

HŽ CARGO d.o.o.

MANAGEMENT BOARD

Pursuant to Article 27 of the Statement on the Establishment of HŽ Cargo d.o.o. and to Article 3 of the Act on Agreements on Transport in Railway Traffic (Official Gazette No. 87/96 and 114/22), the Management Board of the company adopted on the 131. session held on January 24, 2023, the following

GENERAL TERMS OF TRANSPORT IN NATIONAL AND INTERNATIONAL RAIL TRANSPORT

(hereinafter: General Terms of Transport)

INTRODUCTION

Article 1

These General Terms of Transport regulate the relations between HŽ Cargo d.o.o., as the Carrier (hereinafter: the Carrier), and the Transport User (Shipper) in national and international rail cargo transport, unless otherwise defined by mutual agreement.

DEFINITIONS

Article 2

National transport refers to the transport of cargo from a departure station to a destination station in the Republic of Croatia on a transport route that does not cross the territory of other countries.

International transport refers to cargo transport from the Republic of Croatia to other countries, from other countries to the Republic of Croatia, and to transit from other countries through the Republic of Croatia to other countries, regardless of the fact if the transport is carried out exclusively by rail, or partially by rail and partially by some other means of transport. International transport is also the transport of parcels from the Republic of Croatia with an international waybill in transit through other countries to the Republic of Croatia, unless otherwise agreed with railway operators from other countries.

An agreement on the terms and conditions of transport of parcels by rail, approved tariff or quote (hereinafter: Transport Agreement) is an agreement concluded between the Transport User and the Carrier with the aim of cargo transport (by transport units) by rail, in which the contracting parties define the commercial and financial conditions of rail transport.

A parcel is one or several types of goods loaded into one wagon or several wagons, which has been accepted for transport based on one waybill.

The contracting parties use the Transport Agreement to determine the commercial conditions for individual transports, which contain all the relevant conditions arising from the Transport Agreement that refers to a specific transport. The tariff is approved only at the written request of the Transport User and after the written acceptance of a quote. The Transport User shall

submit a request for tariff approval according to the form defined by the Carrier, which will be sent to the Transport User at their request.

Unless it is otherwise defined in the Transport Agreement, the contracting parties agree that the transport price will be changed if, during the duration of the Agreement, the input costs change by more than 5% in relation to the input costs at the time of the conclusion of the Agreement. The transport price will be changed proportionally for any further percentage change of input costs.

OBLIGATIONS FROM THE TRANSPORT AGREEMENT

Article 3

Pursuant to the Transport Agreement, the Carrier is obliged to transport transport units:

- if the Transport User fulfilled the corresponding transport-related provisions,
- if transport is not prevented by circumstances that the Carrier could not prevent and/or eliminate,
- if the Carrier can perform the transport with the personnel and regular means of transport that correspond to regular transport needs,
- if the departure and destination stations have the necessary facilities for loading, reloading and unloading of cargo, except in cases of transport without loading, unloading and reloading.

In case of any irregularities during cargo transport, the Carrier shall provide information to the Transport User or the Transport User's representative.

The Carrier can completely or partially stop accepting or transporting parcels from certain stations and routes for justified reasons (non-fulfillment of financial obligations, congestion of traffic routes, closure of departure/destination stations, continuous railway closures, etc.).

Pursuant to the Transport Agreement, the Transport User is obliged to:

- ensure the agreed transport quantities,
- fulfill the corresponding transport-related provisions,
- pay the agreed price to the Carrier.

If the Transport Agreement is not implemented within the validity period of the mutually signed tariff, the Carrier is entitled to charge the Transport User with 150,00 EUR for every unrealized tariff.

In case that a waybill contains incorrect or insufficient information, especially if it contains the wrong reference number of the Transport Agreement or if it is missing, when providing instructions for the calculation of transport costs according to such a waybill, a 10,00 EUR charge per wagon is permitted, depending on the case and the waybill, the parcel or according to the given instruction for the calculation. This measure applies to all Transport

Users. The decision on additional invoicing is made by the Chief Executive Officer of the company.

CONCLUSION AND ENTRY INTO FORCE OF THE TRANSPORT AGREEMENT

Article 4

The Carrier and the Transport User shall conclude the Transport Agreement by signing it. By signing the Transport Agreement, the Transport User accepts the provisions of these General Terms of Transport.

