

Part I: General Provisions

§1 Scope

1.1 Except as provided in subsection 1.4, the following Standard Terms and Conditions govern all deliverables and services to be provided by the relevant Axxum Group company (hereinafter "Contractor") under contract concluded with the other party (hereinafter "Customer") to the exclusion of all other terms and conditions. The Contractor does not recognize any contradictory or differing terms or conditions stipulated by the Customer except where the Contractor has expressly consented to the applicability of such in writing. These Standard Terms and Conditions also govern in the event the Contractor performs the service owed under contract without expressing reservations.

1.2 These Standard Terms and Conditions govern only where the Customer is the operator of a business within the meaning of Sec. 420 and 421 of the Act No. 89/2012 Coll., Czech Civil Code, as amended (hereinafter "Civil Code"), a legal entity under public law, or an entity specially funded under public law.

1.3 These Standard Terms and Conditions also govern all future dealings with the Customer.

1.4 Usually, the Contractor's services are limited to packaging services or the delivery of goods. In the event that, by way of exception, the contract comprises the order of additional shipping, transportation, and/or storage services to be provided by the Contractor for the Customer, in lieu of these Standard Terms and Conditions, the 2017 version of the German Freight Forwarders' Standard Terms and Conditions (hereinafter "ADSp"), which the Contractor will supply upon request, shall govern such services pursuant to Sec. 1751 (3) of the Civil Code. The Contractor hereby advises that no. 23 of the ADSp limits the liability stipulated by law for loss sustained to goods in the amount of 8.33 special drawing rights (SDR)/kg per loss to EUR 1,250,000 or 2 SDR/kg or, respectively, to EUR 2,500,000 or 2 SDR/kg per occurrence, whichever is greater, and in the case of multi-modal transportation, including transport by sea, generally to 2 SDR/kg.

1.5 The Sec. 558 (2) of the Civil Code, specifically the part stipulating that business practice prevails over statutory provisions, shall not apply.

§2 Contract Formation, Documents

2.1 Quotations provided by the Contractor are non-binding. Where the order by the Customer qualifies as a quotation pursuant to Sec. 1731 of the Civil Code, the Contractor can accept such quote within two weeks.

2.2 All agreements made by and between the Contractor and the Customer aimed at the performance of the contract are to be set out in writing in the contract, these Standard Terms and Conditions included. No verbal collateral contracts exist.

2.3 The Contractor reserves all property rights and copyrights to illustrations, sketches, calculations, and other documents. The foregoing also applies to such printed documents as are designated "confidential". Prior to disclosure of such to third parties, the Customer must obtain the express written consent of the Contractor.

2.4 Sec. 1732 (2) of the Civil Code, stipulating, *inter alia*, that the proposal in a catalogue to supply goods or services in exchange for a certain price constitutes an offer and Sec. 1740 (3) of the Civil Code stipulating that contracts are considered duly executed even if the manifestations of wills of both parties do not fully correspond, shall not apply.

§3 Prices and Payment Terms

3.1 The Contractor's prices are "ex works" in euros. The sales tax (VAT) stipulated by law is not included in the prices; where applicable, it will be identified separately on the invoice in the respective amount required by law.

3.2 In the event that the overall costs for the deliverable or service increase after the contract has been entered into due to unforeseeable circumstances over which the Contractor has no control, such as, for example, new or amended regulations, price increases for source materials, increases in wages under collective bargaining agreements, or unforeseen complications relating to working conditions, the Contractor reserves the right to increase the price commensurately. In the event that the overall costs decrease after the contract has been entered into due to such circumstances, the Contractor shall reduce the price commensurately. The Contractor will inform the Customer in advance in a timely manner of the adjustment in price. Where the agreed price is increased by more than 5% within one year, the Customer has the right to rescind the contract. The Customer must declare within a reasonable period after the notification whether it will avail itself of the right to rescind.

3.3 Unless otherwise stated in the order confirmation, the price for the deliverable or service is due and payable as a net amount (without any deductions) within 14 days of the invoice date. The Civil Code provisions regarding the consequences of a default in payment apply apart from Sec. 1978 (2) of the Civil Code, stipulating that the expiry of an additional performance deadline automatically results in withdrawal from contract.

