

# GENERAL TERMS AND CONDITIONS FOR THE PROCUREMENT OF GOODS IN INA GROUP COMPANIES (GTC)

These General Terms and Conditions for the Procurement of Goods in INA Group companies (hereinafter referred to as: GTC) contain the general rules and conditions under which INA Group companies, as Purchasers, buy Goods from Sellers based on individual Contracts / Purchase Orders. These GTC form an integral part of Contracts / Purchase Orders for the procurement of Goods and shall be applied for all matters not covered by individual Contracts / Purchase Orders.

In case of contradiction between the provisions of a Contract / Purchase Order and the provisions of the GTC, the terms and conditions of the Contract / Purchase Order shall prevail.

## 1. DEFINITIONS

**Call Off:** a request for delivery of a specific amount and type of Goods, which is issued solely in case of a Frame Contract and which represents an individual Purchase Order binding both for the Purchaser and the Seller. If a Call Off is issued electronically from the SAP system, it is valid without the Purchaser's signature and without signature/acceptance by the Seller.

**INA Group:** INA - INDUSTRIJA NAFTE, d.d. and companies / legal entities in which INA - INDUSTRIJA NAFTE, d.d., as the parent company, has ownership or management control rights in accordance with the provisions of the Companies Act, i.e. joint venture companies in which INA Group companies have a stake.

**MOL Group:** means MOL Plc. and companies in which MOL Plc., as the parent company, directly or indirectly holds more than 50% of voting rights or in which MOL Plc., directly or indirectly, has majority ownership or a controlling interest based on a contract concluded with other owners.

**Purchaser:** the company / legal entity, member of the INA Group, referred to in the Contract / Purchase Order as the Purchaser of the Goods.

**Seller:** a physical/legal entity that sells Goods to the Purchaser based on a Contract / Purchase Order.

A Seller may be:

- **Domestic Seller:** a physical / legal entity with a registered office, i.e. permanent residence, in the Republic of Croatia;
- **EU Seller:** a physical / legal entity other than a domestic seller, with a registered office, i.e. permanent residence, in a member state of the European Union (hereinafter EU),
- **Foreign Seller:** a physical / legal entity with a registered office, i.e. permanent residence, outside the Republic of Croatia and outside the member states of the EU.

Certain provisions of these GTC or the Contract / Purchase Order may specifically refer to a particular type of Seller, in which case the given provision of the GTC / Contract / Purchase Order shall clearly specify the type of the Seller the said provision applies to. If the provisions of the GTC / Contract / Purchase Order use a general term – "Seller", such rule shall apply to all sellers, regardless of the place of registration of their headquarters or their residence.

**Goods:** things that can be traded (such as materials, equipment, spare parts, tools, generic goods, etc.) and are bought by the Purchaser from the Seller pursuant to a Contract / Purchase Order.

**Contract / Purchase Order:** a contractual relationship concluded in writing between the Purchaser and the Seller, based on which the Seller sells and the Purchaser buys Goods. These General Terms and Conditions form a minimally required integral part of a Contract / Purchase Order, along with other clauses and documents required for realization of the Contract / Purchase Order, which must be specifically stated in the Contract / Purchase Order as its integral part. Frame Contracts are a special type of Contract based on which the Purchaser is not obligated to purchase the pre-determined and contracted amount of Goods, but the purchase is made depending on the Purchaser's actual needs by means of concluding a separate Contract or issuing Call Offs by the Purchaser.

Certain provisions of these GTC may specifically refer to a Frame Contract, in which case the given provision of the GTC shall clearly specify that the given provision specifically applies to such Contracts. If the provisions of the GTC use a general term - Contract / Purchase Order, such rule shall apply to all Contracts / Purchase Orders, including Frame Contracts.

A Contract is binding upon the Purchaser and the Seller solely if it is signed by both parties.

A Purchase Order is issued based on an accepted Seller's bid and obliges the Seller to deliver the Goods, without requiring a signature/confirmation by the Seller. If the Purchase Order is not in line with the accepted bid, the Seller shall, within 3 days of receipt of the Purchase Order, notify the Purchaser about whether it accepts the Purchase Order or not. If the Seller fails to declare its acceptance/rejection of the Purchase Order, it shall be deemed that the Seller has rejected the Purchase Order.

**Parties:** the Seller and the Purchaser jointly.

## **2. PRICE**

The price of the Goods represents the value of the Goods paid by the Purchaser to the Seller and indicated in the Contract / Purchase Order.

