

SUPPLIER TERMS AND CONDITIONS effective as of 01/07/ 2025

issued in accordance with Section 1751 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the "Civil Code"), with a view to concluding Supply Contracts with Schoeller Křešice s.r.o. as a client

Part A ***General arrangements***

1. Terms

- 1.1. Supply Contract Supply Contract refers to any contract under which the client acquires from the supplier a movable item (goods, outcomes of work) or by virtue of which services or licences are provided to the client or other activities are carried out (hereinafter also referred to as "Contracts" or "Contract")
- 1.2. Client: for the purposes of these Terms and Conditions, the Client is Schoeller Křešice s.r.o., with their registered office at Pražská 98, 411 48 Křešice, IN: 622 44 043, TIN: CZ 622 44 043, listed in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section C, Entry 8872 (hereinafter also referred to as "Schoeller").
- 1.3. Supplier: For the purposes of these Terms and Conditions, Supplier refers to any individual legal entity with whom a Supply Contract is concluded, which is governed by these Terms and Conditions.

2. Preamble

- 1.1. These Supplier Terms and Conditions (hereinafter referred to as "Terms and Conditions") are issued with a view to streamlining business dealings while ensuring a precise definition of the rights and obligations of the parties when entering into Supply Contracts in which Schoeller acts as the Client.
- 1.2. These Terms and Conditions form an integral part of the terms conditions of any Supply Contract negotiated between the Supplier and the Client.

3. Supply Contract formation

- 2.1. The Contract is concluded upon acceptance of a proposal for conclusion of the Contract (order). Where the offer to conclude a Contract is made by the Client, the time limit for acceptance of the offer by the Supplier is 2 weeks. Where the offer to conclude a Contract is made by the Supplier, the time limit for acceptance of the offer by the Client is 1 month, unless the Supplier specifies a shorter time limit in the offer.
- 2.2. Any amendments, reservations, limitations and additions contained in the acceptance of the offer to conclude a Contract shall be deemed to constitute rejection of the original offer and at the same time a new offer to conclude a Contract. A response by the other party with an amendment or deviation does not constitute acceptance of the offer to conclude the Contract within the meaning of Section 1740(3) of the Civil Code even if the amendment or deviation does not materially change the terms of the original offer.
- 2.3. All written documents issued in connection with a Contract shall bear the designation of the Contract concerned.
- 2.4. A concluded Contract may be amended only with the consent of both parties. Amendments and additions to a Contract only come into force if executed in writing. Notifications made by means of electronic communications that make it possible to capture the content of the legal act concerned and to identify the person who effected the legal act to shall be deemed to comply with the written form requirement. If the legal act is taken electronically, a qualified electronic signature is not required. Oral or over-the-phone notifications of an intended or sent order by the Client are for information purposes only and do not constitute an offer to enter into a Contract or any other legal action by the Client unless subsequently confirmed in writing. In the event of unconditional actual performance under a Contract, an order shall be deemed to have been accepted under these Terms and Conditions even if no written confirmation of the order has been received.
- 2.5. If an order is based on a previous offer by the Supplier, the Supplier shall be bound by the order under the conditions set out in the offer unless the latter is immediately rejected in writing.
- 2.6. In the event of a conflict or any differences in interpretation of the various language versions of these Terms and Conditions, the Czech version shall prevail.

4. Price, taxes, payment terms

- 3.1. The Supplier becomes entitled to the payment of the price (i.e. monetary consideration for the delivery, remuneration, fee) with the proper performance of their obligation in the agreed manner and at the agreed place of performance under the Contract.

- 3.2. The price for the goods includes all incidental costs of the Supplier, and unless otherwise specified under the Contract, the price includes the cost of transport of the goods to the place of performance and, if applicable, any other costs of services or activities completed by the Supplier in connection with the delivery of the deliverables (e.g. customs, transit fees, taxes, etc.). The price also includes the cost of insurance of the deliverables unless the Contract stipulates otherwise or the Client is required to have the deliverables insured under law.
- 3.3. Upon proper delivery of the deliverables, the Supplier shall issue a proper fiscal receipt—invoice. In addition to meeting other statutory requirements, the invoice must contain the following essentials:
- IN and TIN of the Client and the Supplier,
 - description of the deliverables, including, if available, the number of the raw material certificate
 - total invoiced amount broken down by the order, including the discount granted, if any,
 - date of the taxable supply,
 - due date,
 - Supplier's stamp and signature
 - designation of the bank and the number of the bank account to which the payment is to be wired,
 - order date and number, or designation of the contract concerned
 - a copy of the delivery note will be attached to the invoice (where a delivery note is produced)
- 3.4. Unless otherwise agreed, each invoice's payment term shall be **60 days** from delivery of the invoice to the Client, but if the goods are delivered after the invoice has been served, the payment term shall start upon the date of delivery of the goods. The price shall be deemed to have been paid once the amount is debited to the Client's account.
- 3.5. If an invoice fails to contain the agreed details or if it contains incorrect data, the Client may return it to the Supplier. In such case, a new payment term shall start upon delivery of the revised or added-to invoice to the Client.
- 3.6. If the deliverables show defects that prevent them from being accepted or used, the Client may withhold payment of the outstanding price or portion thereof until defect-free goods are delivered. The agreed payment term shall commence on the date the defects in the goods are eliminated.
- 3.7. The parties agree that if the Client considers that the conditions under Section 109 et seq. of Act No. 235/2004 Coll., on value added tax, as amended, are met, the Client shall have the right in each such individual case to remit the VAT invoiced by the Supplier as the provider of the taxable supply to the account of the competent revenue office (the tax administrator having jurisdiction over the Supplier) in accordance with Section 109a of Act No. 235/2004 Coll., as amended. This tax payment mechanism shall only be used to pay the tax on the taxable supply in question. With the payment of the tax to the Supplier's tax administrator and the payment of the remainder of the price to the Supplier, the Client shall be deemed to have complied with their obligation to pay the agreed price under the Contract. Payment of the tax as specified under the previous sentence shall extinguish the Supplier's right to payment of the tax by the Client.

