

COOPERATION AGREEMENT



In-store solution for the **future**

Parties:

Company:

Address:

Company registration number:

Including all related companies of the above-named Company

- In this contract, referred to as "contractual partner"

and

Bakof group s.r.o.

Rašínova 103/2

602 00 Brno

CIN: 293 62 253

Registered in the Commercial Register of the Regional Court in Brno,

file No. C 75391, Czech Republic

- In this contract, referred to as "Bakof group"

1 Subject of the contract

1.1) Bakof group and the contractual partner have decided to cooperate on the implementation of the projects, or have agreed to cooperate in the development, production, packaging, distribution and/or installation, etc. of the project parties for Bakof group.

1.2) The principles of cooperation are set out in this Agreement.

1.3) This CO-OPERATION AGREEMENT may be supplemented by sub-contracts and/or purchase orders relating to specific projects, which are agreed within the framework of regular co-operation between Bakof group as client and the contractual partner as supplier.

2 Code of Conduct, non-competition, client protection, duty of confidentiality

2.1) The contractual partner undertakes not to communicate directly with the client of Bakof group or its employees during the implementation of the project. All communication about the implementation of the project shall be between Bakof group and the contractual partner and between Bakof group and the client only. Any technical or other cooperation between the client and its employees on the one hand and the contractor and its employees on the other hand is prohibited. Discussions about the coordination of individual works within the project are not restricted by this clause with the express prior written consent of Bakof group. In the event of a breach of this obligation, the contractual partner undertakes to pay Bakof group a contractual penalty of CZK 5,000 for each individual breach. The contractual penalty is payable on demand by Bakof group.

2.2) The contractual partner also undertakes to inform the Bakof group whether it has transferred or plans to transfer the performance of work to another company, either in whole or in part. The same applies to the complete outsourcing of the project, which amounts to subcontracting the entire project. In the case of installation of the project by the contractual partner, the contractual partner undertakes not to delegate the performance of the work to another company, in whole or in part, without the prior written consent of the Bakof group. The contractual partner is obliged to oblige its subcontractors to comply with the terms of this Cooperation Agreement. The contractual partner shall be fully liable for its subcontractors and Bakof group shall consider all work performed by a subcontractor to have been performed directly by the contractual partner.

2.3) The contractual partner further undertakes not to carry out any promotional activities with third parties from which it could be inferred, either directly or logically, that the contractual partner has received a contract for a project to be carried out without the assistance of the Bakof group. All references used by the contractor must state that the project was carried out on behalf of the Bakof group. The exact wording of any such reference must be agreed in writing in advance by Bakof group.

2.4) In addition, the contractual partner undertakes to obtain the written consent of Bakof group before taking any image or video documentation of the projects or individual operations within the projects subject to this agreement. In principle, all photo and video documentation are intended only for the archives of the company (contractual partner). The publication of image, video or drawing documentation is expressly prohibited. Exceptions to this provision must be supported by the written consent of the Bakof group prior to publication.

2.5) Within the installation of the project (work), the contractual partner undertakes to act in a neutral manner towards the clients of Bakof group. Specifically, this means that no employee will wear clothing containing the logos or inscriptions of the contractual partner during the implementation of this project. Any exceptions must be approved by the relevant Bakof group employee. In the event of a breach of this obligation, the contractual partner agrees to pay a contractual penalty of CZK 5,000 to Bakof group for each individual employee who breaches this obligation. The contractual penalty is payable on demand by Bakof group.

2.6) All designs, products, ideas and/or components thereof submitted by Bakof group and their implementation are the intellectual property of Bakof group, for which Bakof group claims copyright. The presentation is strictly confidential within the framework of the confidential relationship established in the preparation of the contract and/or the cooperation with the contractual partner. Any direct and/or indirect use, exploitation and/or imitation of any of the services, ideas and/or parts thereof, as well as any implementation or production (including demonstrations) are only permitted with the prior written consent of Bakof group. The same applies to any changes, modifications and adaptations thereof. In the event of a breach of this obligation, the contractual partner is obliged to pay Bakof group a contractual penalty of CZK 1,000,000 for each individual breach. The contractual penalty is payable on demand by Bakof group.

