



GENERAL TRADING TERMS AND CONDITIONS

of the company **GRASPO CZ, a.s.**

Registered Office: **Pod Šternberkem 324, 763 02 Zlín**

Company Id. No.: **255 860 92**

- Registered in the Companies Register kept by the Regional Court in Brno, Section B, File 3174 (hereinafter only the “Contractor”).

The current wording of the General Trading Terms and Conditions (hereinafter only the “Trading Terms”) is available at: www.graspo.com. All Contractor’s contractual relations as well as deliveries, performances and offers shall be carried out exclusively on the basis hereof. Any deviations from these Trading Terms shall be valid only upon the Contractor’s written consent.

1. INTRODUCTORY PROVISIONS

- **1.1.** In compliance with Section 1752, Subsection 1 of Act No. 89/2012 Coll., the Civil Code, these General Trading Terms and Conditions (hereinafter only the “Trading Terms”) issued by the Contractor shall govern the rights and obligations of the Parties arising from or on the basis of the Contract concluded in compliance with Act 89/2012 Coll., the Civil Code, (hereinafter only the “Contract”) between the Contractor and any other natural person or legal entity (hereinafter only the “Principal”). These Trading Terms apply also to any pre-contractual activities, i.e. to any negotiations on the conclusion of the Contract between the Principal and Contractor. The Principal and Contractor shall be herein also referred to as the “Parties”. The Parties generally conclude a contract for work or a purchase contract. Accordingly these Trading Terms shall apply also to the contractual relations concluded on the basis of a purchase contract.

1.2. Work

On the basis of the contractual relation concluded under Section 3 hereof, the Contractor undertakes to perform the Work at its own expense and risk for the



Principal and the Contractor undertakes to take over the completed Work and pay the price of the Work to the Contractor all subject to the conditions stipulated in the Contract or in the Order Confirmation as per Article 3 hereof. The particular specification of the Work shall be included in the Contract or the Order Confirmation. The subject matter of the Work shall be generally the production of printing products, periodic and non-periodic printed matter and provision of printing services (preparation for print).

1.3. The Principal shall be considered entrepreneur if the Principal is a legal entity and/or if the Principal is a natural person concluding contracts in relation to her/his trading, production or similar activities or in relation to her/his self-employment and/or a person acting in the name or on behalf of an entrepreneur (hereinafter only the “Entrepreneur”).

1.4. If the Principal is an Entrepreneur, the relations not regulated by the Trading Terms shall be governed by the provisions of Act No. 89/2012 Coll., the Civil Code, applying to entrepreneurs.

1.5. The Principal acknowledges that the Contractor is not obliged to enter into contractual relations, in particular with third parties which have formerly violated the Trading Terms, any contract or caused any damage to the Contractor.

1.6. These Trading Terms form an integral part of each Order Confirmation and/or Contract and are drawn up in the Czech language. If the Principal shall have the Trading Terms translated into any other language, the interpretation of the text of the Trading Terms in the Czech language shall prevail in case of any dispute regarding the interpretation of the terms.

2. DEFINITIONS

2.1. “Technical Specification” for the purposes hereof shall mean the information specifying a particular product for the purposes of production, in a standardized format.



2.2. “Technical Specification with Incorrect Data” shall mean such incorrectness of provided information and parameters in the Technical Specification that would, if applied, result in prints and bookbinding works contrary to the Principal’s requirements.

2.3. “Product” shall mean any printing product that is the result of the business activities of the Contractor.

2.4. “Commission“ or “Work” shall mean execution of a specific Product as specified in the Technical Specification included in the Order Confirmation or Contract.

3. PRINCIPAL’S ORDER AND FORMATION OF CONTRACT

3.1. “Inquiry” – Each Principal’s inquiry shall constitute an offer for conclusion of a contract within the meaning of Section 1731 of the Civil Code, in most cases in the form of contract for work. The Order is usually sent (delivered) to the Contractor electronically (by email) to the Contractor’s contact address.

3.2. “PROPOSAL” – On the basis of the Principal’s inquiry, the Contractor shall issue a non-binding Proposal for the Principal.

3.3. “Order” – If the Principal agrees to the Proposal, the Principal shall send a binding Order to the Contractor.

3.4. “The Order Confirmation” – If the Contractor accepts the Order, the Contractor shall issue the Order Confirmation or Contract where the parameters of the given work can be specified in more detail. This Order Confirmation is sent to the Principal for approval.

3.5. “Approval of the Order Confirmation or Contract by the Principal“ - The Principal is obliged to approve the Order Confirmation or Contract without delay. The contents of the Order Confirmation or Contract shall be fully binding for both Parties only as from the approval by both Parties. A simple electronic, fax or written communication from the Principal delivered to the Contractor containing the Order Confirmation (e.g. the Principal’s response by email confirming the approval of the contents of the Order



Confirmation or Contract) will be sufficient for the approval of the Order Confirmation by the Principal, such written communication must include electronic scan (copy) of the Order Confirmation or Contract signed by the Principal. If no time limit for the acceptance of the Order Confirmation by the Contractor is specified, it shall be max. 2 business days from the date of dispatch. The Principal shall send the Approval including the signed Order Confirmation or Contract back to the Contractor's electronic address within the set time limit.

3.6. The Principal's inquiry and the Contractor's non-binding Proposal shall be regarded as pre-contractual negotiations without any legal effects on the Parties.