5. Delivery terms

- 4.1. The delivery terms for the goods to be supplied under specific Contracts are set out directly in the Contract. Where a specific Contract does not specify a delivery term, the delivery term is deemed to be 10 business days from the date of conclusion of the Contract.
- 4.2. The goods shall be deemed to have been delivered once the Client is allowed to dispose of them at their registered office (place of delivery), unless otherwise agreed by the parties. Physical receipt of the goods is possible at the Client's headquarters on business days between 8 a.m. and 3 p.m., unless otherwise agreed. In the case of force majeure events, operational failures or operational impediments, the Client has the right to postpone the date of acceptance of the goods for a reasonable period of time.
- 4.3. Unless otherwise specified in the Contract, the place of performance is the Client's registered office.
- 4.4. Unless otherwise agreed under the Contract, the Supplier shall be obliged to arrange, at their own expense, the carriage of the delivery item to the place of performance and to obtain all approvals and decisions of the relevant authorities that are necessary for the delivery and carriage of the goods to the place of performance. The Client undertakes to provide the Supplier with the necessary cooperation.
- 4.5. The Supplier shall be responsible for delivering the goods in the agreed quantity, at the agreed quality standard and in the agreed design and for ensuring that the goods are transported in the manner specified in the Contract or using the customary mode of transport (or as specified under special legislation if any). Where applicable, the goods delivered must fully correspond to the submitted sample.
- 4.6. The Supplier is required to transmit, along with the goods, all documents and paperwork necessary for the acceptance and proper use of the goods, i.e. in particular declaration of conformity according to Act No. 22/1997 Coll., operating and maintenance manuals for the goods in the Czech language, quality and completeness certificates, etc., and other documents specified in the Contract (or, when in doubt, the documents and paperwork specified by the Client).

- 4.7. The Client is not required to accept the Supplier's partial performance, nor are they required to accept a delivery that is not made on time or in the agreed quantity and at the required quality standards or which does not contain all the documents or paperwork. The Client may accept such a delivery in whole, in part, or reject it entirely. All costs associated with this shall be borne by the Supplier.
- 4.8. The Supplier is required to ensure that the goods are packed in accordance with the applicable law and in such a way as to guarantee their flawless condition. Special packaging of parts or transport packaging must be discussed with the Client's relevant department prior to delivery. The Supplier is required to ensure free-of-charge take-back of any waste where provided for by the legislation and the Contract.
- 4.9. Where the delivery is for goods or chemical substances covered by Regulation (EC) No. 1272/2008 of the European Parliament and of the Council (CLP Regulation) as in force on the date of delivery, the goods must also be accompanied by a safety data sheet and must be clearly marked with the required H- and P-statements and furthermore contain:
- name of the manufacturer,
 - content (designation of material)
 - Client's material or article number
 - names and surnames of the people in charge of transmitting or accepting the goods
 - place of acceptance
 - gross or net mass
 - conditioned mass per packaging
- 4.10. A written record must be devised of the proper completion of the delivery, i.e. provision of the service or other activity, as the case may be, confirmed by representatives of both parties; the record must include at least the following essentials:
- names and surnames of the people certifying that the service has been properly provided or that another activity has been carried out,
 - definition of the subject and scope of the delivery,
 - date of proper completion of the delivery, signatures of the representatives of the parties.
- 4.11. The Supplier shall promptly inform the Client of any potential delays in the delivery or completion of the goods, and the Supplier shall be in default once the delivery time limits under the Contract lapse without the need for the Client to grant them any further grace time limits or to serve any notices.
- 4.12. If the Supplier is in default, the Client shall be entitled to claim damages for non-performance or to take other measures (in particular to conclude a supply contract with a third party) and to charge the Supplier for any additional costs incurred.
- 4.13. Where possible, the Supplier shall notify the Client of the performance of the Contract sufficiently in advance, namely at least 3 business days in advance.
- 4.14. The Supplier may not deliver the goods before the agreed deadline (early delivery) without the prior express consent of the Client.

6. Other rights and obligations of the parties

- 5.1. The Supplier is required to comply with the laws in force on the Client's premises (including the Client's internal guidelines) and with the instructions of the Client's employees relating to occupational safety and health, as well as fire protection and environmental protection, and they are also required to ensure that these guidelines and instructions are complied with by their employees and subcontractors entering the Client's premises.
- 5.2. The Supplier shall ensure that their employees/subcontractors/employees of their subcontractors (hereinafter also referred to as "Employees") entering or leaving the premises of the Client:
- subject personal luggage and vehicles to inspection, upon request, done with a view to protecting safety, health and property, in particular checking the eligibility of entry/exit of vehicles, cargo approval as per the accompanying paperwork (e.g. delivery note, list of tools), etc.;
 - in the event of suspected alcohol or other drug use, submit to alcohol or drug screening upon request using a breathalyser or a drug test, as may be required by the Client's appropriate personnel; the Supplier acknowledges that in the event of a positive breathalyser or drug test result or refusal of a breathalyser or drug test by an Employee, the Supplier's Employee will be barred from the Client's premises and the responsible Employee of the Supplier will be notified.
- 5.3. The Supplier acknowledges that the Client will provide the Supplier with personal data of the Client's Employees or other persons entering Schoeller's premises in connection with the Contract (hereinafter referred to as "Personal Data"). In accordance with the EU's European General Data Protection Regulation 2016/679 (hereinafter referred to as "GDPR"), Personal Data includes, without limitation, name and surname, home address, telephone number, email address and, where applicable, identification card number.
- 5.4. While discharging their obligations under the Contract, the Supplier will be processing the Personal Data on behalf of the Client, solely for the purposes of the Contract (hereinafter referred to as "Data Processing"). The parties

agree that in relation to the Data Processing, the Supplier is the Processor and the Client is the Controller as defined in the relevant provisions of the GDPR. The Supplier is required to ensure compliance with all laws, including the GDPR, during the Data Processing.

