

Contipro General Contractual and Delivery Terms and Conditions

Article 1

Definitions of Terms

- (1) 'Supplier' means Contipro a.s.
- (2) 'Customer' means a person who has expressed interest in concluding a Purchase agreement with the Supplier.
- (3) 'Buyer' means a person who has concluded a Purchase agreement with the Supplier.
- (4) 'Raw materials' means active ingredients in form of powder, solution or nanofibers .
- (5) 'Final products' means medical drugs, medical devices, food supplements, veterinary products, feed supplements.
- (6) 'Product' means Raw materials or Final products manufactured and supplied by the Supplier.

Article 2

The Contipro General Contractual and Delivery Terms and Conditions (hereinafter referred to as 'Conditions') regulate the framework conditions for the sale of Contipro Products.

Article 3

Battle of Forms

The Supplier declares that the Supplier concludes Purchase agreements solely in accordance with the Conditions. Any change or addition thereto or reservations in respect thereof shall require the Supplier's express consent.

Article 4

Price List

- (1) A general list of Products offered to a specific Customer is contained in a price list, which includes:
 - a) identification of the Product,
 - b) specification number of the Product (applicable for the Raw materials only),
 - c) price per unit of measure of the Product,
 - d) Incoterms delivery parity to be used for delivery of Product,
 - e) payment term,

- f) packaging – type and size,
 - g) any further information concerning the specific Customer.
- (2) The up-to-date price list is binding from the first day of the subsequent calendar month following the month in which it was delivered to the Customer.

Article 5

Conclusion of Purchase agreements

- (1) Based on the Customers requirements raised in writing or orally, the Supplier will draw up a proposal for conclusion of a Purchase agreement on the *Order Acknowledgment* form; a specimen of this form is attached as an annex to the Conditions.
- (2) For a proposal to conclude a Purchase agreement to be valid, the *Order Acknowledgment* under paragraph 1 shall contain at least the following:
- a) identification of the purchased Product,
 - b) specification number of the Product (applicable for the Raw materials only),
 - c) quantity of Product,
 - d) delivery parity, in accordance with the Incoterms delivery terms in force at the time the draft agreement is sent, the parity is to be used for performance,
 - e) dispatch date,
 - f) the text: „The current Contipro General Contractual and Delivery Terms and Conditions constitute an integral part of the Purchase agreement and are known to both Contracting Parties. “
- (3) The details under the paragraph 2(a) to (d) will be entered in the form in accordance with the price list specified in Article 4. A different agreement may be reached by the Supplier and the Customer in specific cases.
- (4) The Customer shall become acquainted with these Conditions before confirming the *Order Acknowledgement*. By signing the *Order Acknowledgement* the Customer confirms to be acquainted with these Conditions and to agree with them to the full extent. These Conditions become binding on the Customer at the moment of dispatch of the confirmed *Order Acknowledgement*.
- (5) Confirmation of the *Order Acknowledgement* is carried out by signature, which shall contain:
- a) specification of the full name and position of the person authorized to conclude the Purchase agreement and
 - b) signature of this person.
- (6) The Purchase agreement is concluded at the moment of delivery of the *Order Acknowledgement*, confirmed by the Customer without reservation, to the Supplier.

Article 6

Currency Clause

- (1) Payments for the obligations which fall under the scope of the present Conditions shall be made in EUR. Alternatively, the payment currency shall be the currency specified in a contract which was concluded in compliance with the present Conditions.
- (2) CZK shall be the substitute currency for the payments of the obligations which fall under the scope of the present Conditions.
- (3) In case where the decrease in value of the payment currency under paragraph 1 against the value of the substitute currency under paragraph 2 exceeds 3 %, the Supplier is entitled to request the Customer to pay the exchange rate difference. The exchange rate difference shall become due at the time when the purchase price is being charged.
- (4) The dates relevant for the calculation of the exchange rate difference shall be the date of agreement on purchase price and the date of issuance of an invoice.
- (5) Calculation of the exchange rate difference shall be made by Supplier.
- (6) The exchange rate difference shall be calculated according to the historical currency exchange rates list provided by the Czech National Bank, available at www.cnb.cz. In case this webpage is permanently out of service, the information on the exchange rate difference shall be obtained by an e-mail request addressed to the Czech National Bank.
- (7) Should the Supplier require the adjustment of the difference in exchange rate under this article, it shall include the difference in exchange rate as a separate item in the invoice, accompanied by the following text: "Adjustment of the difference in exchange rate under the article 6 of the "Contipro General Contractual and Delivery Terms and Conditions" or a text of a similar meaning.
- (8) In case of a default in payment of the exchange rate difference under paragraph 3, the Supplier is entitled to the payment of the exchange rate difference and to a contractual penalty equal to the amount of the exchange rate difference.