3.7. The contractual relationship between the Contractor and Principal is created in following cases:

3.7.1. By the delivery of the Principal's approval (acceptance) of the contents of the Order Confirmation including the electronic scan (copy) of the Order Confirmation signed by the Principal;

3.7.2. By the commencement of the de facto implementation of the Work by the Contractor on the basis of the contents of the Principal's Order as per Section 3.3 which was accepted without reservations;

3.7.3. By signing the written Contract by both Parties.

By creating the contractual relationship between the Principal and Contractor as described in this Section of the Trading Terms, the relation of legal obligations between the Parties is established.

3.8. The Order Confirmation or Contract determine the subject matter of the Work and usually include the following data: data on the Principal, data on the Contractor, designation of the Work, Technical Specification of the Work, price agreement on the price of the Work, payment terms, contact persons including the contact data, deadline for handover of Production Materials by the Principal, date for delivery of the Work, dispatch site and others.

3.9. The relation between the abbreviations of standardized paper formats, e.g. A4, B5, and metric values is defined by Czech Technical Standard EN ISO 217 (500041). The abbreviations of binding types in relation to the requirements for binding, e.g.



perfect binding, hardcover, are applied according to Czech Technical Standard ISO 14416 (010142). Any changes and additions to the Work beyond the scope of the Order Confirmation or Contract shall be possible only upon the Contractor's written consent and subject to Section 11, Subsection 2 hereof. Any changes and additions shall be valid only after the moment of receipt of the written confirmation of changes and additions from the Contractor at the email address of the Principal in accordance with the procedure as per 3.2 hereof.

3.10. The Contractor shall not be in delay with the execution of the Work if the Principal does not meet its obligations to the Contractor, in particular if the Principal does not meet its obligations specified in Sections 4, 5, 6, 7, 10, and 11 hereof and obligations specified in the Order Confirmation or Contract. In such case the delivery dates stipulated in the Order Confirmation or Contract shall not be binding upon the Contractor and the Contractor shall be entitled to complete the Work at a date subject to its current production capacities.

4. ORDER CANCELLATION

4.1 If the Principal changes the originally ordered technical parameters previously approved in the Order Confirmation or Contract or if the Principal cancels, in whole or in part, an Order approved in the Order Confirmation or Contract within a period of 8 calendar weeks or longer prior to the commencement of the production of the Work, the Principal shall be obliged to pay to the Contractor a cancellation fee for the cancellation or the change of the Order amounting to 20% of the whole value of the Work specified in the Order Confirmation or Contract and to reimburse the costs reasonably incurred by the Contractor in the implementation of the Work.

4.2. If the Principal changes the technical parameters of the original previously approved Order Confirmation or Contract or if the Principal cancels, in whole or in part, the approved Order Confirmation or Contract within a period of time shorter than 8 calendar weeks prior to the commencement of the production of the Work, the Principal shall be obliged to pay to the Contractor a cancellation fee for cancellation or change of the Order amounting to 40% of the whole value of the Work specified in the Order Confirmation or Contract and to reimburse the costs reasonably incurred by the Contractor in the implementation of the Work.



4.3. If the Principal changes the technical parameters of the original previously approved Order Confirmation or Contract or if the Principal cancels, in whole or in part, the approved Order within a period of time shorter than 1 calendar week prior to the commencement of the production of the Work, the Principal shall be obliged to pay to the Contractor a cancellation fee for cancellation or change of the Order amounting to 80% of the whole value of the Work specified in the Order Confirmation or Contract.

4.4. The Principal shall be obliged to pay the cancellation fee within 14 calendar days on the basis of the delivered invoice issued by the Contractor.

4.5. In case of the Principal's delay in payment of the cancellation fee invoice, the Contractor shall be entitled to charge a contractual penalty amounting to 0.2% for each commenced day of default from the first day of delay until the day of payment. The contractual penalty shall be due and payable within 7 calendar days from the delivery of the relevant written payment notice. By paying the contractual penalty the Contractor's right to damages arising from and relating to the violation of the contractual obligation resulting in the payment of the contractual penalty or the statutory default interest shall not be affected.

5. TESTS AND DESIGNS

5.1. Unless agreed otherwise, the Principal shall be obliged to pay to the Contractor the costs of performed tests and created designs even if the Work is not implemented.

6. PRODUCTION MATERIALS

6.1. "Production Materials" for the Work shall be determined by the Principal and the Principal shall be obliged to hand them over to the Contractor for the purposes of production within the time limit agreed by the Parties in the Order Confirmation or Contract, unless agreed otherwise.

6.2. The quality of the Production Materials handed over to the Contractor must enable the preparation and implementation of the production; otherwise the



Production Materials shall not be accepted by the Contractor for further processing. The Contractor shall be entitled to reject the Production Materials of poor quality.

6.3. The Customer or its authorised supplier of digital print data is responsible for the delivery of documents in accordance with the generally binding printing standards ISO 12647-2, FOGRA 51 and FOGRA 52, which the Contractor has published on the website <https://www.graspo.com/en/manual/books-magazines-brochures> (hereinafter referred to as the "Graphic Production Technology Manual"). In the case of non-compliance with the binding standards in accordance with the Graphic Production Technology Manual, the Contractor shall not be liable for any errors and the resulting extra costs.