- 5.5. The Supplier is required to maintain the confidentiality of all business transactions and related commercial and technical information they come across about the Client, to put in place necessary technical and organisational measures to maintain confidentiality and to maintain confidentiality towards third parties for an unlimited period of time. Any subcontractors shall be bound to an identical duty of confidentiality.
- 5.6. The Supplier shall only be entitled to advertise their business relationship with the Client with the Client's prior written consent.

7. Supplier sanction clause

- 6.1. The Supplier represents, warrants, and covenants that they comply, and will continue to comply, with all applicable trade control laws, including export control laws and economic sanctions laws enforced by the United States, the European Union, and/or any other jurisdiction, including but not limited to the Export Administration Regulations administered by the U.S. Department of Commerce's Bureau of Industry and Security, economic sanctions programmes administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, Council Regulation (EC) No. 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items, Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's activities destabilising the situation in Ukraine and other economic sanctions programmes and rules of the Council of the European Union and the Member States of the European Union (hereinafter referred to as the "Sanctions Law").
- 6.2. If at any time the Supplier breaches their obligations under this clause of the Terms and Conditions, Schoeller shall have the right to (a) withdraw from all obligations under the Contract, (b) suspend any payments to the Supplier, if applicable, until Schoeller can lawfully resume payment, (c) terminate the Contract at their sole discretion, without any prior notice and without payment of any penalties, (d) claim damages for any breach by the Supplier of its obligations under this clause of the Terms and Conditions.

8. Supply Contract fulfilment via a carrier

- 7.1. If the delivery (item, goods, work, etc.) is delivered through a carrier or by the Supplier using their own transport capacity, or through a postal licence holder or other similar entity, then the delivery must be accompanied by a numbered delivery note issued by the Supplier, which must include the order number, type of delivery and method of dispatch (rail, post, carrier, own import). The obligation to attach a delivery note is not affected in any way if the delivery is made through a third party (using subcontractors or involving freight forwarders and carriers).
- 7.2. When transporting hazardous shipments, the Supplier is responsible for complying with the applicable law governing the transport of such cargo; they are required to explicitly state that the cargo is hazardous upon delivery or to indicate this in the accompanying documentation. The Supplier is required to deliver the hazardous shipment in such a condition that, after delivery, the assets or the Client's personnel are not endangered and do not suffer any damage for which the Client may be liable.
- 7.3. Unless otherwise agreed, the Supplier bears the full risk of any damage during the transport of the delivered goods, including loading and unloading. The manner in which the delivery is transported, marked, accompanied by accompanying documents and packed is left at the Supplier's discretion; however, the Supplier is required to comply with the provisions of the Contract, these Terms and Conditions and the law in this context; if the issue is not regulated, the Supplier is required to proceed in accordance with the customary business practice. The Supplier is required to transmit to the Client the documents necessary for the acceptance and use of the goods (delivery note, warranty certificate, quality certificate, and any technical documentation or instructions for use and maintenance instructions, in the Czech language). If the delivery concerns machinery, technical equipment, or spare parts, the goods must comply with all laws and technical standards in force in the Czech Republic. Where stipulated by the applicable law, the Supplier is required to attach to the goods the relevant certificate and declaration of conformity. Until they do so, the Supplier shall be deemed in default of their obligation and shall not be entitled to adequate consideration as long as the default lasts—i.e. no payment shall be made on account of the delivery until the flaw in the documentation has been removed, and the Supplier expressly agrees to the course of action.
- 7.4. Unless otherwise agreed in the Contract, the transport costs are included in the delivery price.

9. Quality warranty and defect liability for material deliveries (purchase contract, work contract, etc.)

- 8.1. The Client shall have the right to inspect the goods to be delivered at any time during their manufacture, storage, transport and also after their delivery to the place of performance of the Contract. The first sentence also applies to

deliveries provided by any of the Supplier's subcontractors. The fact that an inspection of the goods to be delivered has taken place at the Supplier's premises does not constitute delivery, acceptance or handover of the goods to be delivered or the passage of the risk of damage to the goods to be delivered.

