

GENERAL TERMS AND CONDITIONS FOR PURCHASE of Philip Morris Slovakia s.r.o.

1. Definition

The company Philip Morris Slovakia s.r.o., with registered office in Bratislava on Galvaniho 15/A, Company ID (IČO): 31344259, incorporated with the Companies Register of the District Court of Bratislava 1, Section: Sro, Insert No.: 4512/B, shall be hereinafter referred to as the "Purchaser". The contracting partner providing the supply of goods/services shall hereinafter be referred to as the "Supplier".

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

2. Transportation

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

3. Delivery Time

- 3.1 The delivery time agreed in the contract shall be a fixed date. If the supplier learns he cannot fulfil the agreed delivery time, he shall be obliged to immediately contact the Purchaser in writing or via telephone and state the reasons thereof as well as presumable period of delay. Provided that the delay has been caused by circumstances excluding

responsibility, the supplier will be obliged to provide corresponding evidence thereof to the Purchaser.

- 3.2 Provided the supplier fails to deliver the goods or service duly and in time agreed or fails to deliver them within an additional period agreed upon with the Purchaser, the Purchaser shall be entitled to withdraw from the contract.
- 3.3 If the supplier is delayed in goods or service delivery, the Purchaser shall have the right to charge a contractual penalty of 0.02% from the total price of goods or services not delivered per each day of delay, unless the Contracting Parties have agreed in writing on a different procedure. The Purchaser shall be entitled to unilaterally set off a contractual penalty against any receivable of the supplier. An agreement with the Purchaser on an additional period for remedy referred to in clause 3.2 shall not impact the supplier's obligation to pay contractual penalty in the amount pursuant to the present clause.

4. Payment Conditions

- 4.1 Unless otherwise agreed by the Contracting Parties in writing, the invoice shall be due in 60 days from the day of its receipt by the Purchaser. The purchase price of goods/service shall be deemed paid upon the day when funds are debited from the Purchaser's account.
- 4.2 If the Purchaser gets into arrears with payment of the price for goods or services, the supplier shall be entitled to bill late charges of 0.02% from the outstanding amount per each day of default.
- 4.3 The supplier's invoices shall have all requisites of a taxable document, which are required under generally binding legal regulations (in particular tax and accounting regulations), as well as number of purchase order issued by the Purchaser. Should the invoice fail to contain all the required details or should the invoiced amount be incorrect, such an invoice shall be returned to the supplier for correction. The supplier acknowledges that in such a case he shall not be entitled to bill late charges pursuant to clause 4.2.
- 4.4 The supplier shall be obliged to immediately inform the Purchaser in writing on each change to his identification data including the bank account details. If the agreed invoice maturity date is not met in result of failure to comply with this obligation, the supplier shall not be entitled to bill late charges pursuant to clause 4.2.
- 4.5. All supplier's invoices shall be delivered to the address of the Purchaser's invoice processing centre:

PMI Service Center Europe Sp. z o.o.
P.O.Box 80
30-969 Krakow 28
Poland

5. Labels & Marking

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

6. Inspection and Control Check

- 6.1 The supplier shall be obliged to immediately inform the Purchaser upon request on the status and current state of handling of the goods/service delivery.

- 6.2 The Purchaser shall be entitled to inspect the supplier with respect to his competencies to perform under the contract and progress of the goods/service delivery at anytime. The supplier undertakes to allow the Purchaser to visit his business premises at anytime and let him inspect any and all documents relating to the performance provided or under provision.
- 6.3 The supplier undertakes to enable PM Slovakia to carry out “due diligence” environmental inspections.
- 6.4 If the supplier uses a subcontractor with the Purchaser’s consent, the supplier shall be obliged to ensure that the Purchaser’s rights under Article 6 also apply to such subcontractor.

