

**GENERAL BUSINESS CONDITIONS**  
**of the firm Enter-Prise Sorting, s.r.o.**  
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**INTRODUCTORY PROVISIONS**

- 1.1 These General Business Conditions (hereinafter '**GBC**') set forth the rights and responsibilities of the provider, the firm Enter-Prise Sorting s.r.o. (hereinafter '**EPS**') and the client (hereafter the '**Client**') in the provision of services pursuant to the Agreement for the Provision of Inspection, Classification and Revision Services (hereafter the '**Agreement**').
- 1.2 These GBC are part of the Agreement concluded between EPS and the Client, and if the Agreement does not establish rights and responsibilities for the Contracting Parties different than those set forth in these GBC, the GBC shall apply to the mutual legal relationship between EPS and the Client.
- 1.3 EPS is entitled to unilaterally amend these GBC. EPS will post the new GBC on its website and inform the Client in writing of the new version. If the Client expresses its disagreement to the new GBC to EPS in writing within 5 days, the contractual relationship between the Client and EPS will be governed by the current version of the GBC.
- 1.4 The term 'written form' in these GBC also applies to the use of electronic mail.

**2. CONCLUSION OF AGREEMENT**

- 2.1 An Agreement is concluded based on a written order from the Client and its subsequent written acceptance by EPS; written acceptance can also be made by electronic post.
- 2.2 The acceptance of an order by EPS also includes a response with an amendment or deviation that does not alter the conditions of the offer in a significant manner. Acceptance by the Client with an amendment or deviations is always regarded as a new proposal for the conclusion of an Agreement.
- 2.3 This article does not apply in the case that the Contracting Parties conclude a written framework agreement governing the conclusion of separate individual Agreements.

**3. COOPERATION BETWEEN CONTRACTING PARTIES DURING THE PROVISION OF SERVICES**

- 3.1. EPS undertakes to provide services 24/7, i.e. in a regime of continuous order receipt. However, this service is guaranteed only in the case of telephone contact at the following telephone numbers: 775 743 000, 775 743 001, 775 753 002, 775 420 918.
- 3.2. EPS undertakes to provide their services through their workers – quality inspectors (hereinafter "QI"), trained in quality control, in workplace safety with knowledge of the EPS Employee Code.
- 3.3 The Client undertakes to provide EPS cooperation in realising orders to the extent required by EPS. In the case that services are provided at the Client's headquarters or operational facilities, the Client undertakes to create suitable conditions for the provision of services, in particular adequate and safe work space, adequate lighting,

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break space, an area for storing personal items and all other conditions necessary for the provision of services.

- 3.4 In case, that the Client doesn't create the right ambient and conditions in accordance with safety requirements and when due to this condition EPS will have responsibility for the administrative offense, the Client undertakes to pay damages in the amount of imposed fine.
- 3.5 In case, that the Client doesn't create right condition and due to this condition EPS worker suffers work-related accident, the customer agrees to compensate the caused damage.
- 3.6 EPS undertakes to ensure the commission of services of QI under these rules.
  - 3.6.1 EPS undertakes to commence activities to provide services immediately after the receipt of an order.
  - 3.6.2 EPS will undertake to provide pre-agreed number QI with the arrivals of a pre-agreed shifts if they are contracted. EPS will agree to adapt service commission to customer's shift work, if it is contracted.
  - 3.6.3 EPS agrees to provide the team of employers according to customer requirements for volume controlled products, the number of monitored parameters and defects and deadlines for implementation services. In its order, the customer indicates the estimated number of QI, but it is at the discretion on EPS, which number of QI will be used according to parameters of the order.
  - 3.6.4 EPS undertakes that all their meters, used at the customer's premises, have a valid calibration and EPS is able to provide records of their calibration on request.
- 3.7 Client will transmit information about the monitored parameters and defects and any other information necessary for the proper implementation services just only to the chief employee designated EPS.
- 3.8. Daily EPS produces in the course of providing services detailed report of the number of manufactured/non-compliant products and a statement of the number of worked hours. EPS forwards these reports and statements to the responsible employee of client.
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## **4. PRICE AND TERMS OF PAYMENT**

