



General Terms and Conditions

(applicable as of 1.12.2018)

1. Introductory Provisions

- 1.1 These General Terms and Conditions of DS Smith Packaging Czech Republic s. r. o. (hereinafter referred to as the "T&C") shall apply to all purchase agreements entered into by DS Smith Packaging Czech Republic s. r. o. (hereinafter referred to as the "Seller") on the basis of which the Seller sells its goods to a Buyer and the Buyer purchases the goods from the Seller. If a purchase agreement contains provisions diverging from the provisions of these T&C, the provisions of the purchase agreement shall, to that extent, prevail over the provisions of the T&C.
- 1.2 Any other conditions contained in the Buyer's general terms and conditions, form contracts, confirmations, etc. which the Buyer sends with its order, quote confirmation, etc., do not become, under any circumstance, incorporated in the purchase agreement, and no further express rejection by the Seller shall be required.

2. Purchase Agreements

- 2.1 Deliveries of goods shall take place on the basis of purchase agreements (hereinafter referred to as "purchase agreement" or "purchase agreements") entered into in accordance with these T&C.
- 2.2 A purchase agreement between the Seller and the Buyer is entered into by virtue of:
 - 2.2.1 The signing of a written agreement between the Seller and the Buyer, unless the agreement stipulates otherwise, or
 - 2.2.2 A written confirmation of the Buyer's order by the Seller, or
 - 2.2.3 Other means, but only if such means are defined in a framework agreement.
- 2.3 The Seller's quotes shall always be non-binding and only serve as a basis for the drawing up of the Buyer's order.

3. Goods

- 3.1 The term "goods" means any and all goods, services, and other deliverables that the Seller sells or provides to the Buyer, regardless of whether the goods, services, or

other performances are intended for resale, provision to third parties by the Buyer, or their integration into the Buyer's products, or whether the Buyer uses them for its own needs.

- 3.2 The Seller supplies two kinds of goods to buyers:
 - a) Standard goods of the Seller (hereinafter referred to as "Standard Goods")
 - b) Goods produced/assembled/modified by the Seller in accordance with the Buyer's request (hereinafter referred to as "Non-Standard Goods")
- 3.3 Standard goods correspond to descriptions featured in the Seller's catalogues and technical information lists.
- 3.4 To order non-standard goods, the Buyer shall provide to the Seller a specification and technical drawings of the goods or its requirements as to the goods. If the Buyer does not have technical drawings of the goods, the Seller shall draw up technical drawings or other documentation in accordance with the Buyer's requirements and send them to the Buyer for approval. Should the Seller not receive a statement from the Buyer with respect to the technical drawings or other documentation within 10 days, the said documents shall be deemed approved.
- 3.5 The Seller shall not be liable for any defects arising due to the Buyer's specification or technical drawings being incorrect or incomplete, or, as case may be, due to the incorrectness or incompleteness of the Buyer's requirements as to the goods, and shall not be liable for the breach of any third-party intellectual property rights committed by delivering goods on the basis of the Buyer's specification, technical drawings, or requirements.
- 3.6 Goods shall be delivered in the usual quality in accordance with the Seller's internal regulations and they shall comply with legal regulations applicable in the Czech Republic and with all relevant Czech technical standards (CSN). If goods shall have any properties other than their usual properties, in particular, if they shall be used for a purpose other than that for which it is usually used, the Buyer shall state so explicitly in the purchase agreement, otherwise the Seller is not obliged to take that fact into account.

4. Delivery Terms

- 4.1 Goods shall be deemed delivered to the Buyer if the goods is delivered according to the purchase agreement.
- 4.2 The Seller shall deliver the goods no later than on the delivery date specified in the purchase agreement, and may do so even in the form of partial deliveries. If the

purchase agreement does not specify the delivery date, the goods shall be delivered within 15 days after the conclusion of the purchase agreement.

