

## **GENERAL TERMS AND CONDITIONS FOR PURCHASE of Philip Morris ČR a.s.**

### **1. Definitions**

Philip Morris ČR a.s., with registered office in Kutná Hora, Vítězná 1, Postal Code 284 03, ID (IČO) 148 03 534, registered in the Commercial Register administrated by the Municipal Court in Prague, volume B, entry 627, will be referred to herein as "Purchaser". The contracting partner for the supply of goods/services will be referred to only as "Supplier".

These General Purchasing Terms and Conditions shall prevail over the supplier's General Business Terms and Conditions. The takeover of goods/service by the Purchaser does not mean the acceptance of supplier's General Business Terms and Conditions unless otherwise agreed by the Contracting parties in writing

### **2. Transport**

- 2.1. The supplier is obligated to select the most effective transport method with respect to cost and time for Purchaser, to avoid any damage to the Purchaser and damage to goods and third party harm is incurred.
- 2.2. Unless otherwise agreed by the Contracting Parties, the supplier is responsible for the risk arising from the transport of the goods. Purchaser is responsible for the cost of manipulation and postage only if this was agreed in writing beforehand.
- 2.3. The Supplier shall hand over to Purchaser together with the delivered goods a delivery note and all other documents necessary for the take-over and use of the goods, including technical documentation, instructions for use and the declaration of conformity. The delivery note shall include: a purchase order number, gross and net weights, the names and addresses of the Supplier's and Purchaser's contact persons, the place of delivery and date of shipment, the line and item number in the catalogue, the unit price of goods, packaging information, specification and volume of goods delivered, whereas in case of partial delivery it shall also bear the amount/volume of goods to be delivered in the future.
- 2.4. The delivery shall be fulfilled upon the goods handover to the Purchaser provided the conditions referred to under clause 7.1 have been met; the goods handover shall take place by virtue of a written validation of the takeover on the delivery note. The Purchaser shall acquire proprietary rights to the goods upon its handover and shall assume the risk of damage to goods.
- 2.5. If the delivery is carried out through a carrier, the goods shall be deemed delivered upon its takeover by the Purchaser in the manner referred to in clause 2.4.
- 2.6. Subject to a prior written consent of the Purchaser, the Supplier may engage a subcontractor to provide for the agreed performance. In such a case, these General Purchasing Terms and Conditions shall apply to the subcontractor *mutatis mutandis*.

### **3. Delivery Time**

- 3.1. The delivery time agreed in the contract shall be fixed date. If the Supplier learns that the agreed delivery date cannot be met, the supplier must immediately contact Purchaser in writing or by telephone stating the reasons for the delay and the probable length of the delay. Provided that the delay has been caused by force majeure, the Supplier will be obliged to provide corresponding evidence thereof to the Purchaser.

- 3.2. If the Supplier fails to deliver the goods or service duly and in time agreed or fails to deliver them within additional period agreed upon with the Purchaser, the Purchaser shall be entitled to withdraw from the contract.
- 3.3. In case of delay of the Supplier with the supply of the goods or services the Purchaser shall have the right to invoice a contractual penalty amounting to 0.02% of the total price of goods or services in question for each day of delay, unless the Contracting Parties e agreed otherwise. The Purchaser shall be entitled to unilaterally set off a contractual penalty against any receivable of the Supplier. An agreement with the Purchaser on an additional period for remedy referred to in clause 3.2 shall not impact the supplier's obligation to pay contractual penalty in the amount pursuant to the present clause.

#### **4. Payment terms**

- 4.1. Unless otherwise agreed by the Contracting Parties, the invoice shall be due for payment 60 days from the date of its receipt by the Purchaser the invoice delivery date, whichever comes later. The purchase price of goods/service shall be deemed paid upon the day when funds are debited from the Purchaser's account.
- 4.2. If the Purchaser is in delay with the payment of the price for goods or services, the supplier shall be entitled to invoice default interest amounting to 0.02% of the amount due for each day of delay.
- 4.3. The invoice shall include all the items required by the generally binding legal regulations, particularly tax and accounting regulations, and the number of the purchase order issued by the Purchaser. Should the invoice fail to contain all required details or should the amount on the invoice be incorrect, such an invoice shall be returned to the Supplier for correction. The Supplier acknowledges that in such case the Supplier shall not be entitled to receive default interest pursuant to article 4.2.
- 4.4. The Supplier shall immediately notify the Purchaser in writing of any change to his identification data and its bank account details. If the agreed payment date is not met in result of failure to comply with this obligation, the Supplier shall not be entitled to claim the default interest pursuant to article 4.2.
- 4.5. All supplier's invoices shall be delivered to the address of the Purchaser's invoice processing center:

PMI Service Center Europe Sp. z o.o.

P.O.Box 78

30-969 Krakow 28

Poland

#### **5. Labels & Markings**

Unless otherwise agreed by and between the Contracting Parties, all marks, labels, tags and stickers on the goods must be in the Czech language.

#### **6. Examination and Inspection**

- 6.1. The Supplier shall be obliged to immediately inform the Purchaser upon request of the status and current state of handling of the goods/services delivery.
- 6.2. The Purchaser shall be entitled at any time to inspect the Supplier with respect to his competencies to perform under the contract and progress of the service/goods delivery at

any time and let him inspect any and all documents relating to the performance provided or under provision.

- 6.3. The Supplier undertakes to enable the Purchaser to carry out an environmental due diligence.
- 6.4. If the Supplier uses a subcontractor with the consent of the Purchaser, the Supplier shall be obliged to ensure that the Purchaser's right under Article 6.1 to 6.3 also apply to such subcontractor.