Article 7

Selected provisions on payment methods

- (1) In case the Supplier requests an advance payment, and the Buyer does not agree upon such a payment method, the Supplier is entitled to recovery of the costs incurred in relation to the execution of a different payment method (e. g. costs of legalization, exporting bank fees); the Supplier is entitled to withhold a performance of its existing obligations or to refuse to conclude a contract until the contracting parties agree on the method of paying such costs.

Article 8

Reservations, Objections and Addition

- (1) Should the Customer attach any reservations regarding the content of the *Order Acknowledgement* prior to or at the moment of signature of the *Order Acknowledgement*, this shall be a counter-proposal which requires unqualified approval.
- (2) Should the situation under paragraph 1 occur, the Supplier shall issue a new *Order Acknowledgement* in accordance with the changed details, and the parties proceed in accordance with Article 5.

Article 9

Basic Obligations

- (1) In accordance with the concluded Purchase agreement, the Supplier shall deliver the Product specified therein to the Buyer and shall transfer the ownership title to the Product to the Buyer.
- (2) The Supplier shall deliver the Product with at least two thirds of its shelf-life remaining.
- (3) The Supplier shall deliver the Product in the time limit specified in the Purchase agreement. The Supplier may exceed the time limit for delivery only for reasons which are related to the nature of the Supplier's operations and which had not been anticipated on conclusion of the Purchase agreement, whereby:
 - a) if the delay is no longer than 10 days, the Supplier shall inform the Buyer about reasons for the delay in the dispatch,
 - b) if the delay is from 11 to 29 days, the Supplier shall inform the Buyer about the reasons for the delay in the dispatch; the Buyer may demand a 3% discount on the price of the delivered Product,
 - c) if the delay is longer than 30 days, the Supplier shall inform the Buyer about the reasons for the delay in the dispatch; the Buyer may:
 1. demand a 3% discount on the price of the delivered product,
 2. or proceed as in the case of a significant breach of the Purchase agreement.

This provision shall not apply if the time limit is exceeded for reasons precluding liability (in particular a force majeure as set forth in Article 21).
- (4) The Buyer shall pay for the Product the purchase price specified in the Purchase agreement.

Article 10

Quality of Products

The Supplier declares that the Product delivered by the Supplier:

- a) was produced in accordance with legislation in force at the place of the Supplier's business, having observed quality standards under ISO 9001:2015 and ISO 13485:2016, if medical devices are being delivered,
- b) was produced in accordance with legislation in force at the place of the Supplier's business, having observed quality standards under ISO 9001:2015, if

- cosmetic raw material, nutritional raw materials, veterinary devices, food supplements or feed supplements are being delivered,
- c) was produced in accordance with legislation in force at the place of the Supplier's business and in accordance with GMP, having observed quality standards under ISO 9001:2015, if pharmaceutical raw materials and medical or veterinary drugs are being delivered.

Article 11

Documents for Products

- (1) Together with the Product, the Supplier shall supply the following documents:
- a) delivery note and invoice in the required number of copies,
 - b) certificate of analysis confirming that the Product have undergone all quality tests and that it fully complies with the specifications referred-to in the Purchase agreement if Raw materials are being delivered,
 - c) valid declaration of conformity in English, in cases of medical devices.
- (2) The Supplier shall be responsible for specification of exact weight and number of units of a consignment in the dispatch documents. Any further costs caused by incorrect information shall be reimbursed by the Supplier in the full extent; a claim to the compensation of costs as set forth in the preceding clause of this sentence is conditioned by submission of documents proving the amount of compensation sought by the Buyer.

Article 12

Liability for Defects

- (1) The Supplier shall be liable for defects in the delivered Product in accordance with the conditions expressed in:
- a) the COA - certificate of analysis or the package details (with respect to Product for which no certificate of analysis is supplied),
 - b) 1. Technical documentation, if medical devices, medical or veterinary drugs are the subject of the Purchase agreement,
2. product specification which is in compliance with the methods referred-to in the specification, if Raw materials are the subject of the Purchase agreement,
 - c) generally binding legislation.
- (2) The Supplier shall send the Buyer the methods referred-to in paragraph 1(b)(2) should the Buyer so request.

Article 13

Apparent Defects

- (1) The Buyer shall arrange for an inspection of the Product within three days of actual receipt of the Product.
- (2) If the Product has apparent defects, i.e. defects which are visible, in particular defects in number of units and packaging, the Buyer shall send the Supplier a notice immediately after ascertaining the defects, in which:

- a) the Buyer shall notify the Supplier of the defects; the notice includes:
 - 1. description of the defect and its extent ,
 - 2. photographic documentation demonstrating the nature and scope of defects.
- b) the Buyer shall indicate which claim for liability for damages under Article 16 they seek in case the complaint is justified.