The price may be indicated in the Contract / Purchase Order either in the total amount or in unit prices without specifying the total price of the Goods (in case of Frame Contracts where the quantity of the Goods is not known in advance).

The price of the Goods includes all related costs associated with the purchase and delivery of the Goods at the contracted delivery term.

Unit prices / total price of the Goods does not include the calculated amount of VAT. VAT will be calculated and expressed separately on the day of tax obligation arising on the invoices issued by the Seller to the Purchaser.

If Goods that are freed from VAT payment are being delivered, it shall be stated on the invoice that VAT was not calculated and the relevant legal basis for payment exemption shall be stated.

In case of EU Sellers, VAT shall be paid and accounted for under the reverse charge procedure. The invoice shall contain the "reverse charge procedure" phrase which reads: "VAT is paid by the purchaser (under the reverse charge procedure)" in accordance with Directive 2006/112/EC – Chargeable event and chargeability of VAT in the EU.

Unit prices / total price of the Goods specified in the Contract / Purchase Order is fixed/unchangeable.

## **3. INVOICING AND PAYMENT**

Upon the completed delivery of the Goods, the Seller shall issue an invoice to the Purchaser for the delivered and taken over Goods no later than 3 business days from the date of handover and acceptance of the Goods.

Delivery date indicated on the invoice must be identical to the date of handover of the Goods specified in the handover document. In case of Frame Contracts, the Seller shall issue a separate invoice for each Call Off.

The invoice shall be delivered to the Purchaser's address specified in the Contract / Purchase Order / Call Off.

The envelope containing the invoice shall be marked "INVOICE".

In addition to the elements prescribed by the VAT Act, the invoice has to contain the following information:

- Place and date of invoicing and number of the invoice
- Name, address and OIB (VAT ID no.) of the Seller
- Name, address and OIB (VAT ID no.) of the Purchaser

- Delivery date
- Verification of the Seller's authorized person
- Date of debtor-creditor relationship and payment due date
- Number of the Purchase Order / Call Off based on which the invoice was issued
- Name and quantity of the Goods
- Total price
- Delivery term
- Separately expressed VAT; the amount of tax elaborated by tax rates
- Signature, i.e. name and surname of the person authorized for invoicing

In case the invoice is not valid, i.e. it was not issued in accordance with the provisions of this Article, the Purchaser shall return the invoice to the Seller for correction and the Seller is obliged to return the corrected invoice to the Purchaser within 3 business days. In case of an invalid invoice, payment obligation will not arise.

The Purchaser shall pay the amount of the valid invoice within 60 (sixty) days from the date of delivery.

Invoices issued by EU Sellers must meet the requirements defined in Article 219a-240 of Council Directive 2006/112/EC, and must contain a note about the "reverse charge procedure".

**Calculation of payment due date in case of domestic Sellers:**

In case the payment due date falls on a non-business day (non-business days are Saturdays, Sundays and holidays established by legal regulations in the Republic of Croatia), payment obligation will be settled the following banking day.

**Calculation of payment due date in case of foreign Sellers and EU Sellers:**

In case the payment due date falls on a Saturday, payment shall be made on the day preceding the payment due date. In case the payment due date falls on a Sunday or any other bank holiday in Croatia / Seller's country, payment shall be made on the first following banking day in Croatia / Seller's country.

Bank charges arising in Croatia shall be borne by the Purchaser, while all other bank charges (including the charges of the correspondent bank, if any) arising outside of Croatia shall be borne by the Seller. Any payment after due date, as stipulated above, shall be considered late payment.

In case of late payment, the Seller has the right to calculate a default interest at the rate of 1-month EURIBOR+2 p.p. if the payment currency is EUR (1-month LIBOR +2 p.p. is applied when the payment currency is USD). In this context, 1-month EURIBOR / 1-month LIBOR shall mean the 1-month EURIBOR / 1-month LIBOR rate p.a. appearing on the Reuters screen on the first business day of the month of the delay. The default interest shall be calculated on the basis of the number of days actually elapsed and a year of 360 days.

**4. CALL OFF**

In case of Frame Contracts, the Purchaser will issue a separate Call Off to the Seller for each delivery.

A Call Off shall contain the following data:

- Number and date of the Call Off
- Number of the Contract
- Description and quantity of the Goods
- Unit and total price of the Goods
- Delivery term, time and deadline for delivery
- Other necessary data.

