

GENERAL DELIVERY TERMS

1. BASIC PROVISIONS

- 1.1 These "General delivery conditions for the work of **PHARMIX s.r.o.**" (hereinafter referred to as the "Conditions") are an integral part of the contract for the work concluded between the customer and the company **PHARMIX s.r.o., with its registered office at Na Sádkách 2798 Postal Code 767 01**, registered in the commercial register maintained by the Municipal Court in Brno, section C, insert 36593 (hereinafter referred to as the "contractor") (hereinafter referred to as the "Contract") pursuant to Section 2586 et seq. of Act No. 89/2012 Coll., Civil Code (hereinafter referred to as the Civil Code). In the event of a conflict, the provisions of the Agreement take precedence over the provisions of these Conditions.
- 1.2 Contract means an agreement signed by the contracting parties in the form of a contract for work, an offer issued by the contractor in favor of the customer and confirmed in writing by the customer in its entirety, including all attachments, or an order sent by the customer to the contractor and confirmed in writing by the contractor, including all attachments, unless the customer has no consent to any changes by the contractor in the order confirmation further comments. In the event that the customer in the confirmation of the contractor's offer refers to business conditions that contradict these Terms, or the confirmation of the offer contains an addition or deviation that does not substantially change the terms of the offer, the Agreement is not concluded. The contracting parties thus expressly exclude the application of Section 1740 paragraph 3 and Section 1751 paragraph 2 of the Civil Code.

2. PRICE AND PAYMENT TERMS

- 2.1 The prices stated in the Contract are fixed and are not subject to any increase for any reason, unless expressly stated otherwise in the Contract.
- 2.2 In the event that a price increase is permitted in the Contract, provisions governing the calculation of such a price increase must also be part of the Contract, otherwise the price is considered fixed.



2.3 The customer will make payments to the contractor in accordance with the conditions specified in the Contract and on the basis of the documents submitted by the contractor in accordance with the Contract.

2.4 All payments, including advance payments, are made by the customer only on the basis of invoices (advance slips), which must contain all the requirements given by law.

2.5 The maturity of the advance invoice is 14 days, the maturity of the final invoice is 21 days, from the date of its issue, unless otherwise stated in the Contract. The date of payment of the relevant amount is understood as its crediting to the contractor's account.

2.6 The customer has the right to withhold payment or part of it only for the reasons specified in the Agreement.

3. DATE OF PERFORMANCE OF THE WORK

3.1 In the event that the work cannot be performed on the date specified in the Contract, the contractor is obliged to immediately inform the customer in writing of the reasons for the delay and the nearest alternative date of delivery. At the same time, the contractor is obliged to take all necessary measures leading to the minimization of such delay.

3.2 In the event that the contractor, with the exception of the cases specified in article 3.3. of these Conditions, does not perform the work no later than the deadline specified in the Contract, the customer has the right to:

- a) Apply a contractual penalty for non-compliance with the delivery date.
- b) Withdraw from the Contract if the period of delay is longer than 90 days.

3.3 The contractor is not responsible for delays that are caused by an error or failure to fulfill obligations on the part of the customer or force majeure events that prevent the contractor from fulfilling its contractual obligations. In such a case, the contractor will agree with the



client on an alternative date that respects the justified period during which the contractor could not fulfill its contractual obligations due to the above-mentioned reasons. At the same time, the customer is obliged to reimburse the contractor for all costs incurred as a result of the customer's delay.

4. TRANSFER OF TITLE AND RISK OF DAMAGES

- 4.1 Unless otherwise stated in the Contract, the contractor is obliged to perform the work at the place specified in the Contract.
- 4.2 According to the Contract, ownership of the work is transferred to the customer at the moment of payment of 100% of the contractual price of the work.
- 4.3 If the work is produced from materials or parts supplied by the customer, then the ownership of these materials or parts does not pass from the customer to the contractor at any stage of production and delivery.
- 4.4 The risk of damage to the work is borne by the contractor until the work is handed over to the client and passes to the client at the moment of handing over and taking over the work, unless otherwise stipulated in the Contract.

