



GENERAL PURCHASE TERMS AND CONDITIONS
OF GOODS AND/ OR SERVICES
("General Terms")

1 SCOPE, DEFINITIONS & INTERPRETATION

- 1.1 This document comprises the terms and conditions under which the Supplier shall deliver the Product to SHP.
- 1.2 The definitions and rules of interpretation in this paragraph apply to the General Terms, the Agreement and any related Purchase Order.
"SHP" means SHP Group entity as identified in the Agreement.
"Supplier" means the entity that enters into the Agreement with SHP for the delivery of the Product.
"Party" means each of SHP and the Supplier and includes their successors in title, permitted assignees and permitted transferees.
"Agreement" means the contract document, incorporating these General Purchase Terms and Conditions of Goods and/or Service, signed by SHP and the Supplier, all as amended by the Parties from time to time.
"Purchase Order" means the purchase order(s) placed by SHP on the Supplier pursuant to the Agreement in respect of the Product.
"Product" means the Goods, Services, spare parts and any documentation to be provided by the Supplier to SHP under the Agreement and/or a Purchase Order.
"Good" means the goods to be delivered by the Supplier as specified in the Agreement and/or Purchase Order.
"Services" means services to be provided by the Supplier as set out in the Agreement and/or Purchase Order.
"Delivery Date or Delivery Period" means the date/period when any of the Product is to be delivered as set out in the Agreement and/or the Purchase Order(s).
- 1.3 Headings of clauses, paragraphs etc. are for convenience only and shall not affect the interpretation of the General Terms or of the Agreement.
- 1.4 Words in singular shall include the plural and vice versa.
- 1.5 A reference to "writing" or "written" includes e-mails.

2 PURCHASE ORDER

- 2.1 SHP orders the Product by submitting Purchase Order(s) by mail or e-mail and the Supplier agrees to accept all Purchase Order(s) and to deliver the Product on the conditions specified in the Agreement. The Purchase Order is deemed accepted upon receipt by the Supplier. The Purchase Order shall be considered to have been received:
 - i) if sent by mail, 5 days after it has been sent from SHP;
 - ii) if sent by e-mail, immediately, unless the e-mail was undelivered due to reasons not attributable to the Supplier.
- 2.2 For convenience, the Supplier shall send an order acknowledgement to SHP within 5 days after receipt of the Purchase Order(s).
- 2.3 The Purchase Order shall be subject to all provisions of the Agreement and General Terms, whether or not the Agreement and/or General Terms are explicitly referred to in the Purchase Order.
- 2.4 It is expressly agreed that any other terms and conditions of business contained in any acknowledgements, standard forms or other similar documents issued by the Supplier to SHP in respect of the Product or implied by trade custom, practice or course of dealing shall not apply.

3 GENERAL DUTIES OF SUPPLIER

- 3.1 The Supplier shall (i) supply the Product to SHP in accordance with the Agreement, (ii) transfer full title of the Product to SHP, (iii) act in compliance with all applicable laws and regulations in place and with common ethical, environmental and social standards, as e.g. the Code of Ethics of SHP (available under: <https://www.tvojeharmony.sk/wp-content/uploads/2022/01/etic-codex.pdf>), which the Supplier confirms to have read and understood before entering in the Agreement.
- 3.2 Further, the Supplier shall (i) advise SHP, before receipt, of any Products which are intrinsically hazardous to life or harmful to the environment by providing in writing, all relevant health, safety and environmental data in English and local language so that appropriate precautionary arrangements can be made and ensuring that SHP is provided with all updates of such data; (ii) ensure that

waste and surplus materials and the like arising from the Products, where the material provided by SHP was used, are not deposited on any area other than a public or private disposal facility controlled or recognized by the relevant local authority (and, where applicable, credit SHP with any relevant income arising from the surplus materials); (iii) notify SHP as soon as it becomes aware of any health and safety hazards or issues which arise in relation to any Product; (iv) notify SHP of any restrictions that apply in respect of customs legislation preventing the export, re-export or transfer of the Products or, if requested by SHP, confirm in writing that no such restrictions apply.

- 3.3 The Supplier may engage any subcontractor only upon SHP's prior written consent.

