

General Terms and Conditions of KODAP for Providing tax consultancy, accounting and wage processing

No. OPÚM-2015, effective as of 1 January 2015

1. General provisions

- 1.1. The company, which is a member of the KODAP group (hereinafter referred to as the "Adviser"), shall provide tax consultancy Services through tax advisers and other specialised employees, also including processing of accounting and management of wages (hereinafter the "Services"). The Adviser is a legal entity providing tax consultancy listed with the Chamber of Tax Advisers of the Czech Republic.
- 1.2. The provision of the Services shall be governed by the Contract on the Provision of Tax Consultancy (hereinafter referred to as the "Contract"), by the pertinent provisions of Act No. 89/2012 Coll., the Civil Code, as subsequently amended, by Act No. 523/1992 Coll., on tax consultancy and the Chamber of Tax Advisers of the Czech Republic, as subsequently amended, and by these General Terms and Conditions (hereinafter referred to as the "Conditions"), which are an inseparable part of the Contract. The recipient of the Adviser's Services is the Client (hereinafter the "Client").
- 1.3. The extent of mutual obligations is defined by the Contract and by the Client's current requirements.

2. Tax consultancy Services

- 2.1. The provision of tax consultancy Services is primarily understood to be the provision of professional legal assistance and financial economic advice regarding tax, payments, fees and other monetary fulfilment (hereinafter referred to as "Tax(es)"), as well directly regarding taxes and the representation of the Client while solving these problems before state administrative and local government bodies and before Regional Courts in judicial administrative proceedings.
- 2.2. Tax consultancy Services are provided in the form of consultations, advisory sessions and meetings between authorised employees of the Adviser and the Client. Regular consultation shall proceed through personal meetings, by e-mail, by telephone, or in another suitable manner. If required, or at the request of the Client, the Adviser shall provide analyses, recommendations or opinions in writing.
- 2.3. The Adviser, is represented by besides statutory bodies and their members also authorised employees, who are tax advisers, professional employees and administrative workers. For the purposes of these Conditions, the actions of these employees are deemed to be acts of consultancy on behalf of the Adviser as a legal entity. The Adviser entrusts individual employees to act on his behalf on the outside reasonably on the basis of their qualifications and work positions.
- 2.4. The Adviser shall usually provide the tax consultancy Services at the Adviser's office or, as the case may be, in the Client's premises or in another agreed location. The Services are usually provided on business days.
- 2.5. Both the Client and the Adviser shall specify the persons who will cooperate during the provision and ensuring of the tax consultancy Services. At the same time, the Client shall appoint parties separately in the Contract who may provide the Adviser with binding directives for the execution of legal acts, and parties with which the Adviser is entitled to deal regarding regular matters. Both parties are required to inform each other in a timely manner of any changes of authorised parties.
- 2.6. While providing tax consultancy, the Adviser may be represented by another tax adviser or by an attorney.

