

BUSINESS TERMS AND CONDITIONS OF THIMM Obaly, k.s.

concluded in compliance with the provisions of § 1751 et seq. of Act No. 89/2012 Coll, Civil Code, as amended (hereinafter the "CC"), and with effect from 1 September 2016 valid commercial obligations entered into between THIMM Obaly, k.s. as the Sellers and its customers as the Buyer. The Seller and Buyer are hereinafter collectively designated as the "Contracting Parties".

§ 1 Conclusion of the Agreement, Object of the Agreement

1.1. The Seller and the Buyer have entered into the Purchase Agreement. In addition to the rights and duties set forth in the Purchase Agreement, the provisions of these Business Terms and Conditions apply. Should the provisions of the Purchase Agreement and the provisions of the Business Terms and Conditions be in conflict, the provisions of the Purchase Agreement shall prevail.

1.2. Partial supplies of goods specified in the Purchase Agreement are based on written Buyer's orders and their written confirmation by the Seller. In the event of the consent of both Contracting Parties, e-mail communication may be used to send orders and written confirmations. A written Buyer's order shall specify in particular the goods to be supplied, including the type, quantity, parameters and required date of delivery. The Buyer shall be obligated to place a written order in time, 10 days before the required date of delivery at the latest. The Seller reserves his/her right to determine the exact date of delivery, which the Seller shall communicate to the Buyer 5 days before the date of delivery at the latest. On the condition that the Seller makes a change in the written order confirmation, the Buyer shall be obligated to send the changed written confirmation back to the Seller upon approval.

1.3. A written order/confirmation shall be binding for the Buyer. Upon the acceptance of this order/confirmation by the Seller, the Buyer is not entitled to change the content of the order. The Contracting Parties expressly exclude the application of the provisions of § 1740 paragraph 3 of the Civil Code.

1.4. Oral or written provisions, entered into prior to the conclusion of this Purchase Agreement by both Parties and relating to the business as per a purchase agreement concluded later shall not be considered as binding, if not included into the Purchase Agreement or if noncompliant with these Business Terms and Conditions.

1.5. The Contracting Parties exclude the application of any other Business Terms and Conditions.

§ 2 Delivery of goods

2.1. The goods shall be delivered to the Buyer's place of business, unless another address is specified in the Agreement. The Seller is responsible for the goods transportation, unless otherwise agreed by the Contracting Parties. The Seller shall hand over the delivery note as well as other documents defined in the Agreement to the Buyer, or the first carrier. The costs for transportation of the goods shall be borne by the Seller, unless the Contracting Parties agree otherwise.

2.2. The Seller shall be entitled to deliver the goods at any time within the delivery period. Meeting the dates of delivery is conditioned by the proper fulfilling of all the contractual duties on the Buyer's part. The Seller is entitled to reasonably extend the delivery period on the condition that the Seller

informs the Buyer 2 days before the planned date of delivery at the latest.

2.3. The delivery period can also be adequately extended in cases when the delivery of goods is delayed due to unforeseen events, in particular a lack of energy or raw material, strike, lock-out, official measures or delay/failure to carry out subdeliveries, or due to other events occurring independently of the will of the Seller (force majeure).

2.4. Delay in goods delivery shall not be considered as a substantial breach of this Purchase Agreement. The Seller shall only be held liable for the damage suffered as a result of delay caused intentionally or due to gross infringement of the Seller's duties. For such case, the Parties have agreed on a contractual penalty amounting to 0.05% per each day of default; nevertheless, the total amount shall not exceed 50 % of the delayed delivery purchase price.

2.5. The Buyer shall be obligated to accept the goods delivered. Shall the Buyer fail to accept the goods on the date of delivery, the Seller shall be entitled, at his/her discretion, to either haul the goods to the Buyer at the Buyer's expense (unless the goods are delivered to the address of the Buyer) or store the goods at the Buyer's expense and risk. The Seller shall also be entitled to withdraw from the Agreement in whole or in part. The same conditions apply even if the Buyer accepts only part of the goods on the date of delivery.

2.6. In case the Buyer is delayed in accepting the goods, he/she shall be obligated to pay a contractual penalty to the Seller amounting to 0.05 % of the unaccepted goods purchase price per each day of default. This shall however not affect the Seller's right for the reimbursement of goods production and storage costs and compensation for damage in full amount.

§ 3 Quantity, quality, workmanship and packaging

3.1. The Seller shall be obligated to deliver the goods in the quantity, quality, and workmanship specified in the Agreement, or in written orders.

3.2. Partial supplies of goods are acceptable, unless expressly stated otherwise. Variations from the written order in the supplied quantity are acceptable, and the goods are deemed as duly delivered if the variations comply with the following conditions:

- supply up to 5,000 pieces deviation of +/- 20%
- supply up to 30,000 pieces deviation of +/- 10%
- supply above 30,000 pieces deviation of +/- 5%

3.3. The quality of goods and the workmanship shall comply with the statutory technical standards, including the Seller's company standards.