6.4. If the Principal hands over the Production Materials to the Contractor after the time limit agreed in the Order Confirmation or Contract or if the Principal hands over the Production Materials to the Contractor in poor quality, it shall not be possible to guarantee to the Principal the production and delivery of the Work in the time limits originally agreed in the Order Confirmation or Contract. The Contractor shall be obliged to inform the Principal of such situation. In such case the Contractor shall be entitled to commence the production according to its production capacities available at that time. The Contractor shall be entitled to resume the performance of the Work only after the Principal shall have delivered the proper and complete Production Materials. If with respect to the Contractor's current production capacities the production time of the Work and therefore also the completion and delivery date are postponed, the Contractor shall inform the Principal of the new delivery date.

6.5. If the Principal hands over to the Contractor the Production Materials later than stipulated in the Order Confirmation or Contract or if the handed-over Production Materials are of poor quality, the Contractor shall be entitled to charge the costs of downtime incurred as a result of such situation (e.g. costs relating to the Contractor's production plan change) to the Principal.

6.6. The Contractor shall not be obliged to check the contents of the Production Materials handed over by the Principal. Additional costs (e.g. replaced pages) shall be charged to the Principal according to the costs. The binding colour standard for



CMYK values for the Contractor is the Contractor's digital certified proofing. The binding standard for PANTONE direct colours or HKS are "CIE Lab" values and the permissible tolerance regarding these values is ΔE (delta E) max. up to 5.

6.7. The Contractor shall not be liable for any formal errors in the Production Documents obtained from the Principal. However if the Contractor finds out any formal errors in the Production Materials and informs the Principal accordingly, the Contractor shall be entitled to suspend the production and resume the production only upon the Principal's explicit written instructions whether to proceed with the production even with the reported formal errors or whether to wait for the correction of the found formal errors by the Principal. The Contractor shall also be entitled, in the situation when the production shall be suspended, to postpone the time limit for delivery of the Work according to its current production capacities. The Contractor shall inform the Principal of the new delivery date. If the production proceeds with the formal

errors found out in the Production Materials and such errors shall affect the quality of the resulting product, it shall not be deemed to be poor quality performance by the Contractor. Further, the Contractor shall be entitled to charge to the Principal the costs of Production Materials changes, if any, and their repeated processing by the Contractor.

6.8. If the Principal hands over to the Contractor the Production Materials, the Principal shall be responsible for ensuring that by the implementation of the Work (by printing or distribution) the Contractor shall not infringe any protected rights of third persons in relation to any copyright, industrial right or other intellectual property rights. If the Principal does not meet this obligation, only the Principal shall be liable to third parties for any damage or any harmful consequences. The Principal shall be also liable for any damage, including loss of profits, and other damages, e.g. damage to its reputation and other harmful consequences caused to the Contractor.

6.9. The Contractor shall not take over any responsibility for any third party's data, data media, models and other materials the return of which shall not be requested by the Principal after the implementation of the Work. The Contractor shall not be



obliged to keep any Principal's printed matter, data and materials for printing, production materials, data media, unless separately agreed with the Principal.

6.10. The instructions for preparation of the Production Materials for CTP processing are available for download by the Principal at www.graspo.com or the Principal can use the support provided via phone or Contractor's contact email.

6.11. The Production Materials shall be regarded as delivered to the Contractor as of the time when the Principal delivers them to the company's registered office in compliance with the Technical Specification and in the scope specified in the Order Confirmation or Contract on one of the following data media: CD-R/RW, ZIP 100/250, DVD-R/RW, USB-Flash disc or upon prior agreement also on other data media. The Principal has also the possibility to deliver the Production Materials to the company also via the ftp-server. If the Contractor's server is used for delivery of Production Materials, it shall be necessary to ask for passwords. In case of use of any other server than the server operated by the Contractor, the Principal must enable the Contractor to download the Production Materials. The Production Materials shall be regarded as delivered as of the time when the Contractor obtains from the Principal the information that the Production Materials are available on the given ftp-server, that the data are available for download and processable for further purposes.

7. PRINT APPROVAL AND PRODUCTION PROCESS

7.1. If the Production Materials correspond to all parameters, do not contain errors and are delivered by the Principal to the Contractor at the times agreed in the Order Confirmation or Contract, the Contractor shall commence the production of the Work at the time agreed in the Order Confirmation or Contract.

7.2. If it was agreed in the Order Confirmation or Contract that the Principal would have the possibility to be present at the production of the Work (approving previews, etc.), the Contractor shall inform the Principal reasonably in advance of the commencement of the given production operation and the Principal shall be obliged to arrive in time at the Contractor's offices. Within the framework of production, the Principal shall sign the inspected partial product. Parameters of the approved partial product shall be binding for further production. If the Principal does not arrive at the



agreed time for the production of the Work, the Contractor shall be entitled to commence the production of the Work without the Principal's presence, unless agreed otherwise. If after the Contractor's notice the Principal does not arrive at the agreed time but arrives with a moderate delay (max. several hours), the Contractor shall be entitled to charge the costs of waiting and downtime of the Contractor's production machine to the Principal. If the Principal does not at all arrive at the production site at the agreed time and does not give its consent to commence the production without its presence, the Contractor shall not be entitled to commence the relevant production operation, and on the basis of this fact the Contractor shall be entitled to suspend the production date, completion of the Work and delivery depending on its current production capacities and to invoice the costs of machine idle time to the Principal. In such case the Contractor shall inform the Principal of the new date of commencement of the production of the Work and the new date of delivery.

