

The TTC Group General Terms and Conditions of Purchase

Version 1, Validity as of 1 October 2023

PREAMBLE

These General Terms and Conditions of Purchase were prepared in accordance with Act No. 89/2012 Coll., the Civil Code, as amended, and with other law of the Czech Republic, and they are binding for the execution of contractual relationships between any company in the TTC Group (as defined below), if the company acts as a purchaser or recipient of services (hereinafter the “**Purchaser**”), and any other legal entity (hereinafter the “**Seller**”; the Purchaser and the Seller hereinafter jointly also the “**Contracting Parties**” or each as a “**Contracting Party**”). These General Terms and Conditions of Purchase shall apply to delivery of goods as well as provision of services, whereas the term “goods” shall mean in these General Terms and Conditions of Purchase also services, unless the nature of the provided services excludes such interpretation.

The TTC Group for the purposes of these General Terms and Conditions of Purchase means the company TTC HOLDING, a.s., Company ID No.: 278 87 464, having its registered office at Prague 10 – Strašnice, Třebostická 987/5, ZIP 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague, file No. B 11785, and any and all companies in which TTC HOLDING, a.s. holds a share, either directly or indirectly via another its subsidiary.

1. CONTRACTING PROCEDURE

1.1. All contractual relationships of the Purchaser shall be governed by these General Terms and Conditions of Purchase, unless the application of these conditions or a part thereof, their modification and/or amendment by Special Terms and Conditions of Purchase is excluded, which would be stated in the respective Agreement, offer of the Purchaser or confirmation of the offer by the Purchaser (unless stated otherwise below or unless the respective provision is interpreted otherwise, the term “**Agreement**” used in these General Terms and Conditions of Purchase includes both a written documentary agreement under paragraph 1.2. of these General Terms and Conditions of Purchase, and an agreement concluded by accepting an offer by the other Contracting Party under paragraph 1.3. of these General Terms and Conditions of Purchase.

1.2. The Purchaser reserves the right to conclude any agreement, the subject of which exceeds the amount of CZK 10,000, in a written documentary form. Such an agreement shall be signed on behalf of both the Purchaser and the Seller by their statutory bodies or by persons expressly authorized in writing for the signature of such agreement. Unless the Seller expressly refused a written documentary form of the Agreement upon the negotiation

of its content, the Purchaser shall hold that the Seller approved of the written form of the Agreement. Until a full approval of the final draft of the Agreement by both Contracting Parties and its signature by the Purchaser, the Seller may not reasonably expect that the Agreement will be concluded, and the Purchaser may terminate the negotiations regarding the Agreement. This provision shall not apply to performance under framework agreements concluded between the Purchaser and the Seller.

1.3. In case the performance shall not exceed the amount of CZK 10,000, the Agreement may be concluded based on an offer of one Contracting Party confirmed by the other Contracting Party without further formal requirements. The offer shall contain at least the substantial requisites of the Agreement to be concluded, and it shall state who makes the offer and who is the addressee of the offer. In the matter of offers and their confirmations, only the employees of the Purchaser in the positions of: department manager, director, and employees of the sales department - department of sale and purchase - may act on behalf of the Purchaser. Making the offer or confirmation of an offer by an employee not listed in the preceding sentence or by any other third party would constitute an excess of powers of representation. In case of excess of powers of representation, the Purchaser is bound by the offer or its acceptance only if such excess of powers of representation was additionally approved by the Purchaser.

1.4. Unless the offer is confirmed or accepted by the Purchaser within 14 (fourteen) days after its delivery, the Agreement was not concluded.

2. BINDING NATURE OF THESE TERMS AND CONDITIONS AND CONFLICT OF CONDITIONS

2.1. These General Terms and Conditions of Purchase form an integral part of Agreements of the Purchaser and amendments thereto, as well as the plans and/or documents attached.

2.2. Unless agreed otherwise in writing with the Purchaser, the Purchaser is not bound by any condition of the Seller incompatible with these General Terms and Conditions of Purchase, or any other condition supplementing these General Terms and Conditions of Purchase in any manner. Unless the Purchaser expressly declares to insist on concluding the Agreement as amended by the conditions of the Seller or by both conditions to the extent, in which the documents are not in conflict, the Purchaser is deemed to have excluded concluding of the Agreement.

3. EXECUTION AND DELIVERY OF GOODS

3.1. Upon the production and delivery of goods and/or services, the Seller undertakes to abide by the specifications, plans, templates or samples of the Purchaser, approved between the Purchaser and the Seller in advance and provided by the Purchaser to the Seller in advance. The Purchaser shall receive the goods from the Seller provided the goods comply with the requirements contained in the specifications, plans, templates and/or samples, and they shall be duly suitable to use for the agreed or common purpose.

3.2. The Seller undertakes to deliver the goods in accordance with the standard practice in the industry and with the level of equipment and technology available to the Seller.

