

General Terms and Conditions of Purchase for Kablo Vrchlábí s.r.o.

I. Purpose of the General Terms and Conditions of Purchase, Purchase Agreement

- (1) The General Terms and Conditions of Purchase (the "**Terms & Conditions**") regulate the mutual rights and obligations of Kablo Vrchlábí s.r.o., with its registered office at: Českých bratří 509, 543 01 Vrchlábí, registered in the Commercial Register maintained by the Regional Court in Hradec Králové, Section C, Insert 38265, identification no.: 05593174, tax identification no.: CZ05593174 (the "**Client**"), and suppliers who supply goods to the Client (the "**Supplier**"), which arise during the sale of the Supplier's goods and the acceptance of individual products by the Client based on relevant (i) purchase agreements, (ii) acceptance of the Client's orders by the Supplier ("**Order Acceptance**"), (iii) master contracts, or (iv) similar contracts, orders or proposals accepted by the Client (jointly "**Purchase Agreement**"), and an integral part of which is these Terms & Conditions. These Terms & Conditions are also used in all future contractual relations between the Supplier and the Client.
- (2) The goods that are the subject of the Purchase Agreement are the goods set forth in the order or in the Purchase Agreement (the "**Goods**" or the "**Supply**").
- (3) From the point of view of the transaction and the entire business relationship, all business terms and conditions of the Supplier are hereby expressly excluded. Any business terms and conditions of the Supplier that conflict with the Terms & Conditions shall not apply even if the Client has not expressly objected to them, or even if the validity of the terms and conditions of the Supplier is set out as an express condition for the conclusion of the relevant contract. In addition, no business practices or customs contrary to these Terms & Conditions shall apply. The Terms & Conditions are deemed to have been approved by the Client upon the conclusion of the Purchase Agreement or the acceptance of the Goods.
- (4) The Supplier is obliged to confirm or reject the order within 5 business days of delivery in writing (including fax or email). Upon the expiry of this deadline the order shall be deemed to be confirmed and the Purchase Agreement concluded. The Client, however, is entitled to withdraw from a Purchase Agreement concluded in this way, until such time as the Supplier begins to provide performance according to the Purchase Agreement and notifies the Client of this fact in writing.
- (5) Any deviations from the order specified in the Order Acceptance shall be deemed to be a new contract proposal by which the Supplier is bound for 7 days from the date of delivery of this contract proposal to the Client. If the Client fails to send a written acceptance to the Supplier within this period, the contract is not concluded.
- (6) Order Acceptance by the Supplier or proposals to conclude a Purchase Agreement made orally (or by phone) will only be binding on the Client if they are subsequently confirmed by the Client in writing. The concluded Purchase Agreement is binding for the Supplier.
- (7) The Client is not responsible for obvious errors, typing errors, incorrect calculations or other defects in the documents, drawings and plans submitted to the Supplier. The Supplier is required to notify the Client of such defects without delay so that the Client can repair or replace them. This also applies to missing documents, drawings or plans.
- (8) The Supplier is required to review the Client's request and the data contained therein for accuracy, completeness, feasibility and compatibility and to consider any costs that it may incur in performing the Supply. The Supplier is obliged to point out any deficiencies in the offer. By submitting an offer, the Supplier assumes the risk of feasibility of the Supply at the offered price for the purpose specified in the Client's request.
- (9) The Client is entitled to issue an amending order to the Supplier (including, for example, changes to drawings, specifications, packaging, time or place of delivery, mode of

transport, etc.) and the Supplier is required to comply with the amending order. If the amending order causes an increase or decrease in the cost of providing the Goods or the time required to provide the Goods, the price and/or the term of delivery of the Goods must be fairly adjusted in writing. The Supplier waives all rights to modify the price or delivery terms under this Article if the Supplier does not exercise this right within 10 calendar days of receipt of the amending order and the Supplier is required to fulfil the amended order. Any changes to the Purchase Agreement requested by the Supplier become binding only after they have been approved in writing by the Client.

II. Price and payment terms

- (1) The price is final. The price includes all costs of the Supplier necessary for the proper execution of the Supply, including, but not limited to, shipping, storage, packaging, insurance, duties, levies, fees, taxes (excluding VAT), etc. The price includes any remuneration for granting the right to use the software and firmware, if such software or firmware is part of the Supply. The Supplier declares to the Client that the price for the Goods shall not be higher than the price invoiced by the Supplier to other customers for a similar quantity of Goods or similar goods. The Supplier shall provide the Client with a discount programme based on the volume of the Goods purchased.
- (2) The Client is obliged to pay the price to the Supplier based on a tax document (invoice). The invoice must contain, *inter alia*, the correct VAT rate, the delivery note number and the client's order number, as well as the numbers and relevant subject names (codes) of each item. When invoicing a transaction subject to the reverse charge regime in the Czech Republic, the invoice must also include the subject code of the transaction according to the applicable instructions of the General Financial Directorate (GFD). The Client shall be entitled to return an incorrectly charged, incomplete or insufficiently documented invoice to the Supplier within the maturity period without any default in payment occurring.
- (3) The Supplier is required to issue an invoice as at the date of taxable supply. The date of taxable supply is the date of receipt of the Supply by the Client, which means the date the risk of damage is transferred to the Client. At the same time, ownership of the Goods shall pass to the Client. If the Client has paid the price for the Goods earlier, the ownership of the Goods shall pass upon the payment of the price.
- (4) The invoice maturity is set at 60 days from the delivery of the invoice to the Client or from the receipt of the Supply by the Client, whichever occurs later. The price will be paid to the Supplier's bank account stated in the invoice or in the Purchase Agreement, which is made accessible by the tax administrator remotely, if the relevant tax administrator publishes such information. This shall not preclude the application of paragraph 9 of this Article. The Client's debt is fulfilled when the amount due is debited from the Client's account. In the event of the Client's delay in payment of up to 7 days, the Supplier shall not be entitled to charge interest on late payments or other sanctions.
- (5) If the Client pays the invoiced price in the period (i) from the 31st to the 45th day from the maturity date of the invoice, the Supplier shall provide the Client a discount on the price of 0.5% of the invoiced amount (incl. VAT), (ii) from the 15th to the 30th day from the maturity date of the invoice, the Supplier shall provide the Client a discount on the price of 1% of the invoiced amount (incl. VAT), (iii) within 14 days of the maturity date of the invoice, the Supplier shall provide the Client a discount on the price of 1.5% of the invoiced amount (incl. VAT). In such a case the Client is entitled to pay the invoiced price already decreased by the respective discount. The entitlement to the discount remains even if the Client pays later due to defects in the Supply.
- (6) A condition for the maturity of the Supplier's receivables is that the Client has verifiable and formally correct tax documents at its disposal.
- (7) The Client is entitled to set off its written and unpaid receivables against any of the supplied and unpaid receivables of the Supplier by its written declaration against the Supplier. Receivables in various currencies can be set off at the rate set by the Czech National Bank as at the day of the set off.
- (8) Payment of the price by the Client is conditioned by the fact that the Supplier is not in