- 8.2. The Client is entitled, but not obliged, to inspect the goods to be delivered within a reasonable time limit after delivery in order to check compliance of the goods with the concluded Contract and to accept the goods delivered. The Supplier is required to provide free of charge all the assistance necessary to conduct the inspection, in particular to provide their staff, tools and access to the premises, etc.
- 8.3. Failure to inspect the goods after delivery shall not affect the duration of the Client's defect liability or warranty claims, even if the defects are evident.
- 8.4. The Supplier represents and warrants that the delivered goods have and for the agreed warranty period will retain the characteristics specified in the Contract, or in the design documentation and other related documentation attached to the present Contract, as well as the characteristics specified in the relevant laws and technical standards, or, failing that, any customary characteristics. The Supplier represents and warrants that the goods are fit for the purpose of the Contract or, failing that, their customary purpose.
- 8.5. The Supplier further declares that the goods delivered are free from legal and quantitative flaws.
- 8.6. Failure to deliver documentation or delivery of flawed or incomplete documentation as provided for in the Contract or these Terms and Conditions also constitute defects triggering the Supplier's warranty liability.
- 8.7. The Supplier assures the Client, in accordance with Section 2103 of the Civil Code, that the goods are free from defects. The Client is not required to check, even randomly, the characteristics of the goods upon acceptance.
- 8.8. Unless otherwise agreed under the Contract, the Supplier provides the Client with a quality warranty for the goods for a period of 24 months. The warranty period for the goods commences on the day following the date of acceptance of the goods by the Client. The warranty period does not include the period from the date of notification of the defect until the defect is removed.
- 8.9. Defects in the goods covered by the warranty may be notified in writing at any time up to six months after the end of the warranty period. Other defects can be claimed in writing within the time limits set by the Civil Code. The requirement for the complaint to be made in writing is met even if the defects are notified by email, fax or other similar demonstrable means. The time of discovery of the defect is not relevant in this context.
- 8.10. The Client shall have the right, at their option, to assert the following claims against the Supplier in connection with defects in goods covered by the warranty at the time of the defect notification and in any event within 14 days of the date of the defect notification at the latest:
 - a) Require the removal of the defect in the goods (through repair or delivery of replacement goods) at the expense of the Supplier within 10 days of the assertion of the right to remove the defect. Where the Supplier fails to remove the defects within the time limits set out in this paragraph, the Client shall have the right to remove the defects on their own or have them removed by a third party at the Supplier's expense.
 - b) Request a reasonable discount on the price of the goods. By becoming entitled to a discount on the price of the goods, the Client does not lose any of their other rights, in particular their damage liability claims, including the right to claim compensation for profits lost due to the goods to which the discount applies not displaying the required characteristics or the right to payment of the relevant contractual penalties.
 - c) If, within the warranty period, the goods exhibit defects beyond repair which prevent the use of the goods in accordance with the purpose of the Contract or in accordance with its customary purpose, the Client shall be entitled to withdraw from the Contract with immediate effect. A defect occurring repeatedly or a defect that the Supplier fails to remove within the time limits specified above shall also be deemed to be an irreparable defect within the meaning of this Contract.
- 8.11. If it turns out that a notified defect cannot be removed through repair or that it cannot be removed at all, the Client shall have the right to change their choice of the defect liability claim specified above without the Supplier's consent.
- 8.12. If a defect is notified, the Supplier undertakes to:
 - a) confirm to the Client without delay by email or other written form the receipt of the defect notification with an indication of the date of inspection of the defect, which must occur within 24 hours of the defect notification,
 - b) remove the defect within the time limit specified in Art. 9.10(a) of the Terms and Conditions, or provide a reasonable discount from the price of the goods within 5 business days of the assertion of the claim, whichever claim the Client chooses to assert in accordance with Article 9.10 of the Terms and Conditions.
- 8.13. The provisions of Section 2103, Section 2106, Section 2107, Section 2110, Section 2112 and Section 2618 of the Civil Code shall not be applied to warranty defects.
- 8.14. Once replacement goods are delivered or defective goods are repaired, a new warranty period shall commence for the newly delivered or repaired goods.
- 8.15. The Supplier is required to comment on the validity of any complaint within 5 calendar days of the defect notification. If the Supplier fails to do so within the above time limit, they shall be deemed to have acknowledged the complaint as valid.
- 8.16. Liability claims for defects in the goods are without prejudice to claims to damages or contractual penalties.

10. Intellectual property rights and legal defects in the goods

- 9.1. The Supplier represents and warrants to the Client that the delivery or service performed by the Supplier in the domestic country or in a contractually determined country will not infringe the rights of third parties. The Supplier declares that the delivery is free from third party rights and warrants to the Client that it is complete and free from defects.
- 9.2. The intellectual property rights in the items, documents and samples made available by the Client to the Supplier shall remain intact and shall remain the property of the Client for the entire period of performance of the contractual obligation and the Client shall have the right to demand their return at any time. Any use of the intellectual property rights in these items, and in particular the copying, distribution or publication of the items, even in part, beyond the contractually agreed use, is prohibited.

11. Default interest, penalties, damage liability, set-off, claim pledging

- 10.1. If the Client is more than 20 days late in paying the price or portion thereof under the Contract, the Supplier shall be entitled to demand interest on the overdue amount at the rate of 0.05% of the amount due per day.
- 10.2. In the event of a delay in delivery of the goods/provision of services, the Supplier is required to pay the Client a contractual penalty equivalent to 0.05% of the price of the entire undelivered goods/services not provided for each day of delay, or of the agreed payment for the delivery.
- 10.3. If the Supplier fails to meet the time limits specified for eliminating any defects or other shortcomings in the delivery under the Contract, these Terms and Conditions and/or within the time limits set by the Client in the acceptance report, the Supplier shall pay the Client a contractual penalty of CZK 500 for each defect and each day of delay in eliminating such defects.
- 10.4. If the Supplier breaches any of their obligations under Article 12 and Article 13 of Part A of these Terms and Conditions, the Client may require the Supplier to pay a contractual penalty of CZK 20,000 for each such breach.
- 10.5. The contractual penalty shall be payable within 15 (fifteen) days of the date of receipt of the Client's written payment request. The contractual penalty arrangements under these Terms and Conditions shall not affect the parties' claims to damages and those under warranty liability or defect liability in respect of the goods. The contractual penalty paid shall not count towards the damages.
- 10.6. In the event of a breach of an obligation under the Contract or these Terms and Conditions, the party in breach of the contractual obligation shall compensate the aggrieved party for actual damage and lost profits in money.
- 10.7. If the contractual penalty is moderated by the court, the right to damages shall remain without any further limitation to the extent that the damage suffered exceeds the penalty amount deemed reasonable by the court.
- 10.8. If third-party claims are asserted against the Client on account of defects in the goods, the Supplier shall, upon demand, indemnify the Client and hold them harmless for any third-party claims, including payment of the costs incurred in defending against such claims.
- 10.9. If the Client has to recall any products from the market due to reasons on the Supplier's part, the Supplier shall reimburse the Client for all costs incurred in connection with the recall. If possible and feasible in good time, the Client shall inform the Supplier of the content and extent of the recall and shall be given the opportunity to comment on it. This is without prejudice to any other legal claims of the Client.
- 10.10. The Supplier shall take out and maintain adequate liability insurance for the delivery with a minimum sum insured of EUR 5,000,000 per person/damage to assets that form the delivery.