7.3. If the Parties explicitly agreed in the Order Confirmation or Contract that the Principal shall give its prior approval of the plotter output or printing sheet preview data, it shall be obliged to do so in writing before a deadline determined by the Contractor. This Principal's approval can be issued by email. If the Principal does not issue its approval before the set deadline, the Contractor shall not be able to guarantee the agreed delivery date to the Principal and shall be entitled to postpone the production and completion dates of the Work depending on its current production capacities.

7.4. If only in the course of production of the Work the Production Materials delivered by the Principal for the production purposes shall prove to be in poor quality or erroneous, the Contractor shall inform the Principal of such situation and the Principal shall be obliged to correct the erroneous Production Material without delay. If the Principal does not make the correction without delay, the Contractor shall not be bound by the agreed date of the delivery of the Work as per the Order Confirmation or Contract and shall be entitled to postpone the date of delivery of the Work depending on its current production capacities. In such case the Contractor shall inform the Principal of the new date of delivery of the Work.



7.5. The Contractor shall not be liable for any undetected errors in the Production Materials which shall show as defectiveness of the product, and the non-detection of the errors shall not be deemed to be the Contractor's failure.

7.6. If the Principal approves in writing the colouring of the Work at the printing machine in the production, the colouring of the Work cannot be contested. In other cases the Principal's digital certified proofing shall be binding for the approval of colouring for the CMYK values. The binding standard for PANTONE direct colours or HKS are "CIE Lab" values and the permissible tolerance regarding these values is ΔE (delta E) max. up to 5.

7.7. If in the course of production of the Work the Principal finds out that the product does not correspond to the Principal's intent but is not in conflict with the Order Confirmation or Contract, the Principal shall be entitled to stop the production of the product at any production stage and demand a change of product parameters or, as the case may be, a new production of the product. In such case the Principal shall pay all associated additional costs and the Contractor shall be entitled to postpone the delivery date of the Work depending on its available production capacities. The Contractor shall inform the Principal of the new delivery date of the Work.

7.8. In case of Works consisting in bookbinding processing of delivered printed-out sheets, the Principal shall be obliged to make spine marks on book sections that shall enable to the Contractor to check the correct order of sheets. If the spine marks shall not be made on the delivered Production Materials, the Contractor shall not be liable for production of defective pieces. Such defective pieces, if the spine marks were not made in the Production Materials, shall be regarded as proper delivery. The Contractor shall not be obliged to inform the Principal of the absence of the spine marks.

7.9. In the case of bookbinding processing, the Principal shall be always obliged to submit a model to demonstrate the order of pages in order to avoid incorrect order of pages by the Contractor. In the case of mutations, each mutation shall require a separate model.



7.10. If the Contractor shall carry out bookbinding processing of sheets and envelopes (covers) delivered by the Principal, the sheets and envelopes (covers) delivered by the Principal must include trimming marks with 3mm cut-off margin. “The cutoff margin” means the excess area intended for prevention of the occurrence of a narrow unprinted strip. If the delivered materials do not meet these requirements, the Contractor shall not be liable for the bookbinding processing defects caused thereby.

8. INCREASED OR REDUCED DELIVERY – TOLERANCE

8.1. The Principal acknowledges that the Contractor shall be entitled to deliver the Work both in increased and reduced quantity. The maximum tolerance which the Principal shall be obliged to accept is +/-5% of the agreed quantity as per the Order Confirmation or Contract. The Principal shall be obliged to take over the increased or reduced quantity and the Work shall be deemed to be properly delivered if the above tolerance shall be observed. The following invoicing shall be based on the actually delivered quantity and agreed price as per the Order Confirmation or Contract.

8.2. If in relation to the number of ordered copies (hereinafter only “the number of copies”) in the Order Confirmation or Contract the Principal explicitly excludes the possibility of application the minus quantity tolerance (i.e. the delivery of lower number of copies than ordered is excluded), the Contractor shall be entitled to deliver to the Principal the number of copies exceeding the ordered number of copies by up to 10%. The Principal shall be obliged to take over this higher number of copies and pay for the complete delivery, including the higher number of copies, in accordance with the actually delivered quantity.

9. PRODUCTION FAILURES

9.1. Failures of the Contractor’s production and operating interruptions on which the implementation of the Work shall depend and which shall be caused by Force Majeure, e.g. war, lack of energy sources, sabotage, strikes and lockouts, natural disasters etc. or shall result from unforeseeable, extraordinary circumstances without any fault on the Contractor’s part, e.g. difficulties of obtaining materials, breakdown of machinery, lack of transport means etc. shall entitle the Contractor not to meet the agreed delivery dates and prices. The prolonged delivery deadlines resulting from the above circumstances shall not entitle the Principal to withdraw from the Contract or to



hold the Contractor responsible for the suffered damage. If the Contractor is prevented from performing the Contract permanently, either Party shall be entitled to terminate the Contract. Any claims for damages shall be excluded. The Contractor shall be obliged to inform the Principal of the occurrence of the above circumstances without delay.