3. Accountancy and payroll Services

- 3.1. The Adviser shall periodically or once, as the case may be, manage the accounts, tax records and process the payroll to the extent and applying of the method stipulated in legal regulations and in accordance with the Client's requirements. These services are provided on the basis of invoices, cash register receipts, bank statements, payroll documentation, personnel records and other information provided to the Adviser by the client in the agreed intervals. The Adviser will also provide the Client with the following accountancy records at the agreed intervals and then for the entire accounting period:
 - a) Monthly (quarterly), in the case of tax records: a monetary log kept as required by law, an overview of receivables and liabilities; annually: a report on assets and liabilities, a report on income and expenses, a list of property, filed income tax returns, annual compilations.
 - b) Monthly (quarterly), in the case of accounts: a list of assets and liabilities, purchase and sales ledgers, an income statement, a VAT obligations record, a record of compilation of accounts; yearly: accounts inventories, a rough balance, a list of assets and liabilities, an income statement, purchase and sales ledgers, an accounts day ledger, financial statements; tax return, including appendices, figures, and a compilation report, a record of compilation of the financial statements.
 - c) Upon request, the Adviser shall in the agreed intervals and with the agreed contents also provide the Client with other output, particularly economic breakdowns and other data output, if the used technology enables this.
- 3.2. The Adviser shall compile the value added tax return, including records obligations related to VAT, and other mandatory reports and overviews, at intervals corresponding to how the Client is registered for tax, for the taxation period for which the Adviser compiled the Client's accounts or tax records (hereinafter referred to simply as "accounting"). Also at the Client's request, the Adviser shall ensure filing with the relevant tax administrator as required by legislation governing VAT.
- 3.3. At the Client's request, the Adviser shall compile the income tax return for the taxation period for which the Adviser compiled the Client's accounting and/or tax records.
- 3.4. The Adviser shall keep and inspect the payroll records of employees and partners, including the annual payroll audit, beginning in the month in which the Client requests it and provides the Adviser with the information required for such purpose. The Adviser shall compile and keep pay records, sickness records, pension record sheets, social security and health insurance statements, confirmation of taxable income, confirmation of earnings for employees, annual tax accounts, and confirmation of lengths of employment. The Adviser shall also register and cancel the insurance of employees and calculate the mandatory insurance of the organisation and the monthly payroll summary. The Adviser shall also ensure liquidation of Employees' disability insurance benefits, if the client is required to do so by law, and shall also comply with other regular requirements set for an employer based on applicable legislation. At the Client's request the Adviser shall contact the appropriate institutions, such as the labour office, social security and health insurance offices, the tax authority, insurer Kooperativa pojišťovna a.s. as well as other institutions.
- 3.5. After the expiration of the taxation period, at the Client's request the Adviser shall provide a summary of the Client's compliance with the obligation to fulfil a quota for employment of persons with medical disabilities.
- 3.6. For the duration of the contractual relationship, the Adviser shall ensure back-ups and archiving of data processed for the Client. Upon the Client's request, the Adviser shall provide technical and professional assistance with configuration of ERP systems for support of online accounting, technical and software support for work with data on the Adviser's technical equipment, migration and use of data from other software programs and other IT support.

