

## GENERAL PURCHASING TERMS AND CONDITIONS

Issued pursuant to the provisions of Article 1751 et seq. of Act No/ 89/2012, the Civil Code, as amended (hereinafter referred to as the "Civil Code"), for conclusion of purchase contracts with BONATRANS GROUP a.s. as the Buyer

### 1. Preamble

These General Purchasing Terms and Conditions (hereinafter referred to as the "**Terms**") have been issued with the aim to simplify business transactions while at the same time accurately defining rights and obligations of the contracting Parties when concluding purchase contracts in which BONATRANS GROUP a.s. [joint stock company] with its registered seat at Revoluční 1234, 735 94 Bohumín, Czech Republic, ID: 27438678, Tax ID: CZ27438678, a company incorporated in the Commercial Register of Regional Court in Ostrava, Section B, File 3173 (hereinafter also referred to as the "**Buyer**") acts as the Buyer. These Terms shall form an integral part of the contents of all purchase contracts for the purchase of goods concluded between the Buyer and another entity as the Seller (hereinafter also referred to as "**Purchase Contract(s)**" or "**Contract(s)**").

Any deviations from these Terms or addenda thereto shall be valid and effective only if approved in writing by both Parties, and if they are part of the Purchase Contract. Where the provisions in a Contract differ from those in these Terms, the provisions stated in the Contract shall prevail.

### 2. Contract conclusion, contract subject matter

2.1 Individual Purchase Contracts shall be signed based on written orders / draft purchase contracts (hereinafter referred to as the "**Order**") placed by the Buyer. Upon the receipt of the Seller's written acceptance (confirmation) of the Buyer's Order, or upon signature of the Contract original by authorised representatives of both Parties, the Purchase Contract shall be deemed concluded. The Order must be accepted by the Seller in its entirety, without any addenda, objections, limitations or other amendments vis-à-vis the text of the Order placed by the Buyer. Accepting the Order with any addenda, objections, limitations or any other amendments shall be regarded as rejection of the Order by the Seller, and will constitute a new Seller's draft Purchase Contract, even if the addenda, objections, limitations or any other amendments do not substantially change the Order conditions. In such case, the Purchase Contract shall be entered into only if the Buyer accepts the new draft Contract in writing and delivers the acceptance to the Seller. If no other deadline is stipulated in the Order, the Seller is obliged to confirm the Order not later than 5 days from the date of its delivery and deliver the acceptance of the Order to the Buyer within this period, or notify the Buyer within this period that the Seller rejects the Order. Acceptance or rejection of the Order must be executed in a written form, signed and delivered to the Buyer through a holder of a postal licence, or in an electronic form (with at least a simple electronic signature), or delivered to the Buyer's data box, or delivered personally. The Purchase Contract must contain at least the following information:

- Identification of the contracting Parties: company name, registered address, ID, Tax ID, bank and account number for payments (this account can be changed only in the form of an addendum to the Contract),
- Identification of the purchased goods (individual specification of goods, or specification of the quantity and type of goods, design of goods, specification of documentation required within the delivery of goods),
- Price,
- Payment method,
- The date, place and method of delivery,
- Warranty period,
- Clause stating that these Terms are an integral part of the Contract.

2.2 Based on the Purchase Contract, the Seller undertakes to deliver to the Buyer the goods specified in the Purchase Contract at the agreed place and time, and to transfer ownership of these goods to the Buyer, and the Buyer undertakes to accept the goods at the agreed place and time and pay the Seller the agreed purchase price.

2.3 The concluded Purchase Contract can only be amended by approval of both contracting Parties. Addenda and amendments to the Purchase Contract can be performed in writing only and must be signed by the representatives of the contracting Parties, otherwise they are invalid. The written form is fulfilled also in the case of negotiations conducted by electronic means that enable capturing of its content and identification of the negotiation person, if it contains at least a simple electronic signature.

2.4 All written documents issued in relation to the Purchase Contract must include the number of the Order/Purchase Contract stated in the Order/Purchase Contract.

### 3. Purchase price, taxes and payment terms

3.1 The agreed purchase price is a fixed price, its amount is unchangeable for the entire duration of the Purchase Contract, unless explicitly stated otherwise in the Contract.

- 3.2 The purchase price includes also all ancillary costs of the Seller, and unless stipulated otherwise in the Contract, the purchase price includes the costs of transport of the goods to the place of delivery and any other costs of services provided or activities conducted by the Seller in connection with the delivery of the goods (e.g. customs duties, transit frees, etc.). The purchase price includes also the goods insurance costs, unless stipulated otherwise in the Contract or unless the Buyer is required by law to insure the goods. The Seller is not entitled to demand from the Buyer any other payments or additional performance of any kind whatsoever. The contracting Parties hereby expressly exclude the application of any provisions of legal regulations (in particular those of the Civil Code) that allow the Seller to demand from the Buyer any increase of the purchase price, any additional payments or other performance whatsoever, unless such increase of the price of the goods, other payments or other performance are agreed in the Purchase Contract.
- 3.3 Unless stipulated otherwise in the Purchase Contract, the purchase price does not include any taxes or similar fees. The Seller shall charge the taxes in accordance with the tax laws of the Czech Republic applicable at the time of the taxable event. Valid tax exemption certificates must be attached to the Contract to which they relate. In respect of goods for which the reverse charge regime applies, the Buyer shall proceed in accordance with the provisions of Article 92a et seq. of Act No. 253/2004, as amended.
- 3.4 By signing the Purchase Contract, the Seller declares that the Contract includes a true statement whether the Seller is or is not a VAT payer in the Czech Republic, or whether it is an entity registered as a VAT payer in another EU member state, or whether it is a foreign entity as defined in the Value Added Tax Act (i.e. it does not have a domicile, place of business or establishment or place of residence or the place of usual residence, in any EU country).
- 3.5 Unless the Seller is a foreign entity as defined in the previous paragraph, the Seller must also state in the Purchase Contract its assigned Tax ID, if it has been assigned to the Seller. If it is an entity registered as a VAT payer in another EU member state as per the previous paragraph, it is assumed that this entity does not have a domicile, a place of business or an establishment in the Czech Republic, unless stipulated otherwise in the Contract.
- 3.6 By signing this Purchase Contract, the Seller undertakes to notify the Buyer, for the whole effective period of the Contract, of any changes in any of the above mentioned particulars, without delay after the change has occurred (within 7 days at the latest).