2.7) During the term of this contract and for 24 months after its termination, the contractual partner undertakes not to deliberately deal with Bakof group's clients or their subsidiaries and/or affiliates for whom it has jointly carried out projects (works) with Bakof group, nor to offer any services directly to these companies without Bakof group as an intermediary. Should there be any doubt on the part of the contractual partner that could lead to a breach of this clause, the contractual partner is obliged to verify the fact with Bakof group. In the event of a breach of this provision, the contractual partner undertakes to pay Bakof group a contractual penalty of CZK 1.000.000,- (in words: one million Czech crowns) and lost profit. The contractual penalty is payable on demand by Bakof group. The right to compensation for other damages incurred is not affected by this.

2.8) The provisions of paragraph 2.7.) shall not apply to the business relations of the Contractual Partner with clients with whom the Contractual Partner had a proven business relationship prior to the signing of this Cooperation Agreement.

2.9) In the event of direct enquiries from Bakof group's clients, the contractual partner undertakes to inform Bakof group without any delay, at the latest within 2 days from the date of receipt of the direct enquiry. The provisions of paragraph 2.7) remain unaffected by this agreement.

2.10) The contractual partner and its employees as well as Bakof group and its employees undertake

to keep confidential all business processes that come to light during the cooperation between Bakof group and the contractual partner as well as all business processes related to companies associated with Bakof group or companies having business relations with Bakof group. This obligation of confidentiality extends beyond the duration of this contract, i.e. it continues for 1 year after its termination. In the event of a breach of confidentiality, the partners shall be entitled to claim damages in the amount of the damages, costs and lost profits incurred as well as a contractual penalty of CZK 100,000 (in words: one hundred thousand Czech crowns) for each such case. This duty of confidentiality shall be extended to the same extent to all employees and agents involved who may become aware of the information, regardless of the type and legal definition of their profession. Both partners are obliged to inform the aforementioned persons of this obligation. Both partners will endeavour to keep the range of employees and agents involved as narrow as possible in order to protect confidential information.

3 Cooperation, obligation to provide information and creation of partial orders

3.1) The Bakof group and the contractual partner mutually undertake to inform each other, if requested by the other party, in full and without delay on all important issues concerning the cooperation related to the project (work). The contractual partner is obliged to inform Bakof group without delay of circumstances that interfere with or impair the scheduled execution of the work or may jeopardize the delivery of the work and its timeliness as agreed in each individual order.

3.2) All offers made by the contractual partner to Bakof group during the term of this Cooperation Agreement shall be binding on the contractual partner for the period specified in the individual offer. Unless the contractual partner limits the validity of its offer in time, it shall be bound by its offer for a period of 60 days. In the case of an offer published by the contractual partner in an offer catalogue or price list, the contractual partner's offer shall be binding for the entire period of validity of the offer catalogue or price list; if no expiry date is specified therein, the expiry date shall be deemed to be the last day of the calendar year in which the catalogue or price list was submitted to Bakof group. The contractual partner is not entitled to make unilateral changes to the offer (with the exception of price reductions) during the period that the contractual partner is bound by the offer.

3.3) The Bakof group undertakes to send orders by verbal or email agreement with the contractual partner and to specify in each individual order all known circumstances and requirements for quality, appearance and delivery time required by the client.

3.4) The contractual partner undertakes to confirm the order in writing (by e-mail) to the responsible Bakof group employee without undue delay after receipt of the order by Bakof group, but no later than within 3 working days, or to state the reasons why the order cannot be confirmed. In the event that the contractual partner fails to confirm the order within 3 working days of receipt of the order or fails to communicate the reasons why it cannot be confirmed, the order shall be deemed to be confirmed and the contractual parties shall be bound by it. By confirming the order, the contractual partner undertakes to comply with all requirements defined in the order (including deadlines) and in this Cooperation Agreement. The price stated in the order is always fixed. Bakof group will not accept a price increase without written agreement of both parties in the form of a change order. In the event that any event occurs which results in the contractual partner being unable to fulfil the requirements specified in the order and in this Cooperation Agreement, the contractual partner undertakes to inform Bakof group immediately, without undue delay, by e-mail of the situation.