3.3. The Seller undertakes that the delivered goods shall fully comply with the requirements of the law of the Czech Republic and the directly applicable law of the European Union, in particular with the terms and conditions for using the CE mark.

3.4. The Purchaser reserves the right to perform modifications or amendments to the subject of agreements, specifications, plans, templates and/or samples relating to the delivered goods. Should such changes mean reworking of the goods affecting the price and/or delivery period, the Seller shall notify the Purchaser thereof in writing no later than within 10 (ten) days after the delivery of a requirement of the Purchaser for reworking of the goods. Following expiration of such period, no further requirement of the Seller in connection with reworking of the goods shall be accepted.

4. ASSIGNMENT AND SUBCONTRACTING

4.1. The Seller may not transfer or assign to any third party all or any part of its obligations, performances (services) and deliveries which the Seller undertook, without a prior written consent of the Purchaser. The violation of this provision constitutes a substantial breach of the Agreement by the Seller.

4.2. The Seller who wishes to subcontract the performance which the Seller undertook or a part thereof, shall have the Purchaser approve of any subcontractor prior to concluding an agreement with such subcontractor, including payment conditions under which the subcontract shall be executed. The Seller may not turn to any subcontractor who was not approved by the Purchaser in advance and/or whose payment conditions were not approved in advance. The violation of this provision constitutes a substantial breach of the Agreement by the Seller.

4.3. The Seller undertakes to arrange for, in the form of a contract, its subcontractors to perform their deliveries in accordance with these General Terms and Conditions of Purchase. Any approval of the Purchaser given to the Seller for the transfer, assignment and/or subcontracting of the whole and/or any part of its obligation to any third party does not absolve the Seller from its liability towards the Purchaser with respect to its due and timely performance of obligations.

4.4. The Seller may not assign or transfer any of its rights arising under the Agreement concluded with the Purchaser without a prior written consent of the Purchaser.

5. PRICE

5.1. The agreed prices of the goods already include any and all costs of the Seller connected with the performance under the Agreement concluded with the Purchaser. The agreed prices are always final, the highest permissible and they cannot be changed in a manner other than by amendment to the respective Agreement.

5.2. The price of goods includes, in particular:

- a. transport of the goods to the place determined by the Purchaser;
- b. costs of packaging and marking of the goods according to the requirements of the Purchaser;
- c. customs duties, customs fees;
- d. ecological liquidation of the goods, if any, and the related services;
- e. warranty and warranty services to the extent stipulated by the Agreement;
- f. any other costs and fees necessary for the performance under the Agreement.

5.3. No changes to the exchange rate of the currency valid in the Czech Republic to any foreign currency entitle the Seller to any change in the agreed price.

5.4. Unless agreed otherwise, the price shall mean price of the goods, including transport to the place of delivery in accordance with the delivery term under INCOTERMS 2020, agreed in the Agreement.

6. INVOICING

6.1. The invoices issued by the Seller for the delivery of goods shall be submitted in two counterparts to the financial department of the Purchaser, stating the number of the Agreement or offer, specifying the delivered goods, number of pieces of delivered goods, price of the delivered goods, bank account number of the Seller, and other requisites of a valid accounting and tax document according to the applicable law, in particular the Act on Value Added Tax, as amended.

6.2. The Purchaser shall accept the invoices of the Seller only provided these are issued in the agreed currency.

6.3. In case the invoices issued by the Seller do not comply with the above conditions, these invoices will be returned to the Seller, and until the delivery of the corrected invoices, the Purchaser is not in delay with payment for such invoices, and the maturity period shall commence as of the date of delivery of the corrected tax document.

7. PAYMENT

7.1. Any tax document issued by the Seller shall be payable within 30 (thirty) calendar days from the date of its delivery to the Purchaser, unless a longer period was agreed.

7.2. Unless agreed otherwise, the Purchaser shall not provide payments in cash upon delivery of the goods.

7.3. In case of non-cash payment, the purchase price shall be considered paid as of the moment the respective amount was sent to the bank account of the Seller.

7.4. Should the Purchaser request that the Seller presents a bank guarantee as a security for due performance of obligations under the Agreement concluded with the Purchaser, the Seller shall present such a bank guarantee.

7.5. The bank guarantee under paragraph 7.4. above shall be issued upon the first written request of the Purchaser, and it shall not contain any provision or conditions excluding and/or limiting the applicability of these General Terms and Conditions of Purchase. Unless agreed otherwise, the bank guarantee shall be issued by

a bank established and operating under Act No. 21/1992 Coll., on Banks, as amended, accepted by the Purchaser.

7.6. The costs connected with the bank guarantee shall be borne by the Seller.

7.7. In case the goods delivered by the Seller to the Purchaser fail to comply with the Agreement concluded with the Purchaser, the Purchaser reserves the right to defer payments for such goods, until the Seller complies with its obligations duly; this does not affect any other conditions stipulated in the Agreement with the Purchaser (i.e. the Purchaser does not thereby waive its right to special discounts etc.). In case of deferring payment under this provision, the Purchaser is not in delay with payment of the agreed price.