4. Adviser's rights and obligations

- 4.1. The Adviser shall protect the Client's rights and legitimate interests. The Adviser shall act honestly and conscientiously, shall consistently employ all lawful means and shall exercise all that is considered to be beneficial to the Client according to the Adviser's own belief and the instructions of the Client. At the same time, the Adviser shall be bound only by laws and other legal regulations and within limits by Client's instructions.
- 4.2. The Adviser may deviate from the Client's instructions in reasonable situations, if doing so is urgently necessary, if it is in the Client's interest, if it is not possible to obtain the Client's consent in advance or if the Client does not provide cooperation within a reasonable period and if it is not expressly prohibited by the Client. However, the Adviser is required to inform the Client promptly of each such action.
- 4.3. The Adviser shall utilise all of the Adviser's knowledge, experience and capabilities to provide the Services to the Client.
- 4.4. The Adviser shall refuse in particular to follow any instructions that conflict with ethics or are unlawful.
- 4.5. The Adviser shall notify the Client by an agreed deadline of all circumstances discovered while providing the Services which could affect a change of the Client's instructions.
- 4.6. When providing the Services, the Adviser shall bring to the Client's attention any inappropriateness of the Client's instructions, which could give rise to damages. If the Client insists that a particular instruction be followed despite the Adviser having brought its inappropriateness to the Client's attention, the Adviser shall not be obliged to cover the damages arising in connection therewith. The Client's inaction after having been asked by the Adviser to express disagreement with a proposed approach shall also be regarded as an apparently inappropriate instruction from the Client.
- 4.7. If necessitated by the circumstances or by typical tax consultancy practices, the adviser shall be authorised to intervene to protect the Client's interests, even if such action is not apparently required by applicable law or by the Contract.
- 4.8. The Adviser and any of the Adviser's representatives are required to protect the confidentiality of all matters of which they have become aware in connection with performance of tax consultancy. This obligation, even for the purposes of criminal proceedings, may be relieved only by the Client having issued a declaration relieving the Adviser and the Adviser's representatives of it, but in such case the Adviser and any of its representatives shall remain obliged to protect confidentiality if doing so is in the Client's interest.
- 4.9. The Adviser may cite confidentiality particularly in situations when the Adviser cannot be questioned as a witness, if by giving such testimony the Adviser would be in breach of a confidentiality obligation imposed or recognised by the state and if the Adviser is asked to provide findings, which are the result of the Adviser's own work.
- 4.10. The Adviser may not cite confidentiality if the Adviser:
 - a) has an obligation imposed by law to thwart or report a criminal offence,
 - b) is relieved of the confidentiality obligation in accordance with the law or with the Contract,
 - c) is required to cooperate by special legal regulations.
- 4.11. The Adviser is required to retain the originals of correspondence received from the Client or on the Client's behalf while providing tax consultancy. The Adviser is entitled to retain copies of the Client's used materials for purposes based on the position of a tax adviser under special legal regulations.
- 4.12. Since only a court may bindingly interpret the law, the Adviser shall be liable for any changes to its interpretation after the Services have been provided.
- 4.13. The Adviser shall be authorised to withdraw from the Contract if trust between the Adviser and the Client is disrupted, if the Client does not provide necessary cooperation or if without a legitimate reason the Client has failed to provide a reasonable security deposit or advance payment towards remuneration for provision of tax consultancy (Section 6 paragraph 3 of Act No. 523/1992 Coll., on tax consultancy and on the Chamber of Tax Advisers of the Czech Republic).
- 4.14. The Adviser shall be required within 20 days from the date when the Adviser notifies the Client of withdrawal from the Contract:
 - a) to take all urgently necessary steps, if the Client has not taken other measures,
 - b) to settle the advance towards remuneration and expenses, if the Client has paid it.
- 4.15. The Adviser shall be entitled to suspend provision of all of the Services if the Client becomes delayed with fulfilment of financial obligations.
- 4.16. The Adviser is obliged to have the accounts checked by a tax consultant when compiling the financial statement, in order to verify the accuracy of the accounting records.

5. Client's rights and obligations

- 5.1. The Client is entitled to the provision of Services from the Adviser in accordance with these Terms and Conditions and within the scope of the signed Contract.
- 5.2. It is the entitlement and obligation of the Client to cooperate closely with the Adviser in the provision of tax consultancy.
- 5.3. The Client shall provide the Adviser with as much cooperation as possible and in particular shall provide complete, transparent, clear, truthful and timely information. Information, which is or could potentially be significant for the fulfilment of the Contract, shall be provided by the Client even if not specifically requested by the Adviser. This applies in particular to newly arising or newly discovered circumstances, of which the Client is required to notify the Adviser promptly. The Client shall also allow the Adviser to access all documents pertaining to the Client's activities and those which the Adviser believes could have an effect on the fulfilment of the subject of the Contract.
- 5.4. The Client is entitled to an explanation of the approaches that the Adviser has used as well as legal and effective negotiations and to be provided with complete information about the status of the proceedings in which the Adviser is representing the Client. The Client is entitled to copies of all filings which have been submitted by the Adviser on the Client's behalf.
- 5.5. The Client is entitled to information about the scope and amount of the Adviser's professional insurance.
- 5.6. The Client shall hand over or otherwise make available to the Adviser based on the Adviser's requirements, no later than within 7 days from when the Contract becomes valid or from the date of delivery of the Adviser's request, all documents, written materials and other informational items in the Client's possession, which will be, could have been or could be related to the subject of the Contract.
- 5.7. The Client alone shall be responsible for the relevancy, accuracy, truthfulness, timeliness and completeness of all documents and written materials handed over or made available to the Adviser, **including specification of the correct VAT rates**. The Adviser shall not be responsible for such documents in this respect. The Client alone shall be responsible for the accuracy, truthfulness, timeliness and completeness of all information provided to the Adviser.
- 5.8. The Client upon request shall promptly eliminate all shortcomings, errors and inaccuracies, which the Adviser has brought to the Client's attention.
- 5.9. The Client shall hand over or make available to the Adviser all of the documentation referred to in Article 5.6 for the duration of the

binding relationship established under this Contract and shall do so without delay.