By signing this Purchase Contract, the Seller that is a foreign entity declares that the Seller has no permanent establishment in the Czech Republic as defined by the provisions of Article 22 paragraph 2 of Act No. 586/1992, the Income Tax Act, and by the applicable double taxation convention. The Seller furthermore declares that it has not concluded any contract on the basis of which an establishment defined by the mentioned legal regulations may be predicted. If the Seller has or will have a permanent establishment in the Czech Republic as defined in the mentioned legal regulations, or if the Seller concludes a contract on the basis of which an establishment could be predicted, the Seller shall inform the Buyer accordingly not later than 30 days since the moment when this fact has occurred.

Should the Seller breach the obligations set forth in this paragraph, it undertakes to compensate the Buyer in a money form for any damages the Buyer has suffered as the consequence of the breach of the Seller's obligations.

- 3.7 After proper delivery and acceptance of the goods according to the Purchase Contract, the Seller shall issue an invoice. The invoice must contain the particulars specified in the clause 3.9 of these Terms. If the Seller is registered in the Czech Republic as a VAT payer, the invoice must also contain all particulars of a tax document as defined by applicable legal regulations.
- 3.8 If the Seller provides the Buyer with a discount, the discount shall be either included in the price of each item, or shown in the invoice as a separate item.
- 3.9 **The invoice must contain the following particulars:**
- ID, Tax ID of both the Buyer and the Seller,
  - Specification of the Purchase Contract subject matter,
  - Total invoiced amount without VAT, the VAT rate and amount, and the invoiced amount including VAT, broken down according to the Purchase Contract, including the provided discount where applicable,
  - Invoice issue date,
  - Date of taxable event,
  - Invoice due date,
  - Seller's stamp and signature,
  - The name and bank account number of the financial institution identical with the Seller's account specified in the Contract,
  - Order/Purchase Contract number.

A copy of the delivery note or a copy of a record certifying the Seller's right to issue the invoice must be attached to the invoice. When a summary monthly invoicing has been agreed, a summary of all delivery notes for the goods delivered during the given month is an inseparable part of the invoice.

- 3.10 The contracted invoice due date is 60 days from the demonstrable delivery of the invoice to the Buyer at the following Buyer's invoicing address:

BONATRANS GROUP a.s.  
**Accounting and Analyses Section**  
Revoluční 1234  
735 94 Bohumín,

or, if delivered electronically, to the following address: [prijem.faktur@ghh-bonatrans.com](mailto:prijem.faktur@ghh-bonatrans.com)

The invoice is deemed paid upon debiting of the payment from the Buyer's account.

- 3.11 If the invoice does not contain the specified particulars, or if it contains incorrect data, the Buyer is entitled to return such invoice to the Seller within its maturity period, and the Seller is obliged to issue a new invoice that meets all the requirements mentioned above. In such case the maturity period is suspended and a new maturity period runs from the moment of delivery of the corrected or supplemented invoice to the Buyer. The Seller furthermore undertakes to provide collaboration to the Buyer in the event that the tax administration subsequently questions whether the tax document issued by the Seller includes all particulars of a tax document in accordance with the Value Added Tax Act, as amended, or other relevant legal regulation. Until the Seller fulfils its obligation to provide collaboration, the Buyer shall have no obligation to pay any part of the purchase price, or to fulfil any other money obligation resulting from the Purchase Contract.
- 3.12 If the delivered goods have defects that make it impossible to accept or use them, the Buyer is entitled to return the invoice to the Seller or defer payment for the goods, until proper performance has been provided. The contracted maturity period shall start from the day of rectification of defects in the goods or delivery of replacement goods.
- 3.13 The Seller who has the domicile/place of business on the territory of the Czech Republic and who is a value added tax payer on the territory of the Czech Republic, hereby explicitly declares that it has no overdue obligations towards the tax authorities, and that it does not meet the conditions and circumstances defined in Article 109 of Act No. 235/2004, as amended, that could, due to the legal liability of the Buyer, impose the duty of the Buyer to pay the value added tax on behalf of the Seller in accordance with the aforementioned provision, and also declares that there is no risk of the Seller fulfilling such condition, and that the Seller will adopt all necessary measures in order to prevent such conditions and circumstances to occur. The Seller undertakes that, should such conditions and circumstances occur or should there be a risk that they might occur at the moment of the taxable event, the Seller shall immediately notify the Buyer in writing. In order to prove the above, the Seller undertakes to present to the Buyer, at Buyer's request, an up-to-date certificate (not older than seven days) confirming that the Seller has no overdue obligations towards the tax authorities (certificate of the state of the personal tax account), within 10 days since the delivery of the Seller's request to the Buyer. If the Seller's latest financial statements, in the case that the Seller has a legal obligation to compile the financial statements, or the Seller's latest financial statements verified by an auditor, if the verification of these financial statements is required by law, are not deposited in the collection of documents of the Commercial Register at the time of conclusion of the Purchase Contract, the Seller undertakes to submit to the Buyer a certified copy of such financial statements on the Buyer's written request, not later than 10 days from delivery of the Buyer's request to the Seller. If the Seller is in default in fulfilment of any of its obligations specified in this clause for longer than 14 days, the Buyer shall have the right to withdraw from the Purchase Contract.
- 3.14 In the event that the Seller is identified as an unreliable taxpayer in the Central Taxpayer Register, or if the Seller specifies an unregistered bank account in the invoice bank details, the Buyer has the right to secure the tax, i.e. to pay it to the appropriate tax administration. The Seller will then be paid the purchase price up to the amount of the tax base (i.e. without the value added tax).

#### **4. Delivery terms**

- 4.1 Delivery dates for the goods are agreed directly in individual Purchase Contracts. Delivery periods start from the moment the Purchase Contract is concluded.
- 4.2 The moment of delivery of the goods is considered to be the moment when the Buyer is allowed to handle the goods at its domicile (place of delivery), unless agreed otherwise by the Parties.
- 4.3 Unless specified otherwise in the Purchase Contract, the place of delivery is the Buyer's domicile in the Czech Republic, Bohumín, Revoluční 1234, whereas the Buyer can also specify in the Order a specific warehouse at the Buyer's domicile.
- If the place of delivery is the "Central Receipt" or "Components Warehouse" of BONATRANS GROUP a.s., then the delivery can be made and the Buyer is obliged to receive the goods only Monday to Friday from 7:00 a.m. to 1:00 p.m.
- 4.4 The Seller is obliged to ensure transport of the goods to the place of delivery and assure all permits and decisions of relevant authorities that are necessary for the delivery and transport of the goods to the place of delivery. The Buyer undertakes to provide the Seller with the necessary collaboration in this respect.
- 4.5 The Seller is obliged to deliver the goods in the agreed quantity, quality and design, and if quality and design have not been specified, then in the quality and design that fully meets the purpose for which the goods are delivered, and if such purpose has not been specified, then for the purpose for which the goods are usually used. The goods must meet all provisions of applicable legal regulations, technical requirements and technical and safety standards for the given type of goods, also taking into consideration the final product of which the goods are to be a part. The goods as well as components used for their production must be new, unused, undamaged and made from a high-quality material. If the goods are supplied based on samples, designs or drawings, they must fully comply with these samples, designs or drawings. The goods must be capable of at least standard performance in accordance with the properties and quality specified in the Purchase Contract, and fully meet the purpose for which they are delivered. Ordering of the goods with particular properties or quality by the Buyer or other Buyer's requirements on the properties of the goods do not relieve the Seller from its obligation to act with professional care and to notify the Buyer in writing in the event of ordering unsuitable goods or in the event of an unsuitable instruction that would result in the goods not meeting the purpose for which the Buyer uses them, or not having the performance required by the Buyer, if these facts have been known to the Seller.
- 4.6 The Seller is obliged to pack the goods and treat it for the transport in the manner agreed in the Purchase Contract or in the manner that is sufficient for protection of the goods for the given mode or transport, and to deliver the goods to the place of delivery within the agreed delivery period. The packaging of the goods and the pallet on which the goods are loaded must enable safe handling. The Seller is obliged to deliver together with the goods also all documents and documentation necessary for acceptance and proper use of the goods, i.e. namely the declaration of conformity issued pursuant to Act No. 22/1997, as amended, certificates of authorised bodies, operating and maintenance manuals in Czech, certificates of quality and completeness, wiring diagrams, manufacturer's certificates of tests performed, etc. (if in doubt, the documents and documentation specified by the Buyer).
- 4.7 The Buyer is not obliged to accept partial fulfilment by the Seller, i.e. namely it is not obliged to accept a delivery that does not have the agreed quantity, design and quality, or delivery with which all documents and documentation have not been supplied.

- 4.8 In the case of delivery of a larger quantity of the goods than ordered by the Buyer or agreed in the Purchase Contract, the Buyer is not obliged to take over and buy the excess quantity of the goods, unless the Buyer has given its explicit consent with it prior to the delivery of the goods. Reception of the excess goods by the Buyer shall not be considered as conclusion of a Purchase Contract for the excess goods. The Seller is obliged to take back the excess goods at its own expense without undue delay, even without a prompt from the Buyer, unless the Buyer has notified the Seller that the Buyer wants to keep the excess goods and pay the Seller the purchase price for them.
- 4.9 A delivery note or a written record (hereinafter referred to as the "Delivery Note") must be taken in writing about the delivery (handover and takeover) of the goods according to the Purchase Contract and confirmed by representatives of both Parties, and it shall contain the following particulars:
- First names and surnames of the persons performing the handover and takeover,
  - Specification of the goods handed over – their exact identification including the list of all documents and documentation that is part of the delivery,
  - Handover and takeover date, and signatures of the persons performing the handover and takeover,
- 4.10 The Seller is obliged to immediately inform the Buyer of any possible delays in the delivery of the goods exceeding two working days compared to the agreed delivery date.
- 4.11 The Seller may deliver the goods before the specified delivery date (early delivery), unless explicitly specified otherwise in the Purchase Contract or if early delivery is prevented by operational reasons on the part of the Buyer, of which the Buyer must notify the Seller without undue delay after having been notified of the of the delivery of the goods by the Seller pursuant to clause 4.12 of these Terms.
- 4.12 The Seller shall notify the Buyer in writing of the fulfilment of the Purchase contract (delivery of the goods) in sufficient advance, but not later than three working days prior to the delivery, stating always the complete number of the Purchase Contract or the Order, the date of the Purchase Contract conclusion or of the Order placement, and exact identification of the goods that must comply with the concluded Purchase Contract.
- 4.13 During transport of the goods, the Seller is obliged to follow the Buyer's instructions, otherwise the Buyer shall have the right to charge the Seller and be compensated by the Seller for any damages suffered due to the Seller's failure to follow the Buyer's instructions. For consignments in the weight units transported by rail, the Seller is obliged to ensure official weighing.
- 4.14 When transporting goods by rail, the Seller shall enclose a Delivery Note to each consignment in the wagon in such manner that the delivery note is visible and at the same time protected against the weather effects and against damage during transport. For so-called combined wagon shipments, the Seller shall list in the advice note and in the delivery note all numbers of Purchase Contracts according to which the material was loaded in the wagon. At the same time, the Seller is obliged to mark individual types of goods in the wagon by the Buyer's Purchase Contract number. The Seller shall state an exact specification of the number of pieces (metres) and weight in the advice note and the delivery note.
- For consignments comprising of several packages, the package that contains the delivery note must be marked accordingly.
- 4.15 The Seller undertakes to take back the packaging or waste from this packaging that was launched by the Seller to the market with the packaged product, through the combined services rendered by EKO-KOM, a.s., unless a different method of taking back the packaging has been agreed in the Purchase Contract. All costs associated with taking back the packaging shall be borne by the Seller.
- 4.16 The Seller is obliged to ensure the return of selected products according to the applicable Czech laws (Act No. 185/2001, Waste Act, as amended), at its own expense and risk.

## 5. Other rights and obligations of the Buyer

- 5.1 In the case of deliveries of goods where the subject matter of the Purchase Contract includes also the Seller's obligation to provide to the Buyer technical advisory services, participation in operational testing, provision of a consignment warehouse at the Buyer's premises, etc., the Buyer shall, based on the Seller's written request, issue to the Seller for a fee an entry permit for all Seller's vehicles necessary for fulfilling this obligation.
- 5.2 The Buyer undertakes to train or ensure training of a nominated Seller's employee (or an employee of its subcontractor) in occupational safety, with a written record.
- 5.3 If the Seller performs its obligations at the Buyer's premises, the Buyer is entitled to check the Seller's employees, namely check fulfilment of their obligations specified in Clause 6 of these Terms.

## 6. Other rights and obligations of the Seller

- 6.1 The Seller is obliged to:
- Adhere, at the Buyer's premises, to all applicable regulations (including internal regulations of the Buyer) related to occupational health and safety, as well as applicable fire protection regulations and regulations related to environmental protection. An integral part of the Purchase Contract are also the General Terms and Conditions for ensuring OHS for Suppliers of Material that are available at [https://www.ghh-bonatrans.com/soubory/General\\_Terms\\_HSEQ\\_material.pdf](https://www.ghh-bonatrans.com/soubory/General_Terms_HSEQ_material.pdf). The Seller declares that it has acquainted itself with all these terms and conditions, and that it agrees with their content.

- Ensure that the Seller's employees / subcontractors / subcontractors' employees entering the Buyer' premises adhere to applicable regulations (including internal regulations of the Buyer) related to occupational health and safety, as well as applicable fire protection regulations and regulations related to environmental protection. The entities mentioned in this article will be acquainted with the respective special regulations for occupational health and safety, fire protection regulations and regulations related to environmental protection, when entering the Buyer's premises, which they will confirm in writing by their signatures (Instruction as per clause 5.2 of these Terms).
  - Ensure that the Seller's employees / subcontractors / subcontractors' employees who enter the Buyer' premises respect the ban on smoking within the BONATRANS GROUP a.s. premises, besides the designated smoking areas identified by a pictogram.
  - Ensure that the Seller's employees / subcontractors / subcontractors' employees who enter the Buyer' premises follow all instructions and orders of the Buyer's employees or other persons authorized by the Buyer concerning adherence to regulations (including internal regulations of the Buyer) for assurance of occupational health and safety, fire protection regulations and regulations related to environmental protection.
  - Ensure that the Seller's employees / subcontractors / subcontractors' employees who enter the Buyer' premises provide the Buyer's employees or to other persons authorized by the Buyer with adequate collaboration during instruction as specified in clause 5.2 of these Terms, and sign the record specified in clause 5.2 of these Terms.
- 6.2 If the Seller and the Buyer agree on returning of the returnable packaging supplied together with the goods beyond the scope of the rules set out in clauses 4.15 and 4.26 of these Terms, the Seller shall pay the costs related to the return of this packaging.
- 6.3 At the Buyer's request, the Seller shall allow the Buyer to perform its own customer audit according to ISO 9001 at the Seller's site.

## 7. Quality guarantee, liability for defects

- 7.1 The Seller guarantees that the delivered goods are and will be without defects throughout the entire agreed warranty period, and that the goods have and will have the quality, properties and design stated in clause 4.5 of these Terms throughout the entire agreed warranty period, and that the goods will be fit for use for the purpose specified in clause 4.5 of these Terms. The Seller furthermore guarantees that the goods are free of legal defects.
- 7.2 At the Buyer's request, the Seller is obliged to immediately submit to the Buyer the relevant quality certificates issued in accordance with the applicable EU standards, and the certificate of the country of origin. This provision does not relieve the Seller from its liability resulting from the guarantee of quality.
- 7.3 The failure to deliver the documentation or delivery of defective or incomplete documentation specified in clause 4.6 of these Terms, is also a defect covered by the warranty liability of the Seller.
- 7.4 The Buyer is entitled not to accept the goods if they have not been delivered on time and duly, i.e. if the goods show defects or the Seller has failed to fulfil other obligations related to the delivery of the goods according to the law or the Purchase Contract. The Buyer can accept such delivery on the whole, partially, or completely reject the delivery. This applies also to deliveries of goods in damaged packaging, goods not loaded on a pallet (unless another loading method has been agreed in advance), or loaded on a pallet or in packaging that does not allow safe handling. All associated costs (repackaging, storage, etc.) shall be borne by the Seller. The Buyer is not obliged to check, even at random, the properties of the delivered goods during their acceptance. Acceptance of the goods with defects or with defective or incomplete documentation does not relieve the Seller from the obligation of due performance in accordance with the Purchase Contract, and does not affect any rights of the Buyer under the Purchase Contract, namely the rights from liability for defects, from warranty or liability for damages.
- 7.5 Unless stipulated otherwise in the Contract, the warranty period is 36 months from the delivery of the goods, but not longer than 24 months from commissioning of the delivered goods by the customer of the Buyer (even in the case when the delivered goods are components of a final product produced by the Buyer). The time during which the Buyer is unable to use the goods because of defects is not included in the warranty period.
- 7.6 Defects in the delivered goods can be notified / claimed in writing at any time during the warranty period. Failure to report a defect without undue delay shall not affect howsoever the Buyer's right to claim liability for defects or the quality guarantee. The contracting Parties exclude the use of articles 1921, 2103, 2104, 2105, 2110, 2111 and 2122 of the Civil Code. The Buyer is obliged to allow the Seller to inspect the defective goods. The written form of the complaint is fulfilled also in cases when the defects are notified by fax, e-mail or similar demonstrable manner.
- 7.7 During the warranty period, the Buyer is entitled to make the following claims for defects of the goods:
- a) Demand that the defects are rectified by delivery of replacement goods for the defective goods, or delivery of the missing goods, not later than 15 days after the notification of the defect by the Buyer to the Seller, or, if the defects prevent the goods from being duly used, not later than 48 hours from the notification, and the Seller is obliged to deliver the replacement goods or rectify the defects within these periods of time.
  - b) Demand rectification of the defects by repair of the goods (if the goods are repairable), not later than 15 days after the notification of the defect by the Buyer to the Seller, or, if the defects prevent the goods from being duly used, not later than 48 hours from the notification, and the Seller is obliged to deliver the replacement goods or rectify the defects within these periods of time.
  - c) Demand a reasonable discount on the purchase price.
  - d) Withdraw from the Contract.

The Buyer has the right to choose from individual claims specified above. The Buyer may also choose more claims, provided the nature of individual claims does not exclude it. In particular, the Buyer is entitled to demand a discount on the purchase price together with the claim for the delivery of replacement goods or rectification of the defect. Exercising any of the claims according to paragraph 7.7 of these Terms shall not affect the Buyer's right to also demand a contractual penalty. If the Buyer exercises any of its claims in clauses 7.7 a) or 7.7 b) of these Terms, and the Seller fails to rectify the defects within the stipulated periods of time, or if the defects are non-rectifiable, the Buyer can demand a reasonable discount on the purchase price, or it can withdraw from the Purchase Contract. In the event that the Seller rectifies the defects and an identical defect of the goods occurs within 5 days from the rectification of the defect, the original defect is considered as non-rectifiable defect, with all resulting consequences, namely exercise of the claims from liability for defects or liability for damage or contractual penalty.

- 7.8 The Seller is obliged to rectify the notified defects by delivery of replacement or missing goods or by repair of the notified defect within the above specified period of time even if the Seller does not agree with the defect (complaint) notification. In the case that the complaint is found unjustified, the Seller has the right to compensation of its efficiently incurred costs expended on rectification of the alleged defect in the delivered goods. In the case that the complaint about the delivered goods is found justified, the Buyer has the right to compensation of all efficiently incurred costs related to the complaint. This does not affect other Buyer's rights, namely the right for compensation for any damages suffered, or the right to payment of the appropriate contractual penalties.
- 7.9 In the case of newly delivered or repaired goods, a new warranty period with the length specified in clause 7.5 of these Terms shall commence from the moment of delivery of the replacement goods or the moment of repair of the defective goods.
- 7.10 The Seller is obliged to express its opinion on legitimacy of the complaint not later than 5 calendar days from the date of the defect notification. If the Seller fails to do so within the specified time, the Seller is considered as having acknowledged legitimacy of the complaint.
- 7.11 The date of sending the defect complaint / notification is the date of sending a message containing the defect identification and selection of the respective Buyer's claim described in clause 7.7 of these Terms.
- 7.12 In the event that the defectively delivered goods have already been incorporated into the Buyer's final product and this product has already been sold to a third party ("Buyer of the Final Product"), the Buyer is entitled, in addition to the claims specified above, to a reasonable discount on the purchase price, as well as to compensation for all efficiently incurred costs and damages (e.g. penalties) incurred by the Buyer in connection with the defects of the final product or with rectification of the defects of the final product claimed from the Buyer by the Buyer of the Final Product or the end user of the final product, including the costs of disassembly and decommissioning of the final product or the product into which the goods have already been incorporated.
- 7.13 Until all defects in the goods have been rectified, the Buyer is not obliged to pay to the Seller any part of the purchase price of the defective goods that has not yet been paid to the Seller.
- 7.14 **Type defect.** In the event that the subject of deliveries are goods of the same type, and the same defect occurs in at least 5 % of the total number of delivered goods of this type from all deliveries and/or from deliveries performed within the period of any consecutive six months, such defect is considered the type defect, and all delivered goods of the same type are considered defective. If a type defect occurs in the delivered goods of the same type, the Seller is obliged to deliver to the Buyer, at the Seller's own expense, a complete replacement delivery of the goods within 14 days from finding the occurrence of the type defect, unless the Buyer exercises another claim for the complete delivery or its part according to clause 7.7. If the Seller fails to fulfil this obligation, the Buyer, after the period set out for the seller for delivery of the replacement goods has expired in vain, has the same rights as in the case of delay of the Seller in rectification of the defect according to clause 8.3 of these terms. The Buyer has also the right to withdraw from the Contract in such case. The withdrawal from the Contract does not affect the claim for compensation of damages and the contractual penalties.
- 7.15 If the goods delivered by the Seller are preserved for the transport and/or storage, the Seller is obliged, not later than prior to agreement on such delivery, to inform the Buyer about the exact type, trade name and manufacturer of the preservative agent, and also to hand over to the Buyer the safety sheet and the technical sheet. The same applies to the surface treatment (namely the coating) of the goods and its packaging (except for wooden pallets and wood with a legible international marking about its thermal treatment).
- 7.16 If the goods are delivered without the delivery note, the quality certificate (3.1 or 3.2 according to EN 10204), safety and technical sheets (see clause 7.14) and/or documents agreed in the Purchase Contract, the Buyer is entitled to accept such delivery in whole, in part, or to reject the complete delivery. This does not affect the Buyer's right to compensation for damages.
- 7.17 It is not possible to use electromagnetic equipment and equipment with permanent magnets during handling of the goods, namely during loading, unloading or reloading of the goods. Residual magnetism in the goods is the cause of a complaint.
- 7.18 Activity of radioactive isotopes in the delivered goods must not exceed 100 Bq/kg.

## **8. Interest for late payments, penalties, liability for damages, offsetting, withholding of goods, pledging claims**

- 8.1 In the event of a delay in payment of due invoices, the Seller may charge the Buyer contractual interest for late payment in accordance with applicable legal regulations.
- 8.2 In the event of the Seller's delay in delivery of the goods in a due and timely manner in accordance with the Purchase Contract, the Seller is obliged to pay to the Buyer the contractual penalty in the amount of 0.5% of the agreed purchase price of the goods with the delivery of which the Seller is in delay, per each day or a part thereof the delivery is in delay.
- 8.3 In the event that the Seller is in default with fulfilling its obligations resulting from the liability for defects in the goods or the warranty (namely if the Seller fails to rectify the defects in the goods within the periods specified in clause 7.7 a) or b) of these Terms), the Seller is obliged to pay the Buyer a contractual penalty in the amount of 0.5% of the agreed purchase price of the defective goods in respect of which the Seller is in delay, per each day or a part thereof the Seller is in delay with fulfilment of such duty.
- 8.4 In the event that the Seller breaches any of the obligations or prohibitions specified in Clause 12 of these Terms, the Seller is obliged to pay the Buyer a contractual penalty in the amount of CZK 250,000 for each case of such breach.

- 8.5 In the event that the Buyer makes a justified complaint about the delivered goods (irrespective of the nature of the notified defects) more than three times during the warranty period, the Buyer shall be entitled to the contractual penalty in the amount of 10% of the purchase price of the goods under complaint for each additional case of occurrence of defects in the goods covered by the Seller's warranty liability as specified in Clause 7 of these Terms.
- 8.6 In the event of a breach by the Seller of the obligations set out in clauses 3.4, 3.5 and 3.6 of these Terms, the Seller is obliged to pay the Buyer the contractual penalty in the amount of CZK 5,000 for each case of such breach.
- 8.7 In the event of a breach by the Seller of the obligations set out in clause 3.13 of these Terms, the Seller is obliged to pay the Buyer the contractual penalty in the amount of CZK 100,000 for each case of such breach.
- 8.8 The Seller is not entitled to withhold the goods due to the existence of any of its matured claims, or to unilaterally offset such claims against the Buyer's claims on the Seller. The Seller is also not entitled to cede or pledge any of its claims on the Buyer without the explicit prior written consent of the Buyer. Should the Seller violate any of the duties set out in this clause, the Seller is obliged to pay the Buyer the contractual penalty in the amount of 30% of the respective claim.
- 8.9 The price for calculation of the contractual penalty shall always be the price excluding VAT.
- 8.10 If either Party breaches any of the obligations specified in any Purchase Contract or in these Terms, the Party in breach of the contractual obligation shall, in addition to the contractual penalty, fully compensate the injured Party for the real damage and loss of profit, including possible penalties that the Buyer will be obliged to pay to its customers due to the breach of the obligations by the Seller. The payment of the contractual penalty does not relieve the Party that breached its obligation from the commitment to fulfil its contractual obligations, and does not deprive the other Party of its other rights according to the law and the Purchase Contract (e.g. the entitlement to other contractual penalties).

## 9. Ownership and risk of damage to the goods

The ownership and the risk of damage to the goods passes to the Buyer at the moment of demonstrable handover of the goods by the Seller and its takeover by the Buyer.

## 10. Force majeure

- 10.1 Neither contracting Party shall be held liable for full or partial failure to fulfil one of its obligation, if such failure is the consequence of obstacles in respect of which it cannot be reasonably assumed that the liable Party would overcome this obstacle or its consequences, furthermore, that at the time of the origination of its obligation (i.e. at the time of conclusion of the respective partial Purchase Contract) the Party could have foreseen the occurrence of the aforementioned obstacle, such as floods, fire, earthquake or other acts of nature, as well as war or acts of war.
- 10.2 The Party for which fulfilling an obligation has become impossible due to the incidence of force majeure, must immediately notify the other Party of it in writing, not later than 7 calendar days after the occurrence of the aforementioned obstacle, and likewise, it must notify Party in writing not later than 7 calendar days after the case of force majeure has ceased.
- 10.3 If the obstacle caused by force majeure remains in effect for the period not exceeding 20 calendar days, the Parties are obliged to fulfil their obligations from the Purchase Contract, but the dates for fulfilling the obligations are postponed by the time force majeure remains in effect. If the obstacle caused by force majeure lasts for more than 20 calendar days during the effective period of the Purchase Contract, each of the contracting Parties has the right to withdraw from the Purchase Contract.
- 10.4 Circumstances that arose only at the time when the liable Party was already in default with fulfilling its obligations, or circumstances that occurred as the result of the Party's economic situation, are not considered as circumstances of force majeure.

## 11. Dispute resolution and governing law

- 11.1 The rights and obligations of the Parties related to the Purchase Contract, including origination of the Purchase Contract, its validity and efficiency, shall be governed by the laws of the Czech Republic, with the exclusion of the conflict-of-law rules and The UN Convention on Contracts for the International Sale of Goods.
- 11.2 All disputes arising from and in connection with Purchase Contracts concluded under these Terms, shall be resolved, as far as possible, by agreement of the contracting Parties. If the dispute cannot be resolved amicably within 30 days from the start of the negotiations between the Parties concerning the dispute, the dispute shall be decided by courts of the Czech Republic with the subject-matter jurisdiction. The Parties of the Purchase Contract have agreed on the territorial jurisdiction of the District Court in Ostrava for disputes arising from and in connection with Purchase Contracts concluded under these Terms.

## 12. Confidentiality and protection of information

- 12.1 Materials and documents handed over by the Buyer to the Seller (documentation, jigs, tools, gauges, etc.), remain the Buyer's property and may be used only in connection with fulfilments of Purchase Contracts by the Seller. They must not be made available to a third party, must be safely stored and secured, and they must be returned, without any special request, undamaged to the Buyer after the Purchase Contract(s) termination, or immediately after they became unnecessary for fulfilment of the respective Purchase Contract(s) to the Seller.

- 12.2 The Seller undertakes to keep confidential all design, technological and manufacturing materials, documents, information, equipment and other matters (collectively, "Confidential Information of the Buyer") that the Seller received or otherwise acquired from the Buyer in connection with fulfilment or conclusion of the Purchase Contracts. The Seller furthermore undertakes to treat any Confidential Information of the Buyer or transactions intended by the Purchase Contract that are not publicly known and available (by other means than through breach of the Purchase Contract) as its own confidential information, and not to disclose it to any third party, except when the Seller has been given a written consent by the Buyer with such disclosure, or if the disclosure is required by legal regulations or by relevant statutory bodies. The Seller undertakes not to disclose the Confidential Information of the Buyer to any third party without an express Buyer's consent, and undertakes to ensure fulfilment of this obligation also by its employees and business partners. This obligation shall remain in force even after the Purchase Contracts ceased to be effective.
- 12.3 The Seller undertakes not to use the Confidential Information of the Buyer communicated in accordance with the previous paragraph for any other purposes than for fulfilment of the Purchase Contracts.
- 12.4 The Seller is not entitled to offer and/or supply the goods manufactured using the documentation obtained from the Buyer, as well as goods derived from this documentation, to any third person, unless both Parties agree otherwise in writing.

### 13. Contract termination

- 13.1 The Purchase Contract can be terminated before expiration of the period for which it was concluded or before it has been duly fulfilled in the following cases / the following manners:

- a) By a written agreement of the Parties signed by authorised representatives of both Parties, in which case the Purchase Contract is terminated on the day agreed by both Parties;
- b) By withdrawal of the Buyer from the Purchase Contract.

The notification of withdrawal from the Purchase Contract must be delivered in a written form by registered mail. Withdrawal from the Purchase Contract takes effect on the day of delivery to the other Party. In this respect, the Parties undertake to settle with each other without undue delay.

- 13.2 Unless stipulated otherwise in the Purchase Contract, the Buyer is entitled to withdraw from the Purchase Contract if at least one of the following conditions is met:

- a) The Seller has committed a material breach of its obligations under the Purchase Contract;
- b) The Seller has committed a minor breach of its obligations under the Purchase Contract, but it has failed to fulfil its obligation even within an appropriate additional time given by the Buyer;
- c) Insolvency proceedings have been initiated against the Seller, provided the petition has been filed either by the debtor or the creditor, and the petition has not been rejected within the legal period due to apparent groundlessness or harassment nature, or the Seller has entered into liquidation;
- d) Prior to delivery of the goods without giving a reason.

- 13.3 In particular, the following delay of the Seller in fulfilling of the following obligations is considered as a material breach of obligations:

- a) To deliver the goods to the Buyer duly and on time, or
- b) Resulting from the Seller's liability for defects of the goods or warranty liability.

- 13.4 Withdrawal from the Purchase Contract terminates the Purchase Contract. Notwithstanding that, the following provisions do not expire upon withdrawal or termination of the Contract by any other means:

- a) Arising claims resulting from liability for defects of the goods of warranty liability,
- b) Provisions concerning warranty and liability for defects,
- c) Provisions concerning non-disclosure, confidentiality and protection of business secrets,
- d) Claims for compensation for damages incurred due to a breach of the Purchase Contract,
- e) Claims for payment of contractual penalties,
- f) Choice of the court territorial jurisdiction,
- g) Other claims stipulated by applicable legal regulations.

- 13.5 If the Buyer withdraws from the Purchase Contract without giving a reason pursuant to clause 13.2 d) of these Terms, the Buyer is obliged to reimburse the Seller for all efficiently incurred costs in connection with fulfilling the Purchase Contract, up to the maximum amount of the purchase price specified in the cancelled Purchase Contract. The Seller is obliged to send to the Buyer a written calculation of the costs according to the first sentence of this clause, together with documents substantiating these costs, not later than 14 days from the day when the withdrawal notice was delivered to the Seller, otherwise this claim of the Seller expires.

- 13.6 In the event of withdrawal from the Purchase Contract, the contracting Parties are obliged to settle with each other in the manner and within the time defined by the Buyer.

### 14. Further arrangements

- 14.1 The Seller hereby explicitly declares that it is fully entitled to dispose of the industrial and intellectual property rights to the goods, and undertakes to ensure due and undisturbed use of the goods by the Buyer or the Buyer's customers and transfer of the goods by the Buyer to third parties.



- 14.2 Together with the goods, the Seller grants the Buyer the right to use the goods for any purposes, without any territorial, time or quantity restrictions. This right of use is freely transferrable and includes the Buyer's right to make repairs and modifications to the goods, as well as the right to acquaint third parties with the goods to the extent necessary for their repairs or modifications, and furthermore to the extent necessary to allow the transfer of ownership or use of the goods. If the goods include intellectual or industrial property rights, the Seller hereby grants the Buyer a non-exclusive, temporally and territorially unlimited licence to exercise these rights for the purposes specified in this clause. The price for granting the licence is included in the purchase price and the Seller is not entitled to a separate payment in respect thereof.
- 14.3 The Seller is not entitled to cede any of the rights and obligations from the Purchase Contract to a third party without the Buyer's written consent. This also excludes the option to cede the Contract in its entirety pursuant to Article 1895 et seq. of the Civil Code without the Buyer's written consent. In the event of a breach of this provision, the Seller is obliged to pay the Buyer the contractual penalty in the amount of CZK 100,000.
- 14.4 The Seller undertakes to adhere in all its activities to the provisions of the applicable legal regulations binding on the Seller:
- Protection of competition including prohibition of unfair competition
  - Prohibition of active or passive bribery
  - Personal data protection
  - International sanctions, embargoes and fight against money-laundering and financing of terrorism
  - Human rights protection
  - Safe and non-discriminating working environment
  - Prohibition of forced, illegal and child labour
  - Environmental protection.
- 14.5 In the event of violation of any of the aforementioned legal regulations according to clause 14.4 of the Terms by the Seller, the Buyer is entitled to withdraw from the Contract.

## 15. Personal data

If personal data are transferred by one contracting Party to the other contracting Party in connection with the Contract, the contracting Party that is the recipient of the personal data undertakes to use such personal data or pass them on to third persons (unless agreed otherwise in a concrete case) only for the purpose of fulfilling the Contract, fulfilling the obligations imposed upon this Party by a legal regulation or on the basis thereof, or for the protection of its legitimate interests, to keep them only for the necessary time, and then delete them.

## 16. Final provisions

- 16.1 No failure to use or an omission to exercise any claim or right under the Purchase Contract or these Terms shall constitute or be construed as a waiver of any claim or right, unless it is explicitly waived in writing. The waiver of any claim or right arising from the Purchase Contract or these Terms shall not be construed as a waiver of any other claim or right. No extension of the time for fulfilment of an obligation or other action specified by the Purchase Contract or these Terms shall be construed as extension of time for fulfilment of any other obligation or other action expected by the Purchase Contract or these Terms.
- 16.2 Neither Party shall make any statement concerning individual Purchase Contracts, the matters stated therein, or matters howsoever related to any Purchase Contract or these Terms, without a prior written consent of the other Party, except for statements required by legal regulations, the Contract or any by competent authority established by law.
- 16.3 In the event that any provision of the Purchase Contract or these Terms turns out to be invalid, ineffective or unenforceable, this shall not result in invalidity, ineffectiveness or unenforceability of other provisions of the Purchase Contract or these Terms or the Purchase Contract in its entirety. In such case, the Parties to the Purchase Contract undertake to immediately replace such provision with a valid, effective and enforceable provision whose content corresponds to the original purpose of the replaced provision.
- 16.4 Purchase Contracts are drawn up in two copies, of which each contracting Party receives one copy.
- 16.5 Amendments and additions to the Purchase Contract must be made in writing and confirmed by authorised representatives of the contracting Parties, otherwise they are invalid.

In Bohumín, 1 December, 2022

Jakub Weimann, Member of the Board of Directors  
BONATRANS GROUP a.s.