7.8. The Purchaser reserves the right to set off its mature receivables towards the Seller against the receivables of the Seller towards the Purchaser arising based on the delivery of goods. The Seller hereby expresses its consent to such set-off of mutual receivables.

8. VAT TAXPAYERS' OBLIGATIONS

8.1. The Seller undertakes to specify its bank account, published by the tax administrator in a manner enabling remote access under the Act on VAT, in the Agreement with the Purchaser. The Seller further undertakes also to specify in any tax document addressed to the Purchaser as its bank account for the purposes of payment for any taxable transaction under the Agreement its bank account published by the tax administrator in a manner enabling remote access under the Act on VAT. The Seller further undertakes to notify the Purchaser in advance in writing of any prepared change in the data regarding the bank account published by the tax administrator in a manner enabling remote access under the Act on VAT.

8.2. In case the tax administrator decides that the Seller is an unreliable taxpayer under the Act on VAT, the Seller undertakes to demonstrably notify the Purchaser in writing of such fact within 24 hours after the respective decision of the tax administrator was delivered to the Seller, regardless of enforceability of such decision and the manner of its delivery.

9. PLANS, MODELS, DESIGNS and DOCUMENTS

9.1. All plans, models, designs, templates and/or other documents prepared within the performance of the Agreement shall become the property of the Purchaser as of their making. In case a protection of a copyright, industrial property rights or other rights under the respective law pertains to the plans, models, designs, templates and/or other documents or any part thereof, the Seller shall irrevocably provide and/or transfer all such property rights to the Purchaser, in particular the right to use, in any manner, unlimited in time and for the territory of all countries in the world, whereas payment for such provision or transfer is already included in the price of the goods.

9.2. The Purchaser reserves the right to approve in advance the plans, models, designs, templates and/or other documents prepared by the Seller. The Seller shall present

to the Purchaser the plans, models, designs, templates and/or other documents for approval at least 2 (two) weeks prior to commencement of production of the goods by the Seller. Such approval shall not absolve the Seller from its exclusive liability for due execution of the goods according to the Agreement concluded with the Purchaser, and it shall not give rise to any liability of the Purchaser in any manner.

9.3. All plans and other documents necessary for the production of the goods, putting the goods in operation, operation and maintenance of the goods shall be provided by the Seller to the Purchaser within a time limit, in the manner and number of copies as specified in the Agreement with the Purchaser.

9.4. The Seller shall control any plans, models, designs, templates and/or other documents handed over by the Purchaser to the Seller for the purposes of execution of the respective Agreement following their delivery, and notify the Purchaser immediately of any discrepancies, unsuitability for use, malfunction and/or defect, which the Seller discovered or could and should have discovered.

9.5. The Seller undertakes to hold any information provided to the Seller by the Purchaser prior to the conclusion, upon the conclusion or upon implementation of the Agreement as strictly confidential and secret, whether the information was provided orally or within a plan, model, design, template or another document, which belongs to:

- the Purchaser and/or its parent company and/or affiliated company;
- subcontractors of the Purchaser; or
- customer of the Purchaser.

The Seller further undertakes not to provide or disclose any such information or a part thereof to any third party. All such information remains the industrial property and business secret of the Purchaser. The violation of this provision constitutes a substantial breach of the Agreement by the Seller.

9.6. The Seller undertakes not to use the information, plans, models, designs, templates or other documents belonging to the Purchaser, whether directly or indirectly, for the registration of a patent or another industrial property right in any country. The Seller undertakes not to use such information, plans, models, designs or other documents for the exercise of personal property rights. The violation of this provision constitutes a substantial breach of the Agreement by the Seller.

9.7. The Seller undertakes not to deny or doubt, whether directly or indirectly, of the validity of any patents, applications for registration of a patent and/or another industrial property right granted to the Purchaser and/or registered by the Purchaser and/or applied for by the Purchaser but not yet granted, and not to aid to any third party to do the same. The violation of this provision constitutes a substantial breach of the Agreement by the Seller.

9.8. The Seller shall return any delivered plans, models, designs, templates and/or other documents to the Purchaser no later than within 14 (fourteen) days after the delivery of a call of the Purchaser for return.

9.9. The Seller undertakes not to copy, modify or reproduce the delivered plans, models, designs, templates and/or other documents as a whole or any part thereof. The delivered plans, models, designs, templates and/or other documents may only be used for the purposes of execution of the respective Agreement. The Seller undertakes not to use for the production, assembly, putting into operation and/or sale any devices, installations or goods of identical or similar nature as specified in the plans, models, designs, templates and/or other documents for its own benefit or for the benefit of a third party. The violation of this provision constitutes a substantial breach of the Agreement by the Seller.