By concluding the Transport Agreement, the Carrier is obliged to transport the parcel, and the Transport User is obliged to pay the Carrier the agreed transport fee for the aforementioned.

The Transport Agreement comes into force when the Carrier takes over the cargo for transport with a waybill.

The Carrier cannot accept goods for transport if the transport of such goods is prohibited by law or other regulations.

TERMINATION OF THE TRANSPORT AGREEMENT

Article 5

The Transport Agreement between the Carrier and the Transport User ends upon its execution or the expiry of its validity period. The Transport Agreement may also end due to its termination due to the non-fulfillment of the contractual obligations by the Carrier and/or the Transport User.

Each contracting party of the Transport Agreement has the right to unilaterally terminate the Transport Agreement by providing a reasoned, written statement of termination in the event that the other contracting party violates the provisions of the Transport Agreement or in the event that the other contracting party does not fulfill their obligations arising from the Transport Agreement, and if such a violation is not rectified in a subsequent period of 8 (in letters: eight) days starting from the receipt of the written notice from the contracting party adhering to the Transport Agreement.

The termination notice must be delivered to the other contracting party directly or by registered mail with a return receipt sent through an authorized postal service provider to the address of their registered office, in written form and with an obligatory notice period of 30 (thirty) days starting from the date of receipt of the termination notice.

The Carrier may at any time, regardless of paragraph 2 of this Article, unilaterally terminate the Transport Agreement with immediate effect, without a notice period and without providing a reason for the termination or an additional deadline for the fulfillment, if the Transport User:

- becomes insolvent and/or does not settle their accounts when they are due or their business accounts are blocked,
- loses the status of a legal person; initiates the asset sale procedure or liquidation and/or stops doing business,
- loses the right to use their assets, initiates pre-bankruptcy proceedings, in case that

proceedings are initiated against them in order to establish the existence of conditions for the initiation of bankruptcy proceedings, that is, if a competent court opens bankruptcy proceedings against them,

- due to force majeure cannot fulfil their obligations arising from this Agreement and the force majeure event lasts more than 5 (in letters: five) working days; commits a gross violation of their obligations arising from this Agreement, which causes or may cause considerable damage to the Carrier.

These General Terms of Transport include the possibility to terminate the Transport Agreement by mutual consent, without having to adhere to the notice period from paragraph 3 of this Article.

The Transport User agrees that if the Carrier unilaterally terminates the Transport Agreement, the Transport User shall not hold the Carrier accountable or charge the Carrier for any damages such as loss of profit or violation of personality rights, as well as for any other accidental, indirect, special or consequential losses and/or damages which may arise from and/or in connection with the Transport Agreement.

WAYBILL

Article 6

The Transport User must submit a waybill to the Carrier for every parcel. The waybill must be filled out in five copies.

A separate waybill must be submitted for every parcel, except when dealing with goods which, due to their dimensions, require a larger number of wagons or if otherwise agreed.

The Transport User is responsible for the accuracy of the data and statements entered in the waybill, as well as for the accuracy of the data and statements entered by the Carrier at their request.

PAYMENT OF TRANSPORT COSTS

Article 7

Transport costs (transport fee, an addition to the transport fee, fee for special services, etc.) and other costs which arise during the transport shall be borne by the Transport User in accordance with the concluded Transport Agreement.

INSPECTION OF THE PARCEL CONTENT AND WEIGHT

Article 8

When accepting goods for transport, the Carrier is entitled to check whether the parcel corresponds to the data on the waybill and whether special conditions for the transport of these goods are fulfilled. The Carrier can check the weight and content of the parcel at any station if it is required by traffic, customs or other regulations.

If the weight cannot be determined at the departure station, it will be checked at the first appropriate station on the route.

AMENDMENTS TO THE TRANSPORT AGREEMENT

Article 9

With the obligation to compensate the costs, the Transport User has the right to change the Transport Agreement and demand the following:

- to stop the transport of goods along the route,
- to postpone the delivery of goods,
- to deliver the goods to another recipient,
- to deliver the goods at another destination station,
- to return the goods to the departure station,
- that the amount indicated as the amount which needs to be paid should be collected from the Recipient and not them.

A request for amendments to the Transport Agreement and the confirmation of receipt of the request must be submitted in writing.