4 QUALITY

- 4.1 The Supplier shall provide the Product subject to all reasonably applicable quality standards and to those specifications set out in the Purchase Order and the Agreement.
- 4.2 The Supplier shall comply with legal requirements of all countries through which the Product will be transported relating to the packaging, labelling and carriage of the Product as well as waste management.
- 4.3 Upon SHP providing reasonable notice, the Supplier shall (and ensure that its agents, affiliated companies and sub-contractors shall) at no additional cost to SHP:
 - i) allow SHP and persons authorized by SHP access to the Supplier's premises (and those of its agents and sub-contractors) that are being used to carry out work on the Product in order to inspect and audit the facilities, processes and procedures used in manufacturing and providing the Products and test the Products;
 - ii) provide adequate data to SHP relating to progress of work on the Products and their quality; and
 - iii) provide all necessary assistance to enable the above-referenced rights to be fully exercisable.
- 4.4 At the request of SHP, the Supplier shall provide to SHP, public authority, SHP customer (if this is required under the contract between SHP and such customer) or a third party (such as independent external certified auditors) designated by SHP all necessary information, documents, access to databases or access to its premises required for SHP to comply with all legal requirements or industry standards [whether at national or EU level, including regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010] relating to a traceability of production inputs, compliance with environmental, human rights, ethical, social and corporate governance standards; the Supplier shall pass on the above requirements to its subcontractors.

5 DELIVERY

- 5.1 The Delivery Date or Delivery Period is set out in the Agreement and/or Purchase Order(s).
- 5.2 Unless otherwise agreed, the delivery term in respect of the Goods shall be DDP (INCOTERMS 2020) and the delivery address shall be specified in the Purchase Order. Unless otherwise agreed, the Services shall be performed at the place specified in the Agreement.
- 5.3 Each delivery of Goods shall include a detailed delivery note bearing the Purchase Order number, number of packages and their content, and, for partial shipments, the outstanding balance remaining to be delivered.
- 5.4 Deliveries shall be accepted only during ordinary working hours and unloading shall take place in SHP's presence and at its direction.
- 5.5 The Goods shall be properly labelled and tagged for ease of identification.
- 5.6 SHP shall determine a type of pallets to be used for delivery. The Supplier shall ensure that the packaging protects the deliveries from any damage whatsoever during shipment, handling, and any subsequent storage. Packaging is not