If the obligation laid down in this paragraph are not fulfilled, a claim regarding the defect shall become extinct.

- (3) The Supplier shall announce his opinion on the claim within 30 days of delivery of the notice under paragraph 2.
- (4) Liability for the defect specified in this Article shall not be established if they are caused after the transfer of the risk of damage to the goods by external events that are not caused by the Supplier.
- (5) Liability for the defect specified in this Article does not apply to cases where a defect in Raw materials occurs due to storage in packaging other than the originally sealed by the manufacturer or handling or storage in contravention of the MSDS.
- (6) Liability for the defect specified in this Article does not apply to cases where a defect occurs due to incorrect handling or storage in contravention of the package leaflet in case of Final products.

Article 14

Other Defects

- (1) Should the Buyer discover a defect of a Product not specified in Article 13, i.e. defects concerning the characteristics of delivered Products defined in the documents specified in Article 11, paragraph 1, letter b, the Buyer shall send a notice within seven days after discovery of the defects, in which:
 - a) the Buyer shall notify the Supplier of the defects; this notification includes:
 - 1. description of and the extent of the defect,
 - 2. photographic documentation, from which the nature and scope of defects is evident, if the nature of the defect so allows.
 - b) the Buyer shall indicate which claim for liability for damages under Article 16 they seek in case the complaint is justified.
- (2) If the Buyer is an entity that processes the Products (applicable for the Raw materials only), the Buyer shall arrange for an extra inspection of the Products so that the defects specified in paragraph 1 can be identified within 30 days of receipt thereof.
- (3) If the obligations laid down in paragraphs 1 and 2 are not fulfilled, claims regarding defects shall become extinct.
- (4) The Supplier shall announce his opinion on the complaint within 30 days of delivery of the notice under paragraph 1.
- (5) Liability for the defects specified in this Article shall not be established if they are caused after the transfer of the risk of damage to the goods by external events that are not caused by the Supplier.

- (6) Liability for the defects specified in this Article does not apply to cases where a defect in Raw materials occurs due to storage in packaging other than the originally sealed by the manufacturer or handling or storage in contravention of the MSDS.
- (7) Liability for the defects specified in this Article does not apply to cases where a defect occurs due to incorrect handling or storage in contravention of the package leaflet in case of medical devices and medical drugs, or of the Instruction of storage indicated on product label in case of Final products.

Article 15

Other Obligations Connected with Carriage

- (1) Without prejudice to the provisions on liability under Articles 11 and 12, regardless of the delivery parity under the Incoterms agreed between the parties the Buyer:
 - a) on receipt of Products from the carrier shall duly check the condition (in particular the undamaged state) and completeness of the consignment.
 - b) on discovering any damage to the consignment, the Buyer shall notify this fact to the carrier forthwith and shall demand that the carrier draw up a report on the damage to the consignment. The Buyer shall also notify the damage to the Supplier within five days of receipt of the consignment from the carrier and shall send the Supplier the report specified under the preceding sentence.
- (2) Upon the Supplier's request, the Buyer shall prove the following circumstances with appropriate documents:
 - a) the arrangements for the carriage of the consignment (including limitation, whether carriage was arranged by the Buyer or by another party on behalf of the Buyer),
 - b) whether and to what destination the consignment from the Supplier was delivered.
- (3) The Buyer shall supply the documents under paragraph (2) without undue delay (within three working days) in order not to protract proceedings with the state authorities demanding the documents pursuant to paragraph (2).
- (4) Non-compliance with the Buyer's obligation under paragraphs (2) and (3) shall be regarded as a significant breach of contract. If the Buyer is also the Supplier's distributor, the infringement of paragraphs (2) and (3) shall also be regarded as a significant breach of the distribution agreement.
- (5) Without prejudice to paragraph (4), the Supplier shall be entitled to suspend the performance of the Supplier's other contracts with the Buyer until compliance with the obligation under paragraph (2) and (3).

Article 16

Claims Related to Defects

- (1) Where Products have defects as set forth in Articles 13 and 14, the Buyer has the following claims related to defects:

- a) claim to replacement of the Products to the extent to which the defects are reported.
 - b) claim to issue of a credit note by the Supplier; the credit note will specify the amount of the purchase price at the extent of the defective Products. The purchase price may be reduced by the amount specified in the credit note if the purchase price has not yet been paid, or the purchase price on delivery of further Products by the Supplier may be reduced by this amount.
- (2) The claims under paragraph 1 may not be sought concurrently.