The Carrier may refuse to amend the Transport Agreement:

- if at the time of receipt of the request at the station that would have to make the amendment, the amendment can no longer be made,
- if amendments to the Agreement would cause traffic disturbances,
- if the amendment to the Agreement is contrary to customs or other regulations,
- if in case of changing the destination station, the value of the goods would not cover the costs of transportation to the new destination station, unless these costs are paid immediately, or a warranty is provided.

TRANSPORT OF DANGEROUS SUBSTANCES

Article 10

Dangerous substances are goods, cargo, substances, materials and objects which, according to the provisions of Article 3 of the Act on Transport of Dangerous Substances, are divided into: explosive substances, gases, flammable liquids, flammable solids, self-igniting substances, substances that release flammable gases in contact with water, oxidizing substances, organic peroxides, poisons, infectious substances, radioactive substances, corrosive substances and other dangerous substances. Dangerous substances are also waste, preparations, radioactive and nuclear materials if they fulfill the conditions for classification as dangerous substances according to the provisions of the Agreement referred to in Article 3 of the Act on Transport of Dangerous Substances.

Dangerous substances that are transported under the conditions from the Regulation concerning the International Carriage of Dangerous Goods by Rail (RID) and the Act on Transport of Dangerous Substances may be accepted for transport only if these conditions are fulfilled. For every parcel containing explosive, radioactive substances and nuclear materials, the Transport User must submit a transport permit in addition to the waybill, and

the transport permit must be issued by competent state authorities indicated in the Act on Transport of Dangerous Substances. The Transport User must obtain markings and hazard signs prescribed by the Regulation concerning the International Carriage of Dangerous Goods by Rail (RID) and place them on the wagon. When various dangerous substances are loaded together, the Transport User must take into consideration the regulations from the Regulation concerning the International Carriage of Dangerous Goods by Rail (RID).

METHOD OF CALCULATION OF TRANSPORT SERVICES FOR THE TRANSPORT OF PARCELS

Article 11

Transport services shall be calculated centrally.

PAYMENT METHOD

Article 12

The Carrier is paid for his services on the basis of issued invoices.

The Transport User shall settle their obligations towards the Carrier by making payments to the Giro account of the Carrier indicated on the invoice or by compensation or cession.

Compensation or cession are to be agreed upon with the Carrier in accordance with the needs and liquidity.

ORDER OF PAYMENT

Article 13

The Transport User shall settle their obligations arising from the services provided by the Carrier according to the priority of their maturity. If, in addition to the principal, the Transport User also owes interest and costs, payment shall be made in the following order: costs, then interest and finally principal.

PAYMENT SECURITY

Article 14

If the Carrier and the Transport User mutually establish such an obligation in the Transport Agreement, on the day of signing the Transport Agreement the Transport User is obliged to provide the Carrier with the agreed instruments of payment security drawn up in accordance with the provisions of the Enforcement Act, in order to ensure the fulfillment of their obligations arising from the Transport Agreement, and with which they shall give consent to the Carrier that, in order to collect due and unpaid claims arising from or in connection with the Agreement, all of their accounts with legal entities engaged in payment business activities shall be confiscated, and that the confiscated assets from these accounts shall be transferred directly to the transaction account of the Carrier without further question or approval.

If the Transport User does not directly provide the Carrier with the agreed security instruments from the Transport Agreement, it shall be considered that the Transport Agreement has never been concluded and it shall not have legal effects between the contracting parties.

If the Transport User has duly fulfilled the abovementioned condition and all their obligations towards the Carrier arising from the Transport Agreement, the Carrier is obliged, upon receiving a written request from the Transport User, to return the agreed security instruments from the Transport Agreement to the Transport User after the termination of the Transport Agreement for whatever reason.

The contracted payment security instruments can be a promissory note, bank guarantee, letter of credit, deposit and down payment.

The down payment is a payment security that is deposited on the account for the duration of the Agreement.

The deposit is used for the collection of due and unpaid claims from the Agreement.

MATURITY DATE OF INVOICES AND PAYMENT DEADLINES

Article 15

The transport services shall be paid in the currency and to the Giro account of the Carrier indicated on the invoice.

When making a payment, the Transport User must indicate the purpose of the payment, the invoice number and the reference number.

