

GENERAL BUSINESS TERMS AND CONDITIONS FOR THE SALE OF PRODUCTS

These Business Terms and Conditions of **IDEAL-Trade Service, spol. s r.o.**, Company ID No.: 489 08 126 (Seller) govern the rights and obligations of the Parties to the contracts consisting in delivery of the goods/products to the customer (Buyer).

These Business Terms and Conditions shall apply namely to the contracts entered into by acceptance of the Buyer's offer by the Seller referring to these Business Terms and Conditions or with these Business Terms and Conditions enclosed thereto or to the purchase order confirmation by the Seller referring to these Business Terms and Conditions or enclosing them.

1. ENTERING INTO AND AMENDMENTS TO THE CONTRACT

- 1.1. The contract may be entered into in the following manners: (a) entering into a separate contract in a paper form or in an electronic form; (b) by email or similar confirmation of the Buyer's demand by the Seller; or (c) by email or similar confirmation of performance pursuant to the Buyer's offer where the Seller, at least, would actually perform based on the offer (all forms of entering into the contract hereinafter only the "**Contract/Purchase Order**").
- 1.2. If the Buyer accepts the Seller's offer with variations, the Contract/Purchase Order has not been entered into without any further notification; this shall apply also in the case when the Buyer encloses its own business terms and conditions to the offer acceptance. In these cases, the Contract/Purchase Order would be entered into only if (a) the Seller expressly confirms the entering into the Contract; or (b) the Seller commences performance.
- 1.3. If the Buyer accepts the Seller's offer with amendments, the Contract/Purchase Order shall be binding in the modified form provided that the Buyer does not reject the terms in 5 business days from receipt of the modified acceptance of the Purchase Order.

- 1.4. The Contract/Purchase Order may be amended in the same form in which it was originally entered into.

2. SUBJECT OF PERFORMANCE

- 2.1. The subject of performance shall be delivery of the products based on their specification in the Contract/Purchase Order.
- 2.2. Unless specific product quality, design or purpose is expressly agreed in the Contract/Purchase Order, the product shall be delivered in quality and design fit for its usual purpose.

3. DELIVERY TERMS

- 3.1. Unless agreed otherwise in the Contract/Purchase Order, the Seller shall deliver the products to the Buyer pursuant to EXW INCOTERMS 2020 terms. If the place of performance is not expressly agreed, it is deemed that performance was agreed at the registered office of the Seller. The product shall be delivered upon its handing over to the first carrier.
- 3.2. If a specific date of delivery is not agreed in the Contract/Purchase Order, the delivery time limits shall be as follows:
 - (i) 3 business days for the products specified in the Seller's offer as on stock;
 - (ii) 14 calendar days for the products specified in the Seller's offer as available at the sub-supplier;
 - (iii) 30 calendar days for the other products; the Seller shall be entitled to postpone the term of delivery unilaterally (and repeatedly).

If products with different availability are to be delivered, the Seller shall deliver the products jointly in the time limit according to the least available product (unless agreed otherwise in the Contract/Purchase Order).

- 3.3. Delivery term shall automatically be extended for the time of occurrence of an obstacle to deliver consisting in the following:
- (i) delay of the Buyer with communication of information necessary for the performance by the Seller;
 - (ii) steps necessary to perform the changes if the Buyer required additional amendments to the original Contract/Purchase Order;
 - (iii) an obstacle the Seller cannot overcome even if using its maximum effort and irrespective whether the obstacle is on the side of the Seller, the Buyer or another supplier. These obstacles may be, for example, epidemics, mobilization, war, riots, operational accidents, accidents, strikes, delayed or defective sub-supplies, inaction of administrative bodies and natural disasters.
 - (iv) delay of the Buyer with the payment of an advance payment or the purchase price (or a part thereof) before delivery of the product if such payment was agreed on.
 - (v) delay of a third party on which delivery of the product depends (incl. Seller's suppliers) provided that the Seller notified, upon the entering into the Contract/Purchase Order, at the latest, that the delivery date is only approximate, depends on the suppliers etc.
- 3.4. The Seller shall pack the products according to its standards, however, in the manner adequately protecting the products taking into account their nature and manner of transport, as a minimum.
- 3.5. Unless expressly agreed otherwise, delivery of the products is not a fixed obligation; it means that in the case of delay with delivery, the Contract/Purchase Order is not terminated automatically.
- 3.6. Minor defects which by themselves and/or in combination with other defects do not prevent the use of the products, shall not be the reason for rejection of the product acceptance.
- 3.7. Unless agreed otherwise, title to the products shall pass to the Buyer on the day of full payment of the price for the products including the value added tax. Risk of damage to the product shall pass to the Buyer upon delivery of the product.
- 3.8. The Contracting Parties accept the risk of a change of circumstances.
- #### 4. PRICE AND PAYMENT TERMS
- 4.1. The price for the product shall be agreed in the Contract/Purchase Order; in other cases, the price shall be based on the current price specified in the price list/on the web portal of the Seller at the time of entering into the Contract/Purchase Order. Unless agreed otherwise, the prices are agreed without the VAT.
- 4.2. The Seller shall be entitled to add the value added tax to the price in the rate according to the statutory regulation in force at the date of taxable supplies.
- 4.3. The price shall be due based on the invoice in 14 calendar days from the invoice receipt unless agreed otherwise. The Seller shall be entitled to issue the invoice immediately after the dispatch of the products. The price shall be paid by transfer to the Seller's account specified in the invoice. If the invoice states a variable or a specific symbols, the Buyer undertakes to specify these details in its payment. The day of monetary payment shall be the day of crediting the amount due to the Seller's account.
- 4.4. The Buyer agrees with the issue and sending of invoices (tax documents) in an electronic form. This is without prejudice to the Seller's right to issue the invoice in a paper form.
- 4.5. Should the invoice fail to contain the requirements stipulated in the statutory regulations, the obligated party shall be entitled to reject the invoice by its due date, at the latest (however, in 10 days from its receipt). The obligated party shall specify the invoice's shortcomings in its rejection. The entitled party shall be obliged to issue a new correct invoice in the case of due and legitimated rejection of the invoice; the due date of the payment shall be based on this new invoice.
- 4.6. Should the party entitled to receive the payment including the VAT become an unreliable payer based on Section 106a of Act No. 235/2004 Coll. on value added tax or if there is another reason pursuant to Section 109 of the same Act for

liability of the obligated party, the entitled party shall expressly agree with payment of the value added tax by the obligated party directly to the tax administrator.

- 4.7. In the case of delay with the payment of any amount invoiced, the Seller shall be entitled to demand from the Buyer payment of a contractual penalty in the amount of 0.05%/day of the amount due for each commenced day of delay until its payment. The contractual penalty is without prejudice to the claim to be paid compensation for damage in the scope in which the damage exceeds the contractual penalties.
- 4.8. If the Buyer is late with payment of any amount invoiced, the Seller shall be entitled to suspend performance of any Contract/Purchase Order of the Buyer until all debts of the Buyer to the Seller including their appurtenances are paid up; in such a case, the Seller is not in delay with its performance.

5. LIABILITY FOR DEFECTS, QUALITY WARRANTY AND COMPLAINTS

- 5.1. The Seller shall grant the warranty to the Buyer for quality of the products (for fitness of the products to serve their purpose) in the scope of 6 months from delivery unless specified otherwise. The warranty applies only for defects of the products for which conditions of proper storage, professional assembly, handling, maintenance and operation have been observed in compliance with the product documentation. The warranty does not cover the parts that worn out fast and consumables (e.g., nozzles, chains, relays, circuit breakers, filters, sealing, manostat, slip clutch parts etc.).
- 5.2. In the case of occurrence of a (warranty) defect, the Buyer shall be obliged to document the defect demonstrably and inform the Seller thereof in writing (by email, as a minimum) without undue delay (however, in 5 business days, at the latest) from detection of the defect or from the moment, when the Buyer could have and should have found the defect.
- 5.3. Reporting of a (warranty) defect shall contain the following:
- (i) reference of the Contract/Purchase Order;

- (ii) specification of the product claimed (incl. identification details if there are any for the product or the batch of products);
- (iii) quantity of products in which the defect manifests itself (if more pieces of the product were delivered);
- (iv) date of finding the defect;
- (v) description of the defect found including its manifestation; and
- (vi) photodocumentation of the defect found (provided the defect and/or its manifestation are visible).

- 5.4. If the (warranty) defect is properly claimed by the Buyer, the claimed product is to be transported to the Seller's establishment to be tested whether the defect exists or not. The manner of transport shall be agreed between the Parties. Each Party shall bear its own costs related to the exercising of the right based on defective performance.

- 5.5. Properly reported (warranty) defect shall be addressed as follows:

- (i) the Seller shall remove the (warranty) defect free of charge by repair or by delivery of a new product or a part thereof based on the choice of the Buyer. The Seller shall be obliged to remove the defect in 60 calendar days from the written statement concerning the complaint.
- (ii) the Buyer shall be entitled to demand a discount on the price due to the (warranty) defect only if the Seller is in delay with the defect's removal.
- (iii) the Buyer shall be entitled to withdraw from the Contract/Purchase Order only (i) due to occurrence of non-warranty defect; (ii) if the Seller is in delay with removal of such a defect; (iii) if the Buyer does not demand a discount on the price; (iv) if this it a defect presenting substantial breach of the contract; and (v) only in the scope of the products to which the defect relates.

- 5.6. If the Buyer finds a (warranty) defect, the Buyer shall be obliged to take such measures, without undue delay, to minimize further damage to the

product, Buyer's property and other possible related damages.

- 5.7. A standard defect cannot be claimed if such a defect was not claimed during inspection after the product delivery. Hidden defects cannot be claimed after expiration of the warranty period; if a warranty period was not agreed, then, after elapse of 6 months from delivery of the products. Warranty defects cannot be claimed after expiration of the warranty period.
- 5.8. If the Seller addresses the (warranty) late defect claimed and discusses its removal, the Seller does not lose its right to claim late defect complaint.
- 5.9. The Seller shall not be liable for defects, non-functioning of the products or damage incurred due to the use of background documents and material supplied by the Buyer. In the case of the products manufactured by the Seller based on the documentation, information and/or materials supplied by the Buyer, the Seller is not obliged to check the correctness, suitability and completeness of the documentation, information and/or materials supplied by the Buyer and for compliance with legislative conditions for distribution and use of such products. Documentation of the Buyer re-drawn by the Seller for the production purposes and provided that the basic concept of the product remains unchanged is deemed to be the Buyer's documentation as well.

6. INTELLECTUAL PROPERTY RIGHTS

- 6.1. If the products or a part thereof are manufactured based on the background documents supplied by the Buyer, the Buyer undertakes to provide to the Seller the applicable rights to use these background documents in the necessary scope and the Buyer is liable for any and all damage (including lost profit, reimbursement of costs of proceedings and costs of legal representation, court and other fees) which might be incurred by the Seller in relation to the use of such background documents; the Buyer undertakes to refund them to the Seller in a full amount. The Seller shall not be liable for breach of a right of a third party based on industrial or other intellectual property due to manufacturing and/or use of the products

according to the background documents supplied by the Buyer based on any system of law within which the breach may occur.

- 6.2. Drawing documentation, models, technical documentation and any other technical information and background documents exchanged between the Seller and the Buyer for the purposes of manufacturing and delivering the products may not be used for any other purpose without prior express consent of the Party that completed these background documents and handed it over to the other Party. Namely, these background documents may not be photocopied, reproduced and may not be disclosed to any third parties without prior consent in writing of the Party that provided the background documents.
- 6.3. Unless the Contracting Parties expressly agree otherwise, technological procedures and preparations (molds, for instance), documentation and technical information concerning the products, except the background documents supplied by the Buyer, shall be the intellectual property of the Seller.
- 6.4. If the subject of the Contract/Purchase Order is delivery of documentation (e.g. occupational safety rules, protection of health, environmental protection, Rules of Operation etc.) and/or other intellectual property item, then the Buyer acquires non-exclusive licence to such subject of the Contract/Purchase Order for the use for the purpose arising from the subject's nature.