After the Purchaser has issued a Call Off, the Call Off becomes irrevocable and final, and the Seller is obliged to deliver, whereas the Purchaser is obliged to take over the Goods ordered under the Call Off. The Purchaser may replace or withdraw the issued Call Off for justified reasons, but only with the written consent of the Seller. The Seller shall not, without justified reason, withhold giving the said written consent.

Call Offs shall be delivered to the Seller in accordance with Article 19 hereof.

## **5. CALCULATION OF OTHER TIME LIMITS**

It is established that all other time limits and deadlines under the Contract / Purchase Order / Call Off shall be calculated by calendar, unless it is expressly regulated in the Contract / Purchase Order / Call Off that the time limits are calculated in business days.

A business day is considered to be every day except Saturdays, Sundays and public holidays defined by legal regulations in the Republic of Croatia.

In case the last day of the time limit calculated by calendar falls on a day which is not considered a business day, the deadline for the performance of obligations shall expire the following business day.

## **6. TIME AND PLACE OF DELIVERY / DELIVERY TERM**

The Seller shall deliver the Goods to the Purchaser within the deadline, at the location and on the delivery term defined in the Contract / Purchase Order, or in accordance with the issued Call Offs.

In case of foreign Sellers or EU Sellers, the delivery term shall be defined based on INCOTERMS 2010 or the latest edition.

## **7. INSPECTION**

In order to determine the quality of the Goods, the Seller shall grant the Purchaser the right to inspect the Goods at its own expense, at the factory of the Goods manufacturer, and the Purchaser shall timely notify the Seller of its intention to inspect the Goods in writing.

For the purpose of inspection, the Seller shall provide the Purchaser's authorized inspector with all the necessary resources to successfully perform the inspection.

The Seller shall provide the necessary certificates and other documents which specify the technical characteristics of the Goods. These documents should be presented to the Purchaser's authorized inspector.

All inspections should be carried out before the Goods leave the manufacturer's plant, and should be performed so as not to interfere with the production process unnecessarily.

In case it is established during the inspection that the Goods do not comply with the Purchaser's technical specifications, the authorized inspector will issue a notice of rejection.

Once the shortcomings are removed, the Goods will be subject to re-examination/test at the expense of the Seller. If it is determined, during the re-inspection/test, that the deficiencies were not removed or if new deficiencies are found, the Purchaser shall have the right to:

- refuse to accept the delivery of such Goods and ask for replacement of the defective Goods with other appropriate Goods,
- demand a price reduction for the Goods,
- terminate the Contract / Purchase Order.

In case the Purchaser decides not to perform the inspection, of which the Purchaser will timely notify the Seller in writing, the Seller is obligated to examine the Goods at the factory of the Goods manufacturer during the production and prior to the dispatch of the Goods.

Inspection carried out by the authorized inspector of the Purchaser, or inspection performed by the Seller shall not relieve the Seller of any of its contractual obligations, including, but not limited to liabilities based on visible and hidden defects or based on guarantees.

The Seller shall provide the Purchaser with a Certificate of quality and quantity and a Certificate of control of the manufactured Goods.

## **8. PACKAGING, SHIPPING AND HANDOVER AND ACCEPTANCE OF THE GOODS**

The Goods shall be delivered in standard packaging and declared in accordance with applicable regulations for the type of the Goods in question.

The Seller is obliged to notify the Purchaser of readiness of the Goods for delivery and specify the description, quantity and value of the Goods, in writing, no later than 5 business days before delivery. In case of Frame Contracts, the Seller shall state the number of the Call Off as well.

During the handover of the Goods, the Seller shall provide a Dispatch Note and all other necessary documents depending on the type of the Goods being delivered.

Apart from its catalogue marks, the Seller is obliged to enter the Purchaser's Goods ID number stated in the List of Goods in the Contract / Purchase Order in all documents accompanying the Goods.

During the handover of the Goods, the authorized person of the Purchaser shall confirm with their signature on the Dispatch Note that the Goods were taken over in the quantity indicated in the Dispatch Note and without any visible external defects/damage. In case of Goods that require measuring or weighing, the handover will be considered successful if the deviation does not exceed the tolerance limit established in the Contract / Purchase Order. If the deviation is not stipulated in the Contract / Purchase Order, commercial practices valid in the place of delivery shall be applied.