3.4 The provision of cash discounts requires a separate arrangement in writing.

3.5 The Customer has a right to offset debts owed to the Contractor only where the Customer's counterclaims have been upheld by a court, are uncontested or have been acknowledged in writing by the Contractor. This restriction on the ability to offset does not apply to claims by the Customer for defects arising from the same contractual relationship as governs claims by the Contractor.

§4 Timing of Performance

4.1 Absent any written agreement to the contrary, the written order confirmation by the Contractor is authoritative with respect to the timing of performance.

4.2 The defined period leading up to the deadline for performance does not start until all technical issues have been resolved.

4.3 Furthermore, the Contractor's compliance with the obligation to render performance is contingent on the Customer properly satisfying its obligations in a timely manner. The Contractor reserves the right to invoke non-performance of the contract pursuant to Sec. 2913 of the Civil Code as a defense to liability.

4.4 All events of force majeure for which the Contractor is not responsible such as, for example, unforeseen business interruptions, strikes, and lawful lockouts, which prevent the obligations under the contract from being satisfied shall release the Contractor from satisfaction of the obligations assumed under the contract for as long as such events persist. The Contractor shall notify the Customer without delay of the occurrence and presumable duration of any such event. Where such an event persists for longer than three months, both parties have the right, upon providing advance notice, to rescind the contract. In such case, any consideration already provided is to be returned immediately.

4.5 Where the Contractor's performance is delayed due to negligence, the Contractor's liability for damages in addition to performance (damages for delay) is limited to 5% of the value of the service to be provided, and for damages in lieu of performance, to 25%. Claims by the Customer beyond this extent are excluded to the maximum extent allowed by the binding provisions of the Civil Code, even after any deadline set for the Contractor's performance has expired.

4.6 Where the agreed date of performance is postponed for reasons within the Customer's control, any additional costs will be charged to the Customer.

§5 Liability

5.1 The Contractor is liable in accordance with the statutory provisions insofar as the Customer makes claims for damages arising from willful intent or gross negligence, including the willful intent and gross negligence of the Contractor's representatives or parties assisting the Contractor in performance of the contract, or arising from the culpable breach of a material duty under the contract. Material duties under the contract are those the satisfaction of which is necessary for the achievement of the purpose of the contract and the compliance with which the other party has placed and should be able to place its trust in.

5.2 Insofar as the Contractor is not accused of intentional breach of contract, liability for damages in the situations described in the foregoing is limited to the liability covered by the Contractor's liability insurance policy. Coverage for property damage in the case of machinery, export, and industrial packaging is EUR 50,000.00 per loss, for coil packaging EUR 25,000.00 per loss, and for packaging for other industrial assembly-line products EUR 76,000.00 per loss, and a maximum of EUR 1.5 million for all losses per policy year. The Contractor will make the details available upon request. Insofar as the insurer is not required to make payment (e.g., due to deductible or self-insured retention, related claims, annual maximum, excluded perils), the Contractor itself is responsible for paying damages; in such cases, the Contractor's liability is limited to such loss as is foreseeable and typically likely to occur.

5.3 Further liability for damages on the part of the Contractor is excluded to the maximum extent allowed by the binding provisions of the Civil Code, irrespective of the legal nature of the claim asserted. This also applies in particular to damages claims arising from actions in bad faith during contract negotiations, other breaches of duties under the contract, or for claims in tort for compensation for property damage. Liability for delayed performance is governed by subsection 4.5.

5.4 The limitations of liability under this clause also apply where the Customer demands compensation for futile expenditures in place of damages in lieu of performance.

5.5 Insofar as liability for damages on the part of the Contractor is excluded or limited, such exclusion or limitation also applies with respect to the personal liability for damages on the part of the Contractor's staff members, employees, workers, representatives, and parties assisting in performance of the contract.

5.6 For the performance of contracts exceptionally comprising the order of shipping, transportation, and/or storage services (subsection 1.4), the Contractor's liability for such services is governed by the the ADSp.

