

1. Scope of Application

1.1 The Terms and Conditions of Purchase of KS Kolbenschmidt Czech Republic, a.s. (hereinafter referred to as the "Buyer") shall apply exclusively. Opposing terms of the Seller or terms that deviate from these Terms and Conditions shall not apply unless the Buyer has expressly agreed to their validity in writing in individual cases.

1.2 These Terms and Conditions shall form an integral part of all orders made by the Buyer.

1.3 The Terms and Conditions shall only apply in B2B-relations.

1.4 The Terms and Conditions are construed and governed by the applicable laws of the Czech Republic, especially Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the "Civil Code").

2. Offers – Contractual Documents

2.1 Offers by the Seller shall be submitted in writing or via suitable means of electronic communication. Cost estimations provided by the Seller shall not be subject to a charge.

2.2 The Buyer shall reserve property rights and copyright to all illustrations, drawings, calculations, models, equipment, samples, and other documents provided to the Seller by the Buyer for purposes of creating the offer or fulfillment of the contract. The Seller shall grant the Buyer unlimited, irrevocable, and non-exclusive usage rights to all illustrations, drawings, calculations, models, equipment, samples, and other documents of the Seller in the maximum extent permitted by the relevant applicable legislation.

2.3 The documents and objects listed in the first sentence of Article 2.2 shall not be made available to third parties unless the Buyer has given prior written consent for their forwarding. The documents and objects shall be used exclusively for processing of proposals or the fulfillment of the contract and shall be returned to the Buyer or irreversibly destroyed after such processing without prompting.

3. Buyer's Orders

3.1 Where an order of the Buyer is not confirmed in writing by the Seller within ten days, the order shall cease to be effective.

3.2 Where confirmation by the Seller deviates from the order, the Buyer shall be expressly informed of any changes in this regard. In such cases, a contract shall only come into effect once the Buyer has approved the deviations specifically and in writing. Silence on the part of the Buyer in respect of a confirmation that deviates from the order shall not be construed and understood as having any legal relevance at all.

3.3 Orders shall only become binding for the Buyer once they have been confirmed by the Seller in writing. This shall also apply to any additions and modifications of orders. In case of deliveries that are not based on a proper written order, the Buyer may refuse to accept and pay for the goods. Printouts created in the course of data processing shall be deemed binding even if not signed. In the event of ambiguities in the order, these must be clarified by means of a written query from the Seller.

4. Prices – Conditions of Payment

4.1 Where no deviating written agreement exists, the price shall include delivery DAP-Delivered at Place (Incoterms 2010), the place being the Buyer's plant, packaging included.

4.2 Statutory VAT shall not be included in the prices.

4.3 Payments shall be made within 14 days after the receipt of the invoice, the goods, and the aggregate delivery documentation with a 3% discount, or within 45 days after the receipt of the invoice, the goods and the aggregate delivery documentation, in net amount without any deductions, as selected by the Buyer. Assignment of the invoiced amounts to third parties shall not be permitted.

4.4 The Seller hereby accepts the risk of change of circumstances pursuant to Section 1765 (2) of the Civil Code. Should prices in exceptional cases have been agreed EXW – Ex Works (Incoterms 2010), i.e. ex plant, ex Seller's warehouse, or ex third-party warehouse, all costs incurred until handover to the shipping company, including loading of the goods, shall be for the account of the Seller.

4.5 Payment of the goods shall not constitute acceptance of their contractual conformity.

4.6 The Buyer and all its affiliated companies pursuant to Section 71 *et seq.* of the Act No. 90/2012 Coll., on business companies and cooperatives, as amended, shall be entitled to offset against the claims of the Seller its own claims and claims of its affiliated companies. The Seller shall not be entitled to offset any of its claims against the claims of the Buyer or its affiliated companies.

5. Deliveries – Delay

5.1 The delivery dates specified in the order shall be binding. To determine whether the delivery has been performed on a timely basis, the date on which the goods were accepted in the agreed location shall be deemed material.

5.2 The Seller shall be obliged to inform the Buyer immediately in writing where circumstances inhibiting compliance with the agreed delivery date arise. Where the Seller violates this notification duty, it shall also be liable for subsequent delivery delays.

5.3 In the event of delayed delivery, the Buyer shall be entitled to demand a contractual penalty in the amount of 0.5% of the price of the goods, the delivery of which is delayed, for each commenced week of delay. The total amount of the contractual penalty based on the previous sentence shall in no event exceed 30% of the price of the goods, the delivery of which is delayed. Further statutory claims of the Buyer shall remain unaffected by this contractual penalty; in particular, the Buyer shall remain entitled to demand further compensation for damages and to withdraw from the contract.