- 5.10. The Client shall promptly inform the Adviser about all known risks related to the subject of the Contract. Upon the Adviser's request, the Client shall provide such information and instructions in written form.
- 5.11. The Client shall provide the Adviser with information enabling the Adviser to assess the extent of risks to which the Adviser will be subjected when providing the Services, and the Client bears in mind that provision of misleading, incomplete or untruthful information could result in significant reduction of the obligation to compensate for damages caused by the Adviser, in accordance with Section 2918 of Act No. 89/2012 Coll., the Civil Code (hereinafter the "Civil Code").
- 5.12. The Client is required continuously to make a maximum effort to ensure that neither the Client nor the Adviser incurs damages, and the Client shall not be relieved of this requirement by any of the Adviser's obligations.
- 5.13. The Client shall promptly inform the Adviser of all actions taken without the Adviser's awareness in relation to matters which are a subject of the Contract, particularly the commencement, conducting and outcomes of audits, the procedures followed for elimination of doubts, submission of a tax claim and/or any actions taken in connection with proceedings related to social security or health insurance premiums related to the subject of the Contract. Any failure to fulfil this obligation may result in significant reduction of the obligation to compensate for damages caused by the Adviser, in accordance with section 2918 of the Civil Code.
- 5.14. **If financial administrative bodies or similar bodies have called into question the legal opinions stemming from the provided consultations and the Adviser's positions, the Client shall be obliged to enable the Adviser to explain and defend those legal opinions, even if doing so would cause the binding relationship under the Contract to end. The Adviser shall not be liable for damages if the Client fails to fulfil this obligation.**
- 5.15. The Client is required to protect the confidentiality of all details, information, advice, instructions and recommendations of which the Client has become aware in connection with the provision of the Services, even after the obligation stemming from the Contract ends. In particular, the Client must not disclose the contents of any advice provided to the Client by the Adviser to any third parties without the Adviser's prior permission. The Client's confidentiality

obligation shall not apply to situations when the obligation to report and attempt to thwart criminal offences is set by law or to situations when the Client is obliged to cooperate with law enforcement authorities.

- 5.16. The Adviser shall enjoy all intellectual property rights for all products which have been processed during the provision of the Services, including solutions, concepts, information and copyrights for Output. Such Output shall serve exclusively for the needs of the parties for which they are intended and only for the purposes for which they have been prepared. The Client is entitled to produce copies of such Output for the Client's own needs, but must not provide the Output or any copies thereof to any third parties, unless otherwise agreed.
- 5.17. **The Client hereby relieves the Adviser of the obligation to protect the confidentiality of tax information determined during the fulfilment of the Contract in relation to members of the Chamber of Tax Advisers and other persons and entities who could contribute to the proper and complete fulfilment of the Contract and to participate in the defence of the Client's legitimate interests:**
 - a) **in situations when the Adviser is claiming entitlement to compensation for damages caused to the Client from the Adviser's insurance coverage arranged with a particular insurer,**
 - b) **in the event of proceedings to recover debts owed to the Adviser by the Client,**
 - c) **if the Client requires the Adviser to provide witness testimony in other proceedings,**
 - d) **in the event of a court dispute between the Client and the Adviser regarding who is responsible for damages or regarding payment for the Services,**
 - e) **in the event of criminal prosecution of the Adviser commenced based on a criminal complaint or testimony provided by the Client or the Client's representative,**
 - f) **towards a party resolving a dispute between the Client and the Adviser,**
 - g) **towards parties providing essential sub-deliveries for fulfilment of the Contract.**
- 5.18. Consultations and disclosure of such information to third parties by the Adviser must always be done with maximum consideration for the Client's protected interests, the Client's privacy and respect for trade secrets and other secrets related to the Client's activities.

