

General Business Terms and Conditions

VH Pharma a.s. Company Identification Number 28089529

registered seat: Jakubská 647/2, Staré Město, 110 00 Prague 1
the company is registered in the Register of Companies maintained by the Municipal Court in Prague,
Section B, File 17224

1. Scope of Validity

1. These General Business Terms and Conditions (hereinafter the "**Terms and Conditions**" or the "**Business Terms and Conditions**") govern all the business relations between the company **VH Pharma a.s.**, Company Identification Number: 280 89 529, registered seat: Jakubská 647/2, Staré Město, 110 00 Prague 1, registered in the Register of Companies maintained by the Municipal Court in Prague, in Section B, File 17224 (hereinafter also the "**Contractor**") and other parties (hereinafter also the "**Customer**") if they are directly referred to in the Agreement between the Contractor and the Customer, or in the documents associated with the Agreement, or in the binding purchase order within the meaning of the provisions of these Business Terms , and Conditions. The reference may be contained in particular in the framework agreement, contract for work, purchase agreement, purchase order, delivery note or transfer protocol. By signing such a document, the Customer confirms to be aware of, to consent to and to be bound by these Terms and Conditions.
2. The Terms and Conditions are the basic terms and conditions for the sale of the Contractor's goods and services, and if they deviate from the statutory legal provisions of the law of the Czech Republic in force, they shall take precedence over such legal provisions. Any deviations from these Terms and Conditions are only valid if they are explicitly agreed in the business agreement.
3. The Customer acknowledges that, upon entering into any agreement related to the Contractor's products which are present in the Contractor's business offer, no rights arise in favour of the Customer to use the registered marks, trademarks, business names, company logos and/or patents of the Contractor and/or of other companies, unless specified otherwise in a special agreement in a particular case.

2. Entering into the Agreement

1. The individual agreements are usually entered into in written form and/or on the basis of the Customer's written or e-mail purchase order confirmed by the Contractor.
2. Upon request, the Contractor shall send to the Customer a written offer of products, stating specification of such products and the time in which and the price at which the Contractor is able to supply such products.
3. The Customer's purchase order has to contain at least the following information:
 - a) company name, registered seat or place of business of the Customer
 - b) the Customer's identification number (*IČ in Czech*) (and the VAT number (*DIČ in Czech*) if the Customer is registered as the VAT payer)
 - c) clear description of the delivery
 - d) agreed price
 - e) place and expected date of delivery
 - f) in the event of a written purchase order, legible signature of the Customer's authorized

representative

4. On the basis of the Customer's electronic purchase order complying with the requirements as above, the Contractor shall issue to the Customer the purchase order confirmation with more detailed specifications and terms of the delivery, if required, referring to the Business Terms and Conditions.

5. The purchase order is binding and may not be withdrawn and/or otherwise cancelled without prior consent from the Contractor. If the Contractor confirms this purchase order after delivery and sends back the written confirmation of the purchase order, the agreement is entered into upon delivery of the confirmed purchase order to the Customer.

6. In the event of more complicated subjects of execution, a separate written agreement is usually entered into on the basis of the confirmed purchase order.

7. The Customer undertakes to accept the subject of performance or the service of performance within the agreed terms and to duly pay therefore.

8. The total price as indicated in the confirmed purchase order or in the agreement is determined on the basis of the delivery term EXW (Contractor's plant) pursuant to INCOTERMS 2010, unless stated otherwise.

3. Terms of Payment and Retention of Title

1. Before starting the delivery, the Contractor is entitled to ask the Customer to make an advance payment which the Customer is obligated to pay in the agreed amount and time, otherwise the Contractor is not obligated to supply the goods, unless otherwise agreed.

2. In order to confirm delivery and acceptance of the goods from the Contractor to the Customer, a delivery note or a similar document will be issued where the Customer and/or the carrier shall confirm acceptance of the goods.

3. After delivery and acceptance of the goods, the Contractor shall issue the tax document (invoice) which is due and payable on the 30th day after the date the taxable supply is provided. The tax document has to contain the statutory requisites, including the agreement on payment of VAT in statutory amount.

4. In the event of non-observance of the invoice due date, the Customer undertakes to pay to the Contractor the contractual penalty amounting to 0.05 per cent of the total due amount for each day of delay.

