

Annex 1 to the Terms and Conditions of the INFO.POST service – PROCESS OF JOINT INSPECTION OF DISTRIBUTION

To clarify, the terms used herein have the same definitions and meanings as defined in the Terms and Conditions unless otherwise stipulated herein.

The parties agree that joint inspection of completed distribution shall be conducted under Article VII of the Terms and Conditions in the following manner and under the following conditions:

Start of the joint inspection, meeting and reference materials for joint inspection

- A joint inspection of the quality of completed distribution is completed on the working day after or at the latest on the 2nd day after the completion of delivery.
- By 5 PM on the working day before the joint inspection, the Client (or its authorised representative) sends an email to the KOLOS contact person providing details to KOLOS as to the number of inspections and the specific catchment areas of regional branch offices at the district level included in the inspection.
- The meeting point is the location agreed upon by the parties, typically the Client's registered office or branch office location.
- The joint inspection starts at a specific time agreed upon by the parties, specifically 9 AM, and is used to calculate the start of the joint inspection
- During the meeting, both parties check to ensure they have all reference materials needed to complete the joint inspection per the conditions defined below.
- The authorised representative of KOLOS is obliged to provide for the joint inspection and submit the Inspection Sheet, current distribution plan for the inspected catchment area with randomly numbered distribution regions (also serves as the draw list), map materials for the individual distribution regions, a list of the permanently inaccessible entrances (or delivered entrances) and a list of the currently undeliverable entrances. The list of distribution regions covered in an inspection is chosen at random using a drawing.
- The drawing process occurs at the meeting point before the joint inspection occurs.
- The Client performs the drawing by randomly selecting numbers from 1 to n (where n is equal to the total number of distribution regions in the inspected catchment area). A maximum of 10 numbers may be selected (10 distribution regions for inspection). The randomly-numbered distribution regions in the list are provided by the authorised representative of KOLOS before the drawing begins (see the example drawing list below). The drawing list will be compared upon Client request with the distribution plan to ensure its completeness.
- Once the inspected distribution regions are selected per the above, these regions will be reconfigured in a logical order to define the order of distribution regions in which the inspection will be conducted.

The current promotional material is needed for inspection purposes. Such promotional material may be picked up at the Client's registered office or branch office and/or the Client is obliged to provide such material at the meeting if held at any location other than the Client's registered office or branch office.

Example **drawing list**:

| Drawing number | ICS | Distribution region | Joint inspection area |
|----------------|------------|-------------------------------|-----------------------|
| 14 | 4aPD14/B00 | Chrenovec - Brusno, Brusno | Handlová |
| 13 | 4aPD14/C00 | Chrenovec - Brusno, Chrenovec | Handlová |
| 11 | 4aPD16/A00 | Jalovec | Handlová |
| 8 | 4aPD26/A00 | Lipník | Handlová |

| | | | |
|-----------|------------|---|-----------------|
| 2 | 4aPD43/B00 | Ráztočno | Handlová |
| 6 | 4bPD11/B02 | Handlová 02 (Okružná) | Handlová |
| 7 | 4bPD11/B03 | Handlová 03 (Morovnianska) | Handlová |
| 5 | 4bPD11/B04 | Handlová 04 (Pri Tržnici houses) | Handlová |
| 3 | 4bPD11/B06 | Handlová 06 (Middle) | Handlová |
| 15 | 4bPD11/B07 | Handlová 07 (Below KPN) | Handlová |
| 1 | 4bPD11/B08 | Handlová 08 (29. Augusta) | Handlová |
| 16 | 4bPD11/B09 | Handlová 09 (Near railway station) | Handlová |
| 4 | 4bPD11/B11 | Handlová 11 (Above the railway) | Handlová |
| 9 | 4bPD11/B12 | Handlová 12 (Pekárska) | Handlová |
| 12 | 4bPD11/B15 | Handlová 15 (29. Augusta - towards Prievidza) | <u>Handlová</u> |
| <u>10</u> | 4bPD11/B16 | Handlová 16 (houses below primary school) | Handlová |

Scope of joint inspection, selection of joint inspection locations and the joint inspection process

- Joint inspection concerns a maximum of 10 distribution regions with 3 measurements taken in each distribution region. If the catchment area does not have at least 10 distribution regions, the joint inspection shall be completed in each distribution region so that the number of control measurements in each distribution region is defined as the proportion of 30 divided by the number of distribution regions in the catchment area.
- The method used to select inspection points in a distribution region is defined by having one party select the street and the other party select the specific addresses of the inspection points on these streets. The roles are reversed in the next selection.
- If there is a lack of streets in the distribution region, the inspection points are selected in alternating fashion, first by the Client's authorised representative and then by the authorised representative of KOLOS.
- An inspection point in a distribution region is either a specific apartment building with multiple residential units or several individual houses next to one another.
- During the inspection, none of the parties will intentionally select extreme points (i.e. houses standing alone or beyond a creek, etc.). The selection process should be an objective attempt to determine the status of distribution.