The Transport User shall settle their accounts regarding the Carrier within 30 days from the date when the invoice was issued.

FAILURE TO FULFILL PAYMENT OBLIGATIONS

Article 16

For overdue payments, the Carrier will add an agreed default interest to paid receivables at least every three months in the amount of 8 % annually, and for every outstanding invoice the Carrier can charge a special fee for costs caused by the delay of the fulfillment of the financial obligation in the amount that is prescribed by law pursuant to the Act on Financial Operations and Pre-Bankruptcy Settlement.

On overdue payments of foreign service users, the Carrier will add interest at least quarterly using the monthly EURIBOR interest rate of the European Central Bank, which will be increased by 5 basis points counting from the maturity date to the day of payment. If the monthly EURIBOR is negative, the interest rate will be increased by 5 basis points.

ACTIVATION OF PAYMENT SECURITY INSTRUMENTS

Article 17

After the expiry of the agreed deadline for the payment of invoices and after writing collection letters, the Carrier will activate payment security instruments.

In the event of an activation of payment security instruments, the Transport User shall issue new instruments at the invitation of the Carrier.

COMPLAINTS ABOUT ISSUED CALCULATIONS AND INVOICES

Article 18

In case of complaints regarding issued invoices and calculations, the Transport User shall deliver the disputed invoice and calculation with all attachments, as well as an explanation, within 30 days to the address of the Carrier's headquarters.

RESPONSIBILITY OF THE CARRIER

Article 19

The Carrier who takes the cargo for transport with a waybill is responsible for the execution of transport on the transport route, until the cargo is delivered to the recipient or another carrier.

The Carrier shall be liable for damages caused during transport due to complete or partial loss or damage of the cargo.

The Carrier shall be liable for damages caused by the loss or damage to the cargo, unless they prove that the damage was caused by the actions or omissions of the Transport User, properties of the cargo or other causes that could not be foreseen, avoided or eliminated.

The Carrier shall be exempt from liability if the loss or damage of the cargo occurs due to special risks related to one or more of the following circumstances:

- transport that is carried out in an open wagon based on existing regulations or an agreement with the Transport User and what is indicated on the waybill,
- if the cargo is not packed or if it is insufficiently packed and is therefore exposed to loss or damage due to its properties,
- cargo loading, improper loading and unloading, when loading or unloading is carried out by the Transport User or recipient based on existing regulations or an agreement concluded with the Transport User or recipient,
- properties of the cargo, which make it particularly prone to complete or partial loss or damage due to breakage, rust, rotting, cold, heat, leakage, drying, spillage etc.,
- cargo excluded from transport or accepted for transport under special conditions that is handed over for transport with incorrect or incomplete designation or the fact that the Transport User did not take precautionary measures prescribed for the cargo received for transport under special conditions,
- special risks to which live animals are exposed during transport,
- transport of live animals or other cargo which must be carried out with the Transport User indicated on the waybill with an escort, if the loss or damage occurs because the escort failed to remove the risk associated with the transport of that cargo.

TERMINATION OF RIGHTS TOWARDS THE CARRIER

Article 20

The right towards the Carrier arising from the Transport Agreement shall cease when the holder of the right receives the parcel.

Exceptionally, the claim right from paragraph 1 of this Article shall not cease in cases prescribed by the provision of Article 72 of the Act on Agreements on Rail Transport.

RIGHT OF RETENTION AND COLLATERAL

Article 21

In order to ensure the collection of their claims from the Transport User, the Carrier is entitled to retain the goods of the Transport User that have been handed over to the Carrier for transport until the Transport User settles their accounts.

When, based on the Transport User's request, the goods have been placed at the disposal of a third party or should be handed over to a third party, the Carrier is entitled to use items delivered for transport as collateral towards third parties only if the claim is related to the goods held by the Carrier on said ground.

PRESCRIPTION OF CLAIMS

Article 22

The period of prescription of claims from the Transport Agreement shall be as follows:

- claims based on an overpaid or underpaid transport fee, special services fees, wagon loading deadline fee, wagon rental, an addition to the transport fee and other costs - one year,
- all other claims - one year.

DELIVERY OF WRITTEN NOTIFICATIONS

Article 23

Any declaration of will (notifications, letters, requests, responses, statements, etc.) between the Carrier and the Transport User from the Transport Agreement shall be in the Croatian language, in written form and duly signed by the sender or an authorized proxy with a power of attorney attached.