delay vis-à-vis the Client for any payment for the Consignments which were or should have been delivered also based on another contractual relationship. For the period of such delay by the Supplier, the Client is not in default of payment of the price and the agreed payment period is reasonably extended by a period corresponding to the length of the delay by the Supplier.

- (9) At the Client's request in justified cases (e.g. in case of the Supplier's impending insolvency), the Supplier must prove that it makes proper VAT payments. Until such a document is delivered, the Client shall be entitled to postpone payment for the provided Supply without being in default of payment. This does not preclude the application of the following paragraph.
- (10) If the Supplier is an unreliable VAT payer as at the date of taxable supply, within the meaning of applicable law or in a similar position under the laws of other countries, or if the Client is in good faith that the Supplier is in a position that would otherwise establish the Client's obligation to guarantee unpaid VAT, the Client is entitled to pay the Supplier the price of the Supply minus the amount equal to the applicable VAT and to pay the VAT for the Supply directly to the account of the relevant tax administrator.
- (11) The Supplier shall provide the Client with the necessary cooperation in the Client's dealings with the tax administrator, which shall consist mainly in proper and timely provision of truthful information and documents and support in the Client's dealings with the tax administrator should the tax administrator make claims against the Client by virtue of its guarantee for VAT or if the Client would voluntarily pay VAT on the delivery of Goods.
- (12) In the event of defective performance, the Client shall be entitled to withhold any payment, even if the claim arises for another legal reason, until due payment. The Client has this right even if the Goods have defects that do not prevent proper use.
- (13) At the Client's request, the Supplier is required to disclose the current balance of open accounting items arising from mutual business transactions, which are included in the Supplier's accounts as at the record date and, if necessary, to clarify and reconcile any discrepancies with the status in the Client's accounts. As a general rule, the Client shall send the Supplier confirmation of the status of the open accounting items contained in the Client's accounting, which is based solely on the accounting records and has no relevance to any claims, no legal consequences can be derived therefrom, and in particular it cannot in any case be used as debt recognition.
- (14) Payment of the price for the Goods does not imply any recognition by the Client or waiver of the Client's rights.
- (15) The Supplier and the Client will jointly seek cost reduction options throughout the duration of the Purchase Agreement, and the results of these options will translate into price reductions for the Client.

III. Delivery terms and performance

- (1) The performance must exactly match the agreed terms and must be made within the specified deadline (i.e. the deadline specified in the Purchase Agreement or otherwise agreed between the parties).
- (2) Earlier Supply, if delivery has been agreed on a fixed date, is only possible with the Client's prior written consent and is without prejudice to the agreed maturity of the price. This does not apply if the term of delivery in the Purchase Agreement is specified by the deadline, which is always calculated from the date the Client's order was sent, regardless of the moment of its confirmation by the Supplier. If the delivery date is not explicitly stated in the Purchase Agreement and not agreed between the parties, the delivery date is considered to be 10 business days from the date the Client's order was sent. The Supplier is required to promptly notify all (and imminent) delays of the Supply and request instructions from the Client. The delivery of the Goods within the agreed term, but in a quantity smaller than that stated in the Purchase Agreement or missing required documents, shall also be considered a breach of the delivery date. In the event of failure to comply with the term of delivery, the Client shall be entitled, in addition to