Questioning and definition of the outcome at the inspection point

- A visual inspection is performed at every inspection point first. If the parties find the promotional material, the answer "YES" is recorded in the Inspection Sheet. No questioning is completed regarding delivery of the current promotional material.
- Questioning is performed at the inspection point if the parties cannot find the promotional material. The intercom system is to be used preferentially for questioning purposes in the case of apartment buildings and houses equipped with operational intercom systems.
- The absence of an intercom system or its malfunctioning does not constitute grounds for selecting another inspection point. If access to the apartment building is granted, the residents are requested to complete the questioning.

- The question is posed in alternating fashion by the Client's authorised representative and then the authorised representative of KOLOS while the other party is responsible for ensuring the question itself is asked properly. The other party may correct the question if it is not asked properly. Questions must be asked in the following manner: "Please, did you receive the ZZ flyer in period XY?", or in the case of face-to-face contact with the person, "Please, did you receive a ZZ flyer this week?" (the person asked is then shown the current promotional material involved in the inspection).
- Only clear answers are recognised and recorded: "YES", "Definitely YES" and "NO", "I DIDN'T GET IT".
- Ambiguous answers along the lines of: "I think so", "maybe", "probably not", "I don't think so", "we get a lot of different flyers", etc. are unacceptable and the questioning must continue.
- The agreement of both parties is required to disqualify a responded on the basis of age or their mental condition. Otherwise, both types of clear answers (YES and NO) are recorded without challenge.
- If the required number of answers cannot be obtained in the selected apartment building, questioning continues in the closest possible apartment building so that all questions are added together and jointly evaluated. For instance, if the first answer is YES, the second NO and the rest of the answers provided in the first building are ambiguous, a valid third answer may be sought in the closest apartment building/house with the third answer recorded on sheet along with the street number. Both apartment buildings/houses are collectively evaluated as a single inspection point (in a single row).
- If there is no other apartment building/house on the street, subsequent questioning is performed in the closest apartment building/house regardless of if on another street. The next street is marked down directly in this same row or is labelled with a * and with a list of references on the edge of the form for the individual * symbols. The same applies for houses.
- Subsequent evaluation of the inspection point is defined using the following table:

| 1st question | 2nd question | 3rd question | Result |
|--------------|---------------|---------------|--------|
| YES | YES | Not necessary | YES |
| NO | YES | YES | YES |
| YES | NO | YES | YES |
| NO | NO | Not necessary | NO |
| NO | YES | NO | NO |
| YES | NO | NO | NO |
| F (physical) | Not necessary | Not necessary | YES |
| NO | F (physical) | Not necessary | YES |

Inspection Sheet and calculation of the final result

- The Inspection Sheet template forms an annex to the Terms and Conditions. Any other Inspection Sheet is considered invalid, unless the parties agree otherwise.
- The completed sheet must include all the agreed details and must be completed as legibly as possible, best using block letters.
- If weather conditions are poor, the results may be transcribed into a separate sheet so long as the authorised representatives of both parties indicate at the end of the Inspection Sheet that the results were transcribed and sign the Inspection Sheet.
- The final result is calculated as follows:

$$(\text{Number of YES answers in the Result column} / \text{total number of completed rows}) * 100$$
- The result is mathematically rounded to two decimal places in a percentage value. The joint inspection is not complete until the result is calculated and the authorised representatives of both parties sign the form.
- The Inspection Sheet is completed in two counterparts (or a copy is made), with the parties each retaining one counterpart.
- Joint inspection is considered complete when the authorised representatives of both parties sign the Inspection Sheet.

Joint inspection is also subject to the following conditions:

- Joint inspection is not conducted in those entrances that are permanently or currently inaccessible; the authorised representative of KOLOS is obliged to bring a list of such entrances to the joint inspection.
- Only trustworthy persons between the ages of 18 and 75 may be questioned within joint inspection; such persons must have legal capacity and may not exhibit any signs of alcohol, narcotic drug or psychotropic substance usage.

Distribution is considered completed in a full and timely manner, i.e. 100% success rate if the result of the joint inspection is a distribution success rate within the inspected district of at least 90%.