.

Should the Buyer be in default in the payment of its obligation, the Seller may withdraw from the Agreement. The Seller may interrupt the performance of all of its contractual obligations to the Buyer until such time as all of its due accounts receivable have been paid in full.

In the event of default in the payment of an invoice, the Buyer shall pay to the Seller a contractual default interest in the amount of 0.1% of the outstanding amount for each day of default.

VII. Guarantees, Warehousing Conditions

The Seller shall deliver the goods in the quality stipulated in the agreement. Unless otherwise agreed, the goods delivered must have the usual properties, which means a quality that is in line with the applicable company standard of the Seller, in line with the management system pursuant to ČSN EN ISO 9001:2009, and that must correspond to the usual quality as determined by the processing technology, the agreed material used, and the quality of the initial production documents provided by the Buyer. By signing these GBTC, the Buyer declares and confirms that it became acquainted prior to their signing with the applicable company standards of the Seller that regulate the quality of the goods produced, including any production discrepancies that are tolerated.

The Buyer shall inspect the goods at the time of their delivery. Any defects of the goods that can be ascertained through an inspection must be claimed by the Buyer in the delivery document. The Buyer shall also make a claim in the event of the delivery of a kind of goods differing from the goods ordered and the delivery of an amount of goods apparently differing from the amount ordered.

The Buyer shall without undue delay inform the Seller of any other defects, from the time when the defects could have been subsequently ascertained with the exertion of professional care, but no later than within 10 day of the delivery of the goods. Those defects must be claimed in writing at the Seller's registered office. A notice of defects shall state the purchase agreement (or invoice) number, description of the defect or a precise specification of how the defect is manifest, the number of defective items, and any and all possible designation of the defective goods for its identification with a reference to a pallet and control sheet. When making a claim with respect to defective goods, the Buyer shall submit to the Seller, with a written claim, a sample of the defective goods.

In the event of the occurrence of a defect in the goods, the Buyer shall leave the goods in the state in which the defects were ascertained, for a period reasonably required for an examination of the existence of the defects by the Seller. The Buyer may not claim its rights arising from the defects of the goods if it exposes the goods delivered to it to the risk of damage or mixes them with other similar goods or uses them such that it would frustrate or render more difficult the verification of the defects, or if the goods are loaded into soiled vehicles.

Should the Buyer verify the quality of the goods by means of quality tests or tests of their physical, mechanical, chemical, or other properties, it shall invite the Seller's representative for that test, in writing and with sufficient advance notice; in all other cases, the test will not be recognised by the Seller.

The Buyer shall have rights with respect to duly claimed defects in the goods in line with the applicable provisions of the Commercial Code. If a claim is made with respect to a defect, the Buyer shall grant the Seller a reasonable period within which the Seller shall either deliver replacement goods or remedy the defect. This time-period must not be shorter than 30 days. Only in the event of the expiration of that time-period due to circumstances on the part of the Seller, shall the Buyer be entitled to claim a discount from the price of the goods subject to the conditions stipulated by the Commercial Code, or to withdraw from the agreement. If the defects only pertain to a portion of the goods delivered, the Buyer may only withdraw from the agreement in part, to an extent corresponding to the amount of the goods supplied, and provided that it adheres to the conditions stipulated in the Commercial Code. The Buyer may not set off any of its claims arising from defective goods against the Seller's claim to the payment of the purchase price.

The Seller shall only provide a guarantee for the quality of the goods if it is agreed in writing or if the Seller declares it in writing by a unilateral legal action, in particular in a warranty certificate.

The Buyer shall store the goods purchased from the Seller in a dry and heated warehouse in which the internal temperature shall never drop below 5 degrees centigrade and not rise above 35 degrees centigrade. The Buyer shall protect the purchased goods from harmful influences, such as heat radiation, direct sunlight, mechanical damage, influence of organic substances, solvents, and any other chemical substances. The Buyer shall not store the Seller's products in open warehouses. In the event of the breach of any of the Buyer's obligation described in this paragraph, the Seller shall not be liable for any defect in the goods delivered.

VIII. Other

The Seller declares that it is a member of the EKO-KOM Collective Performance System under no. EK-P03020038.

IX. Concluding Provisions

Within the meaning of Sec. 89 of the Code of Civil Procedure, the parties agree that local jurisdiction to resolve any and all disputes arising in relation to the contractual relations governed by these General Terms and Conditions shall be held by the court having appropriate subject-matter jurisdiction in Pilsen; in particular, if a district court has jurisdiction to decide a matter as the court of first instance, the local jurisdiction of the District Court for Pilsen – North shall be the agreed court.

The legal relations between the parties shall be governed by the laws of the Czech Republic, to the exclusion of conflict of laws regulations.

If there are multiple parties on the part of the Buyer, those parties shall perform all of their obligations arising from purchase agreements concluded with the Seller jointly and severally. Any of the Buyers may demand the performance of the Buyer's obligation, but shall present a written authorisation from the other Buyers to accept the subject of performance; notwithstanding the fulfilment of this obligation, the Seller has fulfilled its obligations from a purchase agreement (order) by performing to any of the Buyers.

Within the meaning of Sec. 262 (1) of the Commercial Code, the parties agree that their obligations arising from the relationships to which these General Business Terms and Conditions apply, shall be governed by the provisions of the Commercial Code, even in cases when the relations do not fall under the scope of Sec. 261 of the Commercial Code due to the person of the Buyer.

Should any provision of these contractual conditions be invalid or ineffective, this shall not prejudice the binding nature of any other provisions of the contractual conditions.

These GBTC shall come into force on the day they are published on the Seller's website at www.pebal.cz.

In Nýřany, on this 1.11.2013