- other claims, to demand the Supply of the Goods, compensation for damages caused by the delay, and to withdraw from the Purchase Agreement. The Supplier shall be liable for any delay in delivery caused by the Supplier's sub-suppliers or third parties. The Client shall not be obliged to accept earlier or partial performance or larger quantities and shall be entitled to return such performance at the cost of the Supplier, or to receive compensation for storage costs.
- (3) If the Supplier does not provide proper performance within the set deadline, the Supplier shall pay the Client a contractual penalty of 0.5% of the price of the entire performance for each commenced week of delay, but no more than 10% of the price of the entire performance. The Client is entitled to set off a receivable for payment of the contractual penalty against the Supplier's receivable for payment of the price of performance. Payment of the contractual penalty and default interest shall be without prejudice to the Client's claim for damages in full.
 - (4) The place of performance is the Client's registered office, unless the Client specifies another place of performance, e.g. in the order. The time of performance is business days from 6:00 a.m. to 4:00 p.m. CET, unless the Client specifies another time of performance, e.g. in the order.
 - (5) The Supplier shall deliver the Supply at its cost and risk to the agreed place of delivery (in the Czech Republic shipping costs paid by the Supplier and in case of transport from abroad – DAP according to INCOTERMS 2010). Cash on delivery will not be accepted.
 - (6) The Client reserves the right to determine the means of transport and packaging.
 - (7) The Supplier shall attach to the Supply a delivery note with all the order data such as the order number and/or part numbers, the exact designation of the Goods, the order item and, in the case of Supplies from the European Union, the tariff classification of the Goods. Part of the Supply is also a completed declaration of the Supplier for the purposes of export and customs control and documents proving the origin of the Goods for customs, re-export, etc.
 - (8) If the cost of transporting the Supplies to the agreed place of performance is to be paid by the Client under the Purchase Agreement, the Supplier shall be entitled to charge the Client only those costs that the Client has agreed in advance.
 - (9) The Supplier accepts the risk of a change in circumstances.
 - (10) The Supply is taken over:
 - (a) for Supplies without assembly: upon written confirmation of delivery (including unloading) of the complete subject of Supply to the destination under the Purchase Agreement;
 - (b) for Supplies with assembly: upon written confirmation of acceptance of the complete subject of Supply by the Client.
 - (11) In case of supply of technical equipment and devices, the Supplier is obliged to train the operating and maintenance staff of the Client or end user of the Supply. Furthermore, the Supplier undertakes to provide the necessary documents for the Supply (in particular the complete assembly plans including all connections and building necessities, data sheets, assembly instructions, processing instructions, storage, operating and maintenance regulations, etc.). All documents delivered by the Supplier must be delivered together with the Supply at the latest, in duplicate, in Czech or in English.
 - (12) If the subject of the Purchase Agreement are products specified in the implementing regulations to Act No. 22/1997 Coll., on Technical Requirements for Products, the Supplier is obliged to provide the Client with a copy of the declaration of conformity or a written assurance of the issue of the declaration of conformity, at the latest by the agreed date of performance. Furthermore, the Supplier is obliged to allow the Client to check the progress of the subject of performance during the performance.
 - (13) The fact that the Client accepts Goods that do not comply with the terms of the Purchase Agreement does not relieve the Supplier of the obligation to remedy the noncompliance or prevent the Client from exercising any remedies under the Purchase Agreement.
 - (14) The Client is entitled at any time in writing (email is sufficient) to request the Provider to suspend performance of the Purchase Agreement. Upon receipt of such notice, the

- Supplier agrees to suspend all work until it receives a written request from the Client (email is sufficient) to continue performance.
- (15) Supplier shall not be entitled to demand storage or other costs incurred for this reason for the first 90 days from the date of suspension of performance of the Purchase Agreement. The terms of performance of the Purchase Agreement shall be extended in proportion to the duration of the suspension of performance.
 - (16) The Supplier is obliged to pack the Supply in such a way that it will not be damaged during transport or cause damage to health and property.
 - (17) The Supplier is obliged to ensure that:
 - (a) the Supply is accompanied by a packing or delivery note with a clear indication of the contents as well as the full order number (code) of the Client;
 - (b) each part of the shipment shall bear on the packaging a clear indication of the contents as well as the full order number (code) of the Client;
 - (c) the dispatch of a Supply whose acceptance at the destination requires the presence/cooperation of its recipient was notified in writing to the Client or the recipient at least 3 business days in advance, together with a clear indication of the content as well as the full order number (code).
 - (18) The Client's right to exercise the right of retention against the Supplier and the Client's right to set off mutual claims are not in any way restricted or excluded.
 - (19) Material owned by the Client provided to the Supplier for the purpose of the Supply shall remain the property of the Client, and shall be stored, labelled and managed free of charge. Its use is only permissible for the fulfilment of the Supplier's obligations towards the Client. In the event of its devaluation or loss, the Supplier is obliged to procure and use an appropriate replacement at its own expense.
 - (20) The Supplier shall process and/or modify the Client's material exclusively for the Client. The Client directly owns or co-owns the modified material, intermediate product or new thing. Should this not be possible for legal reasons, the Client shall be the owner of each new item at any time of processing or modification. The Supplier is required to take care of each new item with professional care for free until it is handed over to the Client.
 - (21) The Supplier is required to perform output checks of the Goods before they are shipped to the Client. The Client is not obliged to inspect the Goods upon receipt nor to inspect the packaging and quantity of the Goods upon receipt from the Supplier. The Supplier shall not be entitled to object to any late notification of defects in the Goods by the Client, even obvious defects.
 - (22) Any changes to the Goods (especially to the structure, composition, manufacturing process, manufacturing site, including any other physical or chemical changes in the Goods, material, design, colour), manufacturing method, location, other changes that may affect, for example, the shape, function, lifespan or performance of the Goods must be approved in writing by the Client in advance.