6. Client's identification

- 6.1. The Client is required to undergo an identification process in accordance with special legal regulations. For such purpose, the Client shall submit relevant documents and copies thereof to the Adviser or enable such copies to be obtained. The Client shall provide the Adviser with all of the cooperation necessary for the fulfilment of the Adviser's obligations stemming from Act No. 253/2008 Coll., on certain measures against money laundering and financing of terrorism, as amended (hereinafter the "Anti-Money-Laundering Act"), particularly when conducting verification of the Client in accordance with Section 9 of that Act.
- 6.2. For the purposes of the Anti-Money-Laundering Act, the Adviser shall obtain copies or excerpts from the Client's submitted documents and process that information in order to fulfil the purpose of that legislation.
- 6.3. Upon establishment of the obligation, the Adviser shall identify each individual representing the Client, which is a legal entity, and shall do so in the physical presence of the identified party, unless otherwise agreed.
- 6.4. Upon establishment of the obligation, the Adviser shall identify each individual specified by the Client as a contact person in the physical presence of the identified party, unless agreed otherwise.
- 6.5. The Client shall inform the Adviser about the sources of funds, if they have not been acquired through the Client's regular business activities. The Client, if a legal entity, shall inform the Adviser about the Client's actual owners.
- 6.6. During identification of the Client if the Client is:
 - a) an individual, then in the individual's physical presence the Adviser will record the individual's identification data and verify the by examining the individual's identity document, if it contains such information, and shall also record the type and number of the identity document, the country and/or body that issued it and the duration of its validity and shall check whether the individual's appearance matches the photo in the identity document,
 - b) a legal entity, then the Adviser shall record the identification data and verify the data from a document proving the existence of the legal entity and in the extent according to letter a) shall carry out identification of the individual representing the legal entity in the particular matter in that individual's physical presence; if the statutory representative, a member of the statutory body or an entity controlling the legal entity is another legal entity, that other legal entity's identification details shall also be recorded,
 - c) represented based on a power of attorney, then the Adviser shall carry out identification of the empowered proxy in the proxy's physical presence in accordance with letters a) and b) and shall submit the power of attorney.
- 6.7. For the duration of the obligation, the Client shall inform the Adviser about all changes that could have an effect on the proper

identification of the Client, particularly with regard to the validity and completeness of identification details.

- 6.8. The Adviser shall be authorised to withdraw from the Contract if:
- a) the Client refuses to undergo identification or refuses to present the power of attorney or if identification cannot be carried out for another reason,

- b) the Client fails to provide necessary cooperation for fulfilling the purpose of the Anti-Money-Laundering Act or if for another reason the purpose of that Act cannot be fulfilled, or
- c) if the Adviser has reasonable doubts about the truthfulness of information provided by the Client or about the authenticity of submitted documents.

7. Compensation for damages

- 7.1. The Adviser shall compensate the Client for damages, if the Adviser has caused them alone in connection with performance of tax consultancy or if they have been caused by any representatives or employees of the Adviser. The Adviser shall be relieved of liability, if it is proved that the Adviser could not have prevented the damages even despite having used all efforts that could reasonably have been expected.
- 7.2. The Adviser shall not be obliged to compensate the Client for damages, if they have been caused by the Client alone through a breach of the Contract or of these Conditions.
- 7.3. The Adviser is insured for liability for damages which could be arise for the Client in connection with the performance of tax consultancy. The insurer and the amount of the insured sum are stated in the Contract.
- 7.4. Damages shall be understood as property damages suffered by the Client in connection with the Adviser's activities within the scope of the Contract according to the provisions of Section 3 paragraph 3 of Act No. 523/1992 Coll., on tax consultancy and on the Chamber of Tax Advisers of the Czech Republic, as amended. The amount of compensation for damages is limited by the insured sum specified in the Contract. **If the Adviser has provided the Client with a binding written legal opinion, the amount of potential compensation for damages resulting from its inaccuracy shall not exceed the amount of fifty times the contractual remuneration paid by the Client for its preparation. It is necessary to agree upon any pertinent higher liability separately in writing.**
- 7.5. If there are any legitimate concerns that the provided tax consultancy Services could give rise to damages, both parties shall be required to take steps and conduct negotiations aimed at preventing or reducing the scope of such damages. The Client shall be required to alert the Adviser to such circumstances upon their discovery and to provide necessary cooperation along with all related documentation and information.
- 7.6. The Adviser shall not be required to compensate for damages, if they have been caused by the Client's conduct or by a lack of cooperation which the Client would be required to provide, particularly a lack of cooperation during tax administration or