12. Force majeure

- 11.1. A party shall not be liable for their failure to comply with their obligations, either in full or in part, if the failure is the result of a force majeure event.
- 11.2. The party for whom the performance of the obligation has become impossible due to a force majeure event must inform the other party thereof in writing without delay, and in any event within seven calendar days of the occurrence of the force majeure event at the latest, and inform the other party in writing within the same time limit once the force majeure event ceases to apply.
- 11.3. If the force majeure event persists for a period not exceeding 20 calendar days, the parties shall be required to fulfil their obligations under the Contract, with the period of performance being extended by the period of the force majeure event. If the force majeure event lasts longer than 20 calendar days, either party shall have the right to withdraw from the Contract.
- 11.4. Circumstances which only arose at a time when the obliged party was already in default of their obligations or circumstances arising from the party's economic circumstances shall not be regarded as force majeure events.

13. Trade secrets

- 12.1. The Supplier undertakes to keep confidential all information, documents, materials, paperwork and other facts (hereinafter collectively referred to as "Trade Secrets") received or otherwise obtained from the Client in connection with the performance or conclusion of the Contracts. The Supplier undertakes not to disclose the Trade Secrets of

the Client to third parties without the express consent of the Client and undertakes to ensure that their employees and business partners comply with this duty as well. This duty of confidentiality shall survive the termination of the Contract.

- 12.2. The Supplier undertakes not to use in any way the Trade Secrets of the Client disclosed pursuant to the preceding paragraph for purposes other than the performance of their obligations under the concluded Contracts.

14. Withdrawal from the Supply Contract, termination of the Supply Contract

- 13.1. In addition to the cases provided for by law, the parties are entitled to withdraw from the Contract in the cases provided for in these Terms and Conditions or the Contract.
- 13.2. If either party endangers or frustrates the performance of the Contract or materially breaches the Contract, the other party shall have the right to withdraw from the Contract. The grounds that entitle either party to withdraw from the Contract include, but are not limited to: (a) delay in performance of the Contract (or part thereof) of more than 10 calendar days, (b) the Supplier repeatedly performs with insufficient professional care, in violation of technical regulations, the Contract or these Terms and Conditions, generally binding laws, or the instructions of the Client, in a manner that compromises the purpose of the Contract, (c) the Supplier repeatedly breaches any of their obligations under the Contract or these Terms and Conditions despite written notice from the Client; (d) the Client is more than 60 calendar days late paying the price; (e) the other party ceases to be an entity eligible to perform under the Contract, becomes bankrupt or enters into liquidation.
- 13.3. In addition to the termination, by notice, of a Contract concluded for an indefinite period of time, a Contract that involves a continuous or repeated obligation, or an obligation to refrain from a certain activity or to tolerate a certain activity, the Client is also entitled to terminate a Contract concluded for a definite period of time. If the obligation is terminated by notice, the notice period is 1 month commencing on the first day of the month following delivery.
- 13.4. The provision under Section 2003(1) of the Civil Code shall not apply.
- 13.5. If the Supplier has already partially fulfilled their obligation under the Contract, the Client may choose to withdraw from the unfulfilled portion of the performance or from the performance as a whole. The provision under Section 2004(2) of the Civil Code shall not apply.

15. Common provisions

- 14.1. The rights accruing to the Supplier under the Contract (in particular the right to payment of the price) may not be assigned or pledged without the prior written consent of the Client.
- 14.2. Any deviations from or amendments to these Terms and Conditions shall only apply if agreed in writing and signed by both parties.
- 14.3. Rights arising from the Contract (including rights arising from breach of the Contract) shall be time-barred with the lapse of 10 years from the date on which the right could be exercised for the first time.
- 14.4. No rights or duties beyond those formalised in the express provisions of these Terms and Conditions and the Contract may be inferred from past or future practice established between the parties.
- 14.5. The Supplier assumes the risk of a change of circumstances within the meaning of Section 1765(2) of the Civil Code.
- 14.6. The provisions under Section 1766, Section 1799 and Section 1800 of the Civil Code shall not apply.
- 14.7. In the event of any conflict, the provisions contained in the Contract shall prevail over these Terms and Conditions.
- 14.8. By way of derogation from the provisions of Section 573 of the Civil Code, for the purposes of correspondence, the parties expressly agree that a document sent by registered or certified mail or by other similar means through a postal licence holder to the address of either party specified in this Contract, to the registered office address entered in the Commercial Register or to any other correspondence address notified in writing shall be deemed delivered on the third (3rd) day following the date of transmission of such item for carriage, unless an earlier date of delivery is proved. This fiction of service shall also apply, subject to the conditions set out in this provision, if for any reason the consignment is returned to the sender as undelivered or undeliverable, including on the account that it was not received by the addressee, receipt was refused or it was not collected by the addressee after deposit or that the addressee is not present at the place. This is without prejudice to the possibility of delivering documents by other means.
- 14.9. The Supply Contract is governed by the relevant provisions of Czech law, in particular the Civil Code, to the exclusion of the UN Convention on the International Sale of Goods and conflict of laws rules of international private law.
- 14.10. All disputes arising out of and in connection with the Supply Contract shall be settled, as far as possible, by agreement between the parties. If the dispute cannot be resolved amicably, it shall be decided at the first instance by the District Court in Litoměřice or the Regional Court in Ústí nad Labem.