IV. Special arrangements

- (1) The Supplier agrees to comply with all environmental legislation, preferably to hold an ISO 14001 or EMAS certificate.
- (2) The Supplier undertakes to have a quality management system in place in accordance with the VDA 6.1 and IATF 16949 standards, but at least in accordance with ISO 9001.
- (3) If the Supplier delivers Goods subject to restrictions on substances and/or information requirements imposed by law (e.g. REACH, RoHS), the Supplier must declare such substances in an appropriate format provided by the Client by the date of first delivery of the Goods, in relation to the regulations effective in the jurisdiction of the Client's registered office or at the designated place of delivery requested by the Client.
- (4) The Supplier undertakes to comply with all policies, manuals, guidelines, instructions and directions of the Client with which it has been acquainted.
- (5) The Client is not obliged to fulfil the Purchase Agreement if such fulfilment is prevented by any obstacles arising from national or international regulations in the field of

- international trade law or by embargoes or other sanctions.
- (6) The Supplier is obliged to comply with all applicable provisions of applicable national law and international law relating to export controls, customs or related taxes and charges, and international trade law (collectively "**international trade law**") in relation to the delivered Goods and provided services. The Supplier shall also be required to obtain the necessary export licences or permits, unless, under the applicable provision of international trade law not the Supplier but the Client or a third party is required to apply for such licences or permits.
 - (7) The Supplier is required to provide the Client, without delay, and no later than the stipulated deadline, with all data and information necessary for the Client to comply with all international trade law provisions applicable to export, import or (in the case of resale) re-export of the Goods or services.
 - (8) In the event of any changes in the origin or properties of the Goods or services, or changes in the applicable provisions of international trade law, the Supplier shall update the data without delay and at the latest by the stipulated deadline and provide such data to the Client in writing. The Supplier undertakes to reimburse the Client for any costs or other damages it incurs as a result of incomplete or incorrect data.
 - (9) If the subject of the Supply is dual-use goods within the meaning of the US legislation as well as according to Annex I of EU Regulation 428/2009, the Supplier is obliged to inform the Client thereof.
 - (10) In connection with the fulfilment for the Client, the Supplier is obliged to hand over to the Client all documents and certificates necessary for further export within and outside the European Union (e.g. E-Mark, COP).
 - (11) The Supplier is obliged to comply with all relevant legislation, particularly health and safety regulations, and is required to do its best to pursue measures aimed at:
 - (a) preventing risks, eliminating risks or minimising the effects of irremovable risks to the health and safety of the personnel employed by the Supplier and the Supplier's direct or indirect sub-suppliers in the performance of the subject of the Purchase Agreement ("**personnel**"); and
 - (b) ensuring that no persons who are lawfully present at the workplace, including personnel, the Client's staff and visitors, suffer any harm.
 - (12) The Supplier is required to ensure that all of its personnel are professionally and medically fit to deliver the Goods (and to prove such ability at the Client's request), participate in site-specific security training, and receive appropriate personal protective equipment before commencing work at the workplace. The Supplier is required to ensure that personnel use appropriate personal protective equipment and that such equipment is always maintained in a good and serviceable condition.
 - (13) The Client reserves the right, at its sole discretion, to exclude any personnel from the Site and/or to suspend the Supply of Goods for safety, health and security reasons at any time without any liability.
 - (14) Upon the Client's request, the Supplier shall promptly grant the Client access to all documents relating to health and safety issues connected to the Goods or otherwise related to the Goods.
 - (15) The Supplier represents and warrants that the prices, terms, Supplies, services and quality are consistent and competitive with the market. If the Client reasonably assesses that the Supplier's performance is not competitive in the industry, it will provide the Supplier with the opportunity to remedy the deficiencies (in particular to reduce costs) within 30 days of the Client's notification. If the Supplier fails to remedy this deficiency within the above period, the Client shall be entitled to terminate the Purchase Agreement and/or Order Acceptance for which Goods have not yet been delivered, without any liability on the part of the Client, except for the obligation to pay the price for Goods delivered prior to such termination.

V. Sub-suppliers

- (1) The Supplier is obliged to bind its sub-suppliers to comply with all obligations under the

- Purchase Agreement as well as to comply with the relevant internal regulations of the Client. The Supplier shall be fully liable towards the Client for the sub-supplier's performance and any misconduct as if it were providing the fulfilment itself.
- (2) If the Supplier intends to use sub-suppliers, it shall submit a list of sub-suppliers to the Client for approval in writing, including the scope and specification of the work. The Supplier is obliged to inform the Client about subsequent changes to the sub-supplier and to request written approval. In justified cases, the Client is entitled to request a change of the sub-supplier.
 - (3) In the event of a breach of the obligations set forth in this Article, the Client shall be entitled to terminate the Purchase Agreement with immediate effect or withdraw from the Purchase Agreement.

VI. Packaging

- (1) The Supplier shall indicate in the Purchase Agreement and in the invoice whether the returnable packaging is part of the Supply. The price of the returnable packaging shall be invoiced by the Client, unless the parties agree otherwise. The Supplier agrees to purchase this packaging from the Client at the invoiced price if the Client returns them within 24 months from the date of delivery of the Goods.
- (2) Return shipping charges for packaging returned to the Supplier shall be paid by the Supplier unless otherwise agreed in the Purchase Agreement.