## **7. Quality, Safety and Warranty**

- 7.1. With respect to the wording of the relevant purchase order it is understood that the delivery of goods and/or services take place only in the moment all the conditions specified in the purchase order are met and the delivery will unconditionally involve all protective marking, inclusive of labels required under generally binding legal regulations of the Czech Republic and European Union with respect to areas such as security, health protection, environmental protection and consumer protection.

All components and parts of the goods and/or service that are not individually specified, however these are required for the operation and due functioning or given the nature thereof, they are part of or accessories to the goods, will be included in the total price.

- 7.2. The Supplier shall be responsible for meeting the agreed requirements related to the quality, efficiency, effectiveness, effectiveness, performance/power and other guaranteed features of the goods and/or services. The supplier shall ensure conditions for due and safe operation of the ordered goods/services in accordance with the Czech legal regulations governing safety and acceptance.

Furthermore, the supplier shall ensure that the goods/services, parts thereof and accessories thereof, if any, be free of material or legal defects and shall not infringe third parties' intellectual property rights, otherwise he shall be fully responsible for the damage, which the Purchaser incurs. The Supplier shall ensure that the Purchaser shall dispose of all authorizations arising under the industrial or intellectual property rights, which are necessary for due use of the goods and/or services.

- 7.3. The supplier shall bear all the costs related to defects that may be found in the goods/service, including transportation costs and potential costs of its disposal. In addition thereto, the Purchaser shall be entitled, in his own discretion, to repair such defects at the supplier's cost or require a free-of-charge repair of such goods.
- 7.4. The supplier shall provide warranty of at least 24 months commencing on the delivery date, unless a longer warranty is agreed by the Contracting Parties or stipulated by legal regulations. If the goods, their packaging or attached instructions for use stipulate a recommended consumption period, the warranty period shall not expire before the last day of such recommended consumption period. The applicable legal regulations shall apply to all other issues concerning warranty.
- 7.5. The Supplier warrants that the goods (including packaging and transportation) or services are compliant with generally binding legal regulations (in particular with regulations governing health and safety at workplace, as well as regulations governing fire protection and environmental protection in the Slovak Republic) and that they are safe.
- 7.6. The Supplier has been informed and undertakes to comply with Purchaser's internal standards relating to the personal data protection, occupational health, protection of health and property, fire prevention and environmental protection.

- 7.7. The supplier hereby acknowledges that the Purchaser or his affiliates are exclusive owners or authorized users of trademarks and undertakes not to use labels that are identical or similar to such trademarks on goods or services being identical or similar to those for which the given trademarks are registered, without the Purchaser's consent. Furthermore, the supplier undertakes not to use such labels in relation to the mentioned goods or services, in particular he shall not place them onto products or packaging thereof, shall not offer or launch products with such labels onto the market, and shall not store them for the above purposes or import or export such products, or use such labels as part of company's business name or in correspondence or advertising.
- 7.8. The Supplier declares that its financial and economic circumstances are stable and that there is no risk of liquidation or bankruptcy, under the applicable law or other measures which may have an effect on its fulfillment of a possible contract with the Purchaser.

## **8. Governing Law**

These terms and conditions are governed by the Czech law, with the exception of UN Convention on contracts for the international sale of goods of 11 April 1980 (No.160/1991 Coll.). All disputes arising under this contract, inclusive of disputes concerning contract validity, construction/interpretation or termination thereof shall be brought before a competent court in the Czech Republic having factual and local jurisdiction, to seek resolution.

## **9. Advertising**

The supplier shall not be entitled to make use of any existing business relations with the Purchaser for advertising or other business purposes. In case of breach of this obligation the supplier undertakes to pay to the Purchaser the contractual penalty in the amount pursuant to article 10.

## **10. Confidentiality of Information**

The undertakes that his employees, authorized third persons or other representatives shall not disseminate any information on processes, information or any facts, which are related to the Purchaser's business activity and which they learned during cooperation with the Purchaser or after such cooperation terminated, unless the Purchaser waives this supplier's obligation in writing. If the stated obligation is breached, the supplier shall pay the contractual penalty of 1.000.000 CZK to the Purchaser. The payment of contractual penalty shall not have impact on the Supplier's obligation compensate any and all damage to PM ČR caused by the breach of the duty of confidentiality.

## **11. Ban on Provision of Gifts and Refreshment/Entertainment on behalf of the Purchaser**

The Supplier undertakes not to make any payments or provide nothing of value directly or indirectly or by any means to any representative or employee of public authorities (hereinafter referred to as the "civil servant") and moreover, that he shall not use any other illegal, unethical or inappropriate methods in relation to the delivery of goods/services for the Purchaser. For avoidance of doubts, the supplier furthermore undertakes not to provide gifts or political contributions in monetary or non-monetary form on behalf of PM ČR or any of his affiliates, and shall not provide refreshments/entertainment to any civil servants on behalf of the Purchaser or any of his affiliates.

## **12. Violation of General Purchasing Terms and Conditions**

The Purchaser reserves the right to immediately terminate the cooperation with a Supplier who violates these General Purchasing Terms and Conditions.

**13. Consent to the General Terms and Conditions for Purchase**

The Supplier shall confirm in writing that he agrees with these General Terms and Conditions for Purchase. All provisions of contracts that will be concluded by and between the Supplier and the Purchaser shall prevail over these General Terms and Conditions for Purchase. These General Terms and Conditions for Purchase shall become effective as of February 11, 2019 and shall fully supersede the General Purchase Conditions of Philip Morris ČR a.s. s.r.o. dated January 1, 2014.

The Purchaser reserves the right to amend these General Purchasing Terms and Conditions at anytime.