7. INTERNATIONAL SANCTIONS

- 7.1. By entering into the Contract, the Buyer declares that the Buyer is not a sanctioned entity in the sense of the statutory regulations of the Czech Republic, European Union, United Nations and the United States of America and is not controlled by any such entity.
- 7.2. The Buyer undertakes to observe sanctions imposed on the individuals, countries and/or types of the goods pursuant to the statutory regulations of the Czech Republic, European Union, United Nations and the United States of America in relation to the Contract and performance received from the Seller.
- 7.3. The Buyer undertakes to observe namely the prohibitions and restrictions arising from Council

Regulation (EU) No 833/2014 in relation to the Contract, as follows (among others):

- (i) if the sale of the product or its transport pursuant to the Contract fall within the scope of Article 12g of Council Regulation (EU) No 833/2014, then, the Buyer shall not sell, export or re-export the given products, directly or indirectly, to the Russian Federation or for the use in the Russian Federation;
- (ii) if the Buyer is granted a licence, intellectual property and/or a trade secret ("Know-How") and such granting falls within the scope of Article 12g of Council Regulation (EU) No 833/2014, then, the Buyer shall not use such Know-How in connection with the products intended, directly or indirectly, to be sold, delivered, transferred or exported to the Russian Federation or for the use in the Russian Federation;
- (iii) the Buyer shall use maximum effort to ensure that prohibitions under this Point are not frustrated in relation to the products and/or Know-How of the Seller, including by third parties. To observe this obligation, the Buyer shall, among others: (i) oblige the parties further handling the products and/or Know-How to observe the same prohibition and (ii) establish and keep a reasonable monitoring mechanism to check observance of the prohibitions; and
- (iv) on demand of the Seller, the Buyer shall share information concerning fulfilment of obligations according to this Point in a reasonable time.

7.4. Untrue declaration or breach of the obligation pursuant to the previous Points of this Article shall represent material breach of the Contract based on which the Seller shall be entitled to (i) withdraw from the Contract and other contracts between the Parties; (ii) suspend performance of the Contract and other contracts entered into between the Parties until remedy; and (iii) demand a contractual penalty in the amount of 25% of the product price (without VAT) without affecting the Seller's right to claim indemnification.

7.5. The Buyer shall inform the Seller, without undue delay, about breach, impending breach or suspicion of breach of obligation pursuant to this Article including by third parties.

8. COMMUNICATION AND SET-OFF

- 8.1. The communication from and to email addresses which were expressly agreed by the Parties or which were repeatedly used by the Parties in relation with the communication concerning the Contract/Purchase Order are deemed to be the written form of action, as well. However, to make the actions effective, the other Party shall confirm receipt of the email (expressly or by reference to the email in further communication or by reaction to the content of such email in further communication).
- 8.2. Receivables arising from or related to the Contract/Purchase Order cannot be set off unilaterally.

9. LIABILITY FOR DAMAGE

- 9.1. The Buyer shall be entitled to demand from the Seller compensation for damage incurred due to breach of obligations arising from the Contract/Purchase Order. However, the Seller is not liable for damage incurred in the form of lost profit, losses arising from closed, interrupted or limited operation and increased costs of operation.
- 9.2. Liability of the Seller for damage shall be limited by the amount of the agreed purchase price in relation to all breaches of obligations arising from or related to the specific Contract/Purchase Order.

10. CONTRACT TERMINATION

- 10.1. The Contract/Purchase Order may be terminated early in the following cases only:
 - (i) based on an agreement in writing of the Parties;
 - (ii) by withdrawal due to agreed reasons;
 - (iii) in the manners arising from the statutory regulations unless their application can be legitimately excluded.
- 10.2. The Seller shall be entitled to withdraw from the Contract/Purchase Order if (i) the Buyer is in delay with payment of the price for more than 30

calendar days or (ii) the Buyer is in delay with acceptance of the product for more than 15 calendar days.

10.3. The Buyer shall be entitled to withdraw from the Contract/Purchase Order if the Seller is late with delivery of the products for more than 30 calendar days.

11. GOVERNING RIGHT AND COURT JURISDICTION

11.1. The business relationship of the Contracting Parties shall be governed by the system of law in

force in the Czech Republic. The Contracting Parties hereby exclude application of the Vienna Convention on Contracts for the International Sale of Goods (CISG).

11.2. Any and all disputes arising from the Contract/Purchase Order and in relation thereto which cannot be addressed by negotiations between the Contracting Parties shall be decided before the general courts of the Czech Republic having jurisdiction over the Seller.