- 4.3 The Seller shall deliver the goods to the place of delivery in accordance with the INCOTERMS 2010 clause specified in the purchase agreement.
- 4.4 At the time of the take-over of the goods, the Buyer shall check and inspect the goods duly and with professional care, and state in the delivery document any damage of the goods, including damage of the packaging. A breach of this obligation may result in forfeiting the rights with respect to the carrier of the goods, which the Buyer acknowledges.
- 4.5 Should the Buyer fail to accept the delivered goods in a due and timely manner, the risk of damage to the goods shall pass to the Buyer and the Seller may store the goods at the Buyer's costs. In that case, the Seller may charge the Buyer CZK 4 per pallet of goods for each day of the Buyer's default with the take-over of the goods and a handling fee of CZK 50 per pallet of goods. In addition to that, the Buyer shall bear the cost of the carriage of the goods to the warehouse.
- 4.6 In the event that the Buyer has not taken over the goods even within 1 month after the delivery date, the Seller may, at its discretion and without any further notice to the Buyer, sell the goods to a third person or destroy them at the Buyer's expense. The Seller shall then present to the Buyer a settlement of the costs incurred. This provision shall not prejudice the Buyer's obligation to pay the price of the goods according to the purchase agreement.
- 4.7 The Seller shall package, label, and prepare the goods for carriage in the usual manner. Goods shall be delivered on EUR pallets. The purchase price per pallet shall be, in line with the applicable price list of the Seller, exclusive of VAT and shall be billed to the Buyer together with the purchase price of the goods. Should the Buyer request other than the usual means of packaging or labelling of the goods, the Seller shall charge the Buyer for those costs separately.
- 4.8 The quantity of goods delivered from the quantity agreed in the purchase agreement can differ up to +/- 5% of the agreed quantity of goods; the actually delivered goods shall be invoiced.
- 4.9 The deviation from the agreed quality of the goods may amount to no more than 0.1% of the quantity of goods delivered, and this shall not represent a defect of the goods.
- 4.10 Title to the goods shall pass to the Buyer upon the payment of the purchase price in full. Until the payment of the purchase price in full, the Buyer may not alienate the goods in any way or make any dispositions with the goods in a way that would make it impossible for the Seller to take the goods over in the event that the purchase price

is not paid in full. The Buyer shall store the goods duly and insure them sufficiently, at its own expense, against damage or destruction.

- 4.11 The Buyer hereby grants the Seller the right to take away any unpaid goods held by the Buyer and to this end grants the Seller the right to enter its premises. The taking away of the unpaid goods shall not amount to a withdrawal from the agreement, unless the Seller explicitly states so.
- 4.12 The risk of damage to the goods shall pass to the Buyer at the time of the delivery of the goods in accordance with the purchase agreement.

5. Prices

- 5.1 If the price of goods is not agreed in the purchase agreement, the price of goods stated in the Seller's current price list or, as case may be, the usual price shall apply.
- 5.2 Should the prices of energy or materials on input change by more than 5% as compared to the situation on the day of the conclusion of the purchase agreement, the Seller may adjust the prices of goods in proportion to the change in the prices of energy and/or input materials. The Seller shall document the change in the price of energy and/or input materials to the Buyer upon request.
- 5.3 In the event the CZK (Czech crown) exchange rate vis-à-vis the currency in which the purchase agreement has been concluded changes by more than 3% as compared to the situation on the day of the conclusion of the purchase agreement, the Seller may unilaterally adjust the prices of goods to the extent of the change in the exchange rate. The rate announced by the CNB shall be decisive.
- 5.4 Unless agreed otherwise, the purchase price does not include the cost of cut-out plates, of the preparation of print lithographs, of print preparation, of packaging, and of carriage. The Buyer shall be charged (invoiced) for those costs separately.
- 5.5 All prices are set exclusive of VAT, which shall be added in the statutory amount.

6. Payment Conditions

- 6.1 The Seller may invoice the purchase price following the delivery of the goods by a tax document – invoice. Invoices shall be due for payment 14 days after their issue date.
- 6.2 Should the Buyer be at default with payment, the Seller may claim a delay interest of 0.05% of the outstanding amount for each day of delay.

- 6.3 The Buyer may not unilaterally set off any of its receivables from the Seller against the purchase price.
- 6.4 Should the Buyer be at default with the payment of any of its payment obligations to the Seller, the Seller may suspend, at its discretion, the performance of all other purchase agreements entered into with the Buyer, or only some of them, up to the payment in full of all due payables of the Buyer.
- 6.5 Furthermore, the Seller may settle any of the Buyer's payments against its older due receivables from the Buyer.