10. DELIVERY OF THE COMPLETED WORK

10.1. If the Parties agree in the Order Confirmation or Contract that the transport of the completed Work to the place of delivery shall be arranged by the Contractor, the delivery rules based on INCOTERMS 2010, DAP, shall apply. The Principal shall be obliged to inform the Contractor in the Order Confirmation or Contract, or at the latest 7 business days before the despatch, of the Dispatch Specification for the delivery of the Work (exact addresses, place of delivery, information about any possible transport complications and restrictions, telephone numbers and names of persons authorised to take over the Work), unless agreed otherwise. If the transport is arranged by the Contractor, the Contractor shall be obliged to conclude a transport contract with the transporter and to pay the costs associated with the transport of the Work. The Contractor shall reinvoice these costs to the Principal. By delivering the Dispatch Specification to the Contractor the Principal shall express its agreement that the transport costs shall be invoiced to the Principal.

10.2. If upon agreement the transport is arranged by the Contractor, the Principal shall be obliged to determine the place of delivery also with regard to the access possibilities of the place of delivery. The Principal shall be obliged to inform the Contractor of any traffic complications with regard to the place of delivery reasonably in advance. If poor transport accessibility does not allow access to the determined place of delivery, than the nearest accessible place determined by the transporter shall be the place of delivery. Ideally, the transporter shall arrive directly to the determined place of delivery; however the unloading shall be carried out by the Principal, unless agreed otherwise. The transporter shall make the loading space accessible for unloading of the Work. At the place of delivery, the Principal shall be obliged to provide to the Contractor all necessary assistance in handing over and taking over the Work. If such necessary assistance is not provided, the Contractor



shall be entitled to charge the costs resulting from the Principal's failure to provide the assistance to the Principal.

10.3. The time of handover and takeover of the Work, unless agreed otherwise and if the transport is arranged by the Contractor, shall be the time of delivery of the Work to the place as per the Dispatch Specification. The handover and takeover of the Work shall be recorded in a delivery note signed by the Parties in two copies, one copy for the Principal, one copy for the Contractor (or its transporter, as the case may be). If the Contractor arranges the transport by a courier service, the Principal shall confirm the delivery and takeover of the Work on the delivery note issued by the courier service.

10.4. If the Principal does not provide the Dispatch Specification to the Contractor and does not inform of the method of unloading of the Work as per sections 10.1. and 10.2. above or if the Principal does not take over the Work at the agreed place of delivery, the Work shall be stored at the Contractor's premises. In such case the Principal shall be obliged to pay to the Contractor the fee for storage of the Work amounting to CZK 10 per each stored pallet per each day of storage from the date of the Principal's failure to meet its obligations. If even after the repeated written notice to take over the Work, the Principal does not take over the Work, the Contractor shall be entitled to sell the Work. In such case the Contractor shall be entitled to include into the proceeds the price of the Work as well the costs associated with the storage and sale of the Work.

10.5. If in the Order Confirmation or the Contract the Parties agree that the transport of the completed Work shall be arranged by the Principal, the delivery rules based on INCOTERMS 2010, EXW, shall apply. In such case the Principal shall be obliged to collect the Work at the Contractor's premises at the agreed time for completion of the Work specified in the Order Confirmation or Contract, unless agreed otherwise. If the Principal does not collect the Work at the agreed time, the Principal shall be in default of takeover of the Work. In such case the Contractor shall not be in default of proper and timely delivery of the Work and the Principal shall be obliged to pay the fee for storage of the Work to the Contractor in the amount of CZK 10 per each stored pallet per each day of storage. If the transport of the Work from the Contractor is arranged by the Principal itself or the Principal arranges the transport through its transporter,



the Contractor shall be responsible for the Work only until the time when the Work is taken over in the Contractor's premises by the Principal or its transporter. By taking over the Work the Principal/the Principal's transporter shall confirm that the taken over Work is in good condition and properly packed. The Contractor shall not be responsible for the method of loading the Work and the method of loading the Work for transport shall be fully in the Principal's competence.

10.6. If the Principal refuses to confirm for the Contractor the takeover of the Work on the delivery note, the Contractor shall be entitled to refuse the handover of the Work, in such case the Principal shall be in default of takeover of the Work.

10.7. If the Principal for reasons attributable to the Principal requires repeated delivery of the Work, the Contractor shall be entitled to charge the additional transport costs incurred by the repeated delivery.

10.8. The Contractor shall be entitled to perform the delivery of the Work partially and the Principal shall be obliged to take over partial delivery from the Contractor.

11. PRICE OF THE WORK AND PAYMENT CONDITIONS

11.1. The Principal undertakes to pay the Contractor for the Work the price that has been agreed upon in the written Order Confirmation or in the Contract, without VAT. Any value added tax assessment is charged to the individual items listed in the Order Confirmation or in the Contract, in one of the ways previously agreed on, or a combination thereof:

11.1.1. By a payment of an advance on the price of the Work on the basis of a requirement for cash or cashless deposit to the Contractor's account;

11.1.2. By a payment of the price of the Work in cash at the Contractor's headquarters;

11.1.3. By a cashless transfer of the price of the Work to the Contractor's account.

11.2. A change in the specification of the Work (amount of impression, change in the scope, format, colour, etc.) as against the valid Contract or the Order Confirmation may be negotiated only if the price of the Work and other related terms and conditions are modified in one of the following forms:



11.2.1. By written confirmation via electronic communication (Confirmation of changes);

11.2.2. By entering into a new Contract or Order Confirmation; or

11.2.3. By concluding a written addendum to the original Contract or Order Confirmation.

11.3. In case of cashless payment, the price of the Work is considered duly paid in due time if the relevant amount corresponding to the charged amount is credited to the Contractor's account shown on the invoice on the due date at the latest.