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- returnable unless otherwise agreed. The Supplier shall bear the cost of any loss or damage that results from defective packaging.
- 5.7 The Supplier is not entitled to make partial delivery, unless SHP has given its written approval thereto. The Supplier shall reimburse SHP for all extra costs assumed by SHP due to partial delivery.
- 5.8 SHP may, by giving the Supplier at least 1 month prior written notice, postpone Delivery Dates/Periods up to a maximum of 6 months and the Supplier shall not charge SHP any extra cost due to such postponement. If the notification time is shorter than 1 month and/or SHP wishes to postpone deliveries beyond 6 months the Supplier shall be reasonably compensated for any cost impact.
- 5.9 SHP is entitled to suspend the Purchase Order at any time. In such a case, for reasons other than Supplier's default, SHP shall pay compensation for reasonable costs which the Supplier has incurred due to such a suspension, and which cannot be recouped elsewhere.
- 6 DELAY**
- 6.1 If the Supplier fails to deliver the Product or part thereof properly on time, SHP is entitled to exercise one or more of the following rights or remedies:
- to reject the Product in whole or in part or any subsequent delivery; and/or
 - to recover from the Supplier any cost incurred as a result of obtaining replacement for the Product from another supplier; and/or
 - to terminate the Agreement; and/or
 - to claim contractual penalties; and/or
 - to recover incurred damages.
- 6.2 Should the Supplier discover that Delivery Dates/Period cannot be met the Supplier shall immediately notify SHP in writing stating the cause for the delay and within 5 days thereafter present a revised plan for the deliveries.
- 7 ACCEPTANCE, TITLE AND RISK TRANSFER**
- 7.1 Provided the delivered Product meet the quality requirements, SHP shall accept the Product upon signing take over protocol or similar document attesting takeover of Goods or performance of Services.
- 7.2 If the Product is not accepted, the Supplier shall replace or re-work the Product within 10 days, at the Supplier's expense and risk.
- 7.3 Risk in any Goods shall pass to SHP upon delivery. Title to any Goods shall pass to SHP upon acceptance.
- 8 PRICES AND PAYMENT**
- 8.1 The invoiced Price shall be the Price agreed by the Parties for each delivered part of the Product in the Agreement and/or the Purchase Order. Unless otherwise agreed in the Purchase Order, the Price shall be exclusive of VAT.
- 8.2 No additional charges shall be payable by SHP, such as costs for packaging, insurance, delivery or carriage, export or import charges and taxes.
- 8.3 The Supplier is entitled to issue an invoice in respect of the Product after the Product is delivered and have been accepted by SHP.
- 8.4 Each invoice must be clearly addressed to SHP and sent (separately from any Product) as specified on the Purchase Order, referencing the Purchase Order number with respect to the Product together with the delivery advice note number and date.
- 8.5 The Supplier acknowledges and agrees that the invoices are payable on the 5th and 20th business day of the calendar month ("Payment Day"). Each invoice shall become due on the earliest Payment Day after the expiry of the period of 90 days (unless otherwise provided in Purchase Order or Agreement) commencing on the date of receipt by SHP, provided that the Products have been delivered by the Supplier and accepted by SHP in accordance with sections 5 and 7 respectively.
- 8.6 The Supplier acknowledges and agrees that the invoices shall only be passed for payment by SHP if they comply with the provisions of this clause and legal requirements. Should any invoice contain incomplete information or an incorrect or invalid charge, SHP will be entitled to reject such invoice and return it to the Supplier or ask the Supplier to have it rectified and resubmitted (any such rectified invoice to become due for payment on the earliest Payment Day after the expiry of the period of 90 days commencing on the date of receipt by SHP of the resubmitted invoice) or request the Supplier to issue a credit note to correct the error.
- 8.7 The Supplier's bank account for payment of the Price shall be located in the country where the Supplier has its registered seat.
- 8.8 Upon agreement with SHP, the Supplier may issue electronic invoices instead of paper invoices.
- 8.9 The Supplier reserves the right to charge interest on all valid overdue amounts at the rate of 3% per annum.
- 8.10 SHP reserves the right to withhold any payment in the event of a dispute and/or to set off any payment owed by it to the Supplier under the Purchase Order against any sums that are due and payable by the Supplier to SHP under the Purchase Order and/or any other agreement (without prejudice to any other rights and remedies of SHP).
- 9 WARRANTY**
- 9.1 The Supplier warrants and represents to SHP that the Product: (i) is free from any defects in design, materials and/or workmanship; (ii) fully complies with the Agreement/Purchase Order; (iii) fits for the purpose for which it is intended; (iv) is provided with the exercise of professional care and skill; and (v) is in accordance with generally recognized commercial practices and standards in the industry and in compliance with all applicable laws and regulations.
- 9.2 If any of the Products are found by SHP to be defective within 36 months from the date of the delivery, SHP may:
- return any of the Products and require the immediate refund of any related payments already made and/or
 - require the Supplier at its own cost (including the cost of any disassembly or reassembly) to repair or replace the Product promptly (not later than within 48 hours, unless agreed otherwise between the Parties), and/or
 - accept the Product "as is", subject to receiving a reasonable reduction in the Price.
- 9.3 Replaced Products or parts thereof shall be subject to the new warranty period as set out in paragraph 9.2.
- 9.4 The Supplier agrees that SHP may pass to its customers and/or users all warranties relating to the Products.
- 10 PROVIDED MATERIAL**
- 10.1 Materials supplied by SHP for execution of the Agreement shall remain SHP's property even following machining or processing and shall not, except with the prior written consent of SHP, be used by the Supplier otherwise than for the manufacture of the Goods or performance of Services under the Agreement.
- 10.2 The Supplier shall keep the provided material insured.
- 10.3 Upon reasonable written notice being given to the Supplier, SHP shall have the right to enter the Supplier's premises to inspect and/or recover or take possession of any of its property.
- 10.4 At the request of SHP such property delivered to the Supplier (including waste, scrap or remaining material) shall be returned promptly to SHP.
- 11 SUPPORT AND SPARE PARTS**
- 11.1 Where applicable, the Supplier shall provide, at no additional cost, all documentation and updates to such documentation relating to the Products, present and future instructions relating to the use of the Products including technical data, publications, modifications, and spare parts data ("Documentation"). SHP may provide the Documentation to a third party to enable SHP to fully exercise its rights under the Agreement.
- 11.2 The Supplier shall inform SHP of any matter which may affect SHP's exposure to liability on resale of the Goods.
- 11.3 The Supplier shall maintain the ability to deliver spare parts for the Product throughout the time period that commences on the date of delivery of the given Product and ends 10 years thereafter.