3.5) Bakof group also undertakes to provide the contractual partner with drawings, all technical parameters and other documents sent by an employee of Bakof group to the contractual partner together with the order, if these materials are known and available.

3.6) It is the sole responsibility of the Contractor to instruct, direct and supervise its staff and to provide detailed information regarding the project. In cases where the nature and scope of the work to be carried out make it necessary, the contractor is responsible for providing accommodation for its employees and transporting the materials required for the execution.

3.7) Bakof group has the right to supervise the implementation of the project (work) in the context of the correct execution of the contract.

3.8) In the event that more than one Bakof group contractor is working together on an order, each contractor is obliged to check the components and/or packaging for signs of obvious damage upon receipt of components manufactured by another contractor. If any doubt arises as to the correctness of the components delivered by another contractual partner cooperating on the order, Bakof group must be informed in order to jointly find a solution to the situation and to prevent its recurrence, without undue delay, in order to ensure that the deadlines, quality and other requirements of the order are met. By accepting components from another contractual partner, the contractual partner of Bakof group shall be fully responsible for any damage to these components after acceptance.

3.9) Bakof group undertakes to clearly specify the packaging of the products requested/ordered in the request and/or order. The contractual partner shall then include the cost of the specified packaging in the quotation for the product(s).

Unless otherwise required by Bakof group, the contractual partner shall be deemed to pack the product(s) in such a way as to prevent damage during transport. Such packaging means, for example:

- a) Goods must not exceed the pallet
- b) The goods must be sufficiently fixed to the pallet (e.g. with tape, stretch film, etc.)
- c) Fixing (e.g. with tape) must not damage the goods on the pallet
- d) Use protective corners
- e) Place interleaves between the components (articles) to prevent scratching of products
- f) Products must not be loose on the pallet

3.10) The contractual partner undertakes to check the quality of the input material, to regularly check the semi-finished and finished products, to submit a product inspection record to the Bakof group upon request, to separate all non-conforming and/or discarded pieces from production so that, to ensure that no substitution can occur and to allow Bakof group employees to inspect the production of the products ordered, after an inspection date has been agreed between the contractual partner and Bakof group, and no later than 3 working days after receipt of Bakof group's written e-mail request, unless the parties agree otherwise.

4 Order acceptance, delay in order fulfilment

4.1) If the transport is provided by Bakof group, the contractual partner is obliged to inform the responsible employee of Bakof group at least 24 hours before the planned shipment about the need to arrange the transport of the delivered performance (products). Bakof group is obliged to inform the contractual partner about the hour of loading of the goods, at least 12 hours before the planned arrival of the carrier.

4.2) In case that the contractual partner arranges the transport himself and unless otherwise agreed, the place of delivery is the address specified in each individual order.

4.3) Unless otherwise agreed, the Goods shall be delivered in accordance with the International Standard Delivery Conditions INCOTERMS 2010, as per the terms of the TDP.

4.4) Upon acceptance of the delivery, Bakof group is obliged to confirm the delivery note (service note) to the contractual partner. Without confirmation of the delivery (service) note, the contractual partner is entitled not to hand over the delivery without incurring the consequences of default on his part. The contractual partner is obliged to prepare the delivery (service) note properly for the handover of the goods. Bakof group is not obliged to accept a defective delivery.

4.5) If the order is not fulfilled on time, the contractual partner is in default. As a consequence of the delay, Bakof group is entitled to a contractual penalty of 0,2% of the total price of the order for each day of delay. In addition to the claim for contractual penalty, Bakof group shall be entitled to compensation for any damages incurred as a result of the contractual partner's delay in delivering the order. This includes, in particular, extra costs incurred by the client and losses incurred by Bakof group as a result of deductions from its invoiced amounts to the client. These costs must generally be reasonably adequate to the extent of the damage caused.