7. Defects of the Goods

- 7.1 The Buyer shall inform the Seller of any defects of the goods without undue delay of having ascertained them; with respect to defects that can be ascertained by inspection of the goods, it shall do so within 3 business days of having taken the goods over. In the notice, the Buyer shall specify the defect of the goods precisely, i.e., the nature of the defect and how it is manifest. The Buyer shall send a notice of the defect to the customer service department of the Seller – DS Smith Packaging Czech Republic s. r. o. by registered letter, fax, or e-mail.
- 7.2 The Buyer's claims arising from defects of the goods shall be handled in accordance with the provisions of the Seller's Claims Rules, the version applicable as of the date of the conclusion of the purchase agreement. The Claims Rules are available on the Seller's website www.dssmith-packaging.cz and the Buyer acknowledges them by entering into the purchase agreement.

8. Damages

- 8.1 Pursuant to the purchase agreement, the contractual parties shall only be liable for actual damage incurred by the other party. Liability of the contractual parties for any indirect and/or subsequent damage is excluded.
- 8.2 The Seller's liability for any damage incurred by the Buyer on the basis of a purchase agreement or in connection therewith shall be limited to 10% of the purchase price of the goods. This shall not apply to damage that the Seller causes to the Buyer intentionally or by gross negligence.

9. Intellectual Property Rights

- 9.1 The Seller shall hold any and all intellectual property rights (in particular copyright and industrial rights) that it has or may have with respect to the goods or solutions contained in goods, or that may arise in the future. This applies also to rights that the Seller acquires during the course of the performance of the purchase agreement. The Seller grants the Buyer a licence to the use of those rights to the extent to which the goods will be used pursuant to the purchase agreement; the payment for any licence thus granted is included in the purchase price of the goods.
- 9.2 The Buyer also acknowledges that the goods contain technical solutions developed by the Seller for other contractual partners, which is why individual features of the goods may appear independently or in mutual combination in third-party products.

10. Other Stipulations

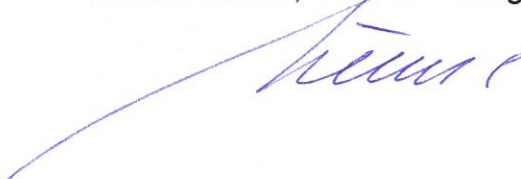
- 10.1 Liability of the contractual parties for partial or complete failure to perform their contractual obligations shall be excluded if this occurred due to a force majeure event.
- 10.2 Force majeure events are events that cannot be influenced by the contractual parties, provided that they occur after the conclusion of a purchase agreement and make its performance impossible, in particular: work conflicts and any and all events that are beyond the will of both parties, such as an epidemic, fire, natural catastrophe, mobilisation, war, insurrection, confiscation, embargo, a general shortage of means of transport, a general shortage of input materials and raw materials, etc.
- 10.3 Should a force majeure event last for a period in excess of 3 months, either of the parties shall be entitled to withdraw from the purchase agreement, to the extent to which the agreement has not yet been performed.
- 10.4 The Seller may further withdraw from the purchase agreement if the Buyer is at default with the payment of the purchase price or any part thereof for more than 15 days or if the Buyer is at default with the acceptance of goods for more than 15 days.
- 10.5 Any termination or withdrawal from the purchase agreement must be made in writing and delivered to the other party by means of a registered letter.

11. Concluding Provisions

- 11.1 Purchase agreements and legal relationships arising therefrom shall be governed by the laws of the Czech Republic.
- 11.2 Any disputes between the contractual parties shall be resolved amicably. Only if agreement is not reached, the parties shall present the case to the relevant court having jurisdiction over the place of the Seller's registered seat.
- 11.3 A purchase agreement may only be changed by written amendments signed by the contractual parties.
- 11.4 Should any of the provisions of these T&C be or become invalid or ineffective, no other provisions shall be thereby prejudiced. Any invalid or ineffective provision shall be replaced by a provision that is as close to the meaning and purpose of the invalid or ineffective provision as possible.
- 11.5 The Seller reserves the right to amend these T&C from time to time. The new wording of T&C applies only to the contracts concluded after the new wording of T&C came into force. The contracts concluded before the new wording of T&C came into force shall be governed by the previous wording of T&C.
- 11.6 These T&C shall come into effect on 1.12.2018

Jílové u Děčína

DS Smith Packaging Czech Republic s. r. o.
Martin Němec, General Manager

A handwritten signature in blue ink, appearing to read 'Němec', with a long, sweeping underline.