7. Quality, Security and Warranty

- 7.1 Depending on the wording of a particular purchase order it is understood that the delivery of goods and/or services takes place only in the moment when all the conditions agreed in the purchase order are met. The delivery will unconditionally involve all protective marking, inclusive of labels required under generally binding legal regulations of the Slovak Republic and European Union with respect to areas such as security, health protection, environmental protection and consumer protection. All parts and components of goods and/or services, which are not individually specified, however these are required for the operation and due functioning or given the nature thereof, they are part of or accessories to the goods, will be included in the total price.
- 7.2 The supplier shall be responsible for meeting the agreed requirements related to the quality, effectiveness, performance/power and other guaranteed features of the goods and/or services. The supplier shall ensure conditions for due and safe operation of the ordered goods/services in accordance with the Slovak legal regulations governing security. Furthermore, the supplier shall ensure that the goods/services, parts thereof and accessories thereof, if any, be free of material or legal defects and shall not infringe third parties’ intellectual property rights, otherwise he shall be fully responsible for the damage, which the Purchaser incurs. The supplier shall ensure that the Purchaser shall dispose of all authorisations arising under the industrial or intellectual property rights, which are necessary for due use of the goods and/or services.
- 7.3 The supplier shall be responsible for all costs related to defects that may be found in the goods/service, including transportation costs and potential costs of its disposal. In addition thereto, the Purchaser shall be entitled, in his own discretion, to repair such defects at the supplier’s cost or require a free-of-charge repair of such goods.
- 7.4 The supplier shall provide warranty of at least 24 months commencing on the delivery date, unless a longer warranty is agreed by the Contracting Parties or stipulated by legal regulations. If the goods, their packaging or attached instructions for use stipulate a recommended consumption period, the warranty period shall not expire before the last day of such recommended consumption period. The applicable legal regulations shall apply to all other issues concerning warranty.
- 7.5 The supplier shall also warrant that the goods (including packaging and transportation) or services are compliant with generally binding legal regulations (in particular with regulations governing health and safety at workplace, as well as regulations governing fire protection and environmental protection in the Slovak Republic) and that they are safe.
- 7.6 The supplier undertakes to obey the Purchaser’s internal standards relating to personal data protection, occupational health, protection of health and property, fire protection, and environmental protection.

7.7 The supplier hereby acknowledges that the Purchaser or his affiliates are exclusive owners or authorized users of trademarks and undertakes not to use labels that are identical or similar to such trademarks on goods or services being identical or similar to those for which the given trademarks are registered, without the Purchaser's consent. Furthermore, the supplier undertakes not to use such labels in relation to the mentioned goods or services, in particular he shall not place them onto products or packaging thereof, shall not offer or launch products with such labels onto the market, and shall not store them for the above purposes or import or export such products, or use such labels as part of company's business name or in correspondence or advertising.

8. Advertising

The supplier shall not be entitled to make use of existing business relations with the Purchaser for advertising or other trading purposes. If the stated obligation is breached, the supplier shall be obliged to pay the Purchaser the contractual penalty in the amount stipulated in Article 10.

9. Governing Law and Solving of Disputes

These terms and conditions are governed by the Slovak laws. All disputes arising under this contract, inclusive of disputes concerning contract validity, construction/interpretation or termination thereof shall be brought before a competent court in the Slovak Republic having factual and local jurisdiction, to seek resolution.

10. Confidentiality

The supplier undertakes that his employees, authorized third persons or other representatives shall not disseminate any information on processes, information or any facts, which are related to the Purchaser's business activity and which they learned during cooperation with the Purchaser or after such cooperation terminated, unless the Purchaser waives this supplier's obligation in writing. If the stated obligation is breached, the supplier shall be obliged to pay the contractual penalty of 30 000€ to the Purchaser. The payment of contractual penalty shall not have impact on the supplier's obligation to compensate the Purchaser for the damage he incurred by reason of violated confidentiality undertaking.

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

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

12. Violation of General Terms and Conditions for Purchase

The Purchaser reserves the right to immediately terminate the cooperation with a supplier who violates these General Terms and Conditions for Purchase.

13. Consent to the General Terms and Conditions for Purchase

The supplier shall confirm by his signature that he agrees to these General Terms and Conditions for Purchase. All provisions of contracts that will be concluded by and between the supplier and the Purchaser shall prevail over these General Terms and Conditions for Purchase. These General Terms and Conditions for Purchase shall become effective as of 01.08.2015 and shall fully supersede the General Purchase Conditions of Philip Morris Slovakia s.r.o. dated 01.04.2012.

Philip Morris Slovakia s.r.o. reserves the right to amend these General Terms and Conditions for Purchase at anytime.