

## EGE, spol. s r.o. General Terms and Conditions for Purchase of Goods

*These General Terms and Conditions are an integral part of the Purchase Agreement (Order) and are valid and effective in their entirety unless explicitly agreed otherwise in writing in the particular Purchase Agreement (Order).*

### 1. Subject

1.1 The subject matter of the contractual relationship are the goods determined in the Purchase Agreement (Order) concluded by the contractual parties.

1.2 Handing over of the documents related to the contracted goods (delivery notes, guarantee certificates, certifications, test certificates and other certificates, business invoices, etc.) is an integral part of the contractual relationship's subject matter. The Purchase Agreement (Order) and each business invoice must include at least the contracted goods, purchase price or at least the means of its determination, delivery date of the contracted goods, terms of delivery according to valid INCOTERMS, purchase price payment period and specification of the contractual parties; in case of legal persons they must also include their registered office address, Comp. Reg. No., Tax. Reg. No. and data on each company's registration in the Commercial Register or another register in accordance to the law according to which the company has been established, the person authorized to act on behalf of such company or to issue business invoices, including his/her signature as well as other requirements stipulated in legal regulations.

### 2. Price for Goods

2.1 The purchase price for the contracted goods is determined on grounds of an agreement and specified in the Purchase Agreement (Order). The Seller registered for payment of the Value Added Tax chargers with delivery the VAT according to the regulations applicable as of the date of issue of each particular invoice. To avoid any doubt the price specified in the Purchase Agreement (Order) is final, unchangeable, and complete and includes VAT. The purchase price encompasses any and all scheduled and non-scheduled costs related to the contracted goods delivery as of the date of the Purchase Agreement (Order)'s conclusion, i.e. all costs that might have been anticipated by the Seller with due professional care under conclusion of this Agreement, i.e. without limitation mainly the costs of packaging, transportation costs and insurance to the place of performance, elaboration of appropriate documentation, execution of necessary and/or required tests, eventual custom duties and transportation fees and other administration fees, etc.

### 3. Terms of Payment

3.1 The Purchaser undertakes to settle the purchase price on grounds of an invoice according to the terms of payment specified in the Purchase Agreement (Order).

3.2 The Purchaser is authorized not to acknowledge and return an invoice to the Seller in case that such invoice does not meet the requirements of a proper tax document or provided that the agreed price or volume have not been observed or in case that the Purchase Agreement (Order) or invoice is incomplete in terms of article 1 paragraph 1.2 herein.

3.3 In the event that an invoice has been returned to the Seller for amendment or revision purposes the contracted commencement of the payment period of such invoice will not apply. In such case the payment period of the invoiced amount will begin on the date of a new, amended or revised invoice delivery to the Purchaser in accordance to the Agreement (Order) and these General Terms and Conditions. The Purchaser is obliged to return an invoice not meeting the requirements stipulated in the Agreement or by law within fifteen business days from the reception date of such invoice.

3.4 The agreed payment period is 60 days from the date of the provable delivery of a duly issued business invoice to the Purchaser unless agreed otherwise.

3.5 The Purchaser is not on default with the settlement of an invoice provided that on the last day of the payment period the appropriate amount is deducted from the Purchaser's bank account to the credit of the Seller's account.

#### 4. Terms of Delivery

4.1 The Seller is obliged to deliver the contracted goods in the amount, quality, and design according to the Purchase Agreement (Order), including any and all documentation related to the contracted goods in terms of article 1.2 herein by the deadline specified in the text of the Purchase Agreement (Order) and to deliver the contracted goods to the place of performance specified in such Purchase Agreement (Order). Unless otherwise agreed herein, the Seller shall deliver the contracted goods to the Purchaser's registered office. Transportation fees and liability for damage incurred during the contracted goods' transportation are governed by the delivery terms of valid INCOTERMS specified in the Agreement (Order). If the quality of the subject of performance is not agreed in the Purchase Agreement (Order), the subject of performance must have the properties specified by the Purchaser, and be suitable for use for the purpose which must be known to the Seller; nevertheless, regardless of what is stipulated in the Purchase Agreement (Order), the contracted goods must always meet the requirements stipulated by legal regulations and technical norms applicable according to the purpose of use of the subject of performance pursuant to the Agreement.