5. Only after the entire invoiced amount, including accessories and contractual penalties, if any, have been paid, the goods and/or the subjects associated with the goods or with the agreed supply pass from the Contractor to the Customer's ownership. In the event of failure to make to the Contractor the required payment under the contractual relationship and/or to settle the invoice within the agreed due date, the goods and/or another supply and/or the work may be taken away. The Customer undertakes to enable the goods to be taken away by the Contractor's staff and consents thereto without further ado. The Parties explicitly agree upon the Contractor's right to take away the goods as above even in the absence of or without further consent from the Customer, even if such a consent was withdrawn, including the Contractor's right to enter the Customer's premises. The Customer's obligation to pay the contractual penalty, default interest and/or damage compensation as well as any other costs associated with the removal of the goods and withdrawal from the agreement are not affected.

6. The Customer is entitled to require from the Contractor the supply as results from the agreement provided that the Customer has paid the price under the agreement. However, this shall not apply to a

situation when the Customer is in delay with the payment of the price already due and resulting from previous contractual relationship. If the Customer is in delay with the payments of invoices under this agreement or under previous agreements, the term of supply may be adequately prolonged by the Contractor without any claims incurred in favour of the Customer.

7. The date of payment shall be the day when the agreed amounts are credited to the Contractor's bank account.

8. The agreed price does not include packaging, returnable packaging, means of handling, goods securing means during transportation and costs of transportation, unless agreed otherwise.

9. The risk of damage to goods shall pass on the Customer in conformity with the delivery term EXW pursuant to INCOTERMS 2010, unless otherwise agreed.

10. The goods are considered to be delivered upon fulfilment of the agreed delivery term pursuant to INCOTERMS 2010.

11. In the event the Customer is in delay with the acceptance of the goods, the Customer shall be obligated to pay to the Contractor the storage fees as per the price list currently in force.

4. Warranty Period. Defects of Goods

1. The warranty period is based on legal regulation of the Czech Republic in force and effect. The warranty period starts to run upon due acceptance of the goods by the Customer.

2. The warranty shall not apply to defects and faults caused by extraordinary events, in particular to:

- a) damage to the goods during transportation in the event of absence of personal delivery and acceptance of the goods,
- b) mechanical, thermal, chemical and other damage caused by Customer's activities,
- c) improper handling, attendance or storage,
- d) defects caused by a natural disaster,
- e) defects caused by modification, repair and/or changes which were made by the Customer or by another unauthorized person,
- f) intentional damage or use that is in contradiction with the instructions for use or the usual way of use,
- g) damaging due to external effects or elements,
- h) the goods were damaged due to excessive load or wear and tear,
- i) disruption of the packaging, protective seals and stickers provided that these are parts of the goods,

3. The Customer is obligated to inspect the goods with due professional care as soon as possible after the risk of damage to goods has passed on the Customer, and to claim the defective goods immediately after detecting the defects. Any later claims of apparent defects will not be accepted.

4. Claims of apparent defects of the goods which have been used, sold, processed, changed and/or otherwise modified after delivery, will not be accepted if such defects were caused by the use, processing and/or other modifications made by the Customer or any third party.

5. The Customer is obligated to claim the goods defect to the Contractor in writing and without undue delay after identifying the defect. A claim has to contain the following documents and data: duplicate of the consignment note, copy of the delivery note, the relevant purchase orders (agreements) and invoices, identification data on the goods (batch, weight, etc.), pictures or other material documenting the goods defect.

6. The claimed goods have to be in the original, unchanged condition and protected against damage. Until the claim is handled by the Contractor, the goods may not be used, sold, processed, changed and/or otherwise modified without Contractor's written consent.

7. A claim will not be acknowledged if the defective goods are not in the original, unchanged condition and are damaged as a result of incorrect protection and handling.

8. As concerns the defective goods, the Customer is obligated to take all measures necessary to avert and/or mitigate the damage.

9. When claiming the defects of the goods, the Customer is first obligated to require delivery of replacement goods; when this is not possible on the Contractor's side, then the Customer may require an adequate discount from the price.

10. Retention of the payments by the Customer or reduction of the price by the Customer before the complaint has been settled is not allowed and is considered a substantial breach of the Customer's contractual obligations.

5. Withdrawal from the Agreement

1. The Contractor is entitled to withdraw from the agreement in the event the Customer fails to fulfil any of the obligations resulting from the agreement or from the Terms and Conditions.