5.7 Lodging a claim does not relieve the Customer from the obligation to pay the full price of goods, unless it is agreed otherwise. The provisions of Sec. 2108 of the Civil Code, stipulating that the buyer does not have to pay a part of the purchase price corresponding to the discount he is entitled to as a result of identified performance defects, shall not apply.

§6 Jurisdiction, Place of Performance

6.1 With respect to merchants, legal entities under public law, and entities specially funded under public law, the competent courts of Brunn shall have exclusive jurisdiction and venue for all disputes arising under or in connection with this agreement. Nevertheless, the Contractor reserves the right to also bring actions against the Customer before the court of competent jurisdiction over the Customer.

6.2 This contract is governed by the laws of the Czech Republic; application of the UN Convention on Contracts for the International Sale of Goods is expressly excluded.

6.3 Unless otherwise stated in the order confirmation, the place of performance is the Contractor's corporate headquarters.

§7 Data Privacy

The Contractor stores data arising from the contractual relationship in accordance with Czech Act No., 101/2000 Coll., on Data Protection, as amended, for purposes of data processing, and reserves the right to transmit such data to third parties in compliance with the statutory provisions on data privacy and protection insofar as such transmission is necessary for performance of the contract.

Part II: Special Provisions for Deliveries of Goods

§8 Transfer of Risk in the Case of Deliveries of Goods

Unless otherwise stated in the order confirmation, the Contractor's delivery of goods is made "EXW" (ex works) pursuant to the most recent version of Incoterms.

§9 Retention of Title

9.1 The Contractor retains the proprietary rights to the delivered item(s) until all payments arising from the business relationship with the Customer have been received. Where business between the Customer and the Contractor involves offsetting accounts payable and receivable on an ongoing basis, the retention of title also applies to the balance acknowledged at the time; the same applies insofar as the balance is not acknowledged but instead is asserted based on the sum of the underlying account entries, for instance because the Customer is bankrupt or is in liquidation. In the event of conduct by the Customer in breach of contract, in particular default on payment, the Contractor has the right to rescind the contract and repossess delivered item(s), provided the statutory requirements have been satisfied.

9.2 The Customer has the right to resell the purchased items in the ordinary course of business; however, it assigns to the Contractor here and now all receivables accruing from its purchasers or third parties due to resale, in the amount of the grand total (including sales tax) of the Contractor's accounts receivable, irrespective of whether or not the purchased item(s) underwent further processing prior to resale. The Contractor retains the right to collect on these accounts receivable even after the assignment. The Contractor's authority to collect the receivables itself is not affected thereby. However, the Contractor shall not collect

the accounts receivable where the Customer duly satisfies its payment obligations from the proceeds received. Where this is not the case, the Contractor may demand that the Customer inform the Contractor of the assigned receivables and the debtors that owe them, provide all particulars required for collection, hand over the relevant records, and notify the debtors (third parties) of the assignment.

9.3 Processing or reworking of the purchased item(s) by the Customer is always undertaken on behalf of the Contractor.

Should the purchased item(s) be processed together with other objects not belonging to the Contractor, such action shall cause the Contractor to acquire co-ownership of the new item(s) equivalent to the ratio of the value of the purchased item(s) (invoice grand total including sales tax) to the other processed objects at the time of the processing. In other respects, the same terms as apply to purchased item(s) delivered subject to retention of title shall apply to the item(s) resulting from the processing.

9.4 Should the purchased item(s) be inseparably integrated with other objects not belonging to the Contractor, such action shall cause the Contractor to acquire co-ownership of the new item(s) equivalent to the ratio of the value of the purchased item(s) (invoice grand total including sales tax) to the other integrated objects at the time of the integration. Should the integration occur such that the Customer's item(s) can be viewed as the principal item(s), it shall be deemed stipulated that the Customer is to transfer proportional co-ownership to the Contractor. The Customer is to preserve for the Contractor the ensuing sole or co-ownership.

9.5 Where the retention of title or assignment is not valid pursuant to the law applicable to the goods, the form of security interest analogous to the retention of title or assignment as applies under such law shall be deemed stipulated. Where the Customer's cooperation is required for such rights to accrue, upon request by the Contractor, the Customer shall be required to take all reasonable measures at the Customer's expense as are necessary to establish and preserve such rights.