5.4 Where the Buyer is prevented from accepting delivery as a result of force majeure or circumstances that it is unable to avert despite reasonable care, the Buyer may request delivery for a later point in time without claims by the Seller against the Buyer arising from this.

5.5 A delay in acceptance presupposes that the Seller has issued a written request to the Buyer for acceptance of the goods, allowing a period of at least two weeks. Delayed acceptance is, however, excluded where the Buyer was permitted to refuse acceptance of the goods.

5.6 Partial deliveries shall only be permitted with the express consent of the Buyer.

5.7 Where deliveries or partial deliveries take place before the agreed date, the Buyer shall reserve the right to return or store the goods that have been delivered prematurely at the risk and cost of the Seller.

5.8 Every shipment shall contain a delivery note in duplicate. The delivery notes must include details of the content as well as the Buyer's order number.

5.9 The Seller shall be obliged to ensure packaging of goods that allows due preservation and protection of the goods from damage.

6. Invoices

6.1 Invoices shall be forwarded separately from the delivery, in single copy.

6.2 The dimensions, weights, and quantities of goods as determined by and actually delivered to the Buyer shall be exclusively decisive for billing.

6.3 Invoices can only be processed by the Buyer where these include the relevant order number and necessary tax-related details (including the Seller's bank account number which has been published by the tax administrator in a manner allowing distant access) as per the details specified in the order. In the event that the invoices do not include the required details, the Buyer shall be entitled to reject the given invoice. The Seller shall be responsible for all consequences resulting from non-compliance with this obligation, unless it can prove that it is not responsible for this.

7. Manufacturing Equipment

7.1 Manufacturing equipment provided by the Buyer shall remain in the ownership of the Buyer.

7.2 In the extent to which the Seller acquires, develops or utilises the manufacturing equipment that is exclusively to be used in manufacturing the goods under the Buyer's engagement, the Seller hereby transfers the aggregate, unconditional and unencumbered ownership title to the manufacturing equipment onto the Buyer. The compensation for the manufacturing equipment shall be included in the price of goods agreed by the parties, unless agreed otherwise in writing.

7.3 The manufacturing equipment provided by the Buyer or acquired, developed or utilised by the Seller exclusively to manufacture the goods agreed under the Buyer's engagement may not be modified, duplicated, disposed of, transferred by way of security, pledged, or forwarded in any other way without the express, written consent of the Buyer. Furthermore, the Seller shall undertake to use the manufacturing equipment exclusively in producing the goods ordered by the Buyer.

7.4 The Seller shall keep the manufacturing equipment specified in Sections 7.1. and 7.2 above in its possession on behalf of the Buyer. The Buyer shall have the right to request handover of the manufacturing equipment at any time. The Seller shall have no right of retention in this regard.

7.5 The manufacturing equipment specified in Sections 7.1 and 7.2 above shall be clearly marked as property of the Buyer or as instructed by the same.

7.6 The Seller shall be responsible for insuring the manufacturing equipment specified in Sections 7.1 and 7.2 above at original value against theft, fire, lightning, explosion, storm, mains water and, where applicable, sprinkler leakage at its own expense and to provide proof of such insurance upon request. Any maintenance and inspection activities required shall be performed by the Seller at its own expense and in good time.

7.7 The Buyer shall immediately be informed by the Seller of any disruptive events; where the Seller culpably neglects to provide such notification, claims for compensation of damages shall remain unaffected.

7.8 The manufacturing equipment specified in Sections 7.1 and 7.2 above may only be scrapped after a period of 15 years following the end of production of the Buyer's clients, which included the goods ordered by the Buyer subject to a written approval of the Buyer. Scrapping shall in any event be announced in advance in writing.

8. Quality – Spare Part Supply

8.1 The goods must have the characteristics, features and quality as specified by the Buyer. Any concerns on the part of the Seller regarding the characteristics, features and quality specified by the Buyer must be made known to the Buyer immediately in writing.

8.2 Where the Buyer requests sample parts, series production shall only begin after written approval of the samples is provided by the Buyer.

8.3 The goods must comply with the relevant applicable legislation (including statutory accident prevention provisions), the relevant Czech technical regulations, generally accepted state-of-the-art technology and other relevant statutory provisions arising from generally-binding regulations.

8.4 The Seller shall be obliged to provide the Buyer with spare parts on request over a period of 10 years following end of the production and to ensure an option for subsequent production in this regard. Moreover, the Seller pledges to provide the Buyer

with the spare parts and/or to ensure additional production thereof under arm's length price and delivery terms and conditions applicable in the given time and place. In the event that the Seller is not able to meet his obligation set out in the sentence of this Article, he pledges to provide the Buyer with the aggregate documentation that may be necessary for the Buyer in ensuring additional production of the spare parts in another method.

9. Warranty

9.1 The Buyer shall have the right to decide whether to have a defect remedied or new goods supplied. The place of cure shall be any place in the Czech Republic indicated by the Buyer.

9.2 The Buyer shall have the right to withdraw from the contract, reduce remuneration, or demand discount instead of the performance where the Seller has not successfully provided cure within a reasonable period set. The Buyer shall also be entitled to reduce remuneration, request discount instead of performance, or withdraw from the contract in the case of insignificant defects.

9.3 The Seller shall bear the costs for cure, which shall include costs incurred to the Buyer as a result of having to remove the defective goods and install the newly supplied or remedied goods. In case of cure, the Seller shall also be responsible for costs arising from relocating the goods to a location other than that of the place of performance after delivery.

9.4 The Seller provides the Buyer with a warranty of 24 months for the goods supplied.

9.5 In all other cases, the Buyer shall have the right to unlimited assertion of statutory claims based on product liability and product quality warranty against the Seller.

9.6 The Buyer shall inspect the goods in a qualified manner in accordance with Section 2104 of the Civil Code, immediately subsequent to accepting the goods, depending on his regular practice and/or time availability. Any complaints made by the Buyer shall be delivered to the Seller within ten business days from receipt of the goods or in the case of hidden defects, from the discovery of these defects. Unless made by this deadline, no complaints shall be accepted. A complaint declared by the Buyer shall in all cases refer to the entire delivery insofar it is not apparent that only individual parts of the delivery or delivered components are affected.

10. Withdrawal from the Contract – Damages

10.1 Where the Seller does not fulfill the obligations assumed or does not fulfill these according to the contract, the Buyer may withdraw from the contract after unsuccessful expiry of the respective period for provision of performance and demand compensation instead of the performance.

10.2 The Buyer shall especially in particular have the right to withdraw from the contract where the Seller is in breach of its obligations pursuant to Articles 2.2 and 2.3 hereof.

10.3 The Buyer shall also have the right to withdraw from the contract where the Seller suspends its payments or applies for the initiation of insolvency proceedings.

10.4 The right of the Buyer to extraordinary termination of the contract on substantial violation of Seller's obligations shall remain unaffected.

10.5 To the extent that third parties bring claims for compensation against the Buyer on the basis of law, the Seller shall indemnify the Buyer upon first request insofar as the Seller is also directly liable and obliged to provide compensation to the Buyer internally.

10.6 The Seller shall undertake to maintain product liability insurance with a minimum cover of EUR 2 million and to provide proof of such insurance upon request. In the event that the Seller is not able to present such a proof, the Buyer is entitled to withdraw from the contract with an immediate effect. Where the Buyer is entitled to assert further claims for compensation of damages, these shall remain unaffected.

10.7 Where the Buyer or its customers take proper legal measures to avoid risks (e.g. a recall), the Seller shall bear the costs if and to the extent that it is responsible for the product defect, and shall indemnify the Buyer in this regard upon first request. The Seller shall provide proof to the Buyer of recall cost insurance with appropriate cover, at least, however, EUR 2 million.

11. Prohibition of Assignment – Subcontractors

11.1 Rights and obligations of the Seller arising from the contract may not be assigned or transferred without the previous written consent of the Buyer.

11.2 Commissioning of a subcontractor with the aggregate engagement shall require prior written consent of the Buyer.

12. Infringement of Industrial Property Rights

12.1 The Seller shall assume responsibility for ensuring that the goods delivered are not in breach of any national or international industrial or other property rights. The Seller shall indemnify the Buyer internally against all claims for compensation and other claims asserted against the latter in this regard due to breach of this obligation upon first request.

13. Compliance Clause

13.1 The Seller shall guarantee to comply fully with the relevant applicable statutory requirements of the production country and the countries in which the Buyer has its registered office and the Buyer's plant is located in terms of manufacture of the goods produced by the Seller. It shall also undertake to commit subcontractors to this compliance obligation. The Seller shall in particular be obliged not to assign persons to the manufacture of goods or the provision of services whose activity may be qualified as child labor. Accordingly, the Seller shall be obliged to make reasonable efforts to ensure that its suppliers in turn do not utilize or exploit child labor.

13.2 The Seller shall guarantee that it does not make use of any illegal practices, such as monetary donations or other gifts to employees of the Buyer or their relatives for purposes of receiving orders from the Buyer. The Buyer shall be entitled to extraordinary termination of all contracts in the event that it discovers such breaches, irrespective of the apportionment of culpability to the Seller, insofar as employees of the Seller or persons commissioned by the same have committed a corresponding infringement. Furthermore, the Seller shall be obliged to compensate the Buyer for any damages arising from this.