9.10. The Seller undertakes to adopt all necessary measures for the protection of plans, models, designs, templates and/or other documents owned by the Purchaser, its parent company, its affiliates, subcontractors and/or any customer of the Purchaser against the misuse by any third parties. The costs of arranging for such measures and any insurance shall be borne by the Seller.

9.11. The Seller is liable towards the Purchaser for any damage incurred by the Purchaser, its parent company, its affiliate, subcontractor and/or any customer of the Purchaser for failure to comply with the above provisions.

10. DELIVERY PERIOD

10.1. The Seller undertakes to deliver the goods and/or provide the services to the Purchaser within a delivery period stipulated in the Agreement with the Purchaser. The delivery period stipulated in the Agreement represents a time limit in which the goods shall be delivered to the place of destination. In case the Agreement specified no delivery period, the Seller shall deliver the goods no later than within 4 (four) weeks after the conclusion of the Agreement.

10.2. In case a delay in the delivery of goods may be expected, the Seller undertakes to notify the Purchaser of such delay in writing immediately after it becomes aware of such fact.

10.3. In case the Seller is clearly unable to perform delivery of the goods within the agreed time limit, without any fault on the part of the Purchaser, the Purchaser may require determination of a substitute date of delivery; this shall not affect the power to exercise with the Seller a claim for direct or indirect damages incurred in relation to the delayed delivery and/or failure to perform a delivery to the agreed place. A delay of the Seller with the delivery of goods exceeding 5 (five) days constitutes a substantial breach of the Agreement by the Seller.

11. INSPECTIONS AND TEST

11.1. The Seller undertakes to enable the Purchaser, representatives of a customer of the Purchaser, specialized companies and/or third parties determined by the Purchaser free access to its premises and to the premises of its subcontractors for the purposes of inspection of progress of the work, inspection of quality of the goods and supervision over the quality tests.

11.2. Unless agreed otherwise, the quality tests shall be performed at the Seller prior to dispatch of the goods to

the place of destination. The Seller undertakes to inform the Purchaser sufficiently in advance on organizing a quality test in order to enable the Purchaser to participate in the tests. It is at the Purchaser's discretion whether a representative of a customer and/or any third parties shall be invited to such quality tests. Participation of the Purchaser in these tests does not absolve the Seller from any obligations and liability for due and timely delivery of the goods.

11.3. The Purchaser reserves the right not to perform such inspections and/or quality tests. In such a case, the Seller undertakes to perform the inspections and/or quality tests on its own and/or authorize a specialized company or a third party determined by the Purchaser to perform the same, and deliver to the Purchaser a report on the performed tests no later than upon the delivery of the goods.

11.4. The performance of inspections and/or quality tests by the Seller does not exclude and/or limit the liability of the Seller towards the Purchaser as regards compliance of the delivered goods with the Agreement concluded with the Purchaser.

11.5. In case the statutory and/or technical specifications of the Purchaser do not describe the methods of the required quality test, such tests shall be performed in accordance with the standard practice for the relevant industrial filed in the country of the Seller. In any event, the Seller shall provide the Purchaser with a report on the tests performed.

11.6. Unless agreed otherwise, the Seller shall bear all costs of the performance of such tests, except for the expenses of representatives of the Purchaser and/or representatives of its customers and/or any third parties determined by the Purchaser relating to the participation in the quality tests.

11.7. Should a defect of the goods be detected during the quality tests and/or should it be ascertained during the quality tests that the goods are not in compliance with the Agreement, the Seller shall remedy all such defects without delay by performing the necessary repairs or replacements at its own expense, without a prior notice of the Purchaser. In such a case, the Purchaser shall decide whether the quality tests shall be repeated. In case the quality tests shall be repeated, the Seller shall bear all related costs, without any exceptions.

11.8. A delay of the Seller with the performance of repair and/or replacement of the goods constitutes a substantial breach of the Agreement by the Seller. The Purchaser reserves the right to perform the repair or replacement of the goods at the expense and risk of the Seller.

12. DELIVERIES

12.1. Unless agreed otherwise, all deliveries of the goods shall be performed to the place of destination in accordance with the DDP delivery term under INCOTERMS 2020.

12.2. Partial deliveries of the goods are not permitted without a prior written consent of the Purchaser.

12.3. Immediately after the dispatch of the goods to the place of destination, the Seller shall notify the Purchaser in writing of dispatching the goods. The notice of dispatching the goods shall contain the number of Agreement or offer, number of packages, their content, gross weight, net weight, and delivery address.

12.4. Each delivery of the goods shall be accompanied by a delivery note (twice) which shall contain the identical data as the notice of dispatching the goods; otherwise, the goods shall be returned to the Seller.

12.5. The Seller undertakes to comply with the instructions of the Purchaser as regards marking of the goods and preparation of the accompanying documentation.

12.6. By signing the delivery note, the Purchaser - its employee, agent, representative authorised to take delivery of the goods - shall confirm delivery of the deliveries, without approving the quality or completeness of the delivery of goods.