VII. Premature termination of the Purchase Agreement

- (1) The parties may withdraw from the Purchase Agreement only in cases of a material breach of the Purchase Agreement or in cases expressly stated in the Purchase Agreement or in these Terms & Conditions or in cases expressly specified in the relevant legal regulations. The withdrawal shall take effect on the date of delivery of the written notice of withdrawal to the other party.
- (2) In the following cases, the Client may terminate the Purchase Agreement with immediate effect or withdraw from the Purchase Agreement:
 - (a) the Supplier suspended payments;
 - (b) insolvency or other similar proceedings have been initiated against the Supplier or such proceedings are imminent;
 - (c) the Supplier entered into liquidation;
 - (d) unsuccessful enforcement of a final decision or execution on the Supplier's property;
 - (e) the Supplier became an unreliable payer within the meaning of the VAT Act;
 - (f) the Supplier no longer performs one of its activities without which the purpose of the Purchase Agreement cannot be fulfilled;
 - (g) the Supplier has not fulfilled the subject of the Purchase Agreement in a due and timely manner;
 - (h) the Supplier directly or indirectly granted or promised to provide a bribe or other unjustified advantage to the Client's employee or representative;
 - (i) the Supplier influenced or attempted to influence the selection procedure announced by the Client;
 - (j) the Supplier breached any other obligation arising from documents that are binding under the Purchase Agreement or these Terms & Conditions, for example in the area of environmental protection, and did not remedy this breach even when granted additional time to do so;
 - (k) the Supplier was convicted of an offence pursuant to Act No. 418/2011 Coll., on the Criminal Liability of Legal Persons and Proceedings Against Them, as amended, or pursuant to other relevant legislation;
 - (l) a member of the statutory body of the Supplier or an entrepreneur natural person was convicted of an offence concerning its line of business;
 - (m) the Supplier is in default vis-à-vis the Client in meeting its obligations under

- another contract for more than 30 days;
- (3) The parties are also entitled to withdraw from the Purchase Agreement if force majeure circumstances prevent the delivery of the Supply for more than 3 months.
 - (4) The Client is entitled to withdraw from the Purchase Agreement at any time before the Goods are sent to the Client.
 - (5) The Client is also entitled to withdraw from the Purchase Agreement if it undertakes to pay the Supplier the price of the already delivered and processed Supply as at the effective date of withdrawal from the Purchase Agreement. In such a case, the Supplier is obliged to hand over these Supplies to the Client.

VIII. Liability for defects, quality guarantee and complaints

- (1) The Supplier hereby provides a quality guarantee, i.e. the delivered Goods will be fit for the intended purpose for the agreed period and the Goods will have the agreed upon long-term or required properties and specifications and will be in accordance with the Purchase Agreement. The Supplier further represents and warrants that the Goods will be (i) new; (ii) not burdened by any pledge, easement or other encumbrance; (iii) in accordance with all specifications, drawings, samples and other characteristics supplied by the Client or offered by the Supplier; (iv) free from defects of design (appearance), execution and materials; (v) of marketable quality; (vi) suitable and sufficient for the use intended by the Client – to the extent known to the Supplier; (vii) in accordance with all relevant legislation in force, in particular in the country of manufacture and delivery; and (viii) not in violation of any patents or other intellectual property rights of third parties. The guarantee applies to the Client, its successors, assigns, customers or other users of the Goods.
- (2) The Supplier is responsible for the quality of the Goods without exception, even if the Client offered or provided it with cooperation.
- (3) The warranty period for machines is 36 months from the date of acceptance without reservations. The warranty period for spare parts is 36 months from the date of their installation, but no more than 42 months from the date of delivery. For other Goods, the warranty period is 36 months from the date of transfer of the risk of damage to the Goods to the Client. For complete equipment, the date from which the warranty period is calculated is the date of delivery of the last part of the entire equipment. If the Supplier performs assembly, the warranty period is counted from the date of acceptance of the entire equipment without reservations. The Supplier shall assign all warranties for its sub-suppliers regarding the Goods to the Client and shall ensure that the Client is entitled to them and, where applicable, the Client may further assign such warranties to its customers.
- (4) Remedying defects consists either in repairing them or in replacing defective parts.
- (5) When replacing or repairing parts, the warranty period is extended by the time required for replacement or repair. The new warranty period commences on the day of delivery of the replacement.
- (6) If the Supplier fails to remedy the defect or if the Client is entitled to a replacement Supply, even after the Client has provided it a reasonable additional period of time, the Client is entitled to:
 - (a) completely or partially withdraw from the Purchase Agreement;
 - (b) request a discount; or
 - (c) proceed to remove the defect or acquire a replacement Supply itself or through a third party at the Supplier's cost, this being without prejudice to the Supplier's liabilities under the quality guarantee and liability for defects.
- (7) Remediation of the defect at the Supplier's expense may occur without giving the Supplier additional time if the Supplier is in default with the original performance.
- (8) Based on a written request from the Client (email form is sufficient), the Supplier is obliged to reimburse the Client for costs related to the claim, including transportation costs, costs incurred by the Client to remedy the consequences of the breach of the

Supplier's obligations and to remedy any defects of the Supply and any other costs incurred by the Client in connection with the defective Goods. Without prejudice to other rights of the Client available to the Client on the basis of these Terms & Conditions or relevant legal regulations, the Supplier is also obliged to pay the Client in case of each complaint (i.e., a request for elimination of defects) a lump sum compensation of the administrative costs related to the complaint in the amount of CZK 2,000 (without VAT). The Supplier shall bear the risk of loss or damage to the Goods in relation to the Goods returned by the Client. This also applies to costs incurred by the Client in vain for processing or modifying the Supply for the aforementioned purpose.