11.4. The due date of the issued invoice is set for a maximum of 14 days from the date when it was issued, unless agreed otherwise by the Parties hereto.

11.5. The Principal is not entitled to make unilateral setoff with the Contractor without the prior written consent of the Contractor. In the event of such unilateral setoff, the Principal is obliged to pay the Contractor a contractual fine of CZK 10,000 for each individual case. Payment of the fine shall not affect the Contractor's right to claim damages.

11.6. If during the duration of the contractual relationship there is a deterioration in the Principal's financial condition, creditworthiness or credit rating, or if the Principal is in delay with the payment of an invoice due, or if other circumstances are known that call into question the Principal's payment capability or threaten the payment by the Principal, the Contractor is entitled to take the following measures:

11.6.1. To withhold the Work or a part of it unless the invoice for the preceding Work or the advance invoice is paid for the Work currently being performed;

11.6.2. Not to confirm orders received;

11.6.3. Not to perform orders already confirmed;

11.6.4. To discontinue production of the Work;

11.6.5. To require issuance of a promissory note to guarantee the outstanding price of the Work;

11.6.6. To shorten the due date;

11.6.7. To bring forward the payment of the existing receivables;

11.6.8. To withdraw from the contractual relationship.



11.6.9. If insolvency proceedings are commenced with the Principal, the Contractor shall be entitled to make the execution of the Works and the Sale of the Work conditional upon a payment in advance, without any sanctions or claims on the part of the Principal, until it is provided with sufficient security corresponding to 100% of the agreed price of the Work. The Contractor is obliged to inform the Principal of such measure without undue delay.

11.7. The Principal is obliged to pay the price of the Work including any VAT to the Contractor's bank account, together with the variable payment symbol.

11.8. By entering into the Contract or by the Confirmation of the Order, the Principal agrees that the Contractor shall send the tax document in electronic form within the meaning of Section 26, Subsection 3 of Act No. 235/2004 Coll. on Value Added Tax. Invoices produced electronically are considered by the Parties hereto to be fully fledged invoices.

11.9. An increase in determining prices of the material (e.g. paper, printing inks, book binding material, etc.) after the price of the Work is fixed in the Order Confirmation or Contract but prior to the billing itself, entitles the Contractor to take account of the increased costs into the billing of the Work only in the event of an increase of the material price by more than 3% compared to the material prices valid at the time of conclusion of the Order Confirmation or Contract.

11.10. The Contractor stipulates that if, over a period of time after the conclusion of the Contract/Order Confirmation, the Czech crown (CZK) appreciates against other foreign currencies (Euro, Dollar, Pound) by more than 1 CZK compared to the rates published by the Czech National Bank at the date of the Contract/Order Confirmation, the Contractor reserves the right to adjust the price of the Work in view of such appreciation of the CZK exchange rate.

11.11. The Principal shall acquire ownership of the Work only after the full price of the Work will have been paid.



11.12. In the event that the Principal is in arrears with the payment for the performed and invoiced Work, the Contractor is entitled to charge a contractual penalty of 0.2% of the total price of the Work, including VAT, according to the invoice, for each and every day of the delay beginning from the first day of the payment delay until the date of payment of the full amount. The contractual penalty shall be payable within 7 calendar days of receipt of a written request for payment. The payment of the contractual penalty shall be without prejudice to the Contractor's right to compensation for damage incurred in causal connection of a breach of the contractual obligation that results in the payment of the contractual penalty or statutory and default interest.

11.13. If the Contractor and the Principal have agreed a discount on the Work's price, its application is only admissible if the Principal has fulfilled all of his obligations under the contractual relationship and paid the price for Work properly and in a timely manner. Otherwise, the Principal shall lose the right to the discount and shall be obliged to pay the full price of the Work without the discount.

11.14. If the invoice is not paid within the maturity date stated on the tax document, the Principal will be sent a reminder and then recovery of the unpaid amounts shall take place. Default interest, reminder costs, and recovery costs may be invoiced by the Principal. The Principal undertakes to pay these invoices.

11.15. The Principal does not have the right to withhold payment.

11.16. If the Contractor and the Principal agree so, the Contractor may also invoice partial performance. The Principal shall be obliged to pay the partial payment.

11.17. The Principal is obliged to pay the full price of the Work even if the Work has been properly executed and ready for handover, but the Principal failed to take it over for no legal reason (in this case, the original agreed takeover date is considered as the original day of taking over the Work).

11.18. Complaints of the Works by the Principal do not entitle the Principal not to pay the issued invoice by the due date.



11.19. If the Principal fails to pay the advance invoice issued by the Contractor by the due date, the Contractor shall not commence any processing at all. If the Principal fails to pay the advance invoice within the due date according to the invoice, unless otherwise agreed, the Contractor cannot guarantee the agreed delivery dates to the Principal. In such a case, the Contractor shall determine the actual completion date of the Work after the date of payment of the advance invoice, according to its current production capacities.