The delivery shall be carried out by registered mail via an authorized postal service provider with a certificate of receipt (a return receipt or certificate of receipt according to the rules of the selected authorized postal service provider) to the address of the recipient's registered office.

The delivery shall be considered completed on the date when the recipient signs the return receipt or the certificate of receipt of the selected authorized postal service provider.

If the recipient does not sign the return receipt or certificate of receipt, the delivery shall be deemed to have been effected on the date when the sender delivered the letter to the selected authorized postal service provider addressed to the address of the contracting party from the Transport Agreement, that is if the letter cannot be delivered to that address, to the address of the registered office of the recipient registered in the competent court register on the date when the letter is sent.

It shall be considered that the communication between the Carrier and the Transport User, which refers to matters of the operational implementation of the Transport Agreement, is valid if it is also carried out by e-mail.

For the avoidance of doubt, it shall be deemed that an email was delivered upon the expiry of 24 (twenty-four) hours from the time/date when the sender sent the email to the addressee. If the expiry of the 24 (twenty-four) hour period falls on a non-working day of any of the contracting parties (Saturday, Sunday, public holiday), it shall be considered that the delivery of the email was made on the first following working day. If the sender of an email containing a call for any action, tolerance or omission of the addressee within a further period of 3 (three) days, counting from the expiry of 24 (twenty-four) hours from the time/date when the sender sent the email to the addressee, does not respond to this message, the sender is obliged to send a relevant message to the addressee in the manner described in paragraph 2 of this Article.

CONFIDENTIALITY

Article 24

All data which the Carrier and the Transport User during the duration of the Transport Agreement exchange, learn or in any way discover, which includes, but is not limited to:

(i) all types of orders, instructions, announcements, materials and information, regardless of whether they are written or oral, regardless of the media containing them, regardless of the content and whether they are protected by intellectual property rights, (ii) all data on the internal structure of the contracting parties, their organization and business operations, and (iii) all data on the existence of the Transport Agreement and its content, are considered confidential data which represent a business secret (hereinafter: "Confidential Information").

Neither contracting party shall disclose Confidential Information to any third party without a prior written consent of the other contracting party. Third parties are all persons other than the Carrier, the Transport User and their employees, and only to the extent in which the disclosure of Confidential Information to such employees is necessary for the fulfillment of the obligations arising from the Transport Agreement.

If during the duration of the Transport Agreement a contracting party, as the recipient of Confidential Information, due to the application of compulsory regulations has to disclose Confidential Information to competent authorities in judicial, administrative or other proceedings, the contracting party-recipient shall immediately notify the other contracting party in writing of the existence of an official request for the disclosure of Confidential Information, so that the other contracting party can take legal action to protect the confidentiality of Confidential Information in these proceedings.

Each contracting party to the Transport Agreement may disclose Confidential Information to their affiliated companies provided that the affiliated companies assume the obligation to maintain the confidentiality of such data to the same extent that has been assumed by the contracting parties due to the Transport Agreement.

The obligation to keep the confidentiality from this Article is arranged for a period of 5 years after the termination of the Transport Agreement on any ground.

PERSONAL DATA PROTECTION

Article 25

If the Carrier and the Transport User exchange and process any personal data in relation to the Transport Agreement on behalf of or by order of the counterparty, such processing shall be carried out only for the purpose of executing the Transport Agreement and it shall always be in accordance with the valid regulations on personal data protection.

The Carrier and the Transport User shall not disclose or allow the disclosure of any personal data to third parties, without a prior written permission, except in case of disclosures due to legal obligations.

The Carrier and the Transport User are individually responsible for compliance with regulations on the protection of personal data.

In the event of termination of the Transport Agreement for any reason, the Carrier and the Transport User shall immediately stop using personal data that they acquired during the duration of the Transport Agreement and they shall take actions for the immediate and safe deletion of such data.

FORCE MAJEURE

Article 26

The Carrier and the Transport User shall not be responsible for the non-fulfillment of obligations arising from the Transport Agreement if the non-fulfillment is caused by or is the result of force majeure, that is events that are beyond their control and independent of their will, which directly affect the fulfillment of obligations and whose occurrence is not a consequence of the Carrier's and the Transport User's negligence, and which could not have been predicted and/or avoided.