13.3 The Seller shall guarantee to comply with all environmental protection regulations of the countries in which the goods are manufactured, as well as in the countries in which the Buyer has its registered office and the Buyer's plant is located. Insofar as the Buyer establishes that production does not take place within the framework of statutory stipulations in respect of environmental protection, the Buyer shall be entitled to extraordinary termination of all contracts.

13.4 The Seller shall undertake to comply with the requirements of the EU regulation concerning the registration, evaluation, authorization, and restriction of chemicals (Regulation (EC) No. 1907/2006; "REACH" Guideline), the EU directive on the restriction of use of certain hazardous substances in electrical and electronic equipment (Directive 2011/65/EU; "RoHS" Directive), the EU directive on end-of-life vehicles (Directive 2000/53/EC), and the Chemicals Prohibition regulation. Goods that do not fully comply with these requirements shall not be supplied to the Buyer.

14. Manufacturing Materials Provided

14.1 The manufacturing materials provided by the Buyer shall remain the property of the Buyer.

14.2 The Seller shall be obliged to store the manufacturing materials provided separately and to mark such materials as property of the Buyer. The Seller shall undertake to treat the manufacturing materials provided with care, and in particular to insure such materials at original value against high water, flood, theft, fire, lightning, explosion, storm, mains water and, where applicable, sprinkler leakage at its own expense and to provide proof of such insurance upon request.

14.3 The Seller processes or alters the manufacturing materials provided on behalf of the Buyer and no obligations shall arise for the Buyer. Where the Seller combines, mixes, integrates, or processes the manufacturing materials provided, the Buyer shall acquire joint ownership of the new product in proportion to the value of the manufacturing materials provided (final amount of the invoice issued by the supplier of manufacturing material) in relation to the value of the other processed, integrated, mixed, or combined items at the time of processing, integration, mixing, or combination. The same provisions shall apply to the object created through processing or combination as apply to the manufacturing materials conditionally provided. Where mixing or integration takes place in such a manner that the goods belonging to the Seller are considered to be the primary product, it is hereby agreed that the Seller shall grant the Buyer proportionate joint ownership. The Seller shall safeguard the resulting sole ownership or joint ownership on behalf of the Buyer.

14.4 The manufacturing materials provided may not be modified, disposed of, transferred by way of security, pledged, or forwarded in any other way without the express, written consent of the Buyer. In the event of pledge, confiscation, or other dispositions or interventions by third parties, the Seller shall immediately notify the Buyer. Furthermore, the Seller shall undertake to use the manufacturing materials provided exclusively for the production of goods ordered by the Buyer.

14.5 The Seller shall keep the manufacturing materials provided in its possession on behalf of the Buyer. The Buyer shall have the right to request handover of the manufacturing materials provided at any time. The Seller shall have no right of retention in this regard.

15. Confidentiality

15.1 The Seller shall undertake to treat as a trade secret all commercial or technical details not commonly known that it becomes aware of as a result of the business relationship.

15.2 The Buyer shall reserve property rights and copyright to all illustrations, drawings, calculations, samples, models, and similar documents and items, as well as data media. These items must be treated as confidential with respect to third parties and shall be used exclusively for the Buyer; after completion of the order they shall be returned to the Buyer w/o prompting and at no charge.

15.3 Subcontractors of the Seller shall be bound to the same confidentiality obligations.

15.4 The Seller shall only refer to the business relationship for publicity purposes with the prior written consent of the Buyer.

16. Miscellaneous

16.1 The place of performance for deliveries shall be governed by the provisions of Article 4 hereof. In case of delivery pursuant to Article 4.1 hereof, the Buyer's plant is the place of its registered seat, unless provided otherwise by the Buyer.

16.2 All disputes arising in connection with the order or contract to which apply these Terms and Conditions of shall be resolved by the courts of Czech Republic relevant according to the Buyer's place of registered seat.

16.3 In order to exclude any doubt, it is expressly stated that the provisions of these Terms and Conditions which include the term "contract" shall also reasonably apply to orders made by the Buyer and confirmed by the Seller.

16.4 Contracts based on these Terms and Conditions shall be solely subject to Czech law. The provisions of international private law and the UN Convention for the International Sale of Goods (CISG) are excluded.

16.5 Separate agreements (i.e. contracts and orders) between the parties deviating from or supplementing these Terms and Conditions shall take precedence.

16.6 Should one or several of the above provisions be ineffective in whole or in part, the validity of the remaining provisions shall remain unaffected by this. The invalid provision shall in that case be replaced by a legally valid provision that most closely approximates the meaning and purpose of these Terms and Conditions.