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12 INTELLECTUAL PROPERTY

- 12.1 The Supplier warrants to SHP that neither the sale, use or re-sale of the Products will infringe any intellectual property rights of any kind and rights or interests of a like nature wherever and whenever arising and whether registered or unregistered or any rights to confidential or proprietary information ("**Intellectual Property Rights**" or "**IPR**") of any third-party.
- 12.2 Both Parties retain ownership of their own IPR created by the Party prior to the commencement of the Agreement and/or outside of the works on the Products under the Agreement.
- 12.3 The Supplier agrees that all IPR created as a result of the work undertaken by the Supplier, its agents or sub-contractors for the Agreement ("**Agreement IPR**") shall vest in and be the absolute property of SHP. The Supplier assigns (or shall procure the assignment) to SHP, with full title guarantee and free from all third party rights, all Agreement IPR created as a result of the Agreement at its own cost. The Supplier hereby grants to SHP an irrevocable, perpetual, non-exclusive, world-wide, royalty-free, right to use in respect of all Agreement IPR, including the right to sub-license, modify, integrate, reproduce and adapt the Agreement IPR.

13 INDEMNITY AND LIABILITY

- 13.1 The Supplier shall keep SHP indemnified against all damages suffered by SHP in connection with any claim made against SHP arising out of or in connection with the Products.
- 13.2 In case of actual or alleged infringement of a third party's intellectual property rights the Supplier shall, at its sole cost and expense, and as soon as reasonably possible (i) obtain the right for SHP to continue to use such Products in accordance with the Agreement and without the infringement of any third party intellectual property rights; or (ii) provide alternative non-infringing Products of equivalent or increased functionality and performance, for use in accordance with the Agreement; or (iii) promptly replace such Products by other items without any degradation in functionality or performance, so that its use, in accordance with the Agreement, does not infringe any third party intellectual property rights.
- 13.3 The Supplier shall maintain, at its own cost, adequate insurance policies (including product liability insurance, contractual liability) for an amount not less than one (1) million EURO per event or series of events with reputable insurers authorised to conduct business in the jurisdiction in which the Purchase order or Agreement is performed against all risks usually insured against by contractors carrying on the same or similar business as the Supplier in respect of loss of or damage to property of SHP, SHP Group or death, disease or injury to persons resulting of the performance of the Agreement. SHP shall have full benefit of such policies detailed in this paragraph.
- 13.4 The Supplier shall procure that such insurance is arranged on a continuing basis and evidence of such insurance protection shall be provided to SHP until February 1st of each respective calendar year.

14 CONFIDENTIALITY

- 14.1 The Supplier undertakes to keep any and all confidential information disclosed to the Supplier pursuant, or related, to the Agreement, including without limitation any and all technical, financial, commercial or other information or trade secrets (howsoever recorded, preserved or disclosed) ("**Confidential Information**") confidential and not disclose it to any person or party except as permitted under the Agreement.
- 14.2 Supplier shall only use, or allow to be used, any Confidential Information to the extent reasonably necessary for the purpose of the Agreement and not to use any Confidential Information, or allow it to be used, for any other purpose.
- 14.3 Supplier shall disclose Information only to its employees and its agents and subcontractors which need-to-know such Confidential Information for the purpose of the Agreement provided that the Supplier shall make each such person or party agree to observe terms no less stringent than those contained in this clause and the Supplier shall be responsible for such person or party's compliance.