- (9) The Supplier will also be charged for costs incurred as a result of defective Goods, consisting mainly of production downtime and wage costs of the Client or the personnel of the company involved in repairing the defective Goods.
- (10) The Client's delay in making a complaint does not cause the Client's rights and claims from defective performance by the Supplier to be extinguished. Removal of the defect shall not affect the Client's right to compensation for damages, lost profit or other rights that the Client may have under the Purchase Agreement, these Terms & Conditions or the applicable laws.
- (11) The Client has the right to claim against the Supplier a contractual penalty for defective performance of the subject of the contract in the amount of 15% of the agreed price. The Client's claim for damages exceeding the contractual penalty is not affected by the provisions on contractual penalty.
- (12) The Supplier is obliged to carry out or arrange for post-warranty repair, including the provision of spare parts, for a period of 10 years from the date of performance of the Supply, if this follows from the nature of the Supply. Otherwise, the Supplier is obliged to inform the Client of this fact without delay and to provide it with an alternative solution under similar conditions.
- (13) The Client is not obliged to accept or store Goods for which a defect has been notified; if it accepts such Goods, it will store them at the cost of the Supplier.
- (14) Refusal of the entire Supply of Goods is possible in the event of a defect affecting a substantial part of the Supply.
- (15) The Client assumes no liability for damages caused by third parties.
- (16) The Supplier is obliged to allow the Client, its customers or competent authorities to check, inspect, audit, test or undertake other similar reviews at any time in the establishment of the Supplier and its sub-suppliers where the Goods are manufactured or stored. In addition, the Client is entitled to audit / inspect the Supplier's production and its quality processes, whereas any such inspection does not relieve the Supplier from the obligation to proceed in accordance with the Purchase Agreement. The Client also has the right to inspect and copy all records, documents and other data related to the Purchase Agreement and the Supplier is obliged to provide the Client with all cooperation. The Supplier is obliged to keep such data for at least 10 years from the delivery of the Goods and to submit it to the Client without delay upon the Client's request. Each Party shall bear its own costs incurred in connection with this check or inspection.

IX. Intellectual property rights

- (1) Intellectual property rights are: (a) patents, improvement designs, utility models, industrial designs, trademarks, trade names, designs, know-how, copyrights (registered or unregistered); (b) filing, renewing, confirming, extending or renewing any of the above rights; and (c) any other intellectual property rights ("**Intellectual Property Rights**").
- (2) In accordance with para. 3 below, the Supplier hereby grants or undertakes to grant the Client a worldwide, irrevocable, transferable and non-exclusive licence to use the Intellectual Property Rights, including embedded software (software necessary to use the Goods embedded in Goods and supplied as an integral part thereof), if any, worldwide, without the need to pay licence fees (free of charge).

- (3) The Supplier hereby grants the Client all Intellectual Property Rights in relation to the Goods arising as a result of the performance of the Purchase Agreement. The Supplier further agrees to take all necessary steps at the Client's request and at its own expense to ensure that the Client can use the Intellectual Property Rights perfectly.
- (4) Intellectual Property Rights relating to the Goods that arose to the Supplier or were licensed to it prior to the conclusion of the relevant Purchase Agreement or without any relationship to the Purchase Agreement ("**Pre-existing Intellectual Property Rights**") shall remain with the Supplier (or the relevant third party). If such Pre-existing Intellectual Property Rights are part of any Goods, the Supplier grants or ensures that the third party in question grants to the Client and other entities within the Client's group an irrevocable, transferable, non-exclusive and free of charge licence to use the Pre-existing Intellectual Property Rights as part of the Goods supplied, including authorisation to upgrade, develop, market, distribute, sublicense or otherwise use the Pre-existing Intellectual Property Rights.
- (5) The Supplier is obliged to specify in writing, prior to making the Supply, any open source software contained or used by the embedded software (see above) and to request the Client's written consent to use it. The Supplier agrees to replace at its own expense any open source software refused by the Client with software of at least equivalent quality and functionality.
- (6) In the event that the Goods violate any Intellectual Property Rights of third parties, the Supplier shall at its own expense, but at the Client's discretion, (i) ensure the right to continue to use the Goods for the Client or, if applicable, for the Client; (ii) modify the Goods so that Intellectual Property Rights are no longer infringed; or (iii) exchange the Goods for equivalent goods that will not infringe the Intellectual Property Rights of third parties. If the Supplier fails to perform the aforementioned measure requested by the Client, the Client shall be entitled to withdraw from the contract and demand repayment of any amounts that the Client paid to the Supplier under the contract and the Supplier is obliged to provide the Client with the compensation for any damage it incurred.
- (7) The Client holds proprietary and Intellectual Property Rights to all its offers, inquiries or estimates, as well as all drawings, illustrations, technical descriptions, samples, components, models, matrices, templates, instruments, tools, calculations and other documents or material provided to the Supplier. The Supplier may not make these items available to third parties, publish them, use them directly or through third parties, or copy them without the Client's prior written consent. The same applies to items made using these items. At the Client's request, the Supplier shall return these items and destroy all copies made. These items are intended exclusively for the fulfilment of the concluded Purchase Agreement. The Supplier must not exercise or claim any right over such items, including the right of retention.

X. Force majeure

- (1) Force majeure circumstances are circumstances that arose after the conclusion of the Purchase Agreement as a result of unforeseeable and unavoidable events of an extraordinary nature, such as natural disasters or wars. The party for whom performance of the contractual obligations has become impossible shall, upon the occurrence and termination of the above circumstances, promptly notify the other party in writing and provide evidence to them that those circumstances have had a decisive influence on the performance of the contractual obligations. The occurrence of scrap material, delayed subcontracting, inactivity, delay or default of the carrier and strikes cannot be regarded as force majeure and do not give rise to any entitlement to extend the confirmed delivery deadline.
- (2) If the Client is prevented by circumstances of force majeure from taking over the performance at the agreed place, the Client's delay in taking over is excluded for the duration of this obstacle as are the Supplier's claims for consideration or for damages. For the duration of this obstacle, the Supplier is obliged to store the Goods free of charge at its own cost and risk.