4.6) Bakof group shall not be entitled to compensation in the event that the delay is due to Bakof group's fault or solely due to force majeure. Force majeure means a circumstance which does not objectively originate "within" the operation and which is not related to the organization, management and execution of the contractual partner's operation. This may be an event caused in particular by external natural forces, e.g. a natural event, which could not have been prevented or objectively averted by the contractual partner, even if every effort had been made. In case of doubt, the burden of proof for these assumptions' rests with the contractual partner.

5 Liability, indemnity guarantee

5.1) The contractual partner is responsible for the quality of the goods delivered. The contractual partner is also responsible for the control and analysis of the quality data of its subcontractors. The contractor is also responsible for the source of the raw materials it chooses to use for each individual project. The contractual partner undertakes, if requested by the Bakof group, to provide supporting documents proving that all products and materials used for the implementation of the projects are in compliance with all European Union legislation or the relevant provisions of applicable Environmental and International Law and safety standards.

5.2) The contractual partner is liable for defects in the delivered product in accordance with the provisions of § 2099 et seq. of the Civil Code. The rights of defective performance are based on the defect that the delivered product has at the time of the transfer of the risk of damage to Bakof group, even if it becomes apparent later. The Bakof group's right of defective performance shall also be established by a defect which arises later, but which originates in the characteristics of the delivered product which the delivered product had at the time of the transfer of the risk of damage. The contractual partner is aware that the user of the delivered product will be the client of Bakof group. Bakof group is obliged to notify the defect in performance within one month of the date on which it becomes aware of the defect in the delivered product.

5.3) In the case of installation, the contractual partner is also responsible for any losses or damages caused to third parties during the implementation of the project (work) caused by the contractual partner.

5.4) Unless otherwise stipulated in writing, the contractual partner shall be obliged to pay Bakof group financial compensation for damages incurred by Bakof group due to reasons on the part of the contractual partner.

5.5) In the event that Bakof group and/or its employees act in a manner that results in damage to the contractual partner, the contractual partner shall be entitled to compensation for any losses or damages incurred as a result of such action. In case of doubt, the burden of proof for these assumptions' rests with the contractual partner.

5.6) Bakof group does not normally carry out a quality control of the delivered products, as the contractual partner is deemed to have fulfilled the requirements and conditions set out in each individual order relating to the delivered goods.

5.7) The contractual partner provides Bakof group with a quality guarantee for all products supplied by the contractual partner. The warranty period runs from the date of delivery of the product to the place specified in each individual order. The length of the warranty period is always 24 months, unless otherwise specified for each product type in each individual and confirmed order.

5.8) The contractual partner shall be liable for the fact that the delivered product retains the agreed, otherwise usual characteristics throughout the agreed warranty period, that it performs the function and is fit for the agreed, otherwise usual purpose and that it does not change its appearance beyond reasonable wear and tear.

5.9) Bakof group is obliged to claim defects arising during the warranty period from the contractual partner as soon as possible after their discovery by Bakof group or the client of Bakof group. Bakof group shall describe in the complaint how the defects manifest themselves. Bakof group reserves the right to state in the complaint its requirements, how it requires the defect to be rectified and how the complaint is to be settled. This may in particular be by delivery of a new product, repair of the delivered product or a discount on the price agreed in the signed order. A claim may be made up to the last day of the warranty

period, and a claim sent by Bakof group on the last day of the warranty period shall be deemed to have been made in time.

5.10) The contractual partner undertakes to proceed to the elimination of the claimed defect immediately, without undue delay, even if it does not recognize it, and to eliminate the defect without delay and within the shortest possible time. The contractual partner of Bakof group also undertakes to notify Bakof group within 5 working days from the date of receipt of the complaint whether it accepts its liability under the guarantee or whether it does not accept its liability under the guarantee and for what reasons.