court proceedings and an independent approach in such proceedings, without consultations with the Adviser.

- 7.7. While representing the Client, the Adviser shall not be liable for any damages arising for the Client as a result of an improper form of filing by the Client alone in relation to financial administrative bodies, meaning in any manner other than electronically, despite having been obliged to file electronically in accordance with relevant provisions of Act No. 280/2009 Coll., the Tax Code, as amended.
- 7.8. The payment of compensation for damages by the Adviser shall be due within 30 days from the end of settlement of the insurance claim by the insurer. If the insurer denies the claim and a court decides to impose the obligation to pay compensation for damages, the compensation shall be due within 30 days from the date when the respective verdict takes effect. If the insurer does not fulfil the claim for any other reasons, the parties to the matter shall proceed in accordance with applicable legislation. A similar approach shall be taken in the event of a contractual penalty.
- 7.9. The Client shall be liable for damages arising as a result of withholding of documents and other materials or their inaccuracy or incompleteness. The Client shall also be liable if such documents are provided to the Adviser with a delay.
- 7.10. The Adviser shall not compensate for damages that have arisen as a result of a pre-identified risk, including in any situations when the Client informs about the potential risks stemming from possible differing interpretation of legislation by financial bodies and courts and the Client decides to accept such risk. Such decision by the Client may be in the form of expressed consent or in the form of the Client's inaction if the Client has been provably called upon by the adviser to express either consent with or disapproval of the proposed approach.
- 7.11. The Adviser shall not be responsible for ensuring the legality of the Client's approaches and business activities either.
- 7.12. The Adviser shall not be responsible for ensuring the timeliness and correctness of payments of taxes and insurance premiums by the Client.

8. Power of Attorney

- 8.1. The power of attorney must clearly identify the Client and the Adviser. The power of attorney must also define the subject and scope thereof and specify the date of its issuance, its effect or, as the case may be, the period of validity and a signature.
- 8.2. Official certification of the identities of the Client and the Adviser on the power of attorney document shall be necessary only if required by law or if the Adviser requests it.
- 8.3. Representation based on a power of attorney shall not exclude the Client from acting alone, and Article 5.13 hereof shall apply to such situation.
- 8.4. The power of attorney shall end:
 - a) as of the date when the validity of the Contract ends;
 - b) if revoked by the Client;

- c) if terminated by the Adviser;
 - d) upon the expiration of the agreed period, if it has been agreed upon for a definite period of time;
 - e) upon the execution of the steps for which it was issued;
 - f) upon fulfilment of the purpose for which it was limited;
 - g) upon the death of the Client or the Adviser, or if the Client is a legal entity then upon the end of the legal entity without a legal successor.
- 8.5. If the Client revokes the power of attorney, the Client must promptly notify the Adviser. The Adviser shall take a similar approach should the Adviser decide to terminate or refuse the power of attorney.

9. Record keeping and handling of confidential information

- 9.1. The Adviser is authorised to maintain file records of performance of the Services.

- 9.2. File records shall be understood as written materials and data files, which the Adviser shall retain for the Adviser's own needs.