4.2 The Purchaser is obliged to confirm to the Seller the receipt of the duly and timely offered contracted goods and the related documentation on a delivery note or another document (e.g. the hand-over and take-over protocol). Unless otherwise stipulated in the applicable delivery terms of valid INCOTERMS, the risk of damage regarding the contracted goods is transferred to the Purchaser at the moment of taking over of the contracted goods. The Purchaser acquires the proprietary rights to the goods on the date they are accepted in the place of performance.

4.3 The Purchaser is entitled not to accept the contracted goods of the Agreement, which is not in accordance with the Purchase Agreement (Order) as amended by these General terms and conditions. The takeover of the contracted goods, despite the fact that it is not in accordance with the contracted goods of the Agreement, does not deprive the Purchaser of the rights from the liability for defects, and of quality warranty claims and of the rights related to the Seller's default .

4.4 The Seller is obliged to duly pack or to ensure transportation of the contracted goods in the manner established in the Purchase Agreement (Order), in any case in the manner necessary to preserve, protect and not to damage the goods and to specify the amount and means of disposal of the packaging materials on the delivery note.

4.5 The Seller undertakes to clear the contracted goods through unless otherwise stipulated in the applicable delivery terms of valid INCOTERMS.

4.6 The Seller undertakes to specify the number of the appropriate Order or Purchase Agreement on the delivery note and the business invoice.

#### 5. Warranty Period and Liability for Defects on the Contracted Goods

5.1 As regards the delivered contracted goods the Seller provides the quality warranty period of 36 months unless otherwise agreed in the Purchase Agreement (Order), while such warranty period starts on the date of receipt of the contracted goods by the Purchaser, i.e. on the date of confirmation of the delivery note by the Purchaser. Unless otherwise agreed in the Agreement (Order), the Seller is liable for the fact that in the course of the warranty period the contracted goods demonstrates the properties (quality) stipulated in the Purchase Agreement (Order) as amended by these General terms and

conditions, and will be in accordance to the Purchase Agreement (Order) as amended by these General terms and conditions. The Seller is liable for the security of delivered materials, which are part of his goods and products and the Seller is also liable for the protection of health, life and environment. The Seller is accountable to the Purchaser for the fact that the goods are free of factual and legal defects not only at the moment of the goods' handing over. Provided that this Seller's statement turns incorrect or false, the Seller shall bear any and all consequences and costs, i.e. he shall compensate the Purchaser for any and all possible damages and loss of profit ensuing from such breach of duties. In case of any disputes arising from such breach of duties the Seller undertakes at his own expenses to defend the Purchaser in case of any third-party claims at court or out of court. In relation to the foregoing the Seller also declares that the goods are free of any third-party rights, e.g. the right of ownership, the right of lien, the right of retention or any other third-party rights, and the Seller also declares that the goods are not subject of any sale under execution or execution of judgment, the Seller is the only owner of the contracted goods and he is authorized to dispose with the goods for the purpose of sale or otherwise, the goods are free of any third-party rights such as copyrights, industrial rights or other intellectual rights to the goods.

5.2 Any and all defects incurred in the course of the warranty period shall be resolved by way of:

- i) removal of defects by means of the goods repair by the Seller or the person designated by the Seller; or
- ii) removal of defects by means of delivery of replacement goods by the Seller, for the defective goods; or
- iii) removal of defects by means of the goods repair by the Purchaser or the person designated by the Purchaser; or
- iv) removal of defects by means of obtaining and delivery of replacement goods by the Purchaser, for the defective goods; or
- v) purchase price discount; or
- vi) withdrawal from the Agreement.

The Purchaser at his own discretion shall make choice among the foregoing claims for defects incurred in the course the warranty period.