If any differences between the quantity of the Goods specified in the Contract / Purchase Order / Call Off and the actually delivered quantity of the Goods are found during the handover, or if any external damages/irregularities of the Goods are observed during the handover, the Purchaser will take over only the actually delivered quantity of the Goods, i.e. only the Goods without visible external damages/irregularities. The Purchaser is not obligated to take over the quantity of the Goods that is bigger than the contracted quantity, i.e. the quantity ordered via a Call Off.

However, such delivery will not be deemed to be orderly and the Seller shall, in addition to its obligation to deliver the entire quantity of the ordered Goods, pay liquidated damages to the Purchaser for the delay or disorderly execution.

All costs of the repeated delivery shall be borne by the Seller.

If the repeated handover turns out to be disorderly again or the delivery is not performed within the deadline to which liquidated damages are applied, the Purchaser will be entitled to terminate the Contract / Purchase Order / Call Off without the obligation to provide any further time limits for delivery.

## **9. PASSING OF RISK AND OWNERSHIP OVER THE GOODS**

Upon handover of the Goods at the contracted delivery term, the right of ownership over the Goods and all associated risks of accidental destruction or damage to the Goods shall be transferred to the Purchaser.

## **10. WARRANTY OF THE QUALITY OF GOODS (GUARANTEE)**

The Seller guarantees the quality of the Goods during the warranty / guarantee period according to the Goods warranty / guarantee card issued by the manufacturer of Goods.

If the manufacturer has not issued the warranty / guarantee card for the Goods, or the card was issued without describing the guarantees belonging to the Purchaser and the manner of their realization, then the Seller warrants under the Contract / Purchase Order that the Goods supplied under the Contract / Purchase Order are new and unused and that they match the Purchaser's requirements specified in the technical specification for the Goods, as well as other properties listed in the manufacturer's / Seller's Certificate of quality.

The Seller guarantees the quality of the Goods during the warranty / guarantee period specified in the Contract / Purchase Order starting from the day of handover of the Goods to the Purchaser. In case of any complaints by the Purchaser, the Seller undertakes to eliminate the defects / failures of the Goods within the warranty period, or deliver new and correct Goods / a part of the Goods, without any additional costs for the Purchaser. The warranty / guarantee period shall be extended for the number of days it took to repair the Goods, while in case of delivery of the new Goods, the warranty period for this part of the Goods shall begin anew.

If the Seller fails to comply with the obligations under the warranty, the Purchaser has the right to eliminate the defect/failure of the Goods itself or via a third party, and if the defect cannot be eliminated, to purchase adequate replacement goods. The cost of repair or purchase of replacement Goods shall be borne by the Seller, provided the Purchaser acts with due care and diligence of a good businessman when using these rights. In any case, the Purchaser reserves the right to terminate the Contract / Purchase Order for the said reason.

Regardless of the manner in which the Seller has issued the warranty of the quality of Goods (in the form of a warranty / guarantee card or in the form of a contractual provision establishing the warranty for the quality of Goods), the Seller's warranty for the quality of Goods shall not exclude the application of contractual provisions referring to the Seller's liability for any defects of the Goods (visible and hidden).

## **11. LIABILITY FOR LATENT DEFECTS OF GOODS**

If any latent defects of the Goods are established after the handover, the Purchaser shall, without delay and no later than 8 days after establishing the defect, notify the Seller of the said defect, in writing, and describe the established defects in the written notice in detail.

The Seller is obliged to inspect the returned Goods and eliminate the specified deficiency, and if the deficiency cannot be eliminated, to deliver a new part / piece of the Goods to the Purchaser. All transportation and insurance costs and other costs related to the complaint shall be borne by the Seller.

The Seller shall be liable for latent defects in the period of 6 (six) months from the date of handover and acceptance of the Goods.

If the Seller fails to act as specified above, i.e. fails to eliminate the defects or replace the defective Goods, the Purchaser has the right to eliminate the defect/failure itself or via a third party, and if the defect cannot be eliminated, to purchase adequate replacement goods.

The cost of repair or purchase of the replacement Goods shall be borne by the Seller, provided the Purchaser acts with due care and diligence of a good businessman when using these rights. In any case, the Purchaser reserves the right to terminate the Contract / Purchase Order for the said reason.

## **12. INTELLECTUAL PROPERTY**

In case of purchasing Goods that are protected by a form of intellectual property rights, the Seller agrees to provide the Purchaser with the level of intellectual property rights necessary for the Purchaser to use the Goods for the purpose for which the Purchaser acquires the Goods. The Seller also accepts that the fee for the use of such intellectual property of the Seller or its subcontractor or the manufacturer of the Goods by the Purchaser is included in the price of the Goods.