Part B
Special arrangements for individual contract types

I. Purchase Contracts

1. Application of Article I.

- 1.1. The provisions of Article I, Part B of these Terms and Conditions shall apply only to purchase contracts, which are all contracts by which the Client acquires the right of ownership in movable property.
- 1.2. The provisions of Article I, Part B of these Terms and Conditions shall apply to the Contract at the same time as the provisions of Part A of these Terms and Conditions. If the provisions of Part A of these Terms and Conditions are in conflict with the provisions of Article I, Part B of these Terms and Conditions, the provisions of Article I, Part B of these Terms and Conditions shall apply.

2. Delivery of goods

- 2.1. Under a Purchase Contract, the Supplier undertakes to transmit to the Client the purchased goods defined the Purchase Contract at the place and time specified in the Purchase Contract and to transfer the right if ownership in the purchased goods to the Client. The Client undertakes to accept the purchased goods under the Purchase Contract at the agreed place and at the agreed time and pay the agreed purchase price for them.
- 2.2. The provision of Section 2093 of the Civil Code shall not apply.

3. Right of ownership and risk of damage to items

- 3.1. In all cases, the right of ownership and the risk of damage to the purchase goods sale shall pass to the Client at the moment of the Client's demonstrable acceptance of the purchased goods.

II. Contracts for work

1. Application of Article II

- 1.1. The provisions of Article II, Part B of the Terms and Conditions shall apply only to contracts for work, i.e. all contracts whereby work is performed for the Client consisting of the manufacture of a particular item, unless it falls under a purchase contract, as well as maintenance, repair or modification of items, or an activity with a different result. The construction, maintenance, repair or alteration of a building or part thereof shall always be regarded as work.
- 1.2. The provisions of Article II, Part B of the Terms and Conditions shall apply to the Contract alongside the provisions of Part A. Where the provisions of Part A are in conflict with the provisions of Article II, Part B, the provisions of Article II, Part B shall apply.

2. Obligations of the parties

- 2.1. The Supplier is required to complete the work specified in the Contract and in the annexes to the Contract for the Client at their own expense and risk, with due care, on time and at the quality standard resulting from the provisions of the Contract, or, failing that, at the customary quality standard, and the completed work must be fully fit for the purpose inherent in the Contract.
- 2.2. The Client undertakes to provide the Supplier with proper cooperation in completing the work, accept the work duly completed and pay the Supplier the price for the work.
- 2.3. During the completion of the work under the Contract, the Supplier undertakes to carry out other activities not expressly mentioned in the Contract, which are nevertheless related to the completion of the work and which are necessary to achieve the purpose of the Contract.
- 2.4. The Client is the owner of the work to be completed, if the nature of the work so permits.
- 2.5. The Client undertakes to make the construction site/work site available and transmit it to the Supplier in good time for the purpose of completing the work and the Contractor is required to accept the construction site/work site.
- 2.6. Unless otherwise agreed under the Contract, the price agreed in the Contract is a fixed and maximum price. The parties have agreed to exclude the application of Section 2622 of the Civil Code. The Supplier assumes the risk of a change of circumstances within the meaning of Section 2620(2) of the Civil Code.
- 2.7. A revision of the price of the work is possible following the parties' agreement to revise the scope of the work (quantitative change of the work) or to change the work (qualitative change of the work), and following the parties' agreement to conduct work beyond the scope of the work under the Contract (agreement on extra works). These agreements must always be concluded in writing in the form of an amendment to the Contract. Each agreement

must always determine the change in the scope of the work, the change in the work itself or a definition of multiple works and a price arrangement. Arrangements on revisions to the price of the work that do not contain the aforementioned essentials shall not apply to the Client and shall not give rise to a claim for payment of any increase in the price of the work or for the release of unjustified enrichment.