5. EXECUTION OF THE WORK, DELIVERY AND ACCEPTANCE OF THE WORK

- 5.1 The contractor is obliged to carry out the work with the necessary care in the agreed time and is obliged to procure everything that is needed to carry out the work.
- 5.2 If the nature of the work allows it, the client has the right, with the aim of verifying the fulfillment of contractual obligations, at his own expense, to inspect the work or part of it, after prior written notification to the contractor. The contractor must allow the client or a worker authorized by him access to the premises where the work is being carried out in order to carry out the inspection. Upon request, the contractor will hand over copies of the test reports, or provide other production documents for inspection. The result of each inspection test will be recorded in the protocol (record).



- 5.3 The contractor shall fulfill his obligation to perform the work by completing and handing it over. Completion of the work means the state of the work, when the work is capable of serving its purpose and has the characteristics and parameters according to the Contract.
- 5.4 The contractor invites the client to accept the work min. 3 working days before the end of work on the site.
- 5.5 After the successful execution of the functional test of the work (comprehensive testing, warranty measurement, verification operation, visual inspection or other method specified by the Contract), the customer and the contractor will sign the "Protocol on handover and acceptance of the work". In the protocol on the handover and acceptance of the work, the client is obliged to state whether he is taking over the work without reservations or with reservations and, in the case of reservations, to state with which reservations. The customer is not entitled to refuse acceptance of the work, if the work shows only minor defects which, by themselves or in combination with others, do not prevent the functional use of the work or significantly limit its use.
- 5.6 In the event of a dispute regarding the quality of the work, the customer may request the performance of additional tests and the contractor is obliged to comply with this request. In the event that the test proves that the work corresponds to the Contract, the contractor is entitled to reimbursement of the costs associated with the performance of the tests and to an extension of the delivery date by the time necessary for the performance of these tests.

6. DEFECTIVE PERFORMANCE RIGHTS AND QUALITY WARRANTY

- 6.1 For defects in the work, the contractor provides the customer with a quality guarantee for a period of 12 months from the date of acceptance of the work by the customer, unless otherwise stated in the Contract.
- 6.2 Notification of defects (complaints) must be sent to the contractor in writing without undue delay after their discovery. In the notification of defects, the defect must be described (how the defect manifests itself).



- 6.3 The contractor is obliged to comment on the claimed defect without undue delay from the delivery of the notification of defects. In the statement, he is obliged to indicate whether he acknowledges the complaint or the reasons why he refuses to acknowledge it and, in the event of recognition of the defect, also the way in which the client's rights from defective performance will be satisfied, i.e. whether the contractor will repair the work, perform a replacement work or provide the client with a discount on the price of the work.
- 6.4 In the case of a recognized claim, the contractor is obliged to settle the claim within the shortest possible technically defensible time period from the date of notification of the defect and the customer's exercise of the right from defective performance.
- 6.5 The warranty period does not run for the period during which the customer cannot use the work or the part of the work affected by the defect due to its defect, for which the contractor is responsible.
- 6.6 The contractor is not responsible for defects that are caused by normal wear and tear or incorrect assembly or maintenance that is carried out in violation of the contractor's regulations, or operation that is carried out in violation of the contractor's operating regulations or excessive overloading or other similar influences that are beyond the contractor's control in any way affect
- 6.7 The contractor guarantees that the delivered work is free of ownership rights of third parties.
- 6.8 The contractor guarantees that no industrial rights of third parties, especially no patent rights, will be infringed. The contractor undertakes to protect the client against claims made by patent holders. Any royalties payable for the work will be paid by the contractor.
- 6.9 The contractor is not liable to the client for defects caused by information, documents, drawings, material, products and other services provided by the client for the fulfillment of the Contract.
- 6.10 In the sense of Act 477/2001 Coll. (Act on packaging) § 13 paragraph 1 letter b) the contractor hereby transfers the obligations set forth in § 10 and § 12 of this Act to the client.



6.11 The contractor declares that he has an insurance contract with the Allianz insurance company for liability insurance for damage caused by operational activities and product defects up to the amount of min. 10 million CZK.

7. COMPENSATION OF DAMAGES

7.1 The contractor is responsible for damage caused to the customer by breach of his obligations to the extent specified below. The contractor shall be released from the obligation to compensate if he proves that he was temporarily or permanently prevented from fulfilling his obligations under the Contract by an event of force majeure.

7.2 Liability for damage, including lost profit, caused to the customer by the contractor due to breach of obligations by the contractor, on the basis of which the customer suffered damage, is limited to the amount of the price of the work. At the same time, the customer does not have the right to compensation for damages due to the breach of the contractor's obligation to perform the work without defects (even if the defect occurs during the warranty period) in the event that the contractor satisfies the customer's claims for defective performance.