XI. Service of documents

- (1) Unless otherwise agreed in the Purchase Agreement, documents will be delivered to the other party in person or by mail to the address of the other party's place of business listed in the relevant Commercial Register. The Supply shall be deemed to have been properly delivered:
 - (a) upon confirmation of receipt by the recipient in the case of personal delivery; if the recipient refuses to accept the Supply, the Supply shall be deemed duly delivered at the time of such refusal;
 - (b) on the third business day following the date of dispatch of the Supply by the postal operator;
 - (c) on the day the document is sent to the recipient's official data box.

XII. Confidentiality obligation

- (1) The Supplier is required to maintain confidentiality with respect to all matters disclosed or communicated to the Supplier in any way whatsoever in connection with the Purchase Agreement or the contractual relationship established by the Purchase Agreement, in particular with respect to all matters relating to the Client, its employees and customers, technical and organisational data of the Client or its customers, business relations and balance situation of the Client and its customers and orders executed by the Client with respect to the manner, scope and content of these orders, and the Supplier undertakes not to share such facts and information with third parties or to use these facts and information for its own benefit or for the benefit of third parties. These obligations shall continue to apply even after the expiry of the Purchase Agreement concluded between the Supplier and the Client. In the event of a breach of this obligation by the Supplier, the Client may claim a contractual penalty of CZK 300,000. Payment of the contractual penalty is without prejudice to the Client's right to claim damages.
- (2) The confidentiality obligation under the preceding paragraph of these Terms & Conditions also applies to all business secrets under Section 504 of the Civil Code, in particular all facts regarding business transactions, production and technical specifications in tangible and intangible form relating to the Client and its customers, know-how, technical solutions, strategic plans, business plans and balance sheets, designs and procedures, and any other facts relating to the Client and/or its customers that have actual or at least potential material or immaterial value for the Client and/or its customers.
- (3) The Supplier undertakes to ensure that all of its employees and third parties to whom this information is provided (if the Supplier is permitted to do so by the Client) will comply with the confidentiality obligation set out in this Article.
- (4) Unless otherwise agreed between the parties, the information provided to the Client is not confidential.

XIII. Compensation for damage

- (1) The total scope of the Client's obligation to compensate the Supplier for damage to property incurred by the Supplier in connection with the performance of the Purchase Agreement or a breach of legal regulations is limited to 10% of the total contract price (excluding VAT) for the Goods in question, for all the claims in their aggregate. Only actual damage is compensated; lost profits or other types of damage shall not be compensated. Damage is preferably compensated in cash. Any contractual penalties or other sanctions paid by the Client to the Supplier shall be credited towards damages in full. The aforementioned limitation shall not apply to damages caused intentionally or through gross negligence or to damages caused to a person's natural rights. The limitation period for claiming damages is 1 year.

- (2) The Supplier shall indemnify and hold the Client and its group companies, successors, acquirers, customers, third parties, officers, directors, employees or other agents harmless in respect of all losses, liability, damages (direct, indirect, consequential, sanctions or otherwise), claims, costs, penalties, fees, contractual penalties and expenses (including reasonable remuneration for legal and expert services), arising out of or related to: (i) a defect or non-conformity of the Goods; (ii) the Supplier's failure to comply with any representations, warranties or obligations under the Purchase Agreement; (iii) negligence or omission on the part of the Supplier in connection with the design or manufacture of the Goods, including defects in materials and/or manufacturing processes or technologies; (iv) any damage to the environment, spillage, leakage or discharge of hazardous wastes or substances caused by a defect in the Goods or failure to comply with the contractual terms and conditions relating to the Goods; (v) infringement (including indirect infringement or inducement of infringement) of any Intellectual Property Rights relating to the Goods or other property rights; or (vi) a breach of applicable legislation by the Supplier. This indemnity provision includes the liability of the Supplier for all judgments or financial settlements that might otherwise be or become the liability of the Client.
- (3) The Supplier shall assist the Client upon its request in disputes in which the Client could be involved because of the above claims and, if required by the Client, shall take part in proceedings about any dispute.
- (4) In the event of a recall, the Supplier shall bear all costs and expenses of such recall, including, but not limited to, the costs incurred by the Client in connection with notifying customers, damages, return of Goods, lost profit and other damages incurred in connection with the recall.

XIV. Personal data processing

- (1) The parties, as personal data controllers within the meaning of the General Data Protection Regulation (EU) 2016/679 (GDPR), process personal data obtained from the other party and its representatives for the purpose of negotiating the conclusion and performance of the Purchase Agreement in accordance with the rules set out in the GDPR and in accordance with these Terms & Conditions.
- (2) The subject of processing is the personal data of the other party, its representatives, employees, associates or members of statutory bodies ("**Data Subjects**"), in particular: (i) identification data (especially first and last name, job title); and (ii) contact data (especially email address and phone number).
- (3) The personal data of Data Subjects shall be processed by the parties to the extent necessary for the fulfilment of their obligations under the Purchase Agreement, the exercise of their rights, the fulfilment of legal obligations and for the purposes of related commercial communications.
- (4) The Client's privacy policy is available at www.kablovrchlabi.cz.

XV. Final provisions

- (1) These Terms & Conditions shall also apply if the Purchase Agreement is qualified as a contract for work or an unnamed contract of a similar type.
- (2) The rights and benefits provided by the Client to the Supplier under these Terms & Conditions and the Purchase Agreement apply only to the Supplier and not to other entities in the Supplier's group if the Supplier belongs to a certain group. The rights or benefits granted in this manner do not establish any rights, benefits or claims of the Supplier for similar cases in the future. These Terms & Conditions and the Purchase Agreement are governed by the laws of the Czech Republic. If the Supplier is an entity subject to foreign law, the parties hereby exclude the application of the United Nations Convention on Contracts for the International Sale of Goods (adopted by Act No.

- 160/1991 Coll.).
- (3) In the event of a conflict between these Terms & Conditions and the Purchase Agreement, the provisions of the Purchase Agreement shall prevail. In case of conflict between other documents relating to the relationship in question and the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.
 - (4) Unless otherwise agreed in the Purchase Agreement, all disputes arising from or relating to the Purchase Agreement or these Terms & Conditions shall first be settled by mutual negotiation between the parties. If the parties fail to find an amicable settlement within a reasonable period of time, the dispute shall be submitted to the competent court in the jurisdiction of the Client's registered office.
 - (5) The Supplier declares that it has read and agrees with all documents referred to in these Terms & Conditions.
 - (6) The parties agree to exclude the application of Section 557 of the Civil Code and declare that the terminology used in the Purchase Agreement may not be assigned any other interpretation.
 - (7) The parties have also agreed to exclude the application of Section 558 (2), Section 1726, Section 1728, Section 1729, Section 1754, Section 1757 (2) and (3), Sections 1798 to 1800, Section 1950 and Section 2112 of the Civil Code.
 - (8) A reply from the Supplier that contains an amendment or deviation under Section 1740 (3) of the Civil Code, does not constitute acceptance of the Client's offer to conclude the Purchase Agreement, although this does not significantly change the terms of the offer.
 - (9) In accordance with Section 1801 of the Civil Code, the parties agree to exclude the application of Sections 1798 and 1800 of the Civil Code.
 - (10) The Supplier declares that it does not have the status of a weaker party towards the Client and the parties expressly confirm that they conclude the Purchase Agreements as entrepreneurs in the course of their business.
 - (11) For the duration of the Purchase Agreement and for at least 3 years after the last Goods have been delivered, the Supplier shall have, maintain and, on request, furnish proof of adequate liability and employer liability insurance to be concluded with a reputable and financially stable insurance company, which does not relieve the Client from its contractual or other legal obligations. The sum insured cannot be regarded as a limitation of liability nor be interpreted as such. Upon the Client's request, the Supplier shall provide the Client confirmation from the insurance company that the Client is listed as another insured party and provide a waiver by the insurance company of the right to exercise any rights vis-à-vis the Client.
 - (12) The derivation of any rights and obligations from current or future practices established between the parties or from general or sectoral use relating to the subject of performance of the Purchase Agreement beyond the express provisions of the Purchase Agreement is excluded, unless expressly stated otherwise in the Purchase Agreement or these Terms & Conditions.
 - (13) The Supplier is not entitled to assign any receivable from the Client to a third party without the Client's prior written consent. The Supplier is entitled to set off its receivables that are due, enforceable, non-statute-barred and which are not disputed between the parties, provided that the set off has been agreed in writing by the Client. The Supplier is not entitled to assign rights and obligations under the Purchase Agreement, master contract or other similar contract on behalf of the Client to a third party without the Client's prior written consent. This is without prejudice to the right of the Client or the Supplier to use third parties to ship the Goods and/or transport packaging.
 - (14) If the Client at any time during the term of the contractual relationship believes that the Supplier is unable or unwilling to perform or continue to perform, the Client may request and the Supplier shall immediately assign all sub-supplies to the Client or its customer (or end customer). The Supplier agrees that the Client shall not be liable for any costs, fees or obligations associated with such assignment and that the amount due to the Supplier shall be reduced by the corresponding amount due within the assigned sub-supply.

- (15) The Supplier assumes the risk of changing circumstances within the meaning of Section 1765 (2) of the Civil Code.
- (16) Any deviations from these Terms & Conditions must be agreed in writing by the Client.
- (17) The Client may change these Terms & Conditions at its discretion. However, the Client is obliged to notify the Supplier of the change of the Terms & Conditions without undue delay by publishing the changes on its website www.kablovrchlabi.cz at least 5 days before the changes come into effect. Any change to the Terms & Conditions is accepted 5 days after its publication
 - (a) by written confirmation of the Supplier indicating its consent to the change of the Terms & Conditions; or
 - (b) by delivery of Order Acceptance; or
 - (c) by delivery of the Goods.
- (18) The Supplier hereby agrees that, in accordance with Section 630 of the Civil Code, the statutory limitation period for the Client's rights available to it in connection with the Purchase Agreement, including the right to withdraw from the Purchase Agreement, shall be extended for a period of 10 years from when the limitation period began to run.
- (19) In the event of a change in the composition of the corporate bodies or shareholders of the Supplier, the Supplier is obliged to notify the Client in writing within 10 days of such change. A breach of this obligation by the Supplier shall be considered a material breach of the Purchase Agreement and the Client may withdraw from the Purchase Agreement. Regardless of whether the Client exercises its right of withdrawal, the Client shall also be entitled to repeatedly require the Supplier to pay a contractual penalty of CZK 100,000 for each individual breach of obligations under this paragraph. Payment of the contractual penalty shall be without prejudice to the Client's right to claim damages.
- (20) Should any of the provisions of these Terms & Conditions be invalid, ineffective or unenforceable, the validity, effectiveness and enforceability of the other provisions of these Terms & Conditions shall not be affected. The parties shall cooperate with each other to replace the invalid, ineffective or unenforceable provision with a new provision to the greatest extent possible under these Terms & Conditions. The same shall apply to any possible gaps.

These Terms & Conditions come into effect on 2021-04-26.