13. PACKAGING, TRANSPORT AND PASSAGE OF RISK OF DAMAGE TO THE GOODS

13.1. Unless the Purchaser requires otherwise, the goods shall be prepared and packed in a suitable manner according to the character of the goods, the selected type of transport and the country/place of destination.

13.2. Unless agreed otherwise, the Seller shall prepare the transporting and dispatching documents. The costs of dispatch shall be covered by the Seller. The costs of dispatch shall include packaging, loading, storing, insurance and transport costs relating to any delivery of the goods.

13.3. The Seller is liable for the packaging and transport of the goods.

13.4. As regards the passage of risk of damage to the goods, the Agreements of the Purchaser shall be governed by a DDP delivery term of in accordance with INCOTERMS 2020.

14. SECURITY AND ENVIRONMENT PROTECTION

14.1. The Seller undertakes to deliver to the Purchaser goods and/or services which fully comply with the applicable safety and environment protection regulations. Beyond the above, the Seller shall ensure that the delivery of goods is in accordance with the safety and environment protection regulations applicable in the place of delivery of the goods. The violation of this provision constitutes a substantial breach of the Agreement by the Seller.

14.2. The Seller undertakes to inform the Purchaser of any specific characteristic of its goods regarding ecology (the environment) and safety.

14.3. The Seller shall procure information on the peculiarities (of arrangement, activities, transport, operation etc.) existing at the place of delivery of the goods, and inform the Purchaser of the same.

14.4. The Seller shall, *inter alia*, comply with the instructions of the Purchaser and with internal regulations

of the final purchaser of the goods relating to the delivery of goods to the facility of the final purchaser.

14.5. By providing the information to the Purchaser under paragraphs 14.2. and 14.3. above, the Seller is not absolved from any liability with respect to the above obligations.

14.6. The Seller shall be fully responsible for any damage with respect to the safety and environment protection towards the Purchaser, the final purchaser/consumer and third parties. In case of occurrence of any such damage, the Seller undertakes to compensate the damage without undue delay after the damage was claimed.

14.7. The Seller shall respect the principles of environmental policy of the Purchaser, of which the Purchaser informed the Seller.

15. TRANSFER OF TITLE

15.1. The Purchaser becomes the owner of the goods upon the reception of the goods by the Purchaser from the Seller.

16. QUALITY CONDITIONS AND GUARANTEES

16.1. The Seller hereby guarantees to the Purchaser that the delivered goods shall be new and unused (unless agreed otherwise), fully operational, suitable for use at the place of delivery and/or at the place of destination of the goods, the goods shall have the quality and design as specified by these General Terms and Conditions of Purchase or by the respective Agreement, without any defects in terms of material, construction, manufacture or appearance, without any legal defects, and the goods shall comply with all the conditions and requirements stipulated by the law of the Czech Republic and the law applicable at the place of destination of the goods. The Seller further guarantees that the goods shall be executed in accordance with the standard practice using the equipment and technology available to the Seller.

16.2. The Seller hereby provides the Purchaser with a quality guarantee for the period of 24 (twenty-four) months from the date of delivery of the goods to the Purchaser, without any defects or arrears. Upon the quality guarantee of the goods, the Seller accepts an obligation that during the above period, the delivered goods shall be eligible for use for the agreed or otherwise for the ordinary purpose, and that the goods shall retain the agreed and usual characteristics. The Seller is liable for any defect which occurs during the warranty period.

16.3. The Seller hereby undertakes that during the warranty period, it shall commence the work aimed at the remedy of any defect no later than within 24 hours after the Purchaser made its claim, unless agreed otherwise. The defect shall be remedied within the shortest possible time but no later than within 14 (fourteen) days after being reported.

16.4. Should the Seller fail to remedy the defect within the time limit specified in the preceding paragraph of this Article, the Purchaser may remedy the defect itself or via a third party at the expense of the Seller. Remedy of the

defect under this paragraph shall not affect the warranty period or any claims of the Purchaser under the contractual guarantee.

16.5. In accordance with the provided guarantee, the Seller shall bear any and all costs of the delivery of work, material, travelling, transport, customs duties, disassembly, assembly, modifications and changes of the goods and/or services as a result of repair, rebuilding and/or replacement of defective goods.

16.6. The warranty period provided by the Seller under paragraph 16.2. above shall be extended by the period for which the Purchaser could not duly use the goods as a result of exercising the warranty claim. A new warranty period provided by the Seller under paragraph 16.2. above shall apply to the repaired and/or newly delivered goods, which warranty period shall commence as of the date of delivery of the repaired and/or newly delivered goods to the Purchaser.

17. RIGHTS FROM DEFECTIVE PERFORMANCE

17.1. The Seller shall deliver the goods in the quantity, quality and design specified by the Agreement and these General Terms and Conditions of Purchase. Should the Seller violate this obligation, the goods are defective. The defects shall also include defects in documentation necessary for the use of the goods, and defects in packaging of the goods. In case the goods lack the characteristics expressly stipulated in the Agreement or in the offer, this shall always constitute a defect which represents a substantial breach of the Agreement.

