

# Terms and Conditions

of Polygrafické centrum, s.r.o.

## Article I. INTRODUCTORY PROVISIONS

1. These terms and conditions (“T&C”) lay down and manage relations between Polygrafické centrum, s.r.o, with registered office at Palisády 33, 811 06 Bratislava, Company ID: 43 801 111, VAT ID: SK2022471814, registered in the Commercial Register at Bratislava I District Court, Section: Sro, File No. 48631/B (“contractor”) and the client for deliveries of printed products, materials, goods and services (“work”)

## Article II. SCOPE OF APPLICATION

1. The T&C are binding for the parties to the agreement and are included in all framework agreements, contracts for work, confirmed orders or binding quotations (“agreements”) unless explicitly agreed otherwise therein by the parties thereto.
2. The client’s submission of an order is an expression of complete consent on the part of the client to the T&C and they form an integral part of the agreement between the contractor and the client at the moment the contractor confirms such an order.
3. Any other conditions raised by the client are only considered if accepted by the contractor in writing.

## Article III. CONCLUSION OF AN AGREEMENT

1. Contractual commitments are based on an order and its subsequent confirmation by the contractor. An agreement may also be concluded in paper form (partial agreement) containing essential or other agreed details by the authorised representatives of both parties.
2. Every order shall be placed in writing or verbally, or in another form, and must, at a minimum, contain a specification of the work, the date and place of delivery, total price excl. VAT specified per the contractor's quotation, payment terms and any other terms of delivery.
3. The contractor shall then confirm the order, which is then considered binding for both parties. The contractor reserves the right to refuse an order from the client without providing a reason.
4. Changes to the specification of the subject matter (size of the printing run, a change in the number of pages, format, colour scheme, etc.) compared to the valid agreement may only be agreed upon assuming that the modified price for the work and other related contractual conditions are agreed upon in a new agreement that replaces the original agreement in full or in the form of a written addendum to the original agreement. The client commits to pay the contractor’s costs to which it is entitled on the basis of the amended agreement.

## Article IV. REFERENCE MATERIALS AND PRINTING

1. The client is obliged to provide the contractor with complete and undamaged reference materials for printing purposes per the contractor’s CONDITIONS FOR REFERENCE MATERIALS accessible at [polygrafcentrum.sk](http://polygrafcentrum.sk) to be delivered at the agreed place and time. Other types of reference materials for printing purposes are subject to advance approval from the contractor.
2. If suitable reference materials for printing purposes are not delivered in a timely manner, the contractor is authorised to define a new deadline for date the work and such a change does not entitle the client to withdraw from the agreement.
3. If copyright correction is necessary to complete the order, the client’s delivery term commences from the date of delivery of the confirmed copyright corrections to the contractor.

4. The contractor has the right to publish additional information on the actual printed materials it produces stating that printing was provided by Polygrafické centrum with the option to use the Polygrafické centrum logo. Such a step, however, may not interfere with the structure of the graphics or cover any other information on the given printed materials. This right of the contractor lapses exclusively if the client does not want such a step to happen and indicates this fact in its binding and irrevocable order or if the contractor and client agree on such a fact in the agreement. The client is obliged to identify the contractor on its printed materials if so required under a specific law or regulation.
5. When the contractor must make client-approved corrections to the reference materials for printing, the actually incurred costs shall be invoiced to the client.
6. The client is fully responsible for any defects, legal defects and deficiencies in the reference materials for printing and any resulting reduction in quality of the work they cause in full.
7. The client is fully responsible for ensuring the provided reference materials are not legally defective or in violation of any copyrights or third party rights. The client alone is liable to any third parties for any damages or other consequences of such actions if the client breaches this obligation. The client is also liable for damages caused to the contractor, including lost profits, material damages, other damage, such as to its reputation, or other damages and harmful consequences of such action.
8. The contractor is not obliged to store master prints, data and/or data media, assembly, printing plates, papers, etc. after the completion of an order, unless the parties agree otherwise in writing.