- 9.3. The Adviser shall keep file records with professional care, but is not required to archive the Client's documents, other written materials and filings.
- 9.4. The Client bears in mind and agrees to the collection and processing of data about the Client by the Adviser in connection with the performance of the Services, file record keeping and fulfilment of obligations set by special legislation (such as the Anti-Money-Laundering Act). The Client's revocation of consent with the collection and processing of data shall entitle the Adviser to withdraw from the Contract.
- 9.5. The Client agrees to the archiving of confidential information, such as personal data regarding the Client's employees, suppliers, clients and others by the Adviser for the purpose of ensuring proper provision of the Services. All information of a confidential

character or which is a subject of trade secrets as well as any information exchanged during communication between the Client and the Adviser and information about amounts of remuneration obtained from the Client in connection with the provision of the Services shall also be regarded as confidential information. The Adviser agrees to use technical and organisational resources that ensure protection of personal data in accordance with Act No. 101/2000 Coll., on personal data protection.

- 9.6. Without the other Contracting Party's prior permission, neither the Adviser nor the Client shall provide to any third parties any of the confidential information referred to in Article 9.5.
- 9.7. Confidential information obtained from the Client shall be used only for the purpose of providing and accepting the Services.

10. Delivery of correspondence

- 10.1. Correspondence exchanged between the Client and the Adviser shall be delivered in person, by post, by courier Service or via transfer technology, under the terms agreed upon in the Contract.
- 10.2. Unless otherwise specified in the Contract, a mail item sent via a postal service shall be considered delivered by the third business day after it has been sent (Section 573 of the Civil Code).

10.3. Deliveries shall be made to the addresses stated in the Contract, or to another address which the Client provides to the Adviser in writing.

10.4. Should any of the Client's contact information change, the Adviser shall not be liable for any actions taken relying on prior contact information rather than new or updated contact information, if the Client has failed to notify the adviser of such changes in a timely manner.

11. Remuneration

- 11.1. The Adviser is entitled to remuneration for the Services provided and to reimbursement of cash expenses. The remuneration for the Adviser has been agreed upon in the contract in the form of hourly rates, flat rate remuneration, a flat rate for overhead, fixed prices or any combinations thereof. The Contract may also refer to a rate list or may provide for another method of determining remuneration.
- 11.2. If a flat rate of remuneration has been agreed upon, it shall include regular overhead costs incurred by the Adviser, particularly for administrative work, use of a personal vehicle in the municipality where the Adviser's registered seat is located, computer equipment, software, information databases, insurance coverage, etc. Under the terms of the Contract, the flat remuneration may include a full or limited extent of Services for the agreed period.
- 11.3. A flat rate for overhead may be agreed upon if the Client will be represented for a lengthy period in tax, administrative or court proceedings conducted with state bodies. The flat rate for overhead has been agreed upon in addition to the price for Services and mainly covers the Adviser's overhead costs related to the acceptance, recording and maintenance of powers of attorney, delivery of correspondence to the Client and other minor related administrative expenses.
- 11.4. The flat rate of remuneration and the flat rate for overhead do not include payment of administrative and other fees, travel expenses during trips to locations outside of the municipality where the Adviser's registered seat is located or costs for accommodation of the Adviser's employees who are essential for providing the Services to the Client. Furthermore, the flat rate of remuneration and the flat rate for overhead does not include required sub-supplying, expert opinions, translations and interpreting, transcriptions of texts provided by the Client or payments for notarisation of documents and remuneration of notaries. The flat rate of remuneration and the flat rate for overhead also do not include overhead expenses incurred beyond the scope of regular Services, such as connection fees in a greater extent, required extra expenses for copying of documents and costs for consumer materials. The Client shall pay the Adviser in the proven amount, provided that it is invested purposely and frugally.
- 11.5. VAT is not part of the remuneration agreed upon or set according to Articles 11.1 to 11.4. If the Adviser is required to pay VAT, it shall be added to the remuneration.
- 11.6. Travel carried out by the Adviser's employees for the purposes of carrying out the Services outside of the location of the Adviser's

registered seat shall be billed at the rate of 50% of the hourly wages for the particular employees.