5.11) If the contractual partner fails to remove the claimed defect within 10 working days of the notification of the claim or within another agreed period, Bakof group is entitled to remove/repair the claimed defect itself or to have the claimed defect removed/repared by a third party. In such a case, Bakof group is entitled to demand a discount from the agreed price from the contractual partner in the amount of the value of the defective performance, together with the costs incurred to remove the defect. If the purchase price for the products has already been paid in full, the contractual partner shall be obliged to reimburse Bakof group for the performance provided in the amount of the claim for a discount on the purchase price within 5 days of the claim.

5.12) The right of Bakof group to remove the claimed defect or the right to compensation for damages caused by the breach of the contractual partner's obligations to remove the defect is not affected by the application of the discount claim.

5.13) The warranty period does not run for the period of time during which the complaint is being resolved, i.e. from the date the complaint is made until the date the complaint is resolved by the contractual partner. The date of settlement of the claim shall be the date on which Bakof group confirms in writing that the claim has been settled. The warranty period is extended by this period.

5.14) In the event that defects caused by the contractual partner in the delivered product or other property owned by Bakof group, the client of Bakof group or a third party cause further defects and/or damages and Bakof group is obliged to compensate the client or third party for them, the contractual partner shall be obliged to pay for such damages, including any lost profits.

5.15) In the event of a defect due to a reason on the part of the contractual partner, the contractual partner shall bear all costs, including the determination of the extent of the defect, additional work, repair/new manufacture and transport of the repaired or new products and/or removal of the non-conforming/defective products.

5.16) In the event that the contractual partner fails to fulfil his obligation to remedy defects in time or properly, he is obliged to pay Bakof group a contractual penalty of 0,2% of the price of the goods (work, services) without VAT for each day of delay, but at least CZK 1,000 for each day of delay. This is without prejudice to Bakof group's right to compensation for damages.

5.17) In the event that a defect is found that can be rectified on site (e.g. at Bakof group's premises; during installation at the client's premises, etc.), the contractual partner undertakes to sort the products from the order and to sort out the defective products. In the event that the contractual partner is unable to carry out the sorting by his own means, Bakof group is entitled to hire an external company for such sorting or to carry it out by his own means. In case of sorting of products by Bakof group, Bakof group will charge 350 (three hundred and fifty) CZK/hour/employee. All costs for such sorting, whether by Bakof group's own forces or by an external company, will be further charged to the contractual partner who is responsible for the agreed quality of the goods delivered.

6 Billing and payment terms

6.1) The remuneration is derived from the order for each individual project.

6.2) The contractual partner and the Bakof group have agreed on an invoice due date of 60 days. In case of payment within 14 days from the date of delivery of the invoice to Bakof group, the contractual partner agrees to discount 3% of the tax base of the invoiced amount. In case of payment within 30 days from the date of delivery of the invoice to the Bakof group, the contractual partner agrees to discount 2% of the tax base of the invoiced amount and in case of payment within 45 days from the date of delivery of

the invoice to the Bakof group, the contractual partner agrees to discount 1% of the tax base of the invoiced amount.

6.3) In the event of the Contracting Partner's request for an advance invoice, Bakof group is entitled to claim a 5% discount on the tax base of the invoiced amount.

6.4) The Project Fee is payable when the Project is fully completed by the Contractor and Bakof group formally accepts the Project and confirms the delivery note and/or confirms its accuracy and completeness in writing by email. If the project is handed over by the contractual partner in partial deliveries, the contractual partner may invoice, after each individual partial delivery. Once the project has been completed or a partial delivery has been made, the Contractor shall prepare a suitable invoice and send it for approval by emailing fakturace@bakofgroup.cz. The invoices shall be suspended in the event of a disagreement or claim and shall commence again once the disagreement or claim has been resolved.

6.5) The invoice must contain all the elements of a tax document and the elements expressly stipulated by Bakof group, otherwise Bakof group is entitled to return it to the contractual partner for reworking without any consequences of default. In this case, the due date shall only run from the receipt of the corrected invoice with all the particulars. Bakof group agrees to issue and use the invoice - tax document in electronic form.

