

**PARAMO, a.s., Delivery Terms**  
**2020**  
**for the product purchase contracts**

**Preamble**

Unless explicitly specified otherwise by a written agreement between the Contracting Parties, the mutual relations of the Contracting Parties based on the purchase or framework purchase contract and/or confirmed order shall be governed by these Delivery Terms. These general business and delivery terms (hereinafter “BDT”) take precedence over provisions of the laws of the Czech Republic should such not have a cogent nature. The generally binding legal regulations of the Czech Republic shall govern other relations not provided for in writing.

**I. Orders**

**1.1**

All orders of the buyer shall become binding on the seller only after a written confirmation of the order by the seller or after the corresponding contract enters into force.

The order must include the following information:

- the exact name of the buyer, the registered office of the buyer, Co. Reg. No., VAT Reg. No., bank details
- type and amount of goods
- delivery terms according to Incoterms 2020, - method and place of delivery, place of delivery of the goods
- telephone or fax number of the company representative.

During the first delivery it is necessary to present an excerpt from the Commercial Register or a trade licence and attach its copy to the order. The minimum value of an order is CZK 5,000, or its equivalent in a foreign currency.

**II. Payment Terms, Maturity of the Price**

**2.1**

The maturity period of invoices is 14 days from the day of issuing of the tax document (invoice), unless agreed otherwise by the parties.

**2.2**

Payment means the crediting of the payment to the seller’s bank account specified on the invoice. In case of doubts, it shall be assumed that the invoice was delivered on the 3rd calendar day after it has been sent. If the buyer does not receive the invoice within the specified period, it is obliged immediately to inform the seller, whereas otherwise the buyer undertakes to pay the invoiced amount including any interest on delay calculated from the 4th day after the invoice has been sent by the seller.

**2.3**

The payment date means the date on which the financial resources are credited to the account of the seller held at a specified banking institution. If differences are determined between the invoiced amount and the actual amount specified in the contract, the buyer shall be obliged to immediately inform the seller of any such. The seller is obliged to pay the remaining part of the invoice (without the differences) within the due date specified on an additionally issued tax document. The seller is obliged to verify the claimed differences within five workdays and, if the claims are correct, settle the difference or propose another procedure resulting in an immediate settlement of the discovered differences.

**2.4**

Banking fees of the bank of the buyer including costs and fees of all correspondent banks of the buyer's bank associated with delivery of the payment to the seller shall be paid by the buyer. Banking fees of the seller's bank including costs and fees of all correspondent banks of the seller shall be met by the seller. In the event that the buyer is liable for the payment to a bank account other than that stated on the invoice and the company incurs additional costs, these costs shall be primarily paid from the amount credited. The remaining amount shall be treated as the outstanding part of the original claim.

**2.5**

The buyer explicitly authorises the seller regardless of different specification of order of payments of financial resources by the buyer, to offset such payments against all due obligations in respect of the seller due to an entered-into framework purchase contract and any subsequent partial purchase contracts, in the following order: i) contractual fines, ii) interest from delay with the payment of a purchase price, iii) principal of the purchase price, always for the obligation with the earliest maturity.

**2.6**

The buyer undertakes to pay, duly and on time, its financial obligations and/or the purchase price to the seller based on an entered-into contract and only afterwards to pay its obligation due to any compensation for damages originating from damage caused by the buyer due to the breach of its obligations under the contract.

**2.7**

In case of delays of payments for deliveries in the Czech Republic, the seller is authorized to require and the buyer is obliged to pay interest on delay, whereby the interest shall be calculated based on Government Decree No. 142/1994 Coll., laying down the amount of interest on late payment and costs associated with the claim pursuant to the Civil Code, as amended, or based on an appropriate legal regulation which would replace the above-specified decree in the relevant scope in future.

In case of delays of payments of an invoiced purchase price for deliveries abroad, the seller and the buyer agreed that the buyer is obliged to pay interest on delay of 0.02% of the owed amount to the seller per each day of delay.

**2.8**

If the buyer is in delay with the payment of due invoices for longer than 10 calendar days, the seller is authorized to immediately stop delivery of goods (services) and withdraw from the contract. A failure to perform deliveries under the previous sentence does not constitute a breach of the contract and the seller shall not be responsible for any damage caused thereby.