17.2. The Seller is responsible for any defects of the goods existing at the time the risk of damage to the goods passes onto the Purchaser, even if the defect is manifested at a later time. This shall not affect the obligations of the Seller arising from the warranty.

17.3. The Contracting Parties agreed that in the case of any claim regarding the defect, the Purchaser may require:

- remedy of the defect, free of charge, by delivery of new goods or by repair; or
- provision of an adequate discount from the price of the goods.

Selection of the claim belongs to the Purchaser, who shall inform of the selected right upon exercising the claim regarding the defect.

17.4. In case the Purchaser requires remedy of defect of the goods by repair, the Seller undertakes to remove the defect within 14 (fourteen) days after the exercise of the claim. Should the Seller fail to remedy the defect within the time limit specified in the preceding sentence, the Purchaser may remedy the defect itself or via a third party at the expense of the Seller.

17.5. The Seller shall be liable towards the Purchaser, its customers and third parties for any damage possibly incurred by the Purchaser, its customer and/or any third party as a result of defective goods delivered by the Seller. This also includes incorrect instructions given by employees of the Seller in connection with its supervision at the place of installation and/or upon putting the goods in operation.

17.6. The warranty period provided by the Seller under paragraph 16.2. above shall be extended for the period, in which the Purchaser could not duly use the goods as a result of defective performance. A new warranty period provided by the Seller under paragraph 16.2. above shall apply to the repaired and/or newly delivered goods, which warranty period shall commence as of the date of delivery of the repaired and/or newly delivered goods to the Purchaser.

17.7. Without affecting the provision of paragraph 17.5 hereof, the Seller shall bear, beyond other claims of the Purchaser under this Agreement, also the costs connected with the removal or withdrawal of goods from the market or from a customer of the Purchaser for reasons of defect of the goods, and reimburse the Purchaser for any damage incurred by the Purchaser in connection with the use of defective goods at the customer of the Purchaser.

18. INSURANCE

18.1. The Seller shall arrange for, maintain and pay for a liability insurance for any damage incurred in connection with its activities, with the insured amount corresponding to the subject of performance of the Agreement concluded with the Purchaser. The insurance shall be maintained valid and effective from the moment of concluding the Agreement with the Purchaser until the expiration of the warranty period. Upon the occurrence of a loss event, the Seller shall arrange for all steps taken towards the insurer immediately after its occurrence. The violation of this provision constitutes a substantial breach of the Agreement by the Seller.

18.2. The Seller shall present the Purchaser with a certificate issued by the insurer which confirms conclusion of an insurance covering the risks according to the above provision.

19. OBLIGATIONS UNDER THE EMPLOYMENT ACT

19.1. The Seller undertakes to have all of its employees or other persons, via whom the Seller shall perform its obligations under the Agreement at the premises of the Purchaser and/or at the premises of a customer of the Purchaser, to comply with the requirements and obligations imposed on them by the law of the Czech Republic, in particular by Act No. 435/2004 Coll., on Employment, as amended.

19.2. Should the Seller breach its obligation set forth in the preceding paragraph of these General Terms and Conditions of Purchase, and the Purchaser and/or a customer of the Purchaser is sanctioned in any manner by the state authorities, in particular by the Work Inspectorate or the Labour Office, the Seller undertakes to immediately fully indemnify the Purchaser or the customer of the Purchaser.

19.3. The Seller undertakes to get acquainted with the safety at work and health rules and with the fire prevention rules of the Purchaser and of the customer of the Purchaser.

20. INDUSTRIAL PROPERTY RIGHTS AND BUSINESS SECRET

20.1. The Seller guarantees that its deliveries of goods or use of such performances of services and/or goods shall not exclude, limit and/or breach any industrial property rights and/or business secret of third parties. Should any such exclusion, limitation and/or breach take place, the Seller shall indemnify the Purchaser against any claim which could be raised by those whose rights were excluded, limited or breached. The violation of this provision constitutes a substantial breach of the Agreement by the Seller.

21. CONFIDENTIALITY

21.1. The Contracting Parties are aware that upon the negotiation of and during the performance of the Agreement, they could or may provide each other, either intentionally or even by omission, with information which shall be considered confidential (hereinafter the "Confidential Information"). Such Confidential Information are considered to be business secret of the Contracting Parties. The Contracting Parties undertake not to disclose such Confidential Information to any third party or use the Confidential Information in conflict with their purposes for their own purposes.

21.2. The Contracting Parties shall maintain confidentiality with respect to any and all information which they acquire when performing the activities under the Agreement, and they shall maintain the business and operational secrets of which the Contracting Parties were informed based on the contractual relationship. This provision shall survive the termination of the Agreement for any reason, including withdrawal.