If a claim or action against the Purchaser is initiated due to the alleged infringement of intellectual property rights, the Seller shall take all necessary measures (pay the required fees, initiate legal proceedings, etc.), at its own expense, in order to protect and/or indemnify the Purchaser against such claims.

### **13. LIQUIDATED DAMAGES**

If the Seller is late with the delivery or the delivery is disorderly executed within the time stipulated in the Contract / Purchase Order / Call Off, the Seller shall pay liquidated damages to the Purchaser for each day of delay up to complete and orderly fulfilment, in the amount of 0.5% of the Contract / Purchase Order / Call Off value. The maximum amount of liquidated damages the Purchaser has the right to charge from the Seller amounts to 10% of the Contract / Purchase Order / Call Off value.

The time period in which liquidated damages are calculated also represents an additional time period for fulfilment of the Seller's contractual obligation. If the Seller fails to fulfil its contractual obligations even after the maximum amount of liquidated damages has been realized, the Purchaser shall have the right to terminate the Contract / Purchase Order / Call Off without providing any further deadlines for the Seller.

In case of Contracts / Purchase Orders with multiple deliveries of Goods, liquidated damages shall be calculated in the amount of 0.5% of the delivery value, i.e. of the Call Off value in case of Frame Contracts. The maximum amount of liquidated damages per delivery / Call Off amounts to 10% of the delivery / Call Off value. If the Seller fails to make a complete and orderly delivery of the Goods even after the maximum amount of liquidated damages has been reached, the Purchaser is entitled to partially terminate the Contract / Purchase Order for the specified delivery or terminate the Call Off without needing to provide any further deadlines for the Seller. The cumulative amount of liquidated damages in case of multiple deliveries may not exceed 10% of the Contract / Purchase Order value. After reaching the said cumulative amount, the Purchaser has the right to terminate the Contract / Purchase Order, without needing to provide any further subsequent deadlines for delivery to the Seller.

The Seller is familiar with the delivery deadlines and the Purchaser is not required to specifically warn the Seller of the contracted deadlines or the Seller's delay in delivery, nor is it obligated to specifically require delivery of the Goods from the Seller, but it reserves the right to charge liquidated damages.

In case the Goods are not delivered even after the maximum amount of liquidated damages has been reached, the Purchaser is solely required to notify the Seller about whether it shall terminate the Contract / Purchase Order / Call Off or continue with their realization, in which case the Purchaser is obligated to determine a new subsequent deadline for the delivery of the Goods for the Seller. In case the Purchaser fails to notify the Seller thereof, the Contract / Purchase Order / Call Off shall remain in force.

In case of proceeding with the realization of the Contract / Purchase Order / Call Off, liquidated damages shall not apply to the new subsequent deadline for the delivery of the Goods, unless the Parties specifically agree otherwise in writing. The calculated liquidated damages will be charged to the Seller in one of the following ways:

- The Seller shall issue an invoice for the delivered Goods decreased by the amount of the calculated liquidated damages, or
- The Seller shall issue a credit note within 5 days from the date of mutually accepted value of the calculated liquidated damages; if it fails to do so, the Purchaser shall pay the total amount decreased by the amount of the calculated liquidated damages, or
- Based on a filed complaint, the Purchaser will issue an invoice to the Seller for the amount of the liquidated damages which the Seller is obligated to pay within 30 days of receipt of the invoice.

### **14. TERMINATION OF THE CONTRACT / PURCHASE ORDER / CALL OFF**

Each Party has the right to terminate the Contract / Purchase Order / Call Off if the other Party infringes the provisions of the Contract / Purchase Order / Call Off or the provisions of these GTC and fails to eliminate the failures/violations in

a subsequent appropriate time defined by these GTC, or - in case such time is not defined by the GTC - in the subsequent appropriate time defined by the other Party.

The violated Party shall submit the notice of failure to the Party violating the obligations, in writing, in one of the modes of communication defined in the "Official communication" provision hereof, upon which the subsequent period shall start running, except in the case when a new deadline is directly stipulated by these GTC due to a violation of the contractual obligations, in which case it is not required to send a notice on the commencement of the subsequent period. If the Party that has violated the contractual obligations fails to eliminate its failures/violations in the performance of the Contract / Purchase Order / Call Off within the subsequent period, the other Party shall have the right to terminate the Contract / Purchase Order / Call Off and shall inform the Party violating the obligations thereof in the same manner.