- 14.4 The Supplier may disclose Confidential Information where required by law, court order or any government or regulatory body provided that the Supplier will, where possible without breaching any legal or regulatory requirements, give SHP advance notice of the disclosure. Supplier may disclose Information only to the limited extent required to comply with the law or court/regulatory body order.
- 14.5 The Supplier undertakes to notify SHP as soon as reasonably practicable if it becomes aware of, or reasonably suspects, any loss or actual compromise of any Confidential Information or the possession, use or knowledge of any Confidential Information by a third party other than in accordance with the terms of this clause.
- 14.6 Upon termination of the Agreement, the Supplier shall (a) return to SHP any Confidential Information (and any copies thereof) disclosed by SHP under the Agreement; (b) take all reasonable steps to permanently delete all electronic copies of Confidential Information from any computer systems and (c) the Supplier shall make no further use of the Confidential Information, save that the Supplier may retain 1 copy of any Confidential Information for legal or regulatory purposes.
- 14.7 The Supplier shall not publicize in any media or public announcement information regarding the terms of the Agreement or the Products.

15 PERSONAL DATA PROTECTION

- 15.1 Other than limited business contact information in respect of Party's employees, which may be used by the other Party solely for Agreement management activities in accordance with all applicable laws and regulations, the Parties shall not process any personal data (having the meaning under the EU General Data Protection Regulation (EU) 2016/679 and any national implementing legislation) ("**Personal Data**") in relation to the Agreement.
- 15.2 If the Parties provide to each other any Personal Data of their employees and sub-contractors in connection with the Agreement (including without limitation, the identities of the relevant individuals, their contact information, and their role and their responsibilities), the Parties acknowledge and agree that they shall advise such individuals of the provision of such Personal Data in advance.

16 COUNTERFEIT SUPPLIES

- 16.1 The Supplier shall ensure that counterfeit supplies are not delivered to SHP.
- 16.2 The Supplier shall as soon as practicable notify SHP if the Supplier becomes aware or suspects that it has acquired counterfeit supplies.
- 16.3 In the event that the delivered Products under the Agreement constitute or include counterfeit supplies, the Supplier shall, at its expense promptly replace such counterfeit supplies with genuine Products conforming to the requirements of the Agreement. Notwithstanding any other provision in the Agreement, the Supplier shall be liable for all costs relating to the removal and replacement of counterfeit supplies.
- 16.4 The Supplier shall not use or provide any third party with any materials, information, packaging or other products which may infringe the intellectual property rights of SHP or its Affiliated Companies.
- 16.5 All packaging material not delivered to SHP and (i) bearing any intellectual property rights of SHP or SHP Affiliated Companies, and/or (ii) designed to SHP's specifications and/or all waste of such packaging materials resulting from the manufacturing process in Supplier's plants must be completely destroyed without undue delay. The Supplier shall keep a proper record and documentation proving that the abovementioned materials were destroyed by the Supplier in accordance with the Agreement at any time during the validity of the Agreement and one year after its termination. Upon prior one-day written notice, SHP and / or its authorized representatives shall have the right to inspect such documentation.

17 TERMINATION

- 17.1 SHP may at any time terminate the Agreement for convenience upon 30 days written notice as of the end of each calendar month; the Supplier may