6.6) If, upon completion of the project, there is a disagreement between the parties regarding the delivery of the project without defects or if the project was not constructed in accordance with the Purchase Order, Bakof group shall be entitled to withhold up to 100% of the total invoiced amount until the parties reach agreement on the correction of the identified defects or deficiencies. The parties undertake to reach such agreement without undue delay. This retention must be generally recognized as being adequate to the extent of the damage caused.

7 Duration and termination of the contract

7.1) The Agreement shall come into force on the date of signing of this Agreement by Bakof group and the Contractor and shall be concluded for an indefinite period of time. The cooperation agreement may be terminated by either party by written notice of three months commencing on the date of delivery of the notice to the other party.

7.2) The Parties agree that this Cooperation Agreement supersedes all previously concluded cooperation agreements between the Contractor and Bakof group.

7.3) Upon termination of this contract, the contractual partners must return all documents and other items, such as samples, prototypes, test walls, etc., that they have provided to each other within 10 working days of the date of termination, unless otherwise agreed in writing.

7.4) The Parties shall not be entitled to any monetary and/or material or other compensation from the other Party due to termination of the Contract for cause, provided that such termination is in accordance with this Contract.

7.5) The contractual partner shall not claim a right of retention against the Bakof group. The contractual partner may not assign its claim against Bakof group to a third party without the prior written consent of Bakof group.

8. Final provisions

8.1) There are no additional oral agreements to this Agreement.

8.2) Individual articles of this Agreement, including any annexes, may be supplemented, amended or cancelled only by written, mutually agreed, numbered amendments signed by authorized representatives of the Parties. The Parties may agree and waive the requirement for writing by express written consent.

8.3) The rights and obligations not regulated by this contract shall be governed by the law of the Czech Republic, in particular Act No. 89/2012 Coll., the Civil Code.

8.4) Any disputes arising out of or in connection with this Agreement shall be resolved by the

courts of the Czech Republic. The Parties agree that the competent court for the resolution of disputes arising from this Agreement shall be the Municipal Court in Brno and in the event that the Regional Court in Brno is competent for the proceedings in the first instance, the Regional Court in Brno shall be the competent court for the resolution of disputes arising from this Agreement.

8.5) The Parties are obliged to notify each other immediately of changes in their legal personality, e.g. merger with another entity, transfer of obligations to a successor or third party (assignee), as well as other facts that may affect the performance of the obligations under this Agreement.

8.6) Both Parties agree that this Agreement shall be binding in its entirety on the successors in title of the Parties or any other third party. The parties hereby agree that the contractual partner shall not be entitled to assign to a third party (assignee), without the prior written consent of Bakof group, any claim arising from this agreement and/or to encumber any claim against Bakof group arising from this agreement with rights in favor of third parties, whether by way of pledge, retention or otherwise.

8.7) Any document required to be served on the other Party under this Agreement or under generally applicable law (e.g. a notice of termination) shall be deemed to have been served if it is sent by registered post to its address set out in the header of this Agreement until the other Party has been demonstrably notified of a change of address, whether by a postal licensee or other organization that deals with the service of documents. Documents shall be deemed to have been served not later than the fifth day following the date on which they are demonstrably provided for carriage for delivery to the other Party, unless an earlier date of delivery is proved.

8.8) If, for any reason, any provision of this Agreement becomes invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the validity and effectiveness of the remaining provisions unless it appears from the nature of such provision or its contents that the invalid or unenforceable provision cannot be severed from the remainder of the Agreement. If any provision of this Agreement becomes invalid or unenforceable, the Parties shall enter into negotiations to re-arrange their relationship so as to preserve the original intent of the Agreement.

8.9) The signing of this Cooperation Agreement does not bind either party to any future business relationship in terms of ordering or supplying goods and/or services, as these are always dealt with in a separate specific order.

8.10) This Agreement is executed in two counterparts, each of which shall have the force of an original. Each Party shall receive one copy.

Bakof group s.r.o.

Contract partner:

In

In

Date

Date

Signature:.....

Signature:.....

Name:

Name:

Function:

Function: