GENERAL PURCHASE CONDITIONS OF SKLOSTROJ TURNOV CZ, S.R.O.

- 1. Parties. "Sklostroj" shall mean Sklostroj Turnov CZ, s.r.o., a company incorporated and existing under Czech law, with its registered office at Přepeře, No. 210, Postal Code 512 61, Czech Republic, ID No.: 60111739, registered in the Commercial Register maintained by the Regional Court in Hradec Králové, Section C, Insert 5522, OOO "Sklostroj Turnov RU", Sklostroj Kempten GmbH, SKLÁŘSKÉ STROJE ZNOJMO, s.r.o. or any other company belonging to the same group as Sklostroj, if it refers to these terms and conditions in its order. The "Supplier" means the person named as the addressee of Sklostroj's order. The Supplier and Sklostroj are hereinafter also collectively referred to as the "Parties" and individually as a "Party".
- 2. Scope of Application. 1.The below-mentioned provisions of these General Purchase Conditions ("Conditions") shall apply to all orders placed by Sklostroj, in addition to any terms and conditions set forth in any individual Sklostroj order or any plans, specifications or other documents incorporated by reference into such individual orders (all such documents collectively, the "Order"). These Conditions shall apply even if the Order does not expressly refer to these Conditions, provided that these Conditions are demonstrably known to the Supplier (e.g. from the negotiation of the Order or from a previous contractual relationship governed by these Conditions), unless Sklostroj has expressly excluded the applicability of these Conditions in the Order.
- 2. These Conditions shall apply whenever Sklostroj acts as a buyer of any goods in a contractual relationship. These Conditions shall also apply whenever Sklostroj is a customer for any work or a recipient of any services provided for consideration; in such a case, the provisions of these Conditions shall apply mutatis mutandis unless it is clear from the nature of the matter that provisions of these Conditions cannot be applied.
- 3. These Conditions, as well as any amendments thereto and updated versions thereof, are available to the Supplier on Sklostroj's website www.sklostroj.cz.
- 3. Confirmation of the Order, Conclusion of the Contract. The contracting process between the Parties shall always be initiated by Sklostroj sending a written Order to the Supplier, signed by an authorized representative of Sklostroj. The Order must unquestionably imply Sklostroj's intention to enter into a contract with the Supplier; any oral or written consultations between the Parties, correspondence regarding price negotiations or delivery specifications cannot be considered an Order or a proposal of Sklostroj to conclude a contract. The Order becomes a binding contract when (i) the Supplier ships the goods ordered by Sklostroj pursuant to the Order in whole or in part, or (ii) Sklostroj receives the Supplier's unconditional written confirmation that it has accepted the Order (the Order accepted by the Supplier hereinafter referred to as the "Contract"), whichever is earlier, and provided that at least one of these events must occur within fifteen (15) days upon Sklostroj issuing the Order, unless the Order specifies a different validity period. For the avoidance of doubt, an acceptance of the Order by any of the above methods shall be ineffective if it does not reach Sklostroj within the above-mentioned time limit. However, a later acceptance of the Order by the Supplier becomes effective if Sklostroj gives written notice thereof to the Supplier.
- 4. Other, Different and Conflicting Terms and Conditions. If Sklostroj expressly accepts any offer from the Supplier, the offer is accepted with the condition that the contract with the Supplier will be governed exclusively by these Conditions. Sklostroj hereby rejects the application of, and shall not be bound by, any additional, different, conflicting terms and conditions attached to the Supplier's offer, which are referred to in any way in the Supplier's offer and/or contained in any correspondence between the Parties (including any forms, letters or documents of the Supplier). Any variation and/or modification of the Conditions shall only be binding on Sklostroj if it is expressly set out in Sklostroj's Order or, as the case may be, contained in Sklostroj's acceptance of the Supplier's offer and Sklostroj expressly confirms such variation and/or modification in writing.
- 5. Transport, Assembly and Installation costs. 1. Unless otherwise expressly stated in the Order, the purchase price set out in the Order includes any costs associated with packing, transportation, insurance, loading, unloading, transhipment, assembly, installation, testing or other similar activities carried out in connection with the performance of the Contract, and no additional charges will be made to Sklostroj for such services. All shipments to Sklostroj for which freight charges are charged shall be prepaid by the Supplier. The Supplier shall not make any cash-on-delivery shipment and Sklostroj shall not be obliged to accept any shipment from the Supplier if its acceptance is conditional upon the payment of any freight charges, taxes, fees, duties and/or other payments; if Sklostroj accepts such shipment, it shall be entitled to require the Supplier to promptly reimburse any amounts paid. The purchase price set forth in the Order shall include all taxes and charges attaching to and/or relating to the purchase of the goods by Sklostroj pursuant to such Order, and in particular shall include value added tax and/or any other similar tax or charge, even if not expressly stated in the Order.
- 2. If it is expressly agreed in the Contract that the price of transportation and/or other activities carried out in connection with the performance of the Contract is paid according to actual costs, then it is agreed that the price of transportation within the Czech Republic may not exceed CZK 500, the price of international transportation may not exceed CZK 1500 (or an equivalent thereof according to the exchange rate published by the Czech National Bank on the day of commencement of the transportation) and the price of any other activities may not exceed the price which is usual in ordinary course of business. The Supplier may charge any amounts on top of these sums only with an express prior consent of Sklostroj.
- **6. Delivery Terms.** Unless otherwise expressly stated in the Order, DDP (Incoterms 2020) delivery terms shall apply to any delivery under the Order, with the place of delivery being Přepeře No. 210, 512 61, Czech Republic, or, if so stated in the Order, the address of the final recipient or other place as specified by Sklostroj.
- **7. Changes.** 1. The Supplier shall not be entitled to make any changes to the goods from the specification of the goods set out in the Order, such as changes in volume, specification, design, etc., without written consent of Sklostroj. If the Supplier finds it necessary or appropriate to make any changes, it shall inform Sklostroj immediately and shall only make the change after receiving Sklostroj's written consent.
- 2. Until acceptance of the goods, Sklostroj is entitled to instruct the Supplier to make any changes to the specification of the goods and the Supplier is obliged to deliver the goods in accordance with such instruction. Minor changes to the specification of the goods shall be made by the Supplier without further notice and without any claim for an increase in price or extension of delivery time. If the Supplier considers that the change requested by Sklostroj is so substantial that it may have an impact on the agreed delivery time or price under the Contract, the Supplier shall inform Sklostroj thereof without delay, but no later than within 5 (five) calendar days from the date of receipt of the instruction, and quantify such impact on the delivery time or price; if the Supplier fails to notify Sklostroj of the impact on the delivery time or the price of the goods, the Supplier shall not be entitled to claim an increase in the price of the goods or an extension of the delivery time following Sklostroj's instruction to make a change.
- **8. Documentation.** 1. An integral part of the delivery of the goods is the delivery of all documentation related to the goods. In particular, the Supplier is obliged to deliver to Sklostroj all warranty certificates, operating manuals, maintenance manuals, lubrication plans, lists of spare parts, manufacturing drawings, certificates of origin, declarations of conformity of the goods and other documentation necessary for the proper

and complete use of the goods at the place of use of the goods, if known to the Supplier, otherwise in the Czech Republic. Unless otherwise agreed, all documentation must be provided in at least electronic form and one written copy. If complete documentation for the goods is not supplied, the goods shall be deemed not to have been delivered in full.

- 2. By accepting the Order, the Supplier represents to Sklostroj that it has received from Sklostroj all information necessary to manufacture and deliver the goods in proper design and specification suitable for the agreed purpose or otherwise known to the Supplier, and has received from Sklostroj satisfactory explanations of any ambiguities (if any), has duly examined all documentation supplied by Sklostroj for the purpose of manufacture, delivery and installation of the Goods and has found no defects or deficiencies therein and confirms that it is able to deliver the Goods and provide other performance under the Contract within the agreed time and at the agreed price without the need for any changes, modifications or additional costs.
- 3. The Supplier undertakes to give the Sklostroj, within reasonable period of time prior to delivery, any special instructions concerning the storage of the goods, transport of the goods as well as any other manipulation and handling of the goods which deviates from the normal handling of engineering products. If necessary or appropriate, the Supplier shall mark such instructions on the packaging of the goods.
- **9. Limitation of liability.** In no event shall Sklostroj's liability to the Supplier, its employees, representatives, agents, contractors or subcontractors for any claim arising directly or indirectly out of or in connection with this Agreement exceed an amount equal to the purchase price of the goods to which such claim relates. At the same time, Sklostroj shall be liable only for actual damage; Sklostroj's liability to Supplier for any lost profits, production losses or other indirect or consequential damages shall be excluded. Furthermore, Sklostroj shall not be liable to the Supplier for any contractual penalties and/or any other sanctions.
- **10. Delivery time.** 1. Shipment and delivery shall be made in accordance with the Order; unless a time limit is specified in the Order, the goods shall be delivered no later than fifteen (15) days after the Order is issued by Sklostroj.
- 2. All delivery times specified in the Order are binding; Sklostroj rejects any clauses or reservations of the Supplier about non-binding delivery times. The Supplier acknowledges that any delay or other defective performance of its obligations may materially affect Sklostroj's production and operational activities, particularly with respect to continuities in technological and manufacturing process, and may impact Sklostroj's performance of its obligations to its customers. In the event of an imminent risk of delay, the Supplier is obliged to inform Sklostroj without delay, to communicate the reasons for the default and to take effective measures to eliminate the risk of delay by the Supplier.
- 3. Sklostroj may, at its discretion and without prejudice to any of its other rights, partially withdraw from this Contract to the extent of any unfulfilled part of the Order until the Supplier has made proper and complete delivery of the goods within the time limits specified in the Order. Sklostroj shall not be obliged to accept any partial or incomplete delivery of the goods. Acceptance of any part of the goods specified in the Order shall not make Sklostroj obliged to accept any future parts of deliveries.
- 11. Risk of damage, transfer of ownership. 1. The risk of damage to all goods delivered under the Contract shall be transferred from the Supplier to Sklostroj in accordance with the agreed Incoterms delivery terms; if these are not agreed, the Supplier shall bear the risk of damage to the goods up to the moment of their acceptance by Sklostroj.
- 2. If the ownership right has not been transferred earlier, ownership right to the goods shall be transferred to Sklostroj at the moment of passage of the risk of damage to the goods.
- 3. If Sklostroj makes any assets available to the Supplier for the purpose of the performance of the Contract (models, samples, parts), such assets remain in Sklostroj's ownership and the Supplier acquires no rights in rem (including retention right) to such assets. The Supplier shall keep these assets and keep records of them separately of the assets owned by the Supplier and, at the same time, mark or label the assets in a way which leaves no doubts about Sklostroj's ownership right to the assets.
- 12. Sklostroj's right to inspection. 1. Sklostroj is entitled, but not obliged, to inspect the process of manufacturing of the goods at the Supplier's plant. Sklostroj may send its representatives to the Supplier's plant, or other premises where the goods are being manufactured or assembled, to carry out an on-site inspection of technological procedures, the quality of the already manufactured parts of the goods, compliance with the delivery schedule, as well as other aspects relevant for due and timely performance of the Contract, on the basis of a notice sent to the Supplier at least 3 days before the date of the planned inspection. The Supplier shall grant Sklostroj's representatives access to its plant, in particular to the premises where the goods are manufactured, and to provide all necessary information and assistance for the purpose of the inspection.
- 2. In addition to inspecting the Supplier's plant, Sklostroj is also entitled, but not obliged, to inspect the Supplier's performance of its contractual obligations in other ways, in particular to request any information relating to the production process of the goods, including information on the Supplier's supply chain. The Supplier shall provide all requested information to Sklostroj with undue delay.
- 3. Sklostroj is entitled, but not obliged, to inspect and test all goods supplied under the Contract. The fact that Sklostroj has accepted the goods or paid the price of the goods shall not be construed as an acknowledgement of a defect-free or complete delivery. Sklostroj may reject any or all parts of the goods which are unsatisfactory. If Sklostroj does not inspect the goods delivered, (i) the Supplier is not thereby relieved of any of its obligations and (ii) Sklostroj does not thereby waive any of its rights in connection with the delivery of goods. Any goods delivered in excess of Sklostroj's requirement may be returned at Supplier's expense. If goods are rejected, they shall be stored at the Supplier's risk and expense and the Supplier shall also bear the risk of loss and/or damage to such goods until they are returned.
- 4. If the Contract provides for the obligation to carry out any tests of the goods after its commissioning, the Supplier shall, at its own expense, procure for all activities, materials, raw materials and conditions necessary for the successful performance of the provided tests. The Supplier shall invite Sklostroj to attend the test at a reasonable time before the date of the test. The test shall be deemed to have been successful only if the goods are found to be free from defects, fit for purpose and within the agreed performance parameters. A written report of each test shall be drawn up, signed by authorised representatives of both Parties; the absence of a representative of Sklostroj at the test shall not relieve the Supplier of its obligations under the Contract.
- 13. Declaration and warranties. 1. The Supplier expressly declares and warrants to Sklostroj that all materials, works, products and goods supplied under this Contract:
- (a) conform exactly to all specifications, drawings, descriptions, samples or other data (i) set forth in the Order, (ii) supplied to and/or approved by Sklostroj, and (iii) published by the Supplier online and/or on its website (e.g., in an online brochure or catalogue) at the time the Order was made;
- (b) will be suitable and usable for the intended purpose as agreed between Sklostroj and the Supplier;
- (c) be of good quality and free from all defects in materials and workmanship;

- (d) shall be performed to a standard and with professional care consistent with current applicable professional practices;
- (e) shall be new and not repaired or reconditioned unless agreed to by Sklostroj in writing; and
- (f) do not infringe any patent, utility model, copyright, topography right, trademark, trade secret, or other intellectual property right of a third party, whether protected by law or contract; and
- 2. The Supplier further expressly declares and warrants to Sklostroj that the manufacture and sale of the goods to be supplied pursuant to the Order complies with all applicable laws and regulations in all jurisdictions in which Sklostroj and its customers are located, including, without limitation, (a) all laws and regulations governing safety, health and protection of environment, and (b) all laws and regulations governing the design, manufacture, testing, marking, safety and transportation of such goods. In particular, the Supplier warrants that the goods shall have all necessary certifications, approvals, declarations and permits necessary to operate/use them for their intended purpose in the country in which they are to be used; provided that if the country of use of the goods is unknown to the Supplier at the time of concluding the Contract, the goods shall be eligible for use in at least the member states of the European Union and the Eurasian Economic Union.
- 3. The Supplier declares and warrants that, prior to accepting the Order and with due professional care, it made sure that (i) the accuracy and completeness of all technical documents and drawings provided by Sklostroj for the purpose of preparing the offer and has drawn attention to any errors, inconsistencies and incomplete data which may impair the proper performance of the Supplier's obligations and (ii) that the price stated in the Order covers all of its contractual supplies for the purpose of delivering the goods and providing all other performance under the Contract;
- 4. The Supplier warrants that Sklostroj shall acquire exclusive, undisputed and unrestricted ownership right to all goods (including any and all parts, components or spare parts thereto) pursuant to the Order and that the goods are free, in particular, from all liens, rights in rem and other rights of the Supplier or third parties; should applicable law stipulate a statutory pledge or other similar right of the Supplier to the goods, such right is hereby expressly excluded.
- 5. The Supplier further warrants that neither Sklostroj nor its customers require any license to use the goods, or that such licence is transferred to Sklostroj upon delivery of the goods and is further fully transferable by Sklostroj to any and all its customers and other third parties without the need to incur any additional costs or royalties. The acceptance of materials, works, products, goods or the payment for them does not constitute a waiver of Sklostroj's right for performance of the Supplier's obligations under this provision. In the event of a breach of this representation, Sklostroj shall be entitled, at its sole discretion and without the necessity of waiving any other rights, to return the nonconforming goods for a full refund of the purchase price thereof by the Supplier or to require immediate rectification of defects or replacement of such goods.
- 6. The Supplier declares that as of the date of conclusion of the Contract, its liability insurance covering damages that may be caused by or in connection with the performance of this Contract to Sklostroj, its employees, agents, suppliers, customers and final recipients, is in force and with an adequate insurance limit. The Supplier undertakes to keep such insurance in force throughout the period of performance of the Contract and to present to Sklostroj at its first request the relevant valid insurance policy or a certificate of insurance.
- 7. The Supplier acknowledges that when entering into the Contract, Sklostroj relies in full on all representations and warranties set out in this clause and considers them to be essential in deciding whether or not to make an Order. Accordingly, the Supplier assures Sklostroj that such representations and warranties are true, complete and not misleading in all respects as of the date of this Contract. The Supplier further undertakes to indemnify Sklostroj against any loss suffered by Sklostroj as a result of any representation and/or warranties made by the Supplier under this Agreement proving to be false, incomplete and/or misleading.
- **14. Quality warranty.** 1. The Supplier shall provide Sklostroj with a quality warranty of 24 (twenty-four) months (the "Warranty Period") for all delivered goods, unless the Order specifies that the Supplier provides a longer Warranty Period. If the Contract provides for the obligation to test the goods after their commissioning, the Warranty Period shall commence from the date of the last successful test of the goods which is free from any defect, otherwise from the date of acceptance of the goods which is free from any defects. However, if the Supplier or another manufacturer provides a warranty for the goods (part, accessory or component thereof) for the period that is longer than the Warranty Period under these Conditions, the longer Warranty Period shall apply.
- 2. The Supplier warrants that the goods will be free from any quantitative, legal and qualitative (including cosmetic) defects as of the date of the transfer of the risk of damage and throughout the Warranty Period, i.e., in particular that they will be complete, fit for their purpose, have the agreed characteristics, achieve the agreed performance parameters and meet all statutory requirements, in particular with regard to protection of environment and occupational safety. If the characteristics or parameters are not expressly agreed in the Contract, then it shall have the characteristics and meet the parameters specified in any offer, technical specification, technical passport or promotional material of the Supplier on which Sklostroj relied when issuing the Order to the Supplier, otherwise the usual characteristics.
- 3. If Sklostroj discovers that the goods has any defect, the Supplier shall be obliged to remove the defect immediately, even if such removal shall take place after the expiry of the Warranty Period, provided that the defect was notified before the expiry of the Warranty Period. Sklostroj is entitled to claim any defect in the goods without any limitation at any time during the Warranty Period.
- 4. Sklostroj shall choose the method of removal of the defect at its own discretion, in particular by (i) repairing the goods, (ii) supplying any missing parts of the goods, (iii) replacing the goods, (iv) providing a reasonable reduction of the price of the goods or (v) withdrawing from the Contract. Sklostroj is entitled to change the choice of the method of removal of the defect at any time; if Sklostroj decides to change the method of removal of the defect, the Supplier is only entitled to evidenced extra costs related to the change in the method of removal of the defect. Should any damage arise as a result of a defect of the goods, Sklostroj shall be entitled to claim all damages caused by the Supplier's defective performance.
- 5. Unless a shorter time limit is specified in the Order, the Supplier is obliged to start removing the defect within 24 (twenty-four) hours from the date of its notification and to remove the defect within 7 (seven) calendar days. In the event that the defect of the goods is not removed within the aforementioned period, Sklostroj is entitled, but not obliged, to arrange for the repair to be carried out by itself or by a qualified third party at the Supplier's risk and expense, without prejudice to the continuation of the quality guarantee; if significant damage is imminent as a result of the defect, Sklostroj is entitled to do so even before the expiry of the aforementioned period. Any further claims of Sklostroj against the Supplier shall remain unaffected.
- 6. If Sklostroj makes a claim for delivery of a missing part of the goods, replacement of the goods or repair of the goods that were intended for use at the end customer's establishment, the Supplier's obligation includes the obligation to deliver the missing or replacement goods free of charge to the end customer's establishment or to have the goods repaired at the end customer's establishment. This does not apply, if Sklostroj informs the Supplier that it does not insist on the fulfilment of this obligation; in such a case, Sklostroj may arrange for delivery of the goods itself and charge the Supplier for these costs.

- 7. The Warranty Period for repaired or replaced parts starts anew upon completion of the repair. Regarding other parts of the goods which, as a result of the defect, could not be used properly due to the breakdown, repairs or the waiting for the delivery of spare parts, the Warranty Period shall be extended by the period of such interruption.
- 15. After-sale and after-warranty support. The Supplier shall sell spare parts and accessories for the goods and provide other standard after-sale support to Sklostroj under standard business conditions which are not inferior to those under which the Supplier supplies the same or comparable goods and services to other customers, for a period of at least ten (10) years after the delivery of the goods. In particular, the Supplier shall sell spare parts, provide service support or provide any other performance in relation to the goods to Sklostroj at prices that are no higher than those for which it supplies such goods or services to its customers (whereas the Supplier may not, in any event, sell to Sklostroj for prices higher than his standard list prices), as well as the delivery times for Sklostroj shall be no longer than those at which the Supplier supplies to other customers within the same time period.
- 16. Price, terms of payment and invoicing. 1. The price under the Contract is agreed as fixed and includes all performance of the Supplier related to the subject of this Contract, whether or not such performance is expressly specified in the Order, in particular, as the case may be, the costs related to the manufacture of the goods, the costs of preparation and review of documentation, the costs of training of Sklostroj's or the end customer's personnel, the costs of transport, installation and commissioning of the goods, including the costs of transport and stay of the Supplier's personnel, the costs of carrying out any tests and trials necessary to verify the functionality of the goods or other technical assistance. The Supplier shall not be entitled to claim an increase in price or payment of remuneration for any additional supplies, performance or extra work without prior written consent of Sklostroj.
- 2. All prices and amounts under the Order will be paid in the currency of the price of the goods. The Supplier bears the risk of fluctuations in exchange rates. Unless otherwise expressly agreed in the Order, the Supplier shall not be entitled to any advance payment and the price under the Order shall be invoiced upon delivery or upon successful completion of any prescribed tests, whatever occurs later. If an advance payment is agreed, late payment of the advance payment does not entitle the Supplier to postpone the delivery dates under the Contract unless the Supplier has given Sklostroj written notice demanding payment of the advance payment within a reasonable additional period. Sklostroj is entitled to set off any of its receivables or other claims (whether non-expired and / or time-barred) that it may have against the Supplier, regardless of the time and manner of their occurrence, against any amounts due under this Contract.
- 3. The price is payable within 90 (ninety) days from the date of proper delivery of the goods to Sklostroj or performance of the last agreed test, or delivery of the Supplier's proper invoice to Sklostroj, whichever of these occurs later; by accepting the Order the Supplier confirms that such due date is not grossly unfair to him and that it has been reflected in the price of the goods. If the goods have defects, including minor defects, Sklostroj is entitled to suspend payment of the full price until the defects have been fully removed. If the invoice issued by the Supplier does not comply with all the requirements of the applicable legislation or with the requirements communicated to the Supplier in advance by Sklostroj, Sklostroj shall be entitled to return the invoice at any time until the due date and to request the Supplier to issue a new invoice; in such a case, the new price shall become due from the date of issue of the new invoice.
- 4. The Supplier shall deliver the invoice to Sklostroj in writing to the address of Sklostroj's registered office or electronically to the e-mail address faktury@sklostroj.cz. The Supplier acknowledges that invoices delivered to Sklostroj by any other means or to any other address shall be deemed undelivered.
- 5. In the event of Sklostroj's delay in payment of the price or any amount thereof, default interest shall be added to the amount due in the amount of the 12M Euribor rate applicable on the first day of each calendar half-year, increased by 4 percentage points.
- 6. Payment or other terms stated on the Supplier's invoice that are inconsistent with the terms of the Order shall not be valid or effective unless approved by Sklostroj in writing.
- 7. The Supplier assumes the risk of a substantial change in circumstances with respect to changes in currency exchange rates, price levels of materials, labour prices of employees and suppliers, prices of carriage and the price of other inputs necessary to perform the Contract.
- 17. Indemnification. 1. The Supplier shall indemnify Sklostroj from and hold it harmless against any:
- (a) claims (regardless of by whom asserted) in respect of personal injury or property damage arising directly or indirectly out of the use, possession or ownership of the goods supplied under this Contract:
- b) claims, liabilities, losses, damages, costs and expenses (including costs of legal representation) arising out of actual or alleged infringement of any patent, copyright, topography rights, trade mark, trade secret or other intellectual property, statutory or contractual right of a third party in relation to the goods supplied under the Contract.
- 2. The indemnification promise made under this Article of this Contract shall survive and continue in effect after termination of this Contract to the fullest extent permissible under applicable law.
- 18. Damages. Without prejudice to any other rights of Sklostroj arising under this Contract and/or applicable law, the Parties agree that Sklostroj shall be entitled to claim any losses, expenses (including reasonable costs legal of legal representation) or damages suffered as a result of Supplier's failure to deliver the goods in a timely and duly or any other breach this Contract by the Supplier, including expenses incurred in connection with the purchase of replacement goods or consequential and incidental damages caused by Supplier's failure or non-performance, including damages and contractual penalties asserted against Sklostroj by its customer as a result of Supplier's failure or non-performance. Similarly, the Supplier agrees to pay for any damages caused by the Supplier's failure to comply with provisions of these Conditions on the intellectual property rights. Where contractual penalty is agreed in the Contract for breach of the Supplier's obligations, Sklostroj's claim for such contractual penalty does not in any way affect its claim for damages against the Supplier.
- 19. Intellectual property rights. The Supplier agrees that all works created by the Supplier alone or in collaboration with others in the course of performing the Contract or designing materials to be delivered, including all intermediate products and partial versions (hereinafter referred to as the "Products"), shall automatically be the sole property of Sklostroj upon their creation or (in case of copyright upon fixation in a tangible medium of expression), and Sklostroj shall own all rights, including all proprietary and intellectual property rights to the Products. To the fullest extent permitted by law, the Supplier hereby assigns to Sklostroj, free of charge (and/or for the lowest price, if so required by law), all proprietary and other intellectual property rights to the Products which are not acquired by Sklostroj on the basis of the above.
- 20. Entire agreement. This Contract constitutes the entire agreement between the Supplier and Sklostroj.
- 21. Confidentiality. 1. The Supplier undertakes to maintain confidentiality with respect to all documents, data and any other information of a contractual, commercial or technical nature that is provided or communicated by Sklostroj or that otherwise comes to its attention in connection with the negotiation or performance of the Contract, for an indefinite period of time, until these facts become public knowledge. The Supplier

undertakes that confidential information shall be disclosed only to those employees of the Supplier who necessarily need to know such information for the performance of their work in the performance of the Contract, or to persons contractually bound to confidentiality at least to the same extent as the Supplier is bound to Sklostroj, and that it shall take adequate internal technical measures to prevent disclosure of confidential information pursuant to these Conditions.

- 2. In particular, the Supplier undertakes to ensure that it and its contractors, employees, officers, representatives, agents or other collaborators shall maintain confidentiality in particular with respect to any prices agreed between Sklostroj and the Supplier, whether under the Contract or any other contracts concluded between the Supplier and Sklostroj, information regarding orders, technical specifications for deliveries or requests for quotations and other non-public activities relating to Sklostroj, as well as any information relating to upcoming or completed contracts and projects of Sklostroj, and shall treat such information as a trade secret. The Supplier shall only be entitled to use contracts executed for Sklostroj as a reference with prior written consent of Sklostroj.
- 3. The Supplier further agrees that all drawings, models, templates, patterns and similar items (hereinafter referred to as "Technical Documentation") provided to the Supplier by Sklostroj shall not be retained or otherwise made available to unauthorized third parties. Products manufactured by the Supplier on the basis of Sklostroj's Technical Documentation shall comply with the provided documentation. The Technical Documentation may only be used within the scope of the agreement with Sklostroj. No use of the Technical Documentation is permitted without prior consent of Sklostroj; by transferring the Technical Documentation to the Supplier for the purpose of performance of the Contract or for any other purpose, Sklostroj does not grant the Supplier any right to the intellectual property contained in the Technical Documentation. The Supplier undertakes to hand over the Technical Documentation to Sklostroj at the end of the cooperation with Sklostroj or, if not possible, to destroy all paper and electronic copies of the Technical Documentation and not to retain any copy thereof. The Supplier undertakes to treat all non-public technical information of which it becomes aware through its business relationship with Sklostroj as a trade secret.
- 4. The obligation of confidentiality under this article does not apply if the Supplier receives express written consent to disclose confidential information to a third party, if the confidential information becomes public knowledge or if the Supplier is obliged to disclose the confidential information on the basis of a decision of a court or other public authority; however, the Supplier is obliged to inform Sklostroj of such a case without delay after receiving a request from the competent authority to disclose the confidential information.
- 5. The Supplier shall ensure that it and its employees, officers, representatives, agents or other collaborators refrain from making public negative statements about Sklostroj or its contractual collaboration with the Supplier, in particular in media.
- 6. The Supplier is not entitled to use the supplied goods, Sklostroj, Sklostroj's name, the Sklostroj logo or the Sklostroj trademark as a reference or for any marketing purposes without prior written consent.
- 22. Special provisions for other contract types. 1. If the object of performance of the Contract consists of the performance of work, the provisions of the Conditions shall apply mutatis mutandis, unless otherwise provided in this article. The Supplier undertakes to follow all instructions of Sklostroj regarding the performance of the work; however, the Supplier is obliged to warn Sklostroj of the inappropriateness of its instructions, otherwise the Supplier shall be liable for damages. The price of the work shall be deemed to be a fixed amount and to include all works related to the performance of the work, even if not expressly mentioned in the Contract or other materials. However, if the price of the work is set according to a budget, the budget is agreed as binding and the Supplier guarantees its completeness. Unless otherwise expressly agreed in the Order, the Supplier shall not be entitled to require a deposit. The Supplier shall bear the risk of damage to the subject matter of the work until the handover of the work. Ownership to the object of work shall be transferred to Sklostroj at the time when the work is transported or otherwise brought to Sklostroj's plant or other agreed destination, unless the object of work is going to be transferred or otherwise has been transferred to Sklostroj earlier. If Sklostroj provides the Supplier with materials, components or other items for the purpose of performance of the work, these items, as well as the items created or assembled from them, shall remain the property of Sklostroj. The work shall be deemed to have been performed if it is completed and handed over. The work is complete when the work is tested to demonstrate its ability to serve its purpose and to achieve the agreed performance parameters; the test must always take place in the presence of representatives of Sklostroj. The work is handed over if Sklostroj confirms its unconditional acceptance of the work in a written handover report; Sklostroj shall not be obliged to accept the work if the work has a
- 2. If the object of performance of the Contract consists of the provision of services, the provisions of the Conditions shall apply mutatis mutandis, unless otherwise provided in this article. The Supplier undertakes to comply with all instructions of Sklostroj regarding the provision of services; however, the Supplier is obliged to warn Sklostroj of the inappropriateness of its instructions, otherwise the Supplier shall be liable for damages. The price of the services shall be deemed to be agreed upon as a fixed amount. However, if the price of the services is set on an hourly basis, the Supplier shall keep proper records of the time sheet; an unconditional written approval of the time sheet by Sklostroj shall be a condition for the Supplier's entitlement to payment of the price of the services. Unless otherwise expressly stated in the Order, the price of the services shall include all costs incurred by the Supplier while providing the services. The Supplier shall use its own working tools and equipment to provide the services. The Supplier shall provide services on an ongoing basis in accordance with the Contract, or Sklostroj's assignments and instructions, while Sklostroj is not obliged to assign any assignments to the Supplier. The conclusion and performance of the Contract shall not entitle the Supplier to act legally on behalf of Sklostroj unless the Supplier has received written authority to do so.
- 3. Contracts with continuous or recurring performance concluded for an indefinite period of time may be terminated by Sklostroj with a one-month notice period starting on the day of delivery of the notice of termination to the Supplier, unless Sklostroj specifies a longer notice period in the notice of termination.
- 23. Assignment. This Contract shall be binding to legal successors of the Parties and shall provide rights in favour of such successors. The Supplier may assign or otherwise transfer all or some of its rights or obligations under this Contract only with prior written consent of Sklostroj. To the fullest extent permissible under Czech law, Sklostroj may assign or otherwise transfer this Contract, including Sklostroj's rights and obligations hereunder, in whole and/or in part to third parties at its sole discretion.
- 24. Set-off. The Supplier shall only be entitled to set off its claims against the claims of Sklostroj with prior written consent of Sklostroj.
- 25. Severability. Shall any provision of this Contract be deemed as invalid, illegal or unenforceable, the remaining provisions of this Contract shall remain enforceable and effective, provided that the essential provisions of this Contract remain valid, binding and enforceable. In such event, the Parties undertake to replace such invalid, illegal and/or unenforceable provision with a valid, legal and enforceable provision corresponding as nearly as commercially and economically possible to what the Parties intended by the invalid, illegal and/or unenforceable provision.

- **26. Notification.** All notices either Party may give to the other Party shall be in writing and shall be sent to the other Party to the address of its registered office or at any other address as may be notified to the other Party in accordance with agreement of the Parties.