In the event of termination of the Contract / Purchase Order / Call Off, the Purchaser reserves the right to purchase replacement goods from another supplier at the expense of the Seller, provided that the Purchaser submits prior notification to the Seller before the purchase and that the Goods correspond to the undelivered Goods in type, quality and quantity, that the purchase is in line with applicable market conditions and that the Purchaser acts with the care of a good businessman. However, in case only a Call Off was terminated, the Seller will be obligated to proceed with the performance of the remaining part of the Contract.

In addition to the afore-mentioned in paragraph 1 of this Article, the Purchaser reserves the right to unilaterally terminate the Contract / Purchase Order and the issued Call Offs with an immediate effect, in case of the following conducts of the Seller which are considered gross violations of the Contract / Purchase Order:

- The Seller violates the obligation of professional secrecy undertaken in these GTC, or
- The Seller's statement or conduct/action causes damage to the Purchaser's business reputation, or
- The Seller repeatedly violates its contractual obligations (late deliveries / disorderly deliveries), or
- The Seller's attitude implies that it will not fulfil its contractual obligation even within the subsequent period of time, or the Seller declares that it will not fulfil the obligation at all,
- The Seller becomes insolvent, or pre-settlement proceedings, bankruptcy or liquidation proceedings are initiated against the Seller, or the Seller is put under special management in accordance with the relevant legislation, or
- The Seller or a person authorized by the Seller gravely violates the provisions of law or the Purchaser's internal regulations related to health, safety and the environment that apply to the area/location of INA Group companies.

## **15. FORCE MAJEURE**

Force majeure implies the case when fulfilment of the contractual obligation by one Party becomes impossible due to any non-regular external events occurring after conclusion of the Contract / acceptance of the Purchase Order and before fulfilment of the contractual obligation, that could not have been foreseen, prevented, avoided or eliminated by the Party.

If fulfilment of the contractual obligation by one Party becomes impossible due to the occurrence of events described above as force majeure, the Party affected by such event is obligated to inform the other Party immediately verbally (by phone) and within 3 business days at the latest from the occurrence/cessation of the event of force majeure in writing, and inform the other Party of the estimated scope and duration of its inability to fulfil the contractual obligation due to force majeure. The Party that fails to act pursuant to the afore-said shall be responsible to the other Party for the damage suffered due to its failure to submit such notice. The Party affected by force majeure shall be obligated to immediately, as soon as possible and at the request of the other Party, submit other relevant proofs which demonstrate the occurrence and duration of the event of force majeure.

If the Seller is made permanently impossible to fulfil its contractual obligations due to the occurrence of force majeure, the Purchaser retains the right to unilaterally terminate the Contract / Purchase Order immediately after receiving the notice of the occurrence of force majeure.



## **16. PERFORMANCE GUARANTEE**

If contracted, the performance guarantee in the form of a bank guarantee shall be regulated in individual Contracts / Purchase Orders.

The basic criteria for acceptance of the performance guarantee are as follows:

The guarantee must be:

- issued by an acceptable bank,
- payable upon first written demand,
- without cavil or argument,
- unconditional and irrevocable,
- valid no less than 30 days longer than the contracted delivery deadline / contract validity date.

## **17. CESSION OF CLAIMS AND ASSIGNMENT OF CONTRACT / PURCHASE ORDER**

The Seller cannot cede its financial claims under the Contract / Purchase Order, either in whole or partially, to a third party without obtaining prior written consent from the Purchaser.

The Parties cannot assign the Contract / Purchase Order to a third party without prior written consent of the other Party.

The written consent referred to in the above paragraphs must be signed by the person(s) authorized to represent the Party providing consent for assignment of the Contract or cession of claims; otherwise, it shall have no legal significance.

## **18. CONFIDENTIALITY**

The Parties hereby agree that the documents and information related to the Contract / Purchase Order and its realization, as well as the documents and information related to the other Party and its business activities, which one Party receives from the other Party at any time and in any mode, will be deemed confidential and as such will not be disclosed or made available to third parties or used for any purposes outside the scope of the Contract / Purchase Order.