- 2.8. Notwithstanding the text of Article 2.7 of Article II, Part B of the Terms and Conditions, the Client may unilaterally reduce the requirements for the scope of the Work (i.e. to partially withdraw from the Contract), in particular if the Supplier is late completing the work or if they complete the work in a manner that contravenes the Contract. The price of the work shall be reduced on the basis of the submitted quotation in the unit prices used in the itemised budget, or in the manner specified for the reduction of the price of the work by agreement under Section 2614 of the Civil Code.
- 2.9. The provision of Section 2612 of the Civil Code shall not apply.
- 2.10. In addition to the essentials set out in Article 4.3 of Part A of these Terms and Conditions, each invoice must be accompanied by and form an integral part of a report on the handover and acceptance of the work confirmed by the Client.
- 2.11. The Supplier is required to notify the Client in writing without undue delay and in any event within 24 hours of discovering the fact in question, of the flawed nature of the supporting documents received from the Client or the instructions given to them by the Client relating to the completion of the work, if the Supplier could find the documents or instructions unsuitable with the necessary care, and submit a proposal for a solution to the Client, if appropriate.
- 2.12. During the completion of the work, the Supplier is required to invite the Client at least 1 business day in advance to inspect those parts of the work that are to be covered or otherwise become inaccessible during the further execution of the work.
- 2.13. During the completion of the work, the Supplier shall keep a construction/installation log (hereinafter referred to as the "Log Book") in accordance with the relevant legislation, even if the legislation does not require the keeping of the Log Book. The Supplier is required to record in the Log Book all data that are important for the proper execution of the work. The Log Book shall be kept on site and the Supplier shall be responsible for its preservation.
- 2.14. The entries shall be made using carbon copies, with one copy of each to be given to the Client. Authorised persons who disagree to the entry are required to attach their comments to the entry within 3 business days, otherwise they are deemed to agree to the entry. However, any entry in the Log Book shall not result in a change in the price of the work or in a change in the work itself.
- 2.15. The Supplier's obligation to complete the work shall be fulfilled with the proper completion and handover of the work in accordance with this Contract, including the signing of the work handover and acceptance record by both parties (hereinafter referred to as the "Handover Record").
- 2.16. The work shall be deemed completed once its fitness for purpose is checked in the presence of both parties, or a test specified in the Contract is successfully performed, or a test run is successfully completed within the agreed parameters, if agreed under the Contract.
- 2.17. The Client may, but is not under any obligation to, accept work that shows defects. If the Client accepts a work with defects, the Client's respective warranty claims as per this Contract or the Supplier's defect liability and their liability for damage or other rights under this Contract shall not be affected. The provision of Section 2628 of the Civil Code shall not apply. The Supplier is required to remove the defects displayed by the work that has been accepted within the time limit specified by the Client or without undue delay.
- 2.18. The Supplier undertakes to transmit the work against a Handover Report to be drawn up immediately after the end of the acceptance procedure and containing at least the following information:
 - identification and specification of the work,
 - evaluation of the quality of the work,
 - evaluation of the functionality of the work and its ability to serve the agreed purpose,
 - a list of any defects (including backlog) and the date by which they must be removed,
 - names and surnames of persons authorised to act on behalf of the Supplier/Client or authorised representatives of the Client/Supplier at handover/acceptance of the work,
 - date of handover and acceptance of the work, signatures of the persons handing over and accepting the work.
- 2.19. The Supplier is required to prepare and present at the handover and acceptance of the work the documents required by the Contract and these Terms and Conditions, in particular all documents necessary for the proper use of the work (inspection reports, certificates, instructions for use, etc.).
- 2.20. The work is handed over and accepted once the Handover Report is signed by both parties. At that moment the risk of damage to the goods passes to the Client.
- 2.21. If the Supplier fails to provide the documents referred to under Article 2.19 of Part B of Article II of the Terms and Conditions, the Client shall not be obliged to accept the work.
- 2.22. The provision of Section 2605(2) of the Civil Code shall not apply.
- 2.23. The Supplier shall also be liable for defects caused only by an error in the design documentation supplied by a person chosen by the Client, or only by a failure of supervision conducted by a person chosen by the Client if the Supplier has not brought these defects and failures to the attention of the Client without undue delay after their

discovery, and in any event by the handover and acceptance of the work. The provision of Section 2630(2) of the Civil Code shall therefore not be applied.

2.24. If either party withdraws from the Contract, both parties shall only have the following rights and obligations:

- a) The Supplier shall stop all activity on the work, except work instructed by the Client or strictly necessary to protect the Client's property or the safety of the work,
- b) the Supplier shall transmit and the Client accept the work, or such part thereof as the Supplier deems applicable;
- c) in the event of withdrawal, the Client shall pay the Supplier a proportionate part of the price of the accepted work or part thereof, or else the usual price;
- d) the costs associated with the withdrawal from the Contract shall be borne by the party that has breached the contractual obligation;
- e) upon withdrawal from the Contract, the Client may complete the work on their own and/or have the work completed by any other person(s),
- f) if the Client refuses to accept the work or any part thereof, the Client may, at their option, demand the return of the items they have provided to the Supplier for the purpose of completing the non-accepted work or any part thereof, or claim monetary compensation for the items so provided at an amount equivalent to their usual price.

2.25. The provisions of Sections 2591 and 2595 of the Civil Code shall not apply.

III. Licensing agreements

1. Application of Article III

- 1.1. The provisions of Article III, Part B of these Terms and Conditions shall apply only to licensing contracts relating to intellectual property rights, i.e. all contracts under which the Client is permitted to use any item protected as an intellectual property right or a contract by which the Client obtains the right to use a copyrighted work, sound recording, artistic performance, visual recording, sound recording, photograph, database, computer program or software.
- 1.2. The provisions of Article III, Part B of these Terms and Conditions shall apply to the Contract at the same time as the provisions of Part A; if the provisions of Part A are in conflict with the provisions of Article III, Part B, the provisions of Article III, Part B shall apply. If a provision having the character of a licence agreement is contained in another contract, i.e. if it is contained in an instrument that carries another contract, the provisions of this Part shall apply to those provisions contained in the instrument having the character of a licence agreement as specified in paragraph 1.1 of this Article of the Terms and Conditions.

2. Specific provisions of the license agreement

- 1.1. Unless otherwise provided in the Contract, the license granted is unlimited in scope, i.e. it covers all uses.
- 1.2. Unless further specified in the Contract, (a) trademarks may be used by the Client for all their products and related materials; (b) copyrighted works may be used for all purposes known at the time of the conclusion of the license contract; (c) software may be used on all their devices on which the software may be implemented; the devices are all devices (personal computers, servers, etc.) used by the Client, regardless of who owns them.
- 1.3. Unless otherwise agreed under the Contract, the Client is not obliged to use the licence even if the continuation of the right depends on its exercise.
- 1.4. Unless otherwise agreed in the Contract, the license is granted as exclusive.
- 1.5. The Client may grant the authorisation that forms the licence to a third party in whole or in part (sub-licence).
- 1.6. The Client may assign the licence in whole or in part to a third party, to which the Supplier gives their express consent by signing the Contract.
- 1.7. If the Contract does not specify a fee or the method of determining its amount, the parties agree that the license is granted free of charge.
- 1.8. Unless otherwise agreed under the Contract, the Supplier has no interest in keeping any documents or communications provided to the Client secret.
- 1.9. The Client may modify or otherwise change the designation of the author, the work, or its title. The Supplier declares that they have no objections to this course of action.
- 1.10. Unless otherwise provided under the Contract, the Client may use the licence not only in the Czech Republic but in all countries where the Client is currently operating, which means not only the operation of their own production facilities but also the location of warehouses or the export of products to these countries.
- 1.11. If the Contract does not specify the term of the licence, the licence as agreed is deemed to have been granted for an indefinite period of time.
- 1.12. The Client may also terminate a licence contract concluded for a fixed term.
- 1.13. The licence is not limited as regards the number of its uses.
- 1.14. The provision of Section 2382 of the Civil Code shall not apply.