#### **Article V. EXECUTING AND HANDING OVER THE WORK**

1. The contractor is obliged to deliver the work to the client in a standard level of quality dependent upon the processing technology, material used and the quality of the reference materials for printing. Reductions in quality caused by a reduction in the quality of reference materials for printing is not considered a deficiency in the properly completed work.
2. Given the automated printing of the work, the quantity of actually delivered work may differ from the quantity agreed in the agreement as follows:
  - Offset sheet printing, run of up to 20,000 units,  $\pm 2.5\%$
  - Offset sheet printing, run of 20,000 to 50,000 units,  $\pm 1\%$
  - Offset rotary printing, run of up to 50,000 units,  $\pm 2.5\%$
  - Offset rotary printing, run of more than 50,000 units,  $\pm 1\%$
3. Delivery of the ordered work shall be completed in person with contractor pick-up of the work at the contractor's facility or handover of the work to the client at a location agreed upon by the parties.
4. Ownership of the delivered work transfers to the client upon payment of the purchase price in full and the client is obliged to refrain from any action leading to the alienation, damage, destruction or theft of the work until such time as the purchase price is paid in full. The contractor owns the work for the duration of this period and the work is only furnished to the client. During this period in which the work is furnished, the client may not use the work, use it to pay its liabilities, encumber it with any third party rights or otherwise alienate or dispose of the work to the benefit of a third party, even within its standard business activities. The client accepts this method of acquiring ownership of the work and concurrently declares that it is aware of all legal consequences involved in this definition of ownership.
5. Risks of damage to the work transfer to the client at the moment of its handover or shipment to the client.

6. If the client does not take delivery of the work within 30 days of a written call from the contractor, the contractor is authorised to withdraw from the agreement in the scope of the undelivered work and seek payment of a contractual fine by the client in an amount equal to the agreed price for the undelivered work and the client commits to pay this contractual fine. The contractor is also authorised to dispose of the completed work at its own discretion.
7. The client declares that the person signing the delivery note on behalf of the client, or taking any action related to an agreement on its behalf, is authorised to take such action. If the person who signed the delivery note or took any action related to the agreement on behalf of the client is not authorised to take such action, the client is responsible for all damages incurred by the contractor. For such a purpose, the client shall designate a specific person or persons to accept the work from the contractor or make any changes related to the agreement. The contractor is authorised to maintain a list of persons to complete such actions on behalf of the client. The client is liable for ensuring this list is updated and for any damages if the data in the list is not up-to-date or is incomplete.

**Article VI. PRICE FOR THE WORK AND PAYMENT TERMS**

1. All prices based on confirmed orders or partial agreements, unless stipulated otherwise, are presented in euros exclusive of the applicable rate of VAT.
  2. The price for the work is specified on the basis of costs at the time of the quotation; if costs increase during the completion of the work as a result of changes in the prices for raw materials (i.e. paper, ink, cardboard, stamping foils, etc.) and/or utilities used to create the work or costs to transport the work to the place of delivery and other conditions compared to the conditions at the time the agreement was concluded, the contractor is authorised to unilaterally modify such a price without the client's consent. The same applies if inflation rises. The client is not authorised in such cases to withdraw from the agreement and is obliged to pay the contractor the adequately adjusted price for the work.
  3. The client shall pay its commitments to the contractor on the basis of the agreement within a term of 14 days from the issue date of its invoice or in another term agreed in writing.
  4. If the client is obliged to pay the contractor a deposit towards the price of the work and such deposit is paid with a delay, the contractor is authorised to define a new deadline for completing the work. The client is not authorised to withdraw from the agreement if the delivery term is modified in this manner.
  5. If the client withdraws from the agreement, the client is authorised to seek payment of a contractual fine from the client and the client commits to pay this contractual fine on the basis of the following conditions:
 

• within 7 days of contractor confirmation of the order	5% of the total price of the work
• within 14 days of contractor confirmation of the order	10% of the total price of the work
• subsequent withdrawal	20% of the total price of the work
- or otherwise, if the parties so agree in writing.
6. If the client does not pay its commitments from the agreement in a full and timely manner, the contractor is entitled to a contractual fine of 0.05% of the outstanding amount for every (commenced) day of delay and is authorised to halt execution or shipment of the work and is not liable for any damages suffered by the client as a result.

7. The debtor bears all costs related to collection efforts involving receivables.
8. If the client is in delay with the payment of any of its financial commitments to the contractor by more than 10 days, all its financial commitments become due and the contractor is authorised to halt the delivery of additional work.
9. The client is not authorised to withhold payment of the price for the work due to an existing claim, unilaterally set-off or otherwise unilaterally reduce its payments.