12. DURATION OF THE CONTRACT

12.1. The Contractor may withdraw from the contractual relationship concluded in accordance with these Trading Terms:

12.1.1. In the event of default by the Principal with the payment of an invoice for the execution of the Work or with an advance payment as against the due date shown on the invoice where the delay is longer than 30 calendar days;

12.1.2. If the Principal fails to provide the Contractor with the necessary assistance for the proper execution of the Work, although it had been notified by the Contractor twice in writing via email.

12.2. Withdrawal from the contract must be in writing and must be delivered to the address of the Principal.

12.3. Withdrawal from the contract does not invalidate the Contractor's entitlement to payment of the contractual penalty.

12.4. In the event of withdrawal from or termination of the Contract prior to the fulfilment of the obligation, the Contractor shall be entitled to reimbursement of the actual costs incurred in carrying out the contractual obligation until the withdrawal from the Contract.

13. RIGHTS FROM DEFECTS

13.1. The Contractor shall not be liable for any defects or damage caused by the use of the Production Materials supplied by the Principal (such as digital preview, digital impression, paper, colour, or other components for the production of the Work).



13.2. In the printing industry, a variation in the quality of the work – the colour of the printing and the subsequent processing is usual, and this is therefore allowed in the work performance by the Contractor in the tolerance given by the standards.

13.3. For offset printing procedures – colour setting, the international standard ISO 12647-2 and the current Fogra references shall apply. The requirements for binding materials and procedures for book production are specified in CSN ISO 11800.

13.4. Any complaint concerning obvious defects is only admissible upon receipt of the Work and must be marked on the delivery note or on the carrier's acknowledgment of receipt of the shipment as a reservation. In the case of a hidden defect, the complaint is admissible only if the defect has been notified to the Contractor without undue delay after the Principal was able to ascertain it with sufficient diligence, but no later than six months after the handover of the Work. If the Principal fails to point out the defect in a timely manner, its claim shall terminate.

13.5. Defects of a part of the Work cannot lead to the complaint of the entire Work.

13.6. In the exercise of the liability for defects, the Principal is obliged to deliver the defective products to the Contractor for inspection (at least 2% of the products from the total delivered Work containing the same defect claimed), further to specify the defects in writing, specify their scope and its request of the complaint against the Contractor. The Principal is obliged to send this written specification of the scope of the complaint to the Contractor via e-mail to the e-mail of the contact person who executed the given order for the Contractor. The moment of the proper application of the complaint shall be deemed to be the moment when the Contractor is notified of the complaint and the samples of defective products are delivered to it under this paragraph. The sample of defective products must be properly packaged and delivered intact.

13.7. It is only from the date of the proper application of the complaint, i.e. from the receipt of the complaint notification, including the delivery of a sample of defective products, that the Contractor is obliged to decide whether or not to acknowledge the



claim within 5 business days. The Contractor shall notify the Principal of its decision either by e-mail or by registered mail.

13.8. The Contractor is authorized to resolve the acknowledged complaint either by granting a discount on the price of the Work, by subsequent repair of the Work or by providing a replacement. The choice of the way the complaint is settled is up to the Contractor. In the event that the Contractor decides to grant a discount on the price of the Work, the Contractor shall inform the Principal about this method of settlement of the complaint no later than 30 calendar days after its acknowledgment. In the event that the Contractor decides to settle the complaint by repairing the Work or by providing a replacement, the Contractor shall handle such claim in no more than 90 calendar days from the acknowledgment of the complaint.

13.9. Defects that may occur on the Works may be specified as follows:

13.9.1. QUANTITATIVE DEFECTS

13.9.1.1. Delivery of a Work is considered to be a quantitative defect when the delivered quantity of products does not correspond to the quantity stated in the Order Confirmation or in the Contract, even after considering the permitted tolerance according to Article 8 of these Trading Terms and. Quantitative deficiencies are therefore considered to be underrun Works exceeding the permitted tolerance.

13.9.1.2. In order to determine whether the delivered Work shows quantitative defects, the Principal is obliged to perform the inspection of the Work immediately upon its acceptance. The Principal is obliged to write its reservation about the quantitative defects directly on the delivery note.

13.9.2. QUALITATIVE DEFECTS

13.9.2.1. For the determination of qualitative defects, it is critical that the performed Work is of quality and characteristics in accordance with the standards and indicators set forth in these Trading Terms.

14. LIABILITY FOR DAMAGE, RESERVATION OF TITLE

14.1. Until full payment of the agreed price for the Work, the delivered Work shall remain the property of the Contractor. Receivables from the resale of the Work to which the reservation of the Contractor's property apply are payable to secure its claim as ceded.



14.2. The risk of damage to the Work (i.e. the risk of loss and damage to the Work, but also the obligation to bear the cost of the Work) passes to the Principal upon the moment of delivery of the goods to the Principal's transporter or to another party appointed by the Principal if the transport is provided directly by the Principal. In the case of the transport provided by the Contractor, the risk of damage to the Work passes to the Principal only after the Work is transported to the point of delivery on the basis of the acknowledgment of the delivery note or freight document of the transporting service.

14.3. The risk of damage to the Work and the risk of possible additional costs shall pass to the Principal even prior to the actual delivery of the Work if the Principal does not take over the Work within the time limit agreed upon by the Parties. In such event, the risk of damage to the Work shall occur by the expiry of the agreed delivery date.

14.4. The Principal shall not be entitled to damages if the Contractor's failure to fulfil its obligations is caused by the Principal's actions or by a lack of co-operation to which the Principal is obliged.