2. Upon withdrawal from the agreement, the Contractor becomes entitled to the payment of the contractual penalty from the Customer which amounts to 10 per cent of the price of the goods. The payment of the contractual penalty is not to the prejudice of the Contractor's entitlement to damage compensation.

3. If any of the Parties is declared bankrupt, the other Party shall be entitled to withdraw from the agreement.

6. Responsibility for Damages

1. The Customer acknowledges under these Terms and Conditions that the subject of Contractor's deliveries usually consists in the delivery of specifically determined preparations, products, the subsequent storage of which requires observance of the applicable safety regulations.

2. The Contractor is not responsible in any way for the damage resulting from the breach of the above mentioned obligations by the Customer. In particular, the Contractor is not responsible in any way for the risk of damage to the Customer's property and subject of the work which is already located in the place of supply, is not responsible for any injuries and damage to health or to life of third parties.

7. Relationship Towards Third Parties, Offset of Receivables

1. The Contractor is entitled, without prior assessment and written permit from the Customer, to arrange for the production and delivery of the goods or a part thereof by a third party.

2. It is determined under these Terms and Conditions that neither the Customer, nor any persons associated directly with the Customer in performing the work or in the contractual relationship with the Contractor are not, without explicit written consent from the Contractor, entitled to do any unilateral offset

of any receivable from the Contractor, regardless of whether the receivable was incurred while performing the work in question or within the scope of the relevant agreement and/or delivery, on the basis of the purchase agreement, or otherwise.

8. Force Majeure, Responsibility for Damages

1. If the delivery of the goods is delayed directly or indirectly as a result of the causes which are outside the Contractor's control, such as war, threat of war, rebellion, act of sabotage, fire, act of terrorism or threat of an act of terrorism, storm, flood, explosion, natural disasters, government orders or restrictions of the European Union, strike, full or partial destruction of the plant or of the production line of the Contractor or the Contractor's suppliers, change of customs regulations, import and export quotas, export or import ban or any other circumstances which are out of the Contractor's control and which are capable of preventing the Contractor from performing, the delivery time shall be adequately prolonged.
2. Furthermore, the Contractor is not responsible to the Customer for the damage incurred as a result of the above circumstances which exclude responsibility. The same shall apply if the said circumstances occur at the Contractor's subcontractors, if any.

9. Other Provisions

1. The Contractor reserves the right to change and/or amend these Terms and Conditions, in particular in the event of the change of the associated legal norms or in the event of change of the method of trading. The change, completion and effect of the Terms and Conditions shall be announced by the Contractor in a suitable manner. A suitable manner shall also mean the publishing of these Business Terms and Conditions on the Contractor's web sites.
2. The relations and disputes, if any, that occur under the agreement or under the Customer's purchase order shall be solved exclusively under the law of the Czech Republic in force and shall be solved by the courts of the Czech Republic.
3. The agreement is entered into in the Czech language. If any translation of the text of the agreement is made for the needs of the Customer, it shall apply that in the event of a dispute concerning the interpretation of the terms, the interpretation of the agreement in the Czech language shall apply.
4. The Contractor's rights and obligations cannot be assigned to third parties without Contractor's written approval.
5. The Contractor is not obligated to enable the Customer to take samples of the goods at the Contractor's workplace. The Customer is not entitled to perform any inspections and audits at the Contractor's workplace and manufacturing premises.
6. If one or more provisions of these Terms and Conditions become invalid or ineffective, the other provisions hereof shall remain in effect if such other provisions may be, with regards to their essence, content and consequences on the basis of which they were agreed, may be severed from the invalid or ineffective provisions.
7. The Parties are obligated to maintain confidential all the facts they learned during discussions held in association with the agreement entered into. This obligation shall survive any termination of the contractual relationship.
8. The Customer undertakes to immediately notify the Contractor of any changes concerning the

Customer's business authorization, tax obligations (in particular VAT identification number and tax administrator), the Customer's valid bank account and bank details and occurrence of insolvency. In the event of occurrence of Customer's insolvency, all the Contractor's receivables from the Customer shall become due and payable on the day when the Contractor learned about such insolvency. In such event, the Contractor is entitled to request immediate return of the goods not paid so far.

9. The Contractor handles the personal data of the natural persons being the employees or members of the Customer's bodies to the extent necessary to fulfil the agreement entered into to the extent as regulated in the Personal Data Protection Act and the GDPR.

These General Business Terms and Conditions are valid and effective from 1st August 2018.



VH Pharma a.s.
Ing. Michal Hrubý