**Article VII. LIABILITY FOR DEFECTS AND CLAIMS**

1. The contractor is liable for ensuring the work is completed per the agreed conditions, valid technical standards for mechanised processing of printing products and generally binding Slovak laws and regulations. The warranty period commences on the handover date of the work and lasts for 6 months.
2. The quality warranty does not cover natural wear and tear, damage attributable to the client or any erroneous, negligent or unprofessional handling and treatment of such materials.
3. The client or its authorised representative is obliged to check the work immediately after its receipt, specifically and when possible, the quantity and quality, the quality of the finish and packaging to ensure they meet the conditions agreed in the agreement; the client shall report any obvious defects in writing and provide the contractor with a sample with a written specification of the specific defect involved without any undue delay, or within 15 days from receipt at the latest.
4. If the client does not check the printed materials upon receipt from the contractor or the carrier or does not order them to be checked within the period before ownership thereof transfers to the client, the client may only apply claims for defects discovered during a later inspection if it is proven that the printed materials had such defects upon transfer of their ownership. The client may file a claim for defects identified at a later time with the contractor in the form of a written claim by the 15th day from the receipt and acceptance of the printed materials at the latest; otherwise, the client's right to make such a claim lapses.
5. The contractor shall resolve all claims within 30 days of the receipt of the written claim with all due professional care to ensure the defects are remedied in the manner of its choosing, specifically by repairing the defective parts of the work or delivering replacements within 30 days from the receipt of the defective sample; the contractor may also issue the client a credit note.
6. The contractor is not liable for defects for which the client was notified of their potential occurrence in advance and if they occurred as a result of the client's insistence in spite of such prior notification. The contractor is likewise not liable for defects caused by the use of defective reference materials from the client if the contractor could not have determined the unsuitability of such reference materials, even through the exercise of professional care.
7. The client is obliged to report hidden defects without any undue delay within the 6-month warranty period.
8. The contractor is liable for defects in the work exclusively in the scope demonstrated by the client.
9. Defects in the implementation of the "non-addressed distribution to mailboxes" complementary service may only be conducted through a joint inspection at the distribution locations 1 to 3 calendar days after the end of distribution. The client is not entitled to make a claim if they do not complete a joint inspection within 3 calendar days after the end of distribution. A delivery success rate of 85% or higher is considered the threshold for quality distribution with no entitlement to make a claim.

If the joint inspection discovers a lower distribution rate, the client is entitled to the following automatic discounts:

- below 85% – the client is provided with a 10% discount from the price agreed for the specified location
  - below 80% – the client is provided with a 30% discount from the price agreed for the specified location
  - below 70% – the client is provided with a 50% discount from the price agreed for the specified location
  - below 60% – this situation is considered failure to deliver on the terms of the agreement and the contractor has no entitlement to remuneration
10. The following conditions apply for the completion of a joint inspection in reference to any claims that are made:
- the inspection is conducted in at least ten locations in the inspected location
  - the inspection ignores inaccessible entrances
  - a minimum of three streets (single-family homes) or three apartment buildings on each street are inspected in every area; a minimum of three spot inspections are conducted in the case of apartment buildings
  - if at least two of the spot inspections are positive, distribution to the street or apartment building is considered acceptable (recorded as ‘yes’ in the official form)
  - if two spot inspections are negative and one is positive, at least three additional spot inspections must be completed, with distribution for the street or apartment building assessed on the basis of all spot inspections
  - if all three spot inspections are negative, distribution to the street or apartment building is considered unacceptable (recorded as ‘no’ in the official form)
  - once distribution is complete, the arithmetic average of all spot inspections (yes – no) is determined

#### **Article VIII. DAMAGE COMPENSATION, CONTRACTUAL FINES AND PENALTIES**

1. If the client refuses or otherwise prevents the contractor from fulfilling its commitments, the client is obliged to compensate the contractor for all incurred damages and lost profits in full.
2. The contractor is not liable to provide compensation for damages if proven that a breach of commitments under the agreement was caused by circumstances precluding liability per Act No. 513/1991 of the Commercial Code, as amended.
3. The client is authorised to charge a contractual fine for delay on the part of the contractor with completion of the work or failing to meet the deadline for delivering a complementary service in the amount of 0.05% of the agreed price for the incomplete work for every day of delay, capped at 5% of the total price for the work, unless the parties agreed on a different contractual fine. The client may waive part or all of this contractual fine.
4. The contractor is authorised to charge a contractual fine for delay on the part of the client with payment of the deposit or the full price for the work based on an invoice within the payment term in the amount of 0.05% of the outstanding amount for every day of delay, unless the parties agree on another contractual fine. The contractor may waive part or all of this contractual fine.
5. If the contractor is late with the delivery of the work by more than 30 days, the client is authorised to withdraw from the agreement due to a material breach thereof by the contractor.
6. In the case of unjustified withdrawal from the agreement on the part of the client just before or during the 1st week after the start of printing or the execution of an

complementary service, the client commits to pay a contractual fine in the amount of 5% of the total price for the work for withdrawal from the agreement; the contractual fine increases to 10% of the total price for the work in the case of withdrawal from the contract in the 2nd week after the start of printing or the execution of an complementary service.