- 11.7. The Adviser may adjust the agreed prices. Such adjusted prices shall be applied at the soonest as of the month following the month in which the Client is notified of the change in writing. The Adviser is authorised in the same extent to change the assignment of the Adviser's employees in connection with their professional and qualification growth.
- 11.8. If the Client does not accept such changes and assignment of employees, the Adviser may terminate the commitment with one month of notice, which shall begin running as of the first day of the month following the delivery of the termination notice.
- 11.9. The amount of remuneration usually expresses the professional and time demands of the Services as well as the extent of the Adviser's responsibility. Therefore, for expression of a legal opinion with significant tax impacts, the Adviser may request separate price arrangements with consideration for necessary invested time and for risks.
- 11.10. If for resolving of specific or professionally or time demanding requirements of the Client it becomes necessary to use sub-supplying of Services from other specialists and the price of such sub-supplying differs from the price agreed upon in the Contract, the Adviser must notify the Client.
- 11.11. The remuneration shall be due monthly for the previous month based on an invoice issued by the Adviser. The term for the due date of payment has been set forth at 10 days.
- 11.12. If the Adviser requests an extent of Services that is much greater than usual, the Adviser shall be entitled to be paid a reasonable advance or security deposit, even without prior arrangement. In such case, the Adviser shall issue a separate advance invoice with a reasonable due date. The Adviser shall bill the paid advance or security deposit no later than after the end of the provision of the related Services.
- 11.13. Setting off of the Adviser's receivables owed by the Client is allowed only with undisputed or effectively determined receivables of the Client owed by the Adviser.
- 11.14. **In the event of repeated non-adherence to the payment due date, the Adviser shall be entitled to besides interest for default also to be paid a contractual penalty equal to 0.05% daily of the amount of the payment with which the Client is in default.**

11.15. Following withdrawal from the Contract, the Adviser shall be entitled to perform billing calculation in accordance with price arrangements. On the date following the date on which the billing

calculation is delivered to the Client, all of the Adviser's receivables shall become due.

12. Establishment and expiration of the obligation

12.1. The obligation between the Adviser and the Client shall be established upon the signing of the Contract.

12.2. The obligation established for a definite period of time shall end upon the expiration of the agreed period of its duration.

12.3. The obligation shall end upon fulfilment of the subject of the Contract.

12.4. Either party may terminate an obligation established for an indefinite period even without specifying a reason. The termination notice period shall last 2 months and shall begin running as of the end of the month in which the termination notice was delivered to the other party. The obligation may also be ended at any time based on an agreement.

12.5. The obligation shall also end if any of the situations specified in paragraphs 4.13, 6.8, 9.4 and 11.8 hereof arise.

12.6. The obligation shall end likewise upon the expiration of the Adviser or the death of the Client. If the Client is a legal entity, the

obligation shall end also upon the Client's expiration without a legal successor.

12.7. **Both Parties undertake to return to the second party all documents which pertain to that party no later than upon the termination of the Contract. Upon the termination of the Contract, the Adviser shall be entitled to perform final settlement of billing in accordance with the price-related provisions of the Contract and to request that the Client pay all of the Client's debts owed to the Adviser prior to the return of all documents handed over to the Adviser by the Client.**

12.8. Following the end of the obligation, all of the provisions hereof and of the Contract, from the contents of which it is obvious that they may relate to circumstances that will arise after the obligation ends, shall remain valid if they do not have their origin in either the Contract or in these Conditions. This particularly pertains to issues related to the Adviser's liability, confidentiality, compensation for damages and mutual informing.

13. Miscellaneous provisions

13.1. The contents of the Contract and of these Conditions are considered confidential. The Contracting Parties are not authorised to familiarise any parties with this content who do not demonstrate a legal entitlement to this.

13.2. Contractual provisions shall always take precedence over the provisions hereof.

13.3. In situations not covered by these Conditions, changes to the Contract shall only be permitted in the form of one or more written contractual amendments signed by both parties.

Approved by the statutory representatives of KODAP on 26 November 2014, effective as of 1 January 2015.