**2.9**

The buyer is not authorised to require delivery of goods and the seller is not obliged to deliver the goods if the sum of all financial obligations of the buyer recorded at the seller after delivery of such goods were to exceed the current credit limit specified by the seller, i.e., the maximum permitted value of open claims determined by the seller based on an assessment of the buyer's credit risk. Upon signing a contract or without undue delay thereafter, the buyer shall be informed of the current credit limit, any change in the credit limit will be notified to the buyer in writing to the authorized representative of the seller.

### **III. Securing the obligations of the buyer**

**3.1**

The seller is not obliged to sell, if the buyer at the seller's request fails to ensure an adequate payment of the current claims and claims originating from the performance of deliveries pursuant to an entered-into contract. This provision applies if the buyer is in delay with the payments of previously performed deliveries.

**3.2**

If the seller enters into an insurance contract with an insurance company for receivables from the buyer, the seller may provide the buyer with a credit limit equal to the total amount of the insurance limit set by the insurance company.

The buyer undertakes to provide the necessary information and documents, or any further cooperation, for the purposes of insurance or fulfillment of obligations arising from this contract.

In the event that the insurance company cancels the insurance limit to cover the obligations of the buyer or if the seller assesses in particular the payment discipline of the buyer as being insufficient, the seller shall be entitled to cancel the credit limit of the buyer. The cancellation of the credit limit does not affect the buyer's obligation to settle its obligations against the seller originating before cancellation of the credit limit. In this case, advance payment for goods shall be required with immediate effect.

If the insurance company reduces the insurance limit for the coverage of the buyer's obligations, the seller shall be authorised to reduce the buyer's credit limit to the new insurance limit specified by the insurance company. Any failure to deliver from the date of reduction of the credit limit until the reduction of the buyer's obligations corresponding to the credit limit reduced pursuant to the preceding sentence shall not constitute a breach of contract and the seller shall not be liable for any resulting damage. The seller is obliged to inform the buyer of the fact of cancellation or reduction of the credit limit without any major delay. A notification by e-mail or fax shall be considered as an adequate form of notification.

Provisions of this paragraph shall apply mutatis mutandis also in respect of securing claims by means of a bank guarantee.

### 3.3

In the event that the seller secures payment of excise duty during transport of selected products in accordance with Act No. 353/2003 Coll., on Excise Duties, as amended, to the relevant customs office or other state administration authority, the Seller is entitled to require the buyer to pay down the financial principal or to issue a bank guarantee for its benefit in the amount of the total tax liability, which is the subject of the security in the course of the transportation.

### 3.4

In the case of transportation of selected products pursuant to Act No. 353/2003 Coll. of the Czech Republic, on Excise Duties, as amended, pursuant to Section 27a of Act No. 353/2003 Coll. on Excise Duties, as amended, the buyer (recipient) is also obliged within 5 working days after the end of transport, to submit a notice of acceptance of selected products under suspension of excise duty by means of the EMCS (Excise Movement and Control System), to the customs office of the place of destination of the selected products.

The prerequisites of the notification of acceptance of the selected products under the conditional tax exemption arrangement are laid down in Commission Regulation No. 684/2009 of 24. July 2009 implementing the Council Directive on the general arrangements for excise duties (hereinafter referred to as "e-AD")

If the buyer (recipient) fails to submit the notification in a due manner within 30 days from the date of dispatch of the goods, the seller shall be entitled to suspend further deliveries of goods to the buyer until the end of the transport by submitting a notice of acceptance of selected products pursuant to the above Act.

Within the meaning of Sec. 725 et seq. of Act No. 513/1991 Coll., of the Commercial Code of the Czech Republic, as amended, without prejudice to the seller's authorization in the previous sentence, the buyer is obliged, in the event of violating its obligation to terminate shipping by submitting a notice of receipt of selected products according to the above Act, to compensate the seller for all costs and all damages incurred as a result of the buyer's delay. This damage may consist mainly in the fact that the seller is obliged to pay excise duty.

## **IV. Transition of rights**

### 4.1

The risk of damage to goods and the delivery terms are governed by the International Rules for the Interpretation of Delivery Terms and Conditions INCOTERMS 2020, as amended.

In the case of delivery of goods abroad pursuant to FCA or EXW, the buyer declares that the goods will be transported by itself or its authorized carrier(s) in accordance with the provisions of Act no. No. 235/2004 Coll., on Value Added Tax of the Czech Republic, as amended. Damage to goods that occurred after the transfer of the risk of damage to goods from the seller to the buyer does not relieve the buyer of the obligation to pay the purchase price.

#### 4.2

##### Retention of title

The buyer acquires title to the goods by full payment of the purchase price, by means of its crediting to the seller's account.

If the buyer processes the goods before the transfer of ownership to the buyer, i.e. before a full payment of the purchase price of these goods to the seller, the seller becomes the owner of the products of the buyer made from the goods of the seller. If the processing of the goods of the buyer is participated in the production of the product and the goods by other owners or goods owned by the buyer, the seller becomes a co-owner of the finished products in proportion to the value of the goods of the seller and the value of goods of other owners, i.e. the value of the goods of the buyer.

If the buyer is in default of payment of any obligations to the seller, the seller shall be entitled to demand release of the goods or products covered by its title under this provision without such being construed as withdrawal from the contract.

The buyer is entitled to sell the goods or products only if it fulfills its obligation to fully pay the purchase price of the goods to the seller or if the receivable of the buyer for payment of the purchase price of the goods or products against a third party is transferred to the seller.

The buyer is not entitled to pledge the goods or products owned or co-owned by the seller for the benefit of third parties or to establish another right to such goods or products, which would in any way restrict or exclude the seller's right of ownership, or allow establishment of a right of retention to these goods or products, until the buyer's obligation to the seller is fully paid. The buyer is also not entitled to pledge or otherwise encumber any receivables for payment of the purchase price in respect of third parties if the seller is the owner or co-owner of the goods or products pursuant to this provision.

#### 4.4

The risk of damage to the goods passes onto the buyer at the time when it accepts the goods from the seller, or if it does not do so in time, at the time the seller allows it to dispose of the goods and the buyer breaches the purchase contract by not accepting the goods.

If the seller is obliged under the purchase contract to hand over the goods to the carrier at a particular place for the transport of goods to the buyer, the risk of damage to the goods passes to the buyer by handing the goods to the carrier at the agreed place.

If the seller is obliged under the purchase contract to send the goods but is not obliged to hand over the goods to the carrier at a particular place, the risk of damage to the goods passes onto the buyer when the goods are handed over to the first carrier for transport to the place of designation.

Damage to goods that occurred after the risk of damage to the goods passed to the buyer does not relieve the buyer of the obligation to pay the seller the purchase price.

## V. Complaints

#### 5.1

The buyer is obliged to check the goods immediately upon delivery. The buyer is obliged to claim any obvious defects of the goods at PARAMO, a.s. immediately upon receipt. PARAMO, a.s. is not liable for defects that were caused after transfer of the risk of damage to the buyer and which were not caused by PARAMO, a.s. or the persons with whom the seller fulfilled its obligation. The buyer is obliged to claim defects of the subject of purchase at PARAMO, a.s. on the basis of the record "Claim Report", which describes the defects of the subject of purchase, batch No. of the product, delivery note number, invoice number.

## VI. Packaging

### 6.1

The goods are sold to the buyer together with the packaging, which is also considered as goods and is not considered to be a returnable packaging. The price of packaging shall be charged separately to the buyer within delivery of the goods in the agreed amount:

CZK 6,000,- /item plus the applicable VAT for a plastic container

CZK 380,-/item plus the applicable VAT per pallet (120x120)

CZK 228,-/item plus applicable VAT for an EURO pallet.

Unless otherwise agreed with the buyer.

Prices of packages for export deliveries are set individually by the supplier.

### 6.2.

The buyer has the option to sell undamaged packaging as stated above to the seller at the latest within 3 months from the purchase of these packaging at the above price according to the individual type of packaging and maximum amount of purchased individual types of packaging, unless the seller and buyer agree otherwise. For the sale of these packages, the buyer shall issue a tax document to the seller, which shall contain all the particulars of a tax document pursuant to the Act on Value Added Tax, as amended. The day of the taxable event is the day of receipt of the packaging by the seller. An attachment of the tax document will be formed by a confirmation of receipt of the packaging by the seller.

Buyback of the packaging after this period, their quantity, condition, price and other delivery terms may be subject to a separate agreement between the seller and the buyer outside the scope of this contract.

### 6.3

Collection of waste oils and packaging

In the Czech Republic, the return of waste oils delivered by the seller back to the seller is implemented in accordance with the relevant generally binding legal regulations of the company licensed for hazardous waste management (AVISTA and similar).

Collection of the seller's packaging in the Czech Republic is arranged and prepaid within the EKO-KOM system.

When exporting, the buyer is responsible for compliance with the applicable regulations abroad, concerning waste oils and packaging of the Seller.

## VII. Force Majeure

### 7.1

Neither Contracting Party shall be liable for any failure to fulfill its legal obligations if such failure or delay is caused by an obstacle which occurred independently of the will of the obliged Party and prevented it from fulfilling its obligation, unless it can or cannot reasonably be assumed that the obliged Party could have averted such an obstacle or overcome its consequences and, furthermore, when, at the time of establishment of the obligation, it could not reasonably have foreseen such obstacle (hereinafter referred to as 'force majeure'). However, liability for the fulfillment of an obligation shall not be precluded by an obstacle which arose only at the time when the liable party was in default in performance of its obligation or arose from its economic circumstances.

### 7.2

If such meet the characteristic set out in the previous paragraph, for the purposes of these BDT, force majeure shall mean, in particular, :

- natural disasters, fires, earthquakes, landslides, floods, storms or other atmospheric disturbances and phenomena of a large scale, or
- war, rebellion, revolt, civil unrest or strike, general strike, or
- decisions or normative acts of public authorities, regulations, restrictions, prohibitions or other interventions of the state, authorities of public administration or local authorities, or

- failures in the supply of primary raw materials for the production of refinery products not caused by the seller (e.g. stopping or reduction of crude oil supplies), or
- explosions or other damage or malfunction; unplanned outages of production or distribution facilities.

7.3

In the event of any unplanned production restriction, the seller will reduce deliveries to all its contractual partners in an identical ratio. The basis for determining the amount of limited deliveries shall be the quantities actually collected in the previous calendar month.

7.4

The Contracting Party which has breached, breaches or assumes, with respect to all known facts, that it will breach its obligation under the purchase or framework purchase contract, i.e. under a confirmed order as a result of a force majeure event, it shall promptly inform the other Contracting Party of such a breach or event and use its best endeavours to avert such event or its consequences and remedy the situation.

## **VIII. Legitimate interests**

8.1

In order to fulfill the contract, the Contracting Parties are obliged mutually to cooperate and proceed prudently in accordance with their legitimate interests. They shall inform each other of any relevant circumstances relating to the implementation of the contract and, at a request of the other Contracting Party, promptly provide explanations. Both Contracting Parties are obliged to proceed within their usual circumstances and options to minimize any damages, losses or risks resulting from activities related to performance of contractual relations or use of products. Each Contracting Party shall consistently ensure that the confidentiality of commercial information generated between them as a result of the performance of this contract is respected.

## **IX. Information**

9.1

The seller and the buyer undertake to provide each other with all information associated with any restriction on the performance of the contract as soon as they become aware of any such. If one of the Contracting Parties has not informed the other in good time of a restriction, although it was aware of it, it shall reimburse the other Contracting Party for any demonstrable costs incurred by such an omission.

9.2

If the Contracting Parties provide each other directly, indirectly, verbally or in writing, with information which is subject to trade secret or is designated as being confidential, when entering into a contract or in the course of delivery of goods, they shall not provide, disclose, or otherwise make available such information to third parties or use such to own benefit contrary to the interests of the other Contracting Party, or for a purpose other than that for which such was communicated; violation of this obligation shall be considered by the affected Contracting Party as unfair competition within the meaning of Section 44 of the Commercial Code of the Czech Republic; the right to compensation for damages under Section 373 of the Commercial Code shall remain unaffected.

## **X. Withdrawal from the contract**

10.1

The seller is also entitled to withdraw from the contract in the event that insolvency or liquidation proceedings have been initiated concerning the buyer's property or if it is aware of circumstances that could jeopardize or hinder the recoverability of the seller's claims in addition to the buyer's delay in collecting the goods or the buyer's delay in paying the purchase price (Article II of these BDT). In this case, the contract shall terminate when the written notice of withdrawal is delivered to the buyer.

## **XI. Choice of law and resolution of disputes**

### 11.1

The contracting parties agree that the legal relationship, i.e. the rights and obligations under the purchase or framework purchase contract, i.e. under a confirmed order, their securing, change and termination shall be governed solely by Czech law, in particular by Act No. 513/1991 Coll., of the Commercial Code, as amended.

### 11.2

The Contracting Parties agreed that any disputes arising between them due to the legal relationships established by or in connection with the purchase or framework purchase contract or any other contract shall be settled by the competent local court of the Czech Republic.

## **XII. Conditions for exemption from VAT for transport to another EU Member State**

### 12.1

The seller shall exempt the delivery of goods to the buyer from Czech VAT only if all the following conditions are met:

- the goods are dispatched or transported to another Member State - AMS,
- the goods are dispatched or transported by the seller, the buyer or a third party authorized by them,
- the goods are subject to acquisition of goods in AMS,
- the buyer provided a VAT number registered in AMS.

The buyer is obliged to inform the seller if it has not fulfilled any of these conditions.

### 12.2

If the buyer is a taxpayer in the EU and the goods are intended for delivery to the EU and are delivered under EXW, FCA or DAP / DAF (territory of the Czech Republic) the buyer declares that the goods which are subject to the contract (order) will be transported by it or its authorized carrier, not the buyer's customer or its authorized carrier. The buyer undertakes not to sell and/or deliver the goods to another entity within the territory of the Czech Republic.

Before the first delivery of goods, the buyer shall provide the seller, provided these documents are available, the list of its carriers, and copies of contracts with them. At the same time, the buyer is obliged to inform the seller about any subsequent changes to this list, i.e. the identity of the carrier. In the event that a carrier other than the listed one in the list of the buyer, appears to load the goods, the seller reserves the right not to issue the good or invoice the goods including VAT as in the case of a domestic delivery, and such conduct shall not be considered as a breach of the purchase contract and cannot be subject to application of any sanctions on the part of the buyer.

If the buyer orders an individual carrier to transport the goods from the Seller, it is obliged always to notify the seller at least one working day prior to the loading of the carrier who will collect the goods on its behalf.

In the case of initiation of tax proceedings at the seller, the buyer undertakes to immediately provide the seller with all documents proving the fact that the goods have left the territory of the Czech Republic and ended up in another Member State of the European Union and that the transport was performed by the buyer or its authorized carrier.

### 12.3

If the goods are shipped or transported by the buyer or a third party empowered by the buyer to another EU Member State, the buyer shall be obliged to provide the seller at request with proof of transport of the goods to AMS, such as a signed document or a CMR, a consignment note, invoice from the carrier of the goods, etc., that is at least two such substantive documents, while such evidence must not be contradictory, must be issued by two different parties independent of each other, the seller as well as the buyer. Only the fact that the goods have been dispatched / transported to another Member State is demonstrated by the consignee's confirmation in EMCS.

### 12.4

If only one of the means of evidence as provided within paragraph 12.3 is available, the buyer must provide at least one of the following documents to the seller:

- insurance relating to dispatch or transportation of goods or bank documents proving payment for the dispatch or transportation of the goods;
- official documents issued by a public authority, such as a notary, certifying termination of shipment of the goods to the place of designation in the Member State;
- confirmation by the warehouse-keeper in the place of designation within the Member State, of receipt of the goods, certifying the storage of the goods in that Member State.

### 12.5

In addition, the buyer shall provide a written confirmation or delivery note stating:

- that the goods have been dispatched or transported by the latter or on its behalf by a third party,
- the place of destination of the goods within the Member State,
- date of issue,
- the name and address of the buyer,
- quantity and type of the goods,
- the date and place of termination of transportation of the goods,
- the identity of the natural person receiving the goods on behalf of the buyer.

This obligation may also be fulfilled by a summary confirmation, where all data in respect of the individual deliveries must be specified.

### 12.6

Confirmation in accordance with Para. 12.5 on transport to the place of destination must be sent to the seller no later than the 10th day of the following month from the delivery of goods by email to an address that will be specified in respect of each buyer. The seller may additionally request to be sent these documents in paper form. The buyer undertakes to send these documents upon request.

### 12.7

If the buyer fails to meet the conditions for exemption from VAT pursuant to 12.1 and 12.2 or if the seller is not provided upon request with documents confirming the transport to AMS referred to in paragraphs 12.3 and 12.4, or the confirmation is not sent in accordance with Para. 12.5, delivery of the goods shall be taxed by Czech VAT, even subsequently so. If the goods are transported by the buyer's customer or by a carrier authorized by the latter, Czech VAT will always be applied, even subsequently so. If the goods are sold and / or delivered by the buyer to another entity in the territory of the Czech Republic, VAT shall always be applied, even subsequently so.

In this case, the buyer is obliged to pay this VAT to the seller inclusive of its accessories (penalty, interest on late payment), if applicable.

The buyer is also obliged to pay to the seller all taxes including their accessories or other compensation for damage if the buyer is provided with false information in accordance with the above paragraphs or if the buyer misleads the seller.

### **XIII. Conditions for exemption from VAT on exports**

#### **13.1**

For the purposes of this Act, export of goods means the exit of goods from the territory of the European Union into the territory of a third country.

The export of goods is exempt in respect if such is supply of goods by the payer, which is dispatched or transported from the territory of the Czech Republic to a third country

- a) by the seller or a person authorized by the latter, or
- b) by the buyer or a person authorised by the buyer, if the buyer has neither a registered office nor a place of residence or a business establishment in the Czech Republic, except for goods carried by the buyer for the purpose of equipping or supplying pleasure boats or aircraft or other means of transport for private use.

The buyer is obliged to inform the seller if the latter did not meet the relevant conditions.

The payer is obliged to prove exit of the goods from the European Union

- a) by a decision of the customs office on export of goods to a third country, in respect of which exit of the goods from the European Union is confirmed for release into the export customs regime, outward processing, external transit, or re-exportation, or
- b) other means of evidence.

#### **13.2**

If the buyer is from a third country and the goods are intended for export and shipped under EXW, FCA, DAP boundary (territory of the Czech Republic) or DPU according to Incoterms 2020, the buyer declares that the goods which is the subject of the contract (order) shall be transported by the buyer or a carrier authorised by the latter, not by the buyer's customer or by its authorized carrier. The buyer further declares that it has no registered office, place of business nor a business establishment in the territory of the Czech Republic. The buyer declares that the goods which are the subject matter of the contract will not be sold and / or delivered to another entity in the territory of the EU.

#### **13.3**

Before the first delivery of goods, the buyer shall provide the seller, if available, with a list of its carriers and copies of contracts with them. At the same time, the buyer is obliged to inform the seller about any subsequent changes to this list, i.e. the identity of the carrier. In the event that a carrier other than the listed one in the list of the buyer, appears to load the goods, the seller reserves the right not to issue the good or invoice the goods including VAT as in the case of a domestic delivery, and such conduct shall not be considered as a breach of the purchase contract and cannot be subject to application of any sanctions on the part of the buyer.

If the buyer orders an individual carrier to transport the goods from the Seller, it is obliged always to notify the seller at least one working day prior to the loading of the carrier who will collect the goods on its behalf.

#### 13.4

If the goods are dispatched or transported by the buyer or its authorized carrier, the buyer is obliged to provide the seller with a copy of the delivery note signed or verified by the consignee outside the EU customs territory with the particulars according to paragraph 13.5., i.e. inclusive of a confirmation that the goods have been dispatched or transported by the buyer, or on its behalf by a carrier authorized by the latter.

#### 13.5

If the confirmed delivery note according to 13.4 is not available, the buyer is obliged to provide a written confirmation stating:

- that the goods have been shipped or transported by the latter or on its behalf by a carrier authorised by the latter,
- State of destination of the goods,
- date of issue,
- the name and address of the buyer,
- quantity and type of the goods,
- the date and place of termination of transportation of the goods,
- the identity of the natural person receiving the goods on behalf of the buyer.

This obligation may also be fulfilled by a summary confirmation, where all data in respect of the individual deliveries must be specified.

#### 13.6

Confirmation according to Para . 13.4 or 13.5 on transport to the place of destination (outside the EU) must be sent to the seller no later than the 10th day of the following month from delivery by email to the address, which will be specified to each buyer. The seller may additionally request to be sent these documents in paper form. The buyer undertakes to send these documents upon request.

In the case of initiation of tax proceedings at the seller, the buyer undertakes to immediately provide the seller with all valid originals of documents proving the fact that the goods have left the territory of the European Union and that the transport was performed by the buyer or its authorized carrier.

#### 13.7

If the buyer fails to comply with the conditions for exemption from VAT pursuant to 13.1 or 13.2 or the documents referred to in Paragraphs 13.4 or 13.5 are not provided to the seller, the supply of goods shall be subject to Czech VAT, even subsequently so.

In this case, the buyer is obliged to pay this VAT to the seller inclusive of its accessories (penalty, interest on late payment), if applicable.

The buyer is also obliged to pay to the seller all taxes including their accessories or other compensation for damage if the buyer is provided with false information in accordance with the above paragraphs or if the buyer misleads the seller.

**XIV. Anti-corruption clause****14.1**

Both Contracting Parties declare that they will use their best endeavours in the performance of this contract and that they shall comply with all the legal regulations binding on the Contracting Parties in the area of preventing corruption issued by the competent authorities in the Czech Republic and the territory of the European Union, both directly as well as in any dealings through subsidiaries or related business entities of the Contracting Parties.

**14.2**

In addition, each Contracting Party declares that it will comply with all the internal requirements that are binding on the Contracting Parties in respect of the performance of this contract regarding the standards of ethical conduct, prevention of corruption consistent with the laws on settlement of transactions, costs and expenses, conflict of interest, giving and receiving of gifts, anonymous reporting and explanation of misconduct, both directly and in the course of negotiations through subsidiaries or related business entities of the Contracting Parties.

**14.3**

The Contracting Parties declare that in connection with the entering into and implementation of this contract, none of the Contracting Parties nor any of its owners, members, shareholders, members of the board, directors, employees, subcontractors or any other person acting on their behalf did not make, did not propose, did not promise that it would make, will not propose, will not promise to make, nor will authorize the making of a payment, nor any other activity, which could lead to financial or other enrichment, or any other profit directly or indirectly for any of the following:

a member of the statutory body, a director, an employee or representative of the given Contracting Party or any subsidiary or related business entity of the Contracting Parties,

a civil servant perceived as a private individual, who performs a public function within the meaning, which this term has in the legal system of the country, in which this contract is being performed, or where are situated the official registered offices of the Contracting Parties or that of any subsidiary or related business entity of the Contracting Parties;

a political party, a member of a political party, or applicants for a position in a public office;

representative or an intermediary for the payment of any of the aforesaid persons; nor

any other person or entity - for the purpose of obtaining their decision, influence or activity that may lead to any illegal preference or any other undesirable purpose if such activity violates or would violate the anti-corruption laws issued by the competent authorities in the Czech Republic and in the territory of the European Union, both directly and through negotiations through the subsidiaries or related business entities of the Contracting Parties.

**14.4**

The Contracting Parties shall immediately inform each other of any breach of the provisions of this Article. Upon a written request of one of the Contracting Parties, the other Contracting Party shall provide information and a response to a reasoned query of the other Contracting Party regarding the performance of this contract under the provisions of this Article.

**14.5**

For the purpose of a due performance of the above obligations, both Contracting Parties declare that during the performance of this contract they shall ensure any person acting in good faith shall be able to report anonymously any misconduct by sending an e-mail to the Anonymous System of Reporting Unethical Conduct: [securityreport@unipetrol.cz](mailto:securityreport@unipetrol.cz).

14.6

In the event of suspected corruption in connection with or for the purpose of performance of this contract by any representatives of either party, the seller reserves the right to conduct an anti-corruption audit of the other Contracting Party to verify that the other Contracting Party is in compliance with the provisions of this Article, in particular in order to explain all of the issues concerning the corrupt conduct.

## **XV. Other arrangements**

15.1

Mutual relations, which are not expressly governed by the contract and these General Terms and Conditions of Delivery, as amended, shall be governed by the relevant laws of the Czech Republic. It is expressly provided that, in the event of a different interpretation between the contract and these delivery terms, the contract shall have precedence over the provisions of the delivery terms.

15.2

The buyer is not entitled to transfer any rights and obligations in respect of the seller to a third party without a prior written consent of the seller.

15.3

These General Terms of Delivery shall come into effect on 1. January 2020.