21.3. Confidential Information shall be, in particular, technical specifications and data regarding the prices of goods, subject of the Agreement and any information and documents which form or could form part of the business secret. The Contracting Parties hereby expressly declare that they are aware of the fact that the information and documents mutually provided between them in any form are of the nature of business secret, form their know-how, and the Contracting Parties undertake to maintain confidentiality with respect to such information and documents and not to disclose them in any form to third parties without the approval of the other Contracting Party.

22. PUBLICITY

22.1. Deliveries and work performed by the Seller for the Purchaser shall not be made subject to advertisement or publicity by the Seller (articles, photographs, films, advertising billboards, websites etc.) without a prior written consent of the Purchaser. In case of failure to comply with this obligation, the Purchaser reserves the right to remove any advertisement or published work at the expense of the Seller.

23. CHANGES TO AND TERMINATION OF THE AGREEMENT

23.1. Without the Seller being in delay with fulfilment of any of its obligations, the Purchaser may at any time:

- (a) change the date of delivery of goods, or
- (b) change the scope of performance.

23.2. In case of a change in the date of delivery or scope of performance, the Purchaser shall pay to the Seller the actual costs demonstrated by the Seller, which the Seller incurred from the date of conclusion of the Agreement, with the exclusion of any lost profit (loss of profit).

23.3. The Purchaser may withdraw from the Agreement with the Seller in case the Seller substantially breached the Agreement.

23.4. The Seller shall be notified of a change in the date of delivery or in the scope of performance or withdrawal from the Agreement in writing.

23.5. The Purchaser may further withdraw from the Agreement provided that:

- The Seller is in delay with the performance of any of its obligations under the Agreement or these General Terms and Conditions of Purchase, despite a written notice of the Purchaser; or
- The Seller breaches any provision of the Agreement or these General Terms and Conditions of Purchase, and fails to remedy the situation even within an additional time limit, despite a written notice of the Purchaser.

23.6. In case of withdrawal from the Agreement, the Contracting Parties shall return to each other all the provided performances within 30 (thirty) calendar days after the date of termination of the Agreement by withdrawal.

23.7. However, the Purchaser may withhold the goods, until the Seller returns the price of the goods and pays a contractual penalty. During the withholding the goods, the Purchaser shall take due professional care of the goods, whereas the Purchaser may put the goods in custody of a third party, and the Purchaser is entitled to compensation of costs related to the care and any custody of the goods.

23.8. A written protocol signed by both Contracting Parties shall be made on the return of the goods, signed by both Contracting Parties, whereas the Seller shall transport the goods at its own costs. In case the Seller is in delay with taking over the goods, whereas a situation in which the goods are withheld for reasons set forth in the preceding paragraph is also considered to be delay of the Seller, the Purchaser may sell the goods after a prior notice at the account of the Seller. The Purchaser shall provide the Seller with an additional time limit for taking over of the goods not shorter than 5 (five) business days. The Purchaser may cover all of its costs, if any, arisen from the fact that the Seller failed to take over the goods in time, from the proceeds of the sale, which costs also include the costs arisen in connection with withholding of the goods under paragraph 23.7. The Purchaser shall transfer the remaining part of proceeds, if any, within 30 (thirty) calendar days to the Seller. In case the Purchaser is not able to sell the goods within 90 (ninety) calendar days after the withdrawal from the Agreement, and the Purchaser did not remove the

goods within the same time limit, the goods are considered to be waste and the Purchaser may immediately liquidate the goods as waste, at the expense of the Seller. Even in case of sale of the goods or its liquidation as waste under this Article, the Purchaser is entitled to payment of contractual penalties.

24. SANCTIONS

24.1. In case the Seller is in delay with remedying the defects of the goods, the Purchaser may request payment of a contractual penalty in the amount of 0.1% of the price of the defective goods for each day of delay.

24.2. In case the Seller breaches its obligation which gives rise to the right of the Purchaser to withdraw from the Agreement, the Purchaser may, regardless of the fact whether the Purchaser exercises its right to withdraw from the Agreement, charge the Seller a contractual penalty in the amount of CZK 100,000 for each particular case of breach of such an obligation.

24.3. For each particular breach of obligation relating to the obligations under Articles 9 and 20 of these General Terms and Conditions of Purchase, the Purchaser may require from the Seller payment of a contractual penalty in the amount of CZK 1,000,000.

24.4. In case of delay of the Purchaser with payment of duly issued and delivered invoices, the Purchaser shall pay the Seller late interest according to Government Regulation No. 351/2013 Coll., as amended.

24.5. The application of any contractual penalty shall not affect the right to compensation for any damage incurred.

25. WAIVER OF OBLIGATION TO COMPENSATION FOR DAMAGE

25.1. A party in breach of its contractual obligations shall be excused from its obligation to compensation if it proves that it was temporarily or permanently prevented from complying with its contractual obligation by an extraordinary and unsurpassable obstacle, arisen outside the will of the breaching party. An obstacle arisen from the personal situation of the breaching party or arisen only when the breaching party was already in delay with the performance of its contractual obligation, or an obstacle which the breaching party could surpass, does not absolve the breaching party from its obligation to compensation.