Article 17

Liability for Damage

- (1) The Supplier does not anticipate that any damage higher than the value of the delivered Products could occur to the Buyer.
- (2) If the damage directly connected with a defect in the Products occur to the Buyer, the Supplier shall also be liable for such damage.

Article 18

Payment of the Purchase Price

- (1) The Buyer shall pay the purchase price for the Products in the time limit stipulated in the Purchase agreement (the confirmed *Order Acknowledgement*) by transfer of payment to the Supplier's account specified in the product invoice. Failure to pay the purchase price in time shall be considered a significant breach of the Purchase agreement.
- (2) The purchase price shall be considered to be paid when it is remitted in full amount to the Supplier's account.
- (3) Default in the payment of the purchase price shall arise on the expiry of the due date, without payment, and the Supplier shall not be obliged to engage in any further activity (e.g. placement in default).
- (4) In the event of default in the payment of the purchase price, the Supplier shall be entitled to penalty interest in the amount of one percentage point higher than that set by the Czech law for national commercial contracts.
- (5) Should the Buyer fail to pay the purchase price in accordance with paragraphs 1 and 2, the Supplier shall be entitled to suspend performance of other purchase agreements concluded with the Buyer until payment of all due claims by the Buyer.
- (6) The fact that the invoice or another document sent with the Products has been lost during the carriage of the Products shall not entitle the Buyer to suspend the payment of the purchase price. If any of the documents specified in the preceding sentence has been lost, the Buyer shall notify the Supplier of this within ten days of receipt of the Products; the Supplier shall forthwith send the Buyer the number of the account to which the purchase price is to be paid and new originals of the required documents.
- (7) The Buyer shall make the payment in such a manner that an amount corresponding to the full agreed purchase price is remitted to the Supplier's account after the deduction of all bank charges. If an amount lower than the

purchase price is remitted due to the fact that bank charges are deducted from it, the Supplier shall be entitled to demand the settlement of the difference.

Article 19

Withdrawal from Purchase agreement

- (1) In the event of a significant breach of the Purchase agreement by one party, the other party may withdraw from the Purchase agreement.
- (2) It is possible to withdraw in writing if notice of withdrawal is sent within three days of the day on which the entitled party could have first discovered the breach.

Article 20

Final Provisions

- (1) The Purchase agreement between the parties may be amended in writing only.
- (2) The written form in this case will be a letter in writing, e-mail or fax.
- (3) Withdrawal from the Purchase agreement shall be notified
 - a) by e-mail, the text of which will be sent concurrently by fax, or
 - b) by letter sent by a courier service.

Article 21

Force Majeure

- (1) If performance by one of the parties becomes impossible due to changes which, by nature, are political, economic, natural or operational, the party is not liable for the non-performance of contractual obligations during this obstacle, provided that the party did not cause this obstacle and provided that it was not possible to avert or overcome the obstacle.
- (2) Circumstances of a force majeure as set forth in paragraph 1 shall be considered, in particular, transport strikes, embargos, natural disasters, terrorist attacks, long-term power cuts or accidents causing severe traffic congestion.
- (3) A force majeure as set forth in paragraph 1 shall not be an incident which arose at a time when the liable party was in delay in performance its obligations, or arose due to its economic condition (insolvency).
- (4) The party which is prevented from performance of its contractual obligations by an obstacle shall inform the other party of this fact in writing within five days of the date that the force majeure occurs.

Article 22

Agreement on the Legal Regime

- (1) The UNIDROIT Principles of International Commercial Contracts 1994 are an integral part of agreements between parties.

- (2) Documents which have been exchanged or are used by the parties have the following order of priority:
1. individual Purchase agreement concluded between the parties (*Order Acknowledgement*), amendments and additions thereto, and other documents of an equivalent status which are approved by both parties,
 2. a) Technical documentation, if medical devices, medical or veterinary drugs are the subject of the Purchase agreement,
b) a specification of the Product which is in accordance with the methods laid down in the specification, if Raw materials are the subject of the Purchase agreement,
 3. these Conditions,
 4. UNIDROIT Principles of International Commercial Contracts 1994.
- (3) All disputes arising out of these Conditions or out of any agreements, governed by them or related to their violation, termination or nullity shall be finally settled under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (Vienna Rules) by three arbitrators appointed in accordance with these Rules. The language to be used in the arbitral proceedings shall be English and the place of it shall be Vienna, Austria. All disputes arising out of these Conditions or out of any agreements, governed by them, which cannot be resolved in arbitration, shall be heard before state courts of Austria. The jurisdiction of the court shall be determined on the basis of the address of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna.
- (4) The parties agree that this agreement and all issues related to it for which a choice of law is admissible shall be governed by Czech law as the law in the place of the registered office of the party providing characteristic performance.