The obligation to observe data confidentiality does not apply to the following information:

- publicly known information or information subsequently announced in public – unless the confidential information is announced with the intention or due to a failure of the Party that received the information, or
- information available to the Party that receives the information prior to the date of Contract conclusion, or
- information which the Party receiving the information has received from a third party which is not bound by the obligation of observing information confidentiality, or
- information announced or disclosed pursuant to the law, stock-exchange rules or by order of some other competent body to the extent prescribed by law for such disclosure, or
- information disclosed by the Purchaser/Seller to third parties providing finance-accounting, insurance or other financial services, or information disclosed by the Purchaser/Seller to third parties if the Contract / Purchase Order stipulates provision of a financial guarantee and the information is necessary for the Contract / Purchase Order to be performed or the financial guarantee to be furnished,
- information related to the Contract / Purchase Order and its realization, which is disclosed by the Purchaser to other INA or MOL Group companies.

The Party which illicitly discloses the information that is deemed confidential shall be responsible to the other Party for the damage suffered.

The obligation to observe confidentiality shall remain in force for two (2) years after cessation of validity, i.e. termination of the Contract / Purchase Order.

## **19. OFFICIAL COMMUNICATION**

All official notices exchanged between the Parties in relation to the Contract / Purchase Order may be executed solely in writing, in one of the following modes of communication:

- by registered mail to the address of the registered office of the Party
- by e-mail to the addresses of contact persons of the Parties specified in the Contract / Purchase Order.

By delivering the notice in the aforesaid mode to the other Party, the delivery shall be considered to be duly executed on the date when the notice is sent.

## **20. MODIFICATIONS AND AMENDMENTS TO THE CONTRACT / PURCHASE ORDER**

Modifications and amendments to the Contract / Purchase Order shall gain legal power solely if they are contracted in writing and duly signed by authorized representatives of both Parties.

Any verbal agreements or verbal statements made by representatives of the Parties shall not have any legal significance nor shall they be binding upon any of the Parties.

Any changes made to the Purchaser's or Seller's data recorded in the court registry, particularly the changes referring to the company, seat, founder or the Purchaser's / Seller's bank made during the conclusion and realization of the Contract / Purchase Order, as well as their contact persons specified in the contract, shall not be deemed modifications to the Contract / Purchase Order. The Party to which the above-mentioned change refers shall be required to inform the other Party thereof in writing, within 10 business days after the change in data.

## **21. SETTLEMENT OF DISPUTES AND THE GOVERNING LAW IN CASE OF DOMESTIC SELLERS**

The Parties agree that any disputes arising out of the Contract / Purchase Order will primarily be solved by mutual agreement.

If the Parties fail to solve the arisen disputes by mutual agreement within reasonable time, the settlement of such dispute shall be governed by the competent court in Zagreb. It is established that all matters regarding the validity and interpretation of the Contract / Purchase Order and GTC or a possible litigation regarding their application shall be governed by the Croatian law.

## **22. SETTLEMENT OF DISPUTES AND THE GOVERNING LAW IN CASE OF EU SELLERS AND FOREIGN SELLERS**

These GTC and the Contracts / Purchase Orders and any dispute arising therefrom shall be governed by and construed in accordance with the substantive law of Croatia excluding any conflict of laws principle that would refer to the law of another jurisdiction. The United Nations Conventions of the International Sale of Goods (Vienna 1980) with respect to the supply of Products shall not apply.

The Parties shall endeavour to settle any disagreements or disputes arising out of or in connection with these GTC and the Contract / Purchase Order in an amicable manner through negotiations. Where no such settlement is reached within 30 (thirty) days, either Party may, by giving a written notice to the other Party, refer the matter to arbitration as stipulated hereinafter.

Any dispute arising out of or in relation to these GTC, Contract or Purchase Order, including the disputes relating to their breach, termination or invalidity and any legal consequences thereof shall be finally settled by arbitration in accordance with the Rules of Arbitration of the Permanent Arbitration Court at the Croatian Chamber of Economy (the Zagreb Rules) as in force.

In case the value of the dispute is below 100.000,00 EUR, the number of arbitrators shall be one. In case the value of the dispute is 100.000,00 EUR or higher, the number of arbitrators shall be three.

The arbitral proceedings shall be conducted in the English language.

The seat of arbitration shall be Zagreb, Croatia.

The arbitrators shall decide according to the governing law stipulated in this Article and not ex aequo et bono.

The Parties hereby waive their right to any form of appeal to a court of law or other judicial authority. The award shall be final and binding upon the Parties and may, if necessary, be enforced by any court or other competent authority.