- 4.1 The cost of the provided service will be charged on the basis of an invoice with all the requisites of a tax document, including VAT, with a payment date of 14 days from the date the invoice is issued.
- 4.2 The Client is obliged to pay for the services in accordance with the valid contractual Pricelist.
- 4.3 EPS is entitled to charge the Client for downtime caused by the Client at the normal rate for the provision of service.
- 4.4 Should the Client require the use of special work devices that must be rented, the full rental price will be charged to the Client.
- 4.5 In the case the Client is in arrears with payment, the Client shall be required to pay EPS interest for late payment in the amount of 0.1% of the outstanding amount for each day the payment is late. When the Client is in arrears with payments, amounts subsequently paid by the Client are first applied to the interest for late payment and then to the debt that has been outstanding for the longest period.
- 4.6 In the case the Client is in arrears with payments, EPS is entitled to interrupt the provision of contracted work until outstanding debts are settled. In the case the Client is in arrears with payments for a period of more than 10 days, EPS is entitled to withdraw from the Agreement.

## **5. LIABILITY FOR DEFECTS, WARRANTY**

- 5.1 EPS is liable for defects in provided services. A defect is understood as the performance of a service in a manner inconsistent with an order. The occurrence of a defect on goods whose inspection was not contracted under the Agreement is not regarded as defective service.
- 5.2 Given that the service provided by EPS relies on the human factor, defective service in the form of the lower effectiveness of an inspection will be compensated by means of the following measures:
  - by free repeated provision of the service (re-sorting)
  - discount from the price for services provided on an order where defects have occurred, while the amount of the discount will be determined depending on the amount and nature of the defects, but up to a maximum of 5% of the monthly invoicing of the given order
- 5.3 EPS shall have the right to choose the remedial measure, unless EPS and the Client agree otherwise.
- 5.4 Claimed defective service provided by EPS must be clearly demonstrated and documented by the Client.
- 5.5 EPS provides a warranty on the quality of provided services for 2 months, with this period commencing the day the service is provided (i.e. with the completion of work, the handover of the order and the sending of a comprehensive report in which EPS states that the service has been completed). The Client is required to file claims against provided service with EPS no later than the first day following the expiration of the warranty period; EPS is not liable for defects claimed after this date.

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**6. LIABILITY FOR DAMAGE, COMPENSATION OF DAMAGE**

- 6.1 The liability of the Contracting Parties for damage is governed by the relevant measure of Act No. 89/2012 Coll., the Civil Code.
- 6.2 Neither Contracting Party shall be liable for delays in fulfilling their obligations arising from this Agreement if said delay is verifiably caused by force majeure. For the purposes of this Agreement, force majeure shall in particular be regarded as war, fire, flooding, explosions, accidents, sabotage and emergency traffic conditions. However, the Contracting Party is required to immediately inform the other Contracting Party that such an event has occurred and to serve notice when the situation has passed.
- 6.3 EPS is insured with the insurance company ČPP for up to CZK 20 million for damage caused to Client as the result of the activities of EPS.

**7. NO-HIRE AGREEMENT BETWEEN CONTRACTING PARTIES**

- 7.1 The contracting parties undertake to treat confidential information as a trade secret, in particular to keep it secret and to take all contractual and technical measures to prevent its misuse or disclosure. The contracting parties may share this confidential information only with their employees or contractual partners to the extent necessary for the proper performance of the Contract.
- 7.2 For the purposes of the Agreement, confidential information is understood as all information the Party learns in connection with the performance of activities at the Client's premises and other dealings with the second Party. This concerns all data EPS becomes privy to in connection with processing the Client's data, and vice-versa.
- 7.3 For each individual verifiable violation of the obligations set forth in this article, the Contracting Party in violation undertakes to pay the second Party a contractual penalty in the amount of CZK 50,000. This is without prejudice to the right of the injured Party to demand the compensation for damage from the second Party.
- 7.4 The Contracting Parties undertake to maintain the confidentiality of information even after the Agreement expires, until the time that this information becomes public domain.

**8. APPLICABLE LAW AND DISPUTE RESOLUTION**

- 8.1 The Agreement and all arrangements between EPS and the Client are governed by the Czech legal code, especially the provisions of Section 2586 et seq. of Act No. 89/2012 Coll., the Civil Code.
- 8.2 All disputes arising from the Agreement or in connection with its violation, cancellation or invalidity will preferably be resolved amicably by the Contracting Parties. If an amicable resolution of any dispute is not possible, the disputes shall be heard by the general court of law. All disputes arising from the Agreement and related thereto shall be resolved by the local Czech court with jurisdiction. The Contracting Parties have also agreed that the court with local jurisdiction shall be determined by the location of EPS headquarters.