

GENERAL TERMS OF DELIVERY – GOODS

1. FUNDAMENTAL PROVISIONS

1.1 These General Terms of Delivery for the goods of SULTRADE Praha spol. s r.o. (hereinafter referred to as the "Terms") constitute an integral part of purchase contracts made between the Purchaser and the company **SULTRADE Praha, spol. s r.o.**, with its registered office at Bělohorská 238/85, Prague 6, Postcode: 16900, registered in the Commercial Register kept at the Municipal Court in Prague, Section C, Insert No. 27768 (hereinafter referred to as the "Seller") (hereinafter referred to as the "Contract") pursuant to **Section 2079 et seq.** of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as the "Civil Code"). In case of any conflict, the provisions of the Contract shall prevail over the provisions of these Terms.

1.2 The **Contract** means the agreement signed between the parties in the form of purchase contract, an offer issued by the Seller in favour of the Purchaser and confirmed by the Purchaser in writing to the full extent, including any and all annexes thereto, or a purchase order sent by the Purchaser to the Seller and confirmed by the Seller in writing, including any and all annexes thereto, unless the Purchaser has any further comments on any potential changes made by the Seller in the purchase order confirmation. If the Purchaser makes reference in the confirmation of the Seller's offer to any trade terms running contrary to these Terms or if the offer confirmation contains an addition or departure that does not materially change the conditions of the offer, the Contract is not deemed to have been concluded. Thus, the parties explicitly exclude application of Section 1740(3) and Section 1751(2) of the Civil Code.

2. PRICE AND TERMS OF PAYMENT

2.1 **The prices specified in the Contract are deemed to be fixed and shall not be subject to any increase** for any reasons whatsoever, unless it is explicitly specified otherwise in the Contract.

2.2 If a price increase is allowed in the Contract, the Contract shall also include provisions concerning calculation of any such price increase; conversely, the price shall be deemed to be fixed.

2.3 The Purchaser shall make payments to the Seller in compliance with the terms and conditions specified in the Contract and by virtue of the documents handed over by the Seller in compliance with the Contract.

2.4 Any payments, including advance payments, shall only be made by the Purchaser on the basis of invoices (down payment requests) that shall include any and all particulars required under legal regulations.

2.5 **The time due for payment of an advance payment invoice shall be 14 days, the time due for payment of a final invoice being 21 days, after the issue date thereof**, unless it is provided otherwise in the Contract. The date of payment of any relevant amount shall be deemed to be the date the amount is credited into the Seller's account.

2.6 The Purchaser is entitled to withhold payment of any part thereof on the grounds specified in the Contract only.

3. DELIVERY DATE

3.1 Unless the Goods can be supplied within the time limit specified in the Contract, **the Seller shall be obliged to forthwith notify the Purchaser in writing of the reasons for delay and of the immediate alternative time limit for the delivery**. At the same time, the Seller shall be obliged to take any and all necessary steps aimed at minimizing such delay.

3.2 If the Seller, except for the cases referred to in clause 3.3 of these Terms, fails to supply the Goods no later than the time limit specified in the Contract, the Purchaser is entitled to:

- a) apply a contractual penalty for failure to adhere to the time limit for performance,
- b) withdraw from the Contract, if the time of default exceeds 90 days.

3.3 The Seller shall not be liable for any default caused through the fault of or failure to fulfil the duties by the Purchaser or as a result of an event of *force majeure* which hinder the Seller to fulfil its contractual duties. In such a case, the Seller shall agree with the Purchaser an alternative time limit which shall take account of the justified period over which the Seller was unable to fulfil its contractual duties for the above reasons. The Purchaser is concurrently obliged to pay to the Seller any and all expenses incurred by the Seller as a result of the Purchaser's default.

4. PASSAGE OF OWNERSHIP TITLE AND RISK OF DAMAGE

4.1 Unless it is specified otherwise in the Contract, the Seller shall be obliged to supply the Goods to the place determined in the Contract in compliance with the delivery terms **DAP pursuant to INCOTERMS 2010**.

4.2 All Goods shall be properly and carefully marked, sealed and packed in compliance with the terms and conditions of the Contract.

4.3 The ownership title to the Goods under the Contract shall pass to the Purchaser at the time when 100 per cent of the contractual price of the Goods is paid.

4.4 The risk of damage to the Goods shall be borne the Seller up to the place of delivery unless it is provided otherwise in the Contract and shall pass to the Purchaser at the time of handover and acceptance of the Goods.