7.3 The provision of Article 7.2 shall not apply in the case of damage caused to a person on his natural rights, or caused intentionally or due to gross negligence.

8. CONTRACTUAL PENALTIES

8.1 Unless otherwise stated in the Contract, the contracting parties shall agree on a contractual penalty in the event of the contractor's delay in the execution of the work and in the event of non-compliance with the due date of the invoice by the customer.

8.2 If the contractor, for reasons for which he is responsible, fails to meet the deadline for the execution of the work, he is obliged to pay the client a contractual penalty of 0.1% of the price of the work for each completed calendar day of delay. The maximum amount of this contractual penalty is 10% of the price of the work.



8.3 If the customer, for reasons for which he is responsible, fails to meet the due date of the contractor's invoice, he is obliged to pay the contractor a contractual penalty of 0.1% of the invoiced amount for each completed calendar day of delay. The maximum amount of this contractual penalty is 10% of the invoiced amount.

9. FORCE MAJEURE

9.1 The contracting parties are not responsible for the breach of their obligations under the Contract, if such a breach is the result of and in connection with force majeure. For the purposes of that article, force majeure means an extraordinary, unforeseeable and insurmountable obstacle arising independently of the will of the client or contractor, such as government orders, new laws, war, revolution, general strike within the industry, floods, fires, epidemics, etc.

9.2 The party whose performance is threatened by force majeure is obliged to immediately inform the other party, together with the presented evidence of the existence of force majeure and with the communication that the performance is negatively affected, threatened or delayed. If it is not possible to send this message, it will be sent as soon as possible. As soon as the consequences of force majeure have passed, the party whose activity is affected by the force majeure is obliged to inform the other party about the termination of the force majeure. The term of contractual performance will be extended by the period during which force majeure prevented the performance of contractual obligations.

9.3 In the event that one or the other party is prevented from performing by force majeure for a period longer than three (3) months, the contracting parties shall agree on the next procedure. In the event of termination of the Agreement due to force majeure, each party bears its own costs incurred as a result of this fact.

10. DISPUTE RESOLUTION



+ 420 573 500 550 – Secretariat
+ 420 573 500 556 – Sales Department
+ 420 573 500 553 – Economic Department
+ 420 573 500 560 – Technical preparation of production
+ 420 573 500 552 – Production Department

pharmix@pharmix.cz www.pharmix.cz

PHARMIX, sro
Na Sádkách 2798
767 01 Kroměříž

10.1 Any disputes arising from the Agreement will be resolved according to Czech law. The contracting parties undertake to take measures to ensure that all disputes and disagreements that may arise during the performance of the Contract or in connection with it are resolved through friendly and direct informal negotiations. Disputes that cannot be resolved in this way will be decided with finality at the Arbitration Court of the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic in Brno by three arbitrators according to its rules. The decision of this court is binding on both contracting parties.

11.ASSIGNMENT OF CONTRACT, ASSIGNMENT OF RIGHTS AND OBLIGATIONS

11.1 Neither the contractor nor the client is entitled, without the prior written consent of the other contracting party, to assign the Contract, as well as the rights and/or obligations arising from it, to a third party in any way.

12.FINAL PROVISIONS

12.1. Conditions not expressly regulated by the Contract are governed by the General Terms and Conditions and related regulations.

12.2 If one or more provisions of the Agreement prove to be invalid, apparent or unenforceable, the Agreement as a whole remains in force, while only that part of it that is directly related to the reason for invalidity, apparent or unenforceable will be considered invalid or unenforceable. The contractor and the client undertake to replace or supplement this/these provisions with a new contractual arrangement so that the meaning and purpose of the Contract is preserved while respecting the will of the contracting parties.

12.3 For the avoidance of doubt, the contractor and the customer state that they conclude the Agreement as entrepreneurs in the course of their business.



12.4 According to Section 1765 of the Civil Code, the customer assumes the risk of a change in circumstances.

12.5 The contractor and the customer expressly confirm that the terms of the Contract are the result of the negotiations of the contracting parties and that each of them had the opportunity to influence content of the Agreement. Therefore, it is not a contract concluded by adhesion in the sense of OZ, and the customer does not feel that he is a weaker party to the contract.

In Kroměříž on January 1, 2015

Frantisek Hrabal

Executive manager