In case of a force majeure event, the Carrier and the Transport User shall make all necessary efforts to fulfill their obligations from the Transport Agreement, and are obliged to immediately, but no later than 3 (in letters: three) days, notify each other in written form and state which of their obligations they cannot fulfill due to the occurrence of a force majeure event, indicating reasons and providing appropriate proof of force majeure and its possible duration.

In case of a force majeure event, an event which none of the contracting parties could have predicted and/or avoided and which is deemed to be a force majeure event, the deadlines defined in the Transport Agreement shall be extended by a mutual written agreement between the Carrier and the Transport User.

If the delay caused by a force majeure event continues for more than 5 (in words: five) days, the Carrier and the Transport User have the right to unilaterally terminate the Transport Agreement in written form.

DISPUTE RESOLUTION

Article 27

In case of a dispute, the Carrier and the Transport User can agree on the competence of the Permanent Arbitration Court (the Arbitral Court) of the Croatian Chamber of Commerce and the application of Croatian laws as governing laws.

If the Carrier and the Transport User do not explicitly agree in the Transport Agreement on the Arbitral Court from paragraph 1 of this Article as the competent court for the settlement of potential disputes, by accepting these General Terms of Transport disputes arising from the Transport Agreement shall be resolved by:

- in the event that both contracting parties have their registered office in the Republic of Croatia, the competent court in the Republic of Croatia according to the Carrier's registered office;
- in the event that the Transport User has their registered office outside the Republic of Croatia, the competent court defined by an agreement between the parties, and in the event when the competent court is not agreed, the local court having subject matter jurisdiction according to the Carrier's registered office.

FINAL PROVISIONS

Article 28

These General Terms of Transport come into force and are put into use starting from the day of their adoption. They shall be published on the Carrier's official website:

<http://www.hzcargo.hr>. With the entry into force of these General Terms of Transport, decision no.: UC-92-7/22 from March 7, 2022, and the decision on amendments to decision no: UC-126-5/22 from November 30, 2022 are suspended.

The Carrier may change the conditions from these General Terms of Transport in accordance with their business policy and valid legal regulations.

Provisions of the Act on Agreements on Railway Transport, the Civil Obligations Act and other valid legal regulations and bylaws shall apply to all relations from the Transport Agreement which are not regulated by these General Terms of Transport.

If any provision of the Transport Agreement becomes partially or entirely null and void, other provisions of the Transport Agreement shall remain in force and said shall not affect its other provisions. In that case, the Transport Agreement shall remain valid, and the Carrier and the Transport User are obliged to replace the invalid provision with a valid one, which shall, to the greatest extent possible, enable the achievement of the goal which was intended to be achieved by the provision that was subsequently found to be null and void.

Any potential amendments and/or additions to the Transport Agreement must be in written form and signed by the Carrier and the Transport User.

The Carrier and the Transport User are obliged to cover their own costs arising from the negotiation, preparation, signing and delivery of the Transport Agreement.

The legal relationship established between the Carrier and the Transport User on the basis of the Transport Agreement is a relationship between independent contracting parties, and in the fulfillment of their obligations arising from the Transport Agreement the Carrier and the Transport User act as independent entities, i.e. they are not authorized, without explicit instructions and a written consent of the counterparty, to represent one another, or in any way assume any rights and obligations in relation to third parties on behalf of and for the account of one another.

Both the Carrier and the Transport User shall not transfer the Transport Agreement, in its entirety or partially, without a prior written consent of the other counterparty.

The Transport Agreement represents the true will and complete agreement between the Carrier and the Transport User in relation to its subject matter. The Transport Agreement shall replace all possible previous agreements or arrangements between the Carrier and the Transport User in relation to its subject matter, regardless of the fact whether they were concluded in writing or orally.

Neglecting, delaying or deferring any obligation arising from the Transport Agreement by the Carrier and/or the Transport User shall not be interpreted as a waiver of their rights, and no individual or partial exercise of any rights or legal remedies by either party from the Transport Agreement shall affect or limit the further exercise or enforcement of any such right or legal remedy.

Number: UC-131-12/23

Zagreb, January 24, 2023

Chief Executive Officer
Dragan Marčinko