5. RIGHTS ARISING FROM DEFECTIVE PERFORMANCE AND WARRANTY FOR QUALITY

5.1 **As regards defects of the Goods, the Seller shall provide a warranty for the quality at the length of 12 months after the acceptance of the Goods by the Purchaser**, unless it is provided otherwise in the Contract.

5.2 Notice of defects (a complaint) shall be sent to the Seller in writing without undue delay after the defects have been identified. The notice of defects shall include description of the defects (i.e. as the defect manifests itself).

5.3 **The Seller shall be obliged to make its statement as to the complained defect without undue delay after delivery of the notice of defects**. The Seller shall specify in the statement whether the Seller acknowledges the defect complained or the reasons why it refuses to acknowledge it and, in case of the defect acknowledgement, also the method by which the Purchaser's rights arising from defective performance are to be satisfied, i.e. whether the Seller shall repair the Goods, replace the Goods or provide reduction of the purchase price to the Purchaser.

5.4 If the complaint has been acknowledged, the Seller shall be obliged to handle the complaint as soon as technically reasonable after the date of notification of the defect and the exercise of the rights arising from defective performance by the Purchaser.

5.5 In case of repair or replacement of the Goods the Purchaser shall be obliged to pay to the Seller any expenses of demounting and repeated mounting of the defective Goods or any part thereof into the technology or equipment. The parties hereby exclude application of Section 1924 of the Civil Code.

5.6 The warranty period shall not run over the time when the Purchaser cannot use the Goods or any part thereof affected by the defect due to such defect for which the Seller is liable.

5.7 The Seller shall not be liable for any defects caused due to normal wear and tear or by incorrect installation or maintenance made contrary to the Seller's regulations or by excessive overload or any other similar impacts beyond the Seller's control.

5.8 **The Seller shall warrant that the Goods supplied shall be free of any third party ownership titles**.

5.9 The Seller warrants that no third party intellectual property rights, in particular no patent rights, shall be breached. The Seller undertakes to protect the Purchaser against any complaints made by patent holders. Any licence fees due and payable for the Goods shall be paid by the Seller.

5.10 The Seller shall not be liable to the Purchaser for any defects that have been caused by the information, documents, drawings, material, products and other services provided by the Purchaser for the performance of the Contract.

5.11 In terms of Section 13(1)(b) of Act No. 477/2001 Coll. (Packaging Act) the Seller hereby transfers the duties specified in Section 10 and Section 12 of the Act to the Purchaser.

5.12 The Seller declares that it has concluded with the Allianz insurance company a contract for insurance covering operations liability and product liability insurance up to the minimal indemnity amount of CZK 10 million.

6. REIMBURSEMENT OF DAMAGE

6.1 The Seller shall be liable for harm caused to the Purchaser to the extent provided below. The Seller shall be relieved of its duties to provide reimbursement, if the Seller proves that an event of *force majeure* prevented the Seller, whether temporarily or permanently, from fulfilling its duty under the Contract.

6.2 Liability for harm, including loss of profit, caused to the Purchaser by the Seller as a result of breach of the duties by the Seller shall be limited up to 50% of the purchase price paid by the Purchaser for the specific Goods by or in respect of which the Seller's duty was breached which has given rise to the harm incurred by the Purchaser. At the same time, it is true that the Purchaser is not entitled to be reimbursed for any harm due to breach of the Seller's duty to supply the Goods free of defects (even if a defect occurs during the warranty period) if the Seller satisfies the Purchaser's claims arising from defective performance.

6.3 The provisions of clause 6.2 shall not apply in case of any harm caused to man in respect of his/her natural rights or caused wilfully or as a result of gross negligence.

7. CONTRACTUAL PENALTIES

7.1 Unless it is provided otherwise in the Contract, the parties agree a contractual penalty in case of the Seller's default in supplying the Goods and if the time due for payment of an invoice is not adhered to by the Purchaser.

7.2 If due to the reasons that the Seller is responsible for, **the Seller fails to comply with the deadline of supplying the Goods to the Purchaser**, the Seller shall be obliged to pay to the Purchaser a contractual penalty equal to **0.05 per cent of the price of the Goods for each full calendar day of default**. The maximum amount of the contractual penalty shall be **5 per cent of the price of the Goods**.