25.2. A Contracting party shall notify the other Contracting party of the occurrence and effect of an obstacle specified in the preceding paragraph immediately, and confirm the same in writing or via fax within 5 (five) calendar days. In case the obstacle under the preceding paragraph is permanent or in case it exists for more than 1 (one) month, the Contracting Party notified of such circumstance is entitled to withdraw from the Agreement.

26. GRANTING LICENCES

26.1. In case the goods fulfil the characteristics of a copyright work under Act No. 121/2000 Coll., on Copyright, the Seller undertakes to grant the Purchaser with a right to perform the intellectual property rights (licence).

The granted licence is non-exclusive, transferrable and unlimited.

26.2. The Purchaser agrees to provide the Seller with remuneration which forms part of the agreed price for the goods.

27. GOVERNING LAW AND COURT JURISDICTION

27.1. The Agreement and the related relationships are governed solely by the law of the Czech Republic, in particular by the respective provisions of Act No. 89/2012 Coll., the Civil Code, as amended. The governing law for any disputes between the Purchaser and the Seller is the law of the Czech Republic.

27.2. Any disputes arising from or in connection with the Agreement between the Purchaser and the Seller shall be resolved before a court with subject-matter competence, whereas the territorial competence shall be governed by the registered office of the Purchaser.

28. CHANGE OF THE GENERAL TERMS AND CONDITIONS OF PURCHASE OF THE PURCHASER

28.1. The Purchaser reserves the right to change these General Terms and Conditions of Purchase at any time. The Purchaser shall notify the Seller of a change in the General Terms and Conditions of Purchase in writing.

28.2. The Seller may refuse the change in the General Terms and Conditions of Purchase within 14 (fourteen) days after the date of delivery of the notice on the change in the General Terms and Conditions of Purchase, and withdraw from the Agreement for this reason with a termination period of 2 (two) months. Until the expiration of the termination period, the Seller shall comply with its obligations under the Agreement concluded with the Purchaser and these General Terms and Conditions of Purchase in the current wording.

28.3. In case the Seller did not exercise its right to refuse a change in these General Terms and Conditions of Purchase, the change shall become effective on the 15th day after the delivery of the notice of a change in the General Terms and Conditions of Purchase.

29. FORM OF ACTS AND DELIVERY

29.1. Should the General Terms and Conditions of Purchase require a written form for any act, this form is considered complied with in case the act is carried out electronically, i.e. via e-mail; however, this shall not apply in case a written documentary form is required.

29.2. Documents under these General Terms and Conditions of Purchase shall be sent to the contact addresses specified in the offer, offer confirmation or in the Agreement.

29.3. Fax messages are considered to be delivered in case of an OK result of dispatching of the fax message; delivery of a fax message is considered to be a delivery of a document to the other Contracting Party in writing. E-mail messages are considered to be delivered in case

a confirmation of delivery is sent back to the sender. In other cases, the documents are considered to be delivered on the 10th day after their dispatch to the other Contracting Party.

30. FINAL PROVISIONS

30.1. Should any provision of the Agreement be or become invalid, void or ineffective, this shall not lead to the invalidity, void or lack of effect of the entire Agreement or its other provisions, provided such invalid, void or ineffective provision is separable from the remainder of the Agreement. The Contracting Parties undertake to replace such invalid, void or ineffective provision with a new valid or effective provision, the content of which shall correspond to the essence and purpose of the original provision as close as possible, no later than within 30 (thirty) days after the date on which a Contracting Party learned that such provision became invalid, void or ineffective, or after it comes to light that such provision is invalid, void or ineffective.

30.2. The rights and obligations of the Contracting Parties arising under this Agreement shall pass onto their respective legal successors.

30.3. The Agreement may only be amended by written amendments continuously numbered in ascending order and signed by both Contracting Parties; otherwise, any changes shall be disregarded.

30.4. The Seller accepts, under Section 1765(2) of Act No. 89/2012 Sb., the Civil Code, the risk of change in the circumstances which may occur in the future, and thus the Seller will not be entitled to re-negotiate the Agreement.

30.5. The Contracting Parties concurrently declare that the performance by one Contracting Party is not in gross disproportion to the performance of the other Contracting Party, and in case any performance is in gross disproportion, the reason for such disproportion is based on the special relationship between the Contracting Parties.

30.6. By accepting these General Terms and Conditions of Purchase, the Seller expressly agrees to their wording and confirms that none of the provisions of these General Terms and Conditions of Purchase is a provision which the Seller could not anticipate.

31. ACCEPTING OF THE GENERAL TERMS AND CONDITIONS OF PURCHASE OF THE PURCHASER

31.1. By concluding the Agreement, the Seller hereby declares that it had duly read these General Terms and Conditions of Purchase and accepts all of their articles and paragraphs.