In the event that in the course of the warranty period the Purchaser chooses goods repair by the Seller or the person designated by the Seller as the option to deal with the defects, and the goods show removable defects, the Seller undertakes to repair the goods free of charge and without undue delay after the Purchaser's notice made:

- (i) in writing and/or
- (ii) by phone and/or
- (iii) by e-mail and/or
- (iv) by fax within ten days from such notice's delivery date,

at the place, where the goods were delivered to the Purchaser or at the place of the final destination, of which the Seller must had been aware at time of delivery, subject to the choice of the Purchaser. All related costs shall be borne by the Seller if the claim is justified

The Seller is obliged to initiate repair works on removable defects at the latest within 48 hours from notice's delivery date. The Seller shall submit to the Purchaser a protocol specifying the executed repair works on the claimed (exercised) defect. The Seller shall provide a warranty period of **36 months** for any such executed defect repair or renewal, while such warranty period must not lapse prior to the lapse of the original warranty period provided for the contracted goods. In the event that the Purchaser chooses the goods repair as the option to remove the defects, the Seller is entitled to remove them also by delivering of the replacement goods. In such a case, the Seller provides the Purchaser with a warranty period for the replacement goods in the duration of the warranty period for the original goods, which begins to run as of the delivery of the replacement goods.

Provided that the Seller does not repair the defective goods within 10 days from the notice's delivery date, (whether through repair or delivery of replacement goods), the Purchaser is entitled to remove the defects himself or through a third party (through repair or delivery of replacement goods). In that case the Seller undertakes to compensate any and all documented costs incurred by the Purchaser or any third party authorized by the Purchaser in the course of removal of such defects, while the removal of defects by means of a facultative compensation by the Purchaser or any third party authorized by the Purchaser does not affect the Purchaser's rights ensuing from the goods warranty.

If defects removal by means of the goods repair by the Seller or a person designated by the Seller has been chosen as the claim for defects, after the void lapse of the appropriate time period for the defect removal by the Seller or provided that the defective goods cannot be repaired, the Purchaser may subject to his choice make toward the Seller the defect claims listed in paragraphs 5.2 ii, iii, iv), v), or vi) above, instead of the defects removal by the Purchaser or a third party.

In the event that the Purchaser chooses in such a case the claim of the delivery of replacement goods for the defective goods by the Seller the Seller is obliged to supply replacement goods at the latest within fifteen days from the delivery date of a notice (as to the form see i). – iv). above) submitted by the Purchaser. A new warranty period shall begin after the replacement goods' delivery as stipulated in paragraph 5.1.

If the Seller does not supply replacement goods for the defective goods in the period specified above, the Purchaser may subject to its choice make the claims for defects listed in paragraphs 5.2 iii), iv), v), or vi) above.

If it was chosen as the claim for defects to remove the defects by means of the goods repair pursuant to paragraph 5.2 iii) or delivery of replacement goods pursuant to paragraph 5.2 iv), the Seller shall compensate to the Purchaser all documented costs incurred by the Purchaser or a third party designated by the Purchaser to remove the defects, while ensuring that the defects are removed in this manner does not affect the Purchaser's claims under the warranty for the goods.

The Purchaser is obliged to prove to the Seller the defect of the goods before the removal of defects is commenced in this manner, unless there is a risk of damage due to the delay in the removal of the defects, and to return the defective goods to the Seller in the case of a delivery of replacement goods.

The Seller undertakes to refund to the Purchaser the purchase price in full at the Seller's expense at the latest within seven days from the delivery date of a written withdrawal from the Agreement, as well as to remove the contracted goods at the Purchaser's option from the Purchaser's registered office or the place of performance agreed in the Agreement (Order) or the place where the contracted goods are operated under their location with the final customer within five days from the delivery date of the withdrawal from the Agreement.

The entitlement to a discount on the price of goods is payable within seven days from the date of delivery of the request for payment.

The Purchaser shall notify the Seller of any defective goods within 30 days from the date he discovered the defects.

The satisfying of the Purchaser's claims for liability for defects shall not affect the Purchaser's claims for damages caused by defective performance.

## 6. Contractual Penalties

6.1 In the event that the Seller does not deliver duly, completely and in time the goods specified in the Agreement on the agreed delivery date, which is also specified in the Purchase Agreement (Order) or

provided that the Seller does not deliver replacement goods for the defective goods within the period stipulated in paragraph 5.2. herein, the Seller undertakes to settle contractual penalty amounting to 0.1 % of the purchase price per each day of such default.

6.2 If repair works were chosen as a claim for defects by the Purchaser and provided that the Seller does not start repair works on removable defects within 48 hours from the provable delivery of a notice by the Purchaser, the Seller undertakes to settle contractual penalty amounting to 0.2 % of the purchase price per each day of default until the defects are fully removed. In case that the Seller does not remove the defects within the period of 10 days from the provable delivery of the notice by the Purchaser to remove such defects, the Seller undertakes to settle contractual penalty amounting to 0.2 % of the purchase price per each day of default from the date of void lapse of the period of 10 days from the provable delivery of the notice to remove such defects until the date of full removal of the defects by the Seller or the Purchaser or any third party authorized by the Purchaser or until the application of deduction from the purchase price by the Purchaser.

6.3 In the event that the Purchaser withdraws from the Agreement (Order) and the Seller does not return to the Purchaser the already paid purchase price or its part within the period of 7 calendar days from the Purchaser's written notification on such withdrawal from the Agreement (Order), the Seller is obliged to pay to the Purchaser the purchase price together with contractual penalty amounting to 0.2 % of the sum due per each day of default. As agreed by the contractual parties, the foregoing provision shall survive the termination of the Agreement.

6.4 If the Seller breaches any of his duties stipulated in paragraph 9.3 herein, he is obliged to settle to the Purchaser contractual penalty amounting to CZK 1,000,000 per each individual breach of duties.

6.5 Provided that the Seller is on default in payment of the compensation for damages or loss of profit as stipulated in the last sentence of paragraph 8.2 herein, he is obliged to settle to the Purchaser contractual penalty amounting to 0.2 % of the purchase price per each day of default.

6.6 Application of the contractual penalty provision does not affect the Purchaser's right to claim any incurred damages in full amount. The settled contractual penalty does not count towards the compensation for damages. The contractual penalty is payable at the latest within seven (7) days after the Seller's breach of his contractual duties secured by contractual penalty.

## 7. Withdrawal from Agreement

7.1 The Purchaser is entitled to withdraw from the Agreement among other for the following reasons:

- if the Seller does not deliver the goods to the Purchaser duly, in time, with the quality and quantity according to the Agreement;
- if the Seller does not deliver the goods to the Purchaser to the place specified in the Agreement;
- if the Seller does not deliver the goods to the Purchaser together with the documents specified in the Agreement (Order);
- if the Seller does not carry out the tests according to the Purchase Agreement and/or pursuant to the applicable legal, technical or other regulations and standards;
- in case that bankruptcy, restructuring or insolvency proceedings not showing an apparently chicanery character have been initiated as regards the Seller's property or if the Seller instituted liquidation or lost his trade authorization necessary to provide performance pursuant to the Agreement according to the applicable regulations, or provided that other acts indicating the initiation of bankruptcy, settlement or insolvency proceedings not showing an apparently chicanery or liquidation character have been initiated (mainly filing of a motion for bankruptcy, settlement or insolvency proceedings). The Seller is obliged to notify the Purchaser of such fact without delay;
- if the indemnity payment amounts to 20 % of the purchase price value;

- provided that an event of force majeure on the Seller's part endures uninterruptedly for at least 30 calendar days before the goods delivery;
- if the Seller breaches any of his duties stipulated in paragraph 9.2 and/or 9.3 herein;
- if the amount of contractual penalties imposed to the Seller reaches 12 % of the purchase price value.

7.2 Withdrawal from the Agreement does not preclude the Seller's liability to pay to the Purchaser the contractual penalty, which the Purchaser is entitled to claim, and to settle any damages or loss of profit.

## 8. Compensation for damages

8.1 The Seller hereby declares his awareness of the fact that the goods delivery is one of the subdeliveries for the final customer, who is a general investor, and that it concerns delivery of goods for a complex work of a great scope. Therefore if the Seller does not deliver the goods duly and in time, the Purchaser and the third parties, mainly his customers, may suffer substantial damages and loss of profit.

8.2 The Seller declares his full awareness of the fact that in case of his default as regards due and/or timely performance of the Purchase Agreement (Order) the primary delivery, i.e. the entire work or the principal Purchase Agreement (in relation between the Purchaser and the final customer – the general investor), may be on default as regards its due and/or timely performance, in consequence whereof the final customer – the general investor may charge directly the Purchaser or his customer not only contractual penalties and possible damages but also other compensations (attorney fees, insurance, etc.).

With view to the foregoing the Seller undertakes to settle to the Purchaser ipso jure on ground of the Purchaser's statement such incurred damages in full and unlimited amount, while the maturity of such amount and/or compensation payment is 30 days.

8.3 The Seller is obliged to take any and all reasonable measures to prevent any occurrence of damages and to limit any possible damages. The Seller also undertakes to settle to the Purchaser any damage – on property or other incurred in consequence of a breach of the Seller's duties ensuing from the Purchase Agreement.

8.4 If the Seller causes damages to the Purchaser or any third parties due to the breach of the contractual or legal duties and/or due to his other acting or neglecting, the Seller is obliged to settle to the Purchaser or any other third party the actual amount of such damage and loss of profit in full and unlimited amount, which the Purchaser or the third party submits and evidences to the Seller.

## 9. Final and Other Provisions

9.1 The text of the Purchase Agreement (Order) may be modified, amended or extended only in the form of written upwardly numbered appendices signed by both contractual parties.

9.2

The Seller is not entitled without the Purchaser's prior written explicit consent to assign to a third party (assignee) any claims ensuing from the Purchase Agreement and/or to encumber any other claims towards the Purchaser ensuing from the Purchase Agreement with any right of lien or retention in favour of a third party. The Seller is not entitled without the Purchaser's prior written explicit consent to unilaterally set off the Seller's claims against the Purchaser. This paragraph 9.2 will be applied also after the termination of the obligation from the Purchase Agreement, regardless of the manner of the obligation termination.

9.3 The Seller undertakes not to provide to any third party any documents, experience or knowledge received from the Purchaser on grounds of the Purchase Agreement, not even after the termination of this contractual relationship. This obligation does not apply to the information, which became public knowledge without any breach of such confidentiality obligation.

The Seller acknowledges that the information contained in the submitted details and documents as well as any and all other information handed over by the Purchaser may be confidential and may represent business secrets. The Seller acknowledges that all information, details and documents from the Purchaser are confidential, unless indicated as non-confidential or readily available in public information resources.

The Seller undertakes to keep secret and strictly confidential any and all details and documents provided to him by the Purchaser and not to use them for any purpose other than to fulfil his obligations pursuant to the Purchase Agreement, not to use them in his favour, in favour of any third party or against the Purchaser, not to disclose them to any other party and to take all reasonable measures for their protection and prevention of their misuse. Provided that the disclosure of such confidential information to a third party is necessary for the fulfilment of obligations ensuing from the Purchase Agreement, the Seller may provide such information only with the Purchaser's prior written consent and under the provision that the third party acknowledges in writing its obligation to keep the secrecy and confidentiality of the information disclosed to such party as confidential. The Seller is fully accountable to the Purchaser for any breach of duty to keep confidential and to protect information by the Seller's subcontractor.

9.4 The Seller is obliged to notify the Purchaser without delay of any changes concerning his legal identity, e.g. an acquisition or merger with another entity, a transfer of liabilities to a legal successor or a third party as well as any and all other matters that may influence the fulfilment of duties ensuing from this Agreement. The Purchaser is entitled to transfer all rights and duties ensuing from this Agreement to a new entity.

9.5 The Agreement (Order) is governed by the Czech law, which the contractual parties arranged to be the governing law for the assessment of mutual rights and duties. All the mutual rights and obligations from breach of the Agreement, termination of the obligations from the Agreement, invalidity or nullity of the Agreement shall also be governed by the Czech law.

The contractual parties exclude the application of the United Nations Convention on Contracts for the International Sale of Goods to the assessment of rights and duties ensuing from the Agreement (Order). The contractual parties will resolve any and all disputes ensuing from the Agreement (Order) at the general court of the subject-matter jurisdiction, the territorial jurisdiction of which shall be determined in accordance with the Purchaser's registered office as of the date of any filing of a complaint.

In České Budějovice, dated November 1<sup>st</sup>, 2019