7.3 If due to the reasons that the Purchaser is responsible for, the Purchaser fails to adhere to the due date of payment of the Seller's invoice, the Purchaser shall be obliged to pay to the Seller a contractual penalty equal to **0.05 per cent of the invoiced amount for each full calendar day of default**. The maximum amount of the contractual penalty shall be **5 per cent** of the invoice amount.

8. FORCE MAJEURE

8.1 The parties shall not be liable for breach of their duties arising from the Contract if such breach results from or in connection with operation of *force majeure*. For the purpose of this article, *force majeure* is deemed to involve an extraordinary, unpredictable and insurmountable obstacle arising beyond the control of the Purchaser or the Seller, such as, for example, government orders, new laws, war, revolution, general strike within the industry, flood, fire, epidemics, etc.

8.2 The party whose performance is threatened by *force majeure* shall be obliged to forthwith notify the other party, together with submitted evidence of the existence of *force majeure* and with notice that the

performance is adversely affected, threatened or delayed. If such notice cannot be dispatched, it shall be sent as soon as practicable. Once the consequences of *force majeure* cease to exist, the party whose activity is affected by *force majeure* shall be under a duty to notify the other party of termination of the operation of *force majeure*. The deadline for the contractual performance shall be extended by the time over which the *force majeure* hindered fulfilment of the contractual duties.

8.3 If one or the other party is prevented by *force majeure* from performing the Contract for a period in excess of three (3) months, the parties shall agree on further procedure. If the Contract is terminated on the grounds of *force majeure*, either party shall bear its expenses incurred as a result of such fact.

9. DISPUTE RESOLUTION

9.1 Any potential disputes arising from the Contract shall be settled under Czech law. The parties undertake to take steps to procure that all disputes and disagreements that may arise in the course of the performance of or in connection with the Contract be settled by mutual friendly direct informal negotiations. The disputes that cannot be settled in that way shall finally be resolved before the **Arbitration Court attached to the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic** in Prague under its rules by three arbitrators. A decision of the court shall be binding on both parties.

10. ASSIGNMENT OF CONTRACT, ASSIGNMENT OF RIGHTS AND DUTIES

10.1 **Neither the Seller nor the Purchaser is entitled**, without the prior written consent of the other party, to **assign the Contract** or the rights and/or the duties arising therefrom to a **third party** in any manner whatsoever.

11. FINAL PROVISIONS

11.1 Any conditions not explicitly set out in this Contract shall be governed by the Civil Code and the related regulations.

11.2 Should one or several provisions of the Contract prove to be invalid, void or unenforceable, the Contract as a whole shall remain in force and invalid or unenforceable shall only be deemed that part thereof which is directly affected by the reason of invalidity, voidness or unenforceability. The Seller and the Purchaser undertake to replace or supplement such provision(s) with new contractual provisions so that the meaning and purpose of the Agreement shall remain preserved, with the intentions of the parties being taken account of.

11.3 For the avoidance of doubts, the Seller and the Purchaser hereby state that they conclude the Contract in their capacities as entrepreneurs while being engaged in their business.

11.4 The Purchaser shall assume the risk of change of circumstances pursuant to Section 1765 of the Civil Code.

11.5 The Seller and the Purchaser explicitly confirm that the terms and conditions of the Contract are the result of negotiations of the parties and either party has had an opportunity to affect the contents of the Contract. Therefore, no adhesion contract in terms of the Civil Code is involved and the Purchaser does not feel to be a weaker party.

11.6 The Seller is entitled to increase the price of the Goods due to an increase in the cost of acquiring key components or materials needed for the Goods, provided it occurs during the delivery time of the Goods, i.e. after the conclusion of the contract and the increase of any of the above mentioned costs exceeds 5%. The adjustment of the contract price will correspond solely to a proven increase in the Seller's direct costs. If the Seller thus increases the contract price by more than 10%, the Purchaser has the right to terminate the Contract, in writing within 14 days from the adjustment of the contract price.

11.7 As a result of the COVID-19 epidemic and the disruption of the global supply chains, there may be a temporary delay in the deliveries

of the Seller's subcontractors. The contractual delivery date is conditional on the timely deliveries of the Seller's subcontractors, and the Seller is thus not in delay with the delivery of the Goods, if the postponement is caused by the delay of the Seller's key subcontractor.

Prague, 9 September 2022

Ing. Vladimír Klápa
Company's Executive Officer