14.5. The Principal's right to claim damages under Section 2894 of Act No. 89/2012 Coll., the Civil Code, are excluded if the damage has not been caused by the fault of the Contractor. In the event of damage to the Principal arising out of the fault of the Contractor, the Contractor shall be liable for any damage only up to the price of the Work without VAT. The Principal's claim for compensation for non-material damage is totally excluded.

15. FORCE MAJEURE

15.1. External events that could not be prevented or predicted, such as war, strike, lockout, explosion, total or partial destruction of the factory or production line of the Contractor or its suppliers, change of customs regulations, insurrection, natural disasters, disruption of operation and transport, as well as government interference shall relieve the Party concerned, within its scope and during its term, from performance of its obligations under these Trading Terms. In such case, the Contractor and the Principal shall immediately inform each other to what extent the loss of performance can be made up for, and the deadlines for fulfilling the obligations shall be extended for the duration of the force majeure.



16. OTHER RIGHTS AND OBLIGATIONS OF PARTIES

16.1. The Principal hereby takes on the risk of change of circumstances within the meaning of Section 1765, Subsection 2 of Act No. 89/2012 Coll., the Civil Code.

17. PROTECTION OF PERSONAL DATA

17.1. The information on protection of personal data in relation to Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and the free movement of such data, and repealing Directive 95/46/EC (“GDPR”) and introduction of measures to ensure consistency of the Contractor’s procedures with the GDPR and relevant legislation governing the protection of personal data are available for the Principal at www.graspo.com.

18. NOTICES

18.1. Notices concerning the relations between the Parties must be delivered by one of the following methods:

18.1.1. By means of a post service operator in the form of a registered letter;

18.1.2. By means of electronic mail to the electronic addresses designated for the communication between the Parties.

18.2. Any notice the takeover of which shall be rejected or which shall not be collected during the deposit time shall be deemed to have been delivered.

19. CLOSING PROVISIONS

19.1. The Principal and the Contractor shall first attempt to resolve any and all disputes between the Parties arising from the Contract or Order Confirmation concluded in accordance with these Trading Terms amicably.

19.2. Contracts or Order Confirmations concluded in accordance with these Trading Terms or Contracts or Order Confirmations referring to these Trading Terms shall be governed exclusively by the legislation of the Czech Republic. Other matters which are not regulated hereby shall be governed by Act No. 89/2012 Coll., the Civil Code, Act No. 634/1992 Coll., on Consumer Protection, and other legal regulations as amended.



19.3. Disputes between the Contractor and the Principal arising from or in relation to these Trading Terms, individual Contracts or Order Confirmations shall be decided by the court with subject matter jurisdiction; the Contractor and the Principal have agreed on the exclusive jurisdiction of the District Court in Zlín as the court of first instance.

19.4. The Contractor shall be obliged to make the Principal fully acquainted with these Trading Terms. The current wording of the Trading Terms is available on the Contractor's website: www.graspo.com. By concluding the contractual relationship with the Contractor the Principal acknowledges that it is fully acquainted with these Trading Terms and expresses its unreserved and unconditional agreement that the legal obligations between the Parties shall be governed by the conditions and terms of the Contract or Order Confirmation and these Trading Terms and the Principal undertakes to comply with them.

19.5. The Parties undertake that within the framework of their business relationship they shall maintain the confidentiality. The exercise of justified claim through the court shall not be regarded as the breach of confidentiality.

19.6. Compliance with obligations in accordance with Act No. 634/1992 Coll., on Consumer Protection, shall be supervised by the Czech Trade Inspection (www.coi.cz). Methods and terms of lodging complaints with the Czech Trade Inspection as the supervisory authority are available on the website: www.coi.cz. In case of a consumer dispute between the Contractor and the Principal, where the Principal shall be in the position of consumer, which shall not be resolved by mutual agreement, the consumer can lodge a motion for out-of-court dispute settlement with the Czech Trade Inspection.

19.7. If the relationship established by the Contract or Order Confirmation concluded under these Trading Terms shall contain an international (foreign) element, the Parties agree that their relationship shall be governed by the Czech law.

19.8. In the case of business relationship with a foreign party, the Czech language version hereof shall prevail.



19.9. In case of the Principal's default in payment, the Contractor shall be entitled to charge the costs of the enforcement of the owed amount including the costs incurred for activities of third parties, e.g. collection agencies or law firms.

19.10. The Contractor reserves the right to make changes of these Trading Terms. Changes of these Trading Terms do not affect any legal obligations that originated during the validity of the preceding version hereof. The current version of the Trading Terms is available on the Contractor's website.

19.11. Any amendments and changes of the concluded Contract or the Order Confirmation must be made by agreement of the Parties in the form in which the Contract or the Order Confirmation were concluded.

19.12. If any provision hereof is or becomes invalid or ineffective, such invalid or ineffective provision shall be replaced by a provision the meaning of which shall be as close as possible to the invalid or ineffective provision. The invalidity of ineffectiveness of a provision hereof does not affect the validity of remaining provisions.

19.13. Contractor's contact data: delivery address:

Graspo CZ, a.s., Pod Šternberkem 324, 763 02 Zlín,

email address: sales@graspo.com, phone: +420 577 606 268.

These Trading Terms shall be valid and effective as of: 1.6.2018