- 27. Sanctions, export control. The Supplier hereby confirms and warrants to Sklostroj that as of the date of the Contract and at all times during performance of the Contract (i) the Supplier will comply with all requirements of applicable export control regulations (which shall mean, in particular, any regulations stipulating personal, financial, territorial or sectoral sanctions, as well as any other restrictive measures, as well as any other the export regulations of the Czech Republic, the EU and the UN, as well as of the USA or the United Kingdom, provided that such regulations are applicable), hereinafter referred to as the "Export and Sanction Regulations"); (ii) neither the Supplier nor any person affiliated to the Supplier is, directly or indirectly, owned or otherwise controlled by any person that is on a sanctions list under the Export and Sanctions Regulations or is owned or controlled by such person; (iii) the Supplier, its related persons, its officers and its employees comply in all respects with the applicable Export and Sanction Regulations and do not take any action to circumvent the applicable restrictive measures or engage in any activities, that could lead to the Supplier's or Sklostroj's liability for possible violations of Export and Sanction Regulations, (iv) the Supplier will immediately notify Sklostroj in writing in the event that any restrictive measures are imposed on the Supplier or a person related to the Supplier shall indemnify Sklostroj on first demand and reimburse Sklostroj for all costs (including reasonable legal costs) relating to any related liability of Sklostroj.
- 28. Insolvency of the Supplier. Sklostroj may, by giving written notice to the Supplier, terminate this Contract and/or any part thereof if (i) the Supplier breaches any provision of this Contract (ii) the Supplier has declared that it is unable to perform the Contract, (ii) the Supplier becomes insolvent and/or (iv) a decision has been made to liquidate the Supplier (iv) the Supplier has been declared bankrupt or the Supplier has filed for insolvency or if similar insolvency, bankruptcy or compulsory liquidation proceedings are pending regarding the Supplier under foreign law. If Sklostroj withdraws from the Contract in accordance with this article, it shall have no payment obligations towards the Supplier.
- **29. Force majeure.** 1. A Party shall not be liable for breach of its obligation under the Contract if it proves that it has been temporarily or permanently prevented from fulfilling its obligation by an extraordinary, unforeseeable and insurmountable obstacle arising independently of its will and/or actions (hereinafter referred to as the "**Force Majeure**"). However, the Supplier shall not be entitled to invoke force majeure for the non-performance of its subcontractor's contractual obligations, even if its subcontractor has been prevented from fulfilling his obligations by Force Majeure, as well as for other reasons stated by the law.
- 2. If the Supplier reasonably invokes Force Majeure, it shall be exempted from the obligation to any performance under the Contract and from the obligation to compensate any damages for breach of the Contract for the duration of the Force Majeure, to the extent in which performance of the Contract is prevented by Force Majeure. The Supplier may be released from liability for non-performance of the Contract due to Force Majeure only if the Supplier sends a written notice to Sklostroj specifying (i) the type of Force Majeure that prevents it from performing the Contract and (ii) the obligations under the Contract that it is unable to perform due to the occurrence of Force Majeure; the Supplier shall attach documentary evidence to such notice to credibly prove its claims. The Supplier shall send the notification without undue delay after the occurrence of Force Majeure, otherwise it shall be exempt from liability from the moment the notification is delivered to Sklostroj.
- 3. The effects of Force Majeure under this article shall be limited only to the extent and for the duration that Force Majeure demonstrably prevents the Supplier from fulfilling its contractual obligations. As soon as Force Majeure ceases to exist, the Supplier shall inform Sklostroj in writing and immediately resume performance of the Contract. The Supplier shall at the same time take all measures to mitigate effects of Force Majeure on the performance of its contractual obligations during the duration of Force Majeure. After Force Majeure has passed, the Supplier shall make every effort to eliminate or mitigate the resulting delay.
- 4. If Force Majeure lasts longer than 6 (six) months, Sklostroj is entitled to withdraw from the Contract. If Force Majeure lasts longer than 12 (twelve) months, the Supplier is entitled to withdraw from the Contract.
- 5. For avoidance of doubts, the occurrence of covid-19 pandemic or any events or circumstances related thereto cannot be considered Force Majeure.
- 30. Amendments. The Contract may be modified, supplemented and amended only by written amendments.
- **31. Waiver of rights.** If Sklostroj waives any Supplier's breach of this Contract, Sklostroj does not waive any further breach of the same or any other provision of this Contract. The failure of Sklostroj to insist, or delay in insisting, on the due and complete performance of any provision of this Contract or on the exercise of any of its rights under this Contract shall not be interpreted as a waiver of any of its rights.
- **32. Applicable law.** This Contract, as well as its validity, interpretation and all matters arising out of or relating to it, shall be governed by Czech law. The application of the United Nations Convention on Contracts for the International Sale of Goods (1980, Vienna) and the United Nations Convention on the Limitation Period in the International Sale of Goods (1975, New York) is excluded.
- 33. Disputes. All disputes arising out of and in connection with the Contract shall be finally settled before the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agriculture Chamber of the Czech Republic by three arbitrators in accordance with its rules.
- **34. Language.** Unless otherwise specified in the Order, all communication, notices, and documents relating to the goods must be written in Czech or English. If the Supplier is aware of the country in which the goods are to be used, the Supplier shall also provide documents relating to the goods with a translation into the official language of that country.
- **35. Written form.** For the purposes of this Contract, any Order, amendment, notice or other document is deemed to be in writing if executed electronically in a text form capable of capturing its contents.
- 36. Effectiveness. These Conditions shall apply to all Orders placed by Sklostroj since 1 May 2022.