### **23. ACCESSION TO THE CONTRACT**

The Seller agrees that, in case of entering into a contract for the supply of Goods (hereinafter referred to as: Basic Contract) with any of the INA Group companies as the Purchaser during the validity of the Basic Contract, each INA Group company shall have the right to access the Basic Contract at any time. The Basic Contract shall be accessed by means of issuing a signed and stamped Declaration of Accession (hereinafter: Declaration) by the acceding INA Group company, which shall be submitted to the Seller by registered mail to the address of the Seller's place of business specified in the Contract.

Legal effects of accession to the Basic Contract shall start applying to the Seller and to the acceding INA Group company immediately upon receipt of the said Declaration by the Seller. All terms and conditions defined in the Basic Contract shall apply to the acceding INA Group companies regardless of the quantity of Goods that will actually be purchased from the Seller by INA Group companies. The invoices for the delivered Goods shall be issued directly by the Seller to the acceding INA Group company.

In case of undue performance of the Basic Contract referring to any INA Group companies that have accessed the Basic Contract, the Seller shall pay the accrued liquidated damages directly to the INA Group company in question. If the Seller furnished a performance guarantee to the Purchaser under the Basic Contract, then in case of accession of any INA Group company, the Seller shall also submit the performance guarantee to the acceding INA Group company under the terms of the Basic Contract in the amount defined in the Declaration.

The Seller irrevocably agrees and accepts that in case of violation of the contractual relationship with the Purchaser or with any of the acceding INA Group companies, the Purchaser and the acceding INA Group companies shall have the right to terminate their Contracts with the Seller. Termination of the Contract shall have an effect only on the relationship between the Seller and the party terminating the Contract and shall not affect the Contracts concluded with the Seller by other INA Group companies (which did not terminate the Contract).

If the Seller and the Purchaser agree to make changes and/or amendments to the Basic Contract during the validity of the Basic Contract, it shall be deemed that the acceding INA Group companies have also agreed to such changes unless they provide a statement of termination of the Contract they concluded with the Seller by acceding the Basic Contract, no later than seven (7) business days from receipt of the Seller's notice of changes and/or amendments to the Basic Contract.

Upon expiration of the Basic Contract validity period, all contracts concluded until that moment between the Seller and INA Group companies based on the Declaration of Accession shall cease as well. However, the Basic Contract expiration date shall not affect the Purchaser's obligation to pay for the Goods that were delivered before expiration of the Contract, or the Seller's obligation to deliver the Goods that were ordered by the Purchaser or any acceding INA Group companies before expiration of the Basic Contract validity period.

### **24. CODE OF ETHICS**

By making a statement as part of the Bid, i.e. by signing the Contract, the Seller declares that it has been made familiar with the content of the INA Group Code of Ethics, that it finds the provisions of the Code clear and understandable and that it fully accepts it.

A complete version of the INA Group Code of Ethics is available on the official website at the following link: [Etički kodeks INA Grupe \(English version at: INA Group Code of Ethics\)](#).

## **25. ACCEPTANCE OF GTC**

By making a statement as part of the Bid, i.e. by signing the Contract, the Seller declares that it has been made familiar with the content of these GTC, and that the provisions of the GTC are clear and understandable to the Seller and the Seller fully accepts them.

The Purchaser is entitled to modify and/or amend the provisions of the GTC at any time. In case of any changes to the GTC, the Seller shall be informed thereof and will be provided with the new GTC in accordance with the "Official communication" provision hereof, no later than 15 (fifteen) days before entry into force of the amended version of the GTC.

The Seller may not disagree with the amendment of those provisions of the GTC which do not change the legal nature of its contractual relationship with the Purchaser, or do not call into question the equality of the parties and the equivalence of the contracted obligations with regard to the concluded Contract / Purchase Order with the Purchaser.

In the event that modifications of the GTC affect the foregoing, the Seller shall, within five (5) days of receipt of the modified GTC, inform the Purchaser thereof (in accordance with the "Official communication" provision hereof) stating the reasons for disagreement with such changes. In this case, the Parties will enter into negotiations about defining acceptable conditions of further contractual cooperation, where each Party shall have the right to unilaterally terminate the contract if a mutually acceptable agreement is not reached.

In case the Seller fails to deliver feedback to the Purchaser within 5 calendar days, it shall be deemed that the Seller has accepted the amended GTC.

These GTC will enter into force on 1<sup>st</sup> of December 2016.