IV. Mandate brokerage, commission, forwarding and carriage contracts

1. Application of Article IV

- 1.1. The provisions of Article IV, Part B of these Terms and Conditions shall apply only to mandate, brokerage, forwarding and carriage contracts.
- 1.2. The provisions of Article IV, Part B of these Terms and Conditions shall apply to the Contract at the same time as the provisions of Part A; if the provisions of Part A are in conflict with the provisions of Article IV, Part B, the provisions of Article IV, Part B shall apply. Where a provision having the character of any of the contracts referred to in paragraph 1.1 of this Article of the Terms and Conditions is contained in another contract, i.e. contained in an instrument bearing another contract, the provisions of this Article shall apply to those provisions contained in the instrument that have the character of a contract specified in paragraph 1.1 of this Article of the Terms and Conditions.

2. Specific provisions of mandate, brokerage, commission and forwarding contracts

- 2.1. Unless otherwise specified in a mandate or commission contract, the Supplier is required to discharge their duties under the Contract in person.
- 2.2. Unless otherwise agreed under a mandate or commission contract, the Supplier's entitlement to the fee shall only arise after the intended result has occurred. If, as a result the Supplier's breach of their duties, the intended outcome does not occur, the Supplier shall not be entitled to the fee or any cost reimbursement of damages. The provision under Section 2438(2) of the Civil Code shall not apply.
- 2.3. The provision of Section 2465(2) and Section 2481 of the Civil Code shall not apply.
- 2.4. Unless otherwise agreed in a brokerage contract, the Supplier is entitled to the commission when the third party fulfils their obligation arising out of the brokerage contract. The due date of, and the right to invoice, the commission is governed by the provisions of these Terms and Conditions (Article 4, Section A).
- 2.5. If a brokerage contract is aimed at concluding a contract with ongoing or repeated performance (this in particular applies to leases and subleases), the Supplier is only entitled to the commission if the relationship based on these contracts has lasted at least three months.
- 2.6. Unless otherwise agreed under a brokerage contract, the broker may not immediately work for the other party to the brokered contract.
- 2.7. Unless otherwise agreed under a forwarding contract, the Supplier's right to the fee arises only at the time of completion of the carriage, i.e. when the consignment is transmitted to the consignee.
- 2.8. Unless it is expressly stated in any contract under Article IV what costs are to be paid, the Supplier's reimbursement of costs shall be included in the fee agreed. If no fee has been agreed and if the costs to be reimbursed have not been determined, the Supplier shall be entitled to reimbursement of the necessary costs that have been proven in writing, up to the amount equivalent to the value of the benefit received by the Client, but not more than CZK 5,000.
- 2.9. Unless the forwarding contract provides otherwise, the forwarder is obliged to insure the consignment. The cost of the insurance is already included in the fee.
- 2.10. By concluding the forwarding contract, the Supplier confirms that they are an expert in the obligation envisaged under the Contract and undertakes to discharge their duties under the Contract with professional care. In particular, the Supplier shall be required to notify the Client in writing without undue delay and in any event within 24 hours of discovering the fact in question, that the documents received from the Client are flawed or the instructions given to them by the Client to arrange transport are unsuitable or that the information about the contents of the consignment is incorrect or the facts communicated or the documents submitted which are necessary for the conclusion of the carriage contain irregularities as long as the Supplier could discover such irregularities by exercising professional care, and request the Client to supplement, correct or clarify and, where appropriate, submit the proposed solution to the Client. In the event of a breach of this obligation, the Supplier shall be liable for the damage suffered by the Client as a result of the breach.

3. Specific provisions of carriage contracts

- 3.1. If the Supplier is unable to complete the carriage for reasons for which the Customer is responsible, the Customer shall be entitled to a proportionate part of the carriage charge taking into account the carriage already carried out. The provision of Section 2565 of the Civil Code shall not apply.
- 3.2. By concluding the carriage contract, the Supplier confirms that they are an expert in the obligation envisaged under the Contract and undertakes to discharge their duties under the Contract with professional care. In particular, the Supplier shall be required to notify the Client in writing without undue delay and in any event within 24 hours of discovering the fact in question at the latest, that the documents received from the Client are flawed or the instructions given to them by the Client to complete the transport are unsuitable or that the information about the contents of the consignment is incorrect or the facts communicated or the documents submitted which are necessary

for the completion of the carriage contain irregularities as long as the Supplier could discover such irregularities by exercising professional care, and request the Client to supplement, correct or clarify and, where appropriate, submit the proposed solution to the Client. In the event of a breach of this obligation, the Supplier shall be liable for the damage suffered by the Client as a result of the breach.

- 3.3. The freight fee is payable against an invoice to be issued in accordance with Article 4 Part A of these Terms and Conditions.
- 3.4. In the event of damage to or deterioration of the consignment, the carrier shall reimburse the value of the shipment in full.
- 3.5. The provisions of Sections 2569 and 2571 of the Civil Code shall not apply.
- 3.6. Unless the carriage contract provides otherwise, the application of international law to international carriage is not excluded.