3.4. The goods dimensions are in mm in the following order: length/width/height.

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3.5. The Seller shall be obligated to pack the goods to be supplied or treat the goods for the haulage in a manner defined in the Agreement. If the goods are delivered on Seller's returnable pallets (e.g. Euro-pallets), the Buyer shall be obligated to return the pallets 6 months after the goods delivery at the latest at its own expense. If the pallets are not returned within this term, the Buyers shall be obligated to pay for the full price of the pallets 14 days from the call to pay (from the date of issue of the invoice for unreturned pallets) at the latest. If the goods are supplied on returnable pallets, an agreement on the pallet lending must be concluded between the Buyer and the Seller.

§ 4 Defects, liability for defects, statutory limitations

4.1. The Seller shall be liable for defects present in the goods at the time of their acceptance by the Buyer, even if the defect becomes apparent after this term.

4.2. The Buyer shall be obligated to properly inspect the goods upon acceptance. Shall the Buyer detect defects in the goods, he/she shall be obligated to inform the Seller about these defects immediately in writing.

4.3. The Buyer shall inform the Seller by the end of the following business day after the acceptance date if the goods are destroyed or have a visible defect, as specified in Article. 4.2 These facts shall be stated in the delivery note and signed by the customer's representative and carrier at the acceptance of goods (the description of the defect, names and signatures of the parties involved and the date shall be stated in the delivery note, while the names of the parties must be written legibly in capital letters).

4.4. If hidden defects, i.e. defects the Buyer could not detect during the goods inspection even with expert care, occur, the Buyer shall report such defects in writing to the Seller immediately after their detection, or when they could be detected with expert care, but 6 months after the goods delivery at the latest.

4.5. If the claimed defects of the goods are recognized by the Seller, the Seller shall deliver replacement goods to the Buyer. If a defect is also recognized in the supply of replacement goods, the Buyer is entitled to withdraw from the Purchase Agreement or require a discount from the purchase price of the goods.

4.6. Filed complaints of any defective goods shall include a description of the claimed defect, a description of how the defect manifests itself and pallet labels from the returned goods. If necessary, the Seller will send a representative out to verify the complaint on site based on the accepted Buyer's complaint.

4.7. If there is no consensus in resolving the claim of the quality of the goods, the arbitration workplace shall be the company CIMTO s.r.o., Company Registration Number: 04050657, headquartered at Líšeňská 2657 / 33a, Líšeň, 636 00 Brno

4.8. The permitted deviation of 1% of the total quantity of

goods delivered within one delivery is out of scope for the complaint. The Buyer is obliged to store the goods in a clean, dry and ventilated place, ideally at a temperature of 19-23 ° C and 50-60% relative humidity and follow the instructions of the Seller regarding storage. Furthermore, the Buyer is obliged to protect the goods from weather and pollution. In the case of improper storage, the Seller is not responsible for the quality of the goods and any damage due to improper storage of goods is to be borne by the Buyer.

4.9. Within the meaning of the provisions of § 630 para. 1 of the Civil Code, the Contracting Parties agree that the limitation period for all rights and claims arising from the Purchase Agreement and these Business Terms and Conditions or from a related agreement shall be a period of 5 years. This arrangement also applies to rights and claims resulting from the early termination of the Purchase Agreement (termination, resignation, etc.).

§ 5 Transfer of the title and the risk of damage to goods

5.1. The title and the risk of damage to goods shall pass to the Buyer upon the goods delivery.

5.2. If the purchase price of the goods is not paid in a proper and timely manner in accordance with the Purchase Agreement and these Business Terms and Conditions, the Buyer shall, without undue delay, return the goods back to the Seller at its own expense and risk. The Seller will provide the necessary cooperation to the Buyer for this. The Buyer is also obliged to compensate the Seller for all damages incurred in connection with the reacceptance of goods (e.g. if it is not possible to further appropriate the goods due to their specificity). If the goods are not returned to the Seller without undue delay, the Seller is expressly and irrevocably authorized by the Buyer of goods at the expense and risk of the Buyer to pick up and take over the goods at the premises or headquarters of the Buyer or any other location where the goods are located. The Seller in this case is empowered to obtain access and enter the premises where the goods are and take over the goods and take them away. The Buyer must provide the Seller all necessary cooperation in the reacceptance of the goods. All damages and costs incurred as a result of the reacceptance of the goods are to be solely borne by the Buyer. The Seller shall quantify the damages and together with other costs invoice the Buyer.

§ 6 Payment and accounting conditions

6.1. The Buyer shall be obligated to pay the Seller the purchase price specified in the Agreement together with the relevant value added tax in legal amount.

6.2. For each supply of goods, the Seller shall issue a proper tax document for the Buyer stating the purchase price including VAT for the goods supplied.

6.3. If the purchase price is paid via a bank or postal operators, the Buyer's obligation is fulfilled when the Seller's account is credited with the amount of the purchase price or

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the Seller is paid the amount in cash.

6.4. In case the Buyer is in arrears with the payment of purchase price or its part, he/she shall be obligated to pay a contractual penalty to the Seller amounting to 0.05 % of the due purchase price per each started day of default. The contractual penalty shall not affect the entitlement to moratory interests, or the compensation for damage in full amount. The Seller shall also be entitled to withdraw from the Agreement in whole or in part. The same terms apply in case the Buyer only pays part of the purchase price.

6.5. The Buyer is not entitled to retain payments. The Seller is entitled to set off his/her due and undue obligations towards the Buyer against any due Buyer's obligations towards the Seller.

6.6. Meeting the Seller's obligation to supply the goods is conditioned by the Buyer's solvency. Should facts occur giving rise to doubts as to the Buyer's solvency, such as – considerable deterioration of the Buyer's property relations, suspension of payments, - filing a petition in bankruptcy or a proposal for settlement, dissolution with/without liquidation, unfavourable changes in the inner structure, the Seller is entitled to require an advance payment, provision of another security or to withdraw from agreements concluded with the Buyer in whole or in part. This shall however not affect the Seller's right for the reimbursement of goods production and storage costs and compensation for damage in full amount. The Seller shall be entitled to apply the same rights, if the Buyer establishes the right of lien to goods subject to the reservation of Seller's proprietary rights or has used the goods as a security for another creditor.

6.7. The contractual penalty, which the Seller is entitled to under the Purchase Agreement and these Business terms and conditions, must be paid by the Buyer to the Seller within thirty days of the delivery of the call to pay a contractual penalty by the Seller .

§ 7 Production equipment, intellectual property, trade secrets

7.1. All designs, die cutting tools, and blocks used for the production of goods remain in the Seller's possession, unless the Buyer has paid the purchase price for the equipment to the Seller. In case the Buyer fails to take over the die cutting tools, and blocks after the transfer of the title, the Seller shall store them free of charge for a maximum period of 1 year, and the risk of damage to them shall be borne by the Buyer all the time. After the lapse of this period, the Seller is entitled to handle them at his/her discretion, or dispose of them. The Seller is entitled to exercise on his/her behalf and at his/her own account all property rights to projects, representations, drawings, calculations, designs, to publish, modify, work out, join or order them as well as make them public under his/her name.

7.2. The designs, die cutting tools, and blocks used in the goods production and not paid by the Buyer, or paid only in part, remain in the Seller's possession, and must not be further used without Seller's express consent.

7.3. The Buyer is responsible for the fact that providing the Seller with all documentation, project designs, representations, drawings, calculations and manufacturing designs to the not-yet-produced goods does not infringe the rights of third parties. Should the third parties make claims towards the Seller in connection with the information or materials provided by the Buyer, the Seller shall be held harmless, and the Buyer shall be obligated to settle such claims immediately at his/her own expense.

7.4. The Contracting Parties are obliged to maintain the confidentiality of all data, which they find out in connection with the closing of the Purchase Agreement and from whose nature it ensues, whether it is or is not expressly communicated, that it should remain secret, especially about facts and figures of a business and operational nature, listed below, facts which form the subject of trade secrets in the terms of the Civil Code, and facts and matters forming the subject of intellectual property according to relevant laws.

7.5. It is mainly about any facts, data and procedures of a business and operational nature such as product drafts, design, technical drawings, know-how, logos, data, calculations, samples, visualization, agents, tools, gauges, models, molds and other objects, design or manufacturing documentation recorded in writing or electronically, technological descriptions etc., which are not intended for third parties, which were entrusted to the Buyer or Seller in the scope of the business relationship or which the Seller or Buyer learned about in any way.

7.6. The Seller and Buyer are obligated not to issue or make available to anyone any facts, data and the processes of a business and operational nature referred to in Article 7.5 Neither the Buyer or the Seller may use the above facts, data and procedures of a business and operational nature for their profit-making or non-profit activities or for any activity by third parties.

§ 8 Final provisions

8.1. The rights and obligations of the Contracting Parties shall be governed by Czech law.

8.2. All disputes arising from the Purchase Agreement that could not be settled amicably shall be resolved at a court having jurisdiction over the Seller's registered office, unless the law provides for exclusive jurisdiction. The Contracting Parties further agree that the Seller may opt for a court having jurisdiction over the Buyer's registered office.

8.3. Should any of the provisions of these Business terms and Conditions become void, the applicability of the other provisions is not affected. The Contracting Parties undertake to replace an invalid or unenforceable provision with a new provision, the wording of which will correspond to the intention expressed by the original provisions, the Purchase Agreement and these Business Terms and Conditions as a whole.

8.4. The Buyer understands that during the duration of the

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Purchase Agreement, changes in the circumstances in which it was concluded may occur. The Buyer expressly declares that it assumes the risk of changes in circumstances and undertakes to fulfill its obligations under the Purchase Agreement, even if as a result of the changes in circumstances, its performance becomes more difficult, no matter how substantial the change will be.

8.5. All additional agreements or amendments to these Business Terms and Conditions shall be made in writing.

8.6. None of the Contractual Parties is permitted without the written consent of the other Contractual Party to assign its rights or obligations under the Purchase Agreement to a third party.