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- terminate the Agreement upon 60 days written notice as of the end of each quarter of the calendar year.
- 17.2 SHP may terminate the Agreement upon written notice with immediate effect if
- the Supplier is in delay with the delivery of the Product; or
 - the Supplier uses or provides any third party with any materials, information, packaging or other products which may infringe the intellectual property rights of SHP or its Affiliated Companies; or
 - the Supplier repeatedly fails to comply with one or more obligations other than the obligation listed in this paragraph above.
- 17.3 The Supplier may terminate the Agreement upon written notice with immediate effect if SHP is in delay with payment of the invoice and fails to cure such default within 30 days of the Supplier giving written notice.
- 17.4 Any Party may terminate the Agreement with immediate effect if
- a resolution is passed by the shareholders of the other Party or a court order is made for the winding up of the other Party; or
 - a resolution is passed by the shareholders of the other Party or a court orders the commencement of bankruptcy, reorganisation or similar proceedings as a result of the financial difficulties of the other Party; or
 - the public authorities or creditors take possession of a substantial part of the assets of the other Party, or an administrator of a substantial part of the assets is appointed by the public authorities; or
 - a Force Majeure Event (as defined in clause 18) continues for more than 60 days.
- 17.5 SHP's liability in case of termination shall not exceed the total Price of the Products yet to be delivered or produced under the Agreement.
- 17.6 Upon termination the Supplier shall return to SHP within 5 days free of charge any SHP's materials and/ or documents in the custody of the Supplier as well as any documents supporting the Products.
- 17.7 The clauses 9, 12, 13, 14 and 16 shall survive the termination of the Agreement.
- 18 FORCE MAJEURE**
- 18.1 No Party shall be deemed to be in breach of the Agreement by reason of any delay in performing, or any failure to perform, any of its obligations, if the delay or failure results from an event which has arisen independently of the will of the affected Party and prevents it from fulfilling its obligation, if it cannot reasonably be requested from the affected Party to avert or overcome the obstacle or its consequences and, furthermore, if the affected Party could not reasonably foresee the obstacle at the time the signing of the Agreement ("Force Majeure Event").
- 18.2 The affected Party shall (i) give prompt written notice of suspension to the other Party stating the date and extent of such suspension and the cause thereof and produces reasonable evidence of its occurrence (ii) and recommences its full performance of such obligations promptly after the cessation of the Force Majeure Event and notify the other Party thereof and (iii) uses all reasonable endeavours to eliminate or minimize the delay and continues to fulfil its obligations to the extent that they are not affected by the Force Majeure Event.
- 19 CONTRACTUAL PENALTIES**
- 19.1 The Supplier shall be obliged to pay to SHP contractual penalties
- one percent of the Price for the Goods per each commenced day of delay; the liquidated damages shall not exceed twenty (20) percent of the Price of Goods;
 - one percent of the Price for the Services per each delayed agreed unit (e.g. one hour); the liquidated damages shall not exceed twenty (20) percent of the Price of Services;
 - EUR 10.000 per each breach of any obligation under clause 14;
 - EUR 500 000 per each breach of obligation under paragraph 16.4.
- 19.2 SHP is entitled to claim damages exceeding the contractual penalties.
- 20 MISCELLANEOUS**
- 20.1 Neither Party may assign or transfer all or any of its rights and/or obligations under the Agreement without the prior written consent of the other Party with the exception that SHP may do so to another member of SHP Group of companies.
- 20.2 The Agreement may only be amended or modified by an agreement in writing.
- 20.3 Any notice given under the Agreement shall be in writing.
- 20.4 Nothing in the Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the Parties, constitute any Party the agent of the other Party, or authorize any Party to make or enter into any commitments for or on behalf of the other Party.
- 20.5 As of the date stated below, the SHP Group of companies consists of the following entities, whereas the list might be amended by SHP from time to time.
SHP HARMANEC, a.s., Harmanec 976 03, Slovakia
SHP SLAVOŠOVCE, a.s., Slavošovce 298; Slavošovce 049 36, Slovakia
SHP CELEX, a.d., Veljka Mladenovića bb, Banja Luka, The Republic of Srpska, Bosnia and Herzegovina
Paloma d.d., Sladki Vrh 1, SI – 2214 Sladki Vrh, Slovenia
ECOPAP s.r.o., Harmanec 1; Harmanec 976 03, Slovakia
- 21 APPLICABLE LAW AND JURISDICTION**
- 21.1 The Agreement and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with the law of Slovak Republic, excluding the UN Convention on Agreements for the International Sale of Goods.
- 21.2 All disputes arising out of or in connection with the Agreement (including disputes concerning non-contractual claims) shall be resolved in arbitration under the Rules of Procedure of the Arbitration Court of the Slovak Bar Association. The number of arbitrators shall be 1. The language of arbitration shall be the Slovak. The arbitration clause is governed by the laws of the Slovak Republic.

Date: March 2025