7. The client's failure to pick up a completed order results in the contractor's withdrawal from the agreement and the client's obligation to pay a contractual fine in the amount of 100% of the price of the completed work.

#### **Article IX FORCE MAJEURE**

1. Liability of the parties for partial or complete failure to deliver on terms of the agreement is excluded if caused by circumstances precluding liability pursuant to valid laws and regulations (especially force majeure events).
2. Force majeure is primarily considered the following events: war, open hostilities, other armed conflicts or threat thereof, insurrection, sabotage, fire, terrorist attack or threat thereof, storm, flood, earthquake, natural or other disaster, explosion, government regulations or European Union restrictions, an outage or shut-down not attributable to the contractor, complete or partial destruction of the contractor's or its supplier's facility or production line, supplier deliveries, changes in customs and tax regulations, import and export quotas, outages involving gas, power and other utilities and any other causes that the contractor could not foresee or prevent and that prevented it from fulfilling its commitments.

#### **Article X. CONFIDENTIALITY AND PROTECTION OF DATA**

1. The client commits to refrain from providing or otherwise making any information accessible to a third party concerning matters of a commercial, technical or production nature related to the subject of the agreement, specifically under penalty of the application of objective responsibility for damages, other harm, or unfair competitive practices.
2. Third parties authorised to share in the performance of the agreement shall only be provided with the contractor's trade secrets or confidential information in the scope needed to fulfil their obligations during the performance of the agreement.

#### **Article XI. COMMON AND FINAL PROVISIONS**

1. The T&C are incorporated into every agreement between the client and contractor.
2. Deviations in the provisions of agreements signed by the client and contractor take priority over the provisions herein.
3. Any disputes between Polygrafické centrum, s.r.o. and its client, including disputes as to the validity, interpretation or termination of claims related to the T&C, shall be resolved by the General Court of Arbitration of the Slovak Republic, Dunajská 8, 811 08 Bratislava, Company ID: 37 814 681 ("court of arbitration") with a single arbiter and operating under the internal regulations of the court of arbitration. The parties hereby agree to apply the powers of the court of arbitration to all previous legal matters involving the parties. The court of arbitration defines and nominates the arbiter. The decision of the court of arbitration is final and binding for both parties. The parties express their explicit consent to court options per the provisions of §22a (1) of Act No. 244/2002 Coll. on Arbitration Proceedings.
4. If documents are returned as undeliverable, delivery is considered complete on the third day after such documents were sent.
5. If any provisions hereof are invalid or ineffective, the invalidity or ineffectiveness of said provisions shall not result in the invalidity or ineffectiveness of the remaining provisions hereof or the provisions of a separate agreement. The same applies if it is discovered that any provisions hereof are unenforceable. Any objections shall be

subject to a separate agreement and then approved of in writing. Matters not covered herein or in the agreement are subject to valid Slovak laws and Act No. 513/1991 Coll., the Commercial Code, as amended.

6. The client is not entitled to transfer any entitlements under the agreement or its receivables to any third party, establish a lien thereon or title thereto or otherwise use them for any way as the subject of a legal act without prior written consent. Similarly, the client is not authorized to set-off its receivables against its commitments to the contractor. A violation of this obligation shall be considered a material breach thereof on the part of the client.
7. Regularly repeating printing orders for which no notice period or specific end date is defined are subject to prior notice of termination with a three-month notice period to the end of every calendar quarter.
8. Communication done in writing includes communication by mail, email and fax. If the nature of the matter at hand permits, the parties may fulfil their obligations by sending, notifying, delivering or otherwise responding using electronic means of communication.
9. The client is obliged to thoroughly review the T&C before concluding an agreement or ordering any work. Publication of the T&C at a location accessible to the client when placing an order or receiving the work and their publication on the contractor's website ([www.polygrafcentrum.sk](http://www.polygrafcentrum.sk)) are deemed sufficient for the purposes of reviewing them. The client expresses their full consent to the valid T&C upon conclusion of an agreement or taking receipt of the work.
10. These T&C are valid and enter into force on 1 December 2016 and were approved by the managing director of Polygrafické centrum, s.r.o.