9.6 The Contractor shall relinquish the security interests it is entitled to upon request by the Customer to the extent that the realizable value of such security interests exceeds the Contractor's secured receivables by more than 10%; the Contractor has the right to select which security interests are to be relinquished.

9.7 In the event of attachments or other third-party interventions, the Customer must inform the Contractor immediately in writing so that the Contractor can bring an action pursuant to the Act No. 99/1963 Coll., Code of Civil Procedure, as amended. Where the third party is not able to reimburse the Contractor for the costs arising from court or out-of-court actions associated with averting such intervention, the Customer shall be liable for the loss sustained by the Contractor.

§10 Liability for Defects in the Case of Deliveries of Goods

10.1 For defect claims made by the Customer to be considered, the Customer must have duly satisfied its obligations under the law – in particular without delay and in their entirety – to inspect goods and report complaints. The defects must be reported in writing.

10.2 Should there be a defect in the purchased item(s), the Contractor is entitled to cure the defect, at its own choice, by means of remedying the defect or delivering new items free from defects. Where the cure fails, the Contractor refuses to cure the defects, or the cure is unreasonable, the Customer has the right to rescind the contract or to reduce the purchase price, at the Customer's option. Claims can be made for damages only in accordance with the terms of Section 5.

10.3 The period of limitation for all warranty claims made against the Contractor is one year starting from the date of delivery of the item(s) purchased.

Part III: Special Provisions for Packaging Services

§11 Customer's Obligations

11.1 Proper performance of a packaging services order requires that the item to be packaged be provided to the Contractor in a timely manner, prepared and in suitable condition for fulfillment of the order. Unless otherwise stipulated in writing, parts that are particularly susceptible to corrosion are to be cleaned and treated with appropriate contact corrosion inhibitors prior to handoff. Additionally, the Customer must have provided to the Contractor in writing the correct weight data and other properties particular to the item no later than when the item is handed off. In particular, such properties are to include information on the center of gravity, and for crane and forklift work, the lifting points, as well as all risks and requirements associated with transportation (storage, loading, route and type of transportation and, as applicable, post-transit storage), which should also include information on the climatic zones the transportation route runs through. Hazardous materials are to be declared in writing with all of the required information (DIN [German Institute for Standardization] data sheet).

11.2 Furthermore, the Customer must advise the Contractor in writing of particular risks as may arise from the demands of the particular transportation route, the loading equipment and means of transportation (e.g., bulk carrier), due to excessive strain on containers and packaging, and also with regard to general stresses on the environment in the event of any potential post-transit storage planned.

11.3 Unless otherwise stipulated in writing, the Customer is responsible for any translation of freight lists into other languages.

11.4 Unless otherwise stipulated, the packaging is performed at the Contractor's premises. The Customer is responsible for transporting the items to and from the packaging site in a timely manner. In the event a packaging services order is to be fulfilled away from the Contractor's premises, the Customer must ensure that the wood packaging and other packaging materials are unloaded without charge and must provide, without charge, sufficient space, power, and the necessary lifting equipment – including, at the Contractor's request, the personnel required to operate such equipment as necessary – as well as securing and lifting equipment as may be required for the rapid and professional fulfillment of the packaging services order. The work hours and packaging location are to be set out in writing by the Customer and the Contractor prior to the start of work on the order.

11.5 The information required for labeling purposes is to be provided to the Contractor in writing in a timely manner in electronic form prior to the packaging work.

11.6 Irrespective of the Contractor's liability insurance, the Customer must provide for adequate insurance of the items to be packaged (e.g., goods in transit, storage, and fire insurance). This also applies in particular in the event of any post-transit storage of the items.

§12 Transfer of Risk in the Case of Packaging Services

The risk of accidental destruction or accidental deterioration transfers to the Customer as of the point at which the outbound vehicle is loaded, however no later than at the point at which the Customer receives the packaged item. The transfer of risk as set out by law in the event of delay in acceptance remains unaffected.

§13 Scope of Work and Liability for Defects in the Case of Packaging Services

13.1 The intended purpose stated in the contract is authoritative with regard to assessing the scope of work required of the Contractor.

13.2 Unless otherwise stipulated, the Contractor performs packaging services in accordance with the packaging guidelines laid down by the German packaging association *Bundesverband Holzpackmittel Paletten und Exportverpackung (HPE) e.V.*, which the Contractor will supply upon request.

13.3 The Contractor is required to take measures to protect against corrosion only where this has been expressly agreed by the parties. Where the parties have stipulated anti-corrosion measures, the service has been duly procured where such measures are undertaken in accordance with the packaging guidelines laid down by the German packaging association *Bundesverband Holzpackmittel Paletten und Exportverpackung (HPE) e.V.* and last for the entire period of protection, starting from the date of the packaging work. Unless another such period of protection is stipulated in writing, the protection is to be designed to last for six months. The Contractor is not liable for incidents of corrosion after the stipulated period of protection has expired. In the case of used items being packaged, liability for loss from corrosion is excluded.

13.4 Upon receipt of the packaged item at the site where the item is handed over, the Customer must examine the packaging for obvious and noticeable defects. Insofar as such examination reveals defects, in order to safeguard its claims for damages, the Customer must immediately submit a written complaint and provide the Contractor with an opportunity to compile its own incident report.

13.5 Proof that the root cause of the reported defect is a breach of a duty by the Contractor prior to the transfer of risk is a prerequisite to liability for material defects. This applies in particular to slat crates and separate component packaging as well as, for example, to so-called packaging on skids without crates, crate bottoms, and pallets, and also, in the case of protective packaging, where such packaging is opened or damaged as the result of governmental measures. In the event the properties of the packaging are impacted by improper stacking, transloading, storage, or due to alteration, opening, or other interference, even if this involves damaged packaging provided by third parties, and where the Customer's goods are damaged as a result, this does not constitute a defect in the work owed by the Contractor. Where the Customer's order requires the Contractor to package items already pre-packaged by the Customer or a third party, the Contractor is liable for loss sustained to the packaged item only insofar as the Customer proves that the loss is attributable to a defect in the packaging work performed by the Contractor. The Contractor is not liable for loss the cause of which lies in defective packaging by the Customer or a third party. The Contractor is not required to examine the packaged item upon receipt for signs of existing damage.

13.6 In the event of defective packaging services, the Customer is entitled to the warranty rights afforded by law, with the caveat that damages claims and claims for reimbursement of expenses can be made only in the scope identified in Section 5.

13.7 The period of limitation for all warranty claims made against the Contractor due to defective packaging services is one year starting from the date of acceptance (receipt) by the Customer of the packaged item.

Part IV: Special Provisions for other works (particularly assembly and disassembly as well as soldering, bonding and welding works)

With regard to other contracts of works (such as, in particular, assembly and disassembly as well as soldering, bonding and welding works) the following provisions shall additionally apply:

§ 14 Customer's Obligations to cooperate

The Customer shall

- grant the Contractor unhindered access to place of performance and the performance object and make sure that there is sufficient space available for the Contractor to render the contractual services;
- provide the Contractor with any information and data, which are required for the performance of contract, in due time, correctly and completely;
- ensure the required electricity supply during the time of performance;
- provide any operating materials and work equipment, which are to be provided by the Contractor according to the contractual agreement, in due time and in the agreed quantity.

§ 15 Safety standards

The Customer shall inform the Contractor in due time on any safety rules and regulations applicable at the place of performance and shall take any measures required in order to protect the Contractor's employees against any safety and health risks during performance of the contractual services.

§ 16 Acceptance

The Customer is obliged to accept the works after completion. The works shall be considered as accepted, if, after completion of the respective works, the Contractor has fixed a reasonable grace period for the Customer's acceptance and if the Customer has not refused acceptance within this period by giving notice of a defect.

§ 17 Warranty

In the event of a defect the Customer shall be entitled to the statutory warranty claims subject to the following provision:

17.1 The warranty period shall be one year starting with acceptance. To any claims for damages due to a violation of life, body or health as well as claims for damages due to willful intent or gross negligence the statutory limitation period shall apply.

17.2 Claims for damages shall be subject to the general provision on liability as per § 5 of these GTC.