

General trade conditions I. – raw material

1. Scope

These General Terms and Conditions apply to all contracts made between the Seller and the Purchaser unless specified otherwise in writing. It shall be understood that they agree expressly and unambiguously with these General Terms and Conditions if the Seller does not state clearly to the contrary. These General Terms and Conditions shall always prevail over the terms and conditions of the Seller or third parties. Any other terms and conditions that are not included in these General Terms and Conditions as well as any deviations from these General Terms and Conditions, even if they are issued by the Seller's representative, shall not be valid unless they are confirmed in writing by the Purchaser.

2. Entering and confirmation of orders

An order or change to an existing order shall become binding only after its written confirmation by both the Parties. Any inaccuracies in the order confirmation sent by the Seller shall be identified in writing by the Purchaser within five (5) business days of its receipt. The parties hereby exclude, pursuant to the provisions of Section 1740, Clause 3 of the Civil Code, acceptance of an offer with an addition or deviation.

3. Deliveries and terms of delivery

The delivery date shall only be the delivery date specified in an order confirmation. This delivery date shall be binding for the Seller. The Seller shall be entitled to deviate reasonably from weight or quantity of the Goods ordered by the Purchaser. The Purchaser shall receive a delivery note stating the quantities of the Goods actually delivered.

The terms of delivery agreed between the Seller and the Purchaser shall be construed in accordance with the latest versions of the international commercial terms Incoterms provided they are not in conflict with these General Terms and Conditions. Should they be in conflict, these General Terms and Conditions shall prevail over the latest versions of the international commercial terms Incoterms.

The Seller hereby confirms that that they have created an emergency strategy for emergency situations in order not to endanger deliveries to the Purchaser. Exceptions include occurrences or circumstances outside the control of the Seller, such as natural disasters, war, strikes, fires and explosions, and measures ex officio that limit the availability of products so that the Seller cannot perform their contractual obligations.

If there are certain circumstances that may hinder the performance of supplies by the delivery date specified in an order confirmation, the Seller shall inform the Purchaser about the delay in delivery and if the newly determined delivery date seems unreasonable to the Purchaser, the Purchaser shall be entitled to demand a replacement delivery (competitive material- equivalent) but for the original agreed price in the contract. In the event that the Seller is not able to provide the competitive material, the customer themselves may procure the material but the Seller shall be obliged to pay the difference in the purchase price due and, in addition, to pay a contractual penalty of 0.5 % of the total purchase price, including VAT, for each day of the delay. The Parties hereby agree to exclude the application of Section 2050 of Act no. 89/2012 Coll., the Civil Code, as amended. The Parties hereby agree that the agreed contractual penalty shall not affect the right of the Purchaser to require the Seller to pay any damages arising from a breach of the obligation to which the contractual penalty applies in addition to the contractual penalty charged. The contractual penalty shall be payable on the day of the receipt of a written notice for its payment to the Seller.

4. Prices and pricing conditions

The Price agreed by both the Parties is a contractual price, fixed and invariable.

5. Invoicing and payment terms

The maturity of all invoices shall be agreed in writing in an order and confirmed by both the Parties.

6. Reclamation and complaints

All the Complaints concerning unsatisfactory goods and/or visible defects upon the delivery of the Goods shall be submitted by the Purchaser to the Seller in writing within 10 business days from the date of delivery of the Goods.

Should there be any hidden defects that are not apparent at the time of delivery, the Purchaser shall inform the Seller of their existence within 10 days of their discovery.

7. Warranty

The Seller hereby warrants that the Goods are fully in accordance with their sales material specifications agreed upon by both the Parties. The Seller hereby warrants that the Goods offered as substandard meet their general conditions or they are identical to the samples provided to the Purchaser.

The Seller hereby provides the Purchaser with a guarantee that the purchased items as a whole will be fit to be used for usual purposes till their expiration date or that they will retain their usual properties. If no expiration date is specified, Seller hereby provides the Purchaser with warranty period of 36 months. The warranty period shall commence on the date of handover of the purchased items. When exercising the rights to claim warranty defects the process shall follow the provisions of Sections 2106 and 2107 of the Civil Code, unless stipulated otherwise. The Parties hereby agree that if there is a defect on a purchased item, the Purchaser shall notify the Seller at the latest within 10 working days of its discovery. The Purchaser shall indicate the type of claim in the notification. When the Purchaser exercises their right to claim warranty defects, the Seller shall immediately but no later than within 24 hours confirm in writing to the Purchaser the time when the right has been exercised. The Seller shall remove the defect according to the Purchaser's requirements within 2 calendar days of the complaint notification. The Parties hereby further agree that the Seller shall remove, within the above-mentioned period, any defects even when the Seller claims that they are not liable for these defects and the cost of their removal in these controversial cases shall be borne by the Seller until a resolution of the dispute by a court and the Purchaser shall pay to the Seller expedient costs arising from these cases in the event of negative decision of the dispute.

It is hereby agreed that a failure to meet the agreed deadline for removing defects or a failure to provide alternative delivery during the warranty period shall give rise to a contractual fine of CZK 10,000 for each day of delay and for each claimed defect. The Parties hereby agree to exclude the application of Section 2050 of Act no. 89/2012 Coll., the Civil Code, as amended. The Parties hereby agree that the agreed contractual penalty shall not affect the right of the Purchaser to require the Seller to pay any damages arising from a breach of the obligation to which the contractual penalty applies in addition to the contractual penalty charged. The contractual penalty shall be payable on the day of the receipt of a written notice for its payment to the Seller.

The Seller hereby acknowledges that the Purchaser's clients include mainly entities in the automotive industry that place a great emphasis on compliance with delivery deadlines concerning final products. Given this fact, even one hour of shutdown of the Work during complaint proceedings may have a big impact in terms of the Purchaser's business partners' requirements for damages or a contractual penalty charged. The Seller hereby acknowledges that if the Purchaser incurs any damage or expense due to a defect during discovered the warranty period and even during the period agreed to remove the claimed

defect, the Purchaser shall be entitled to charge the Seller the damages or other claims aimed towards the Purchaser and the Seller shall be committed to pay in full such claims without any delay.

8. Governing law and jurisdiction

These General Terms and Conditions and any contract made between the Seller and the Purchaser shall be exclusively subject to the laws of the Czech Republic.

In addition, in the interest of any disputes, the Parties hereby agree to the jurisdiction of the courts in the Czech Republic and that a competent court for resolving disputes shall be chosen according to the registered office of the Purchaser.

9. Invalidity

Invalidity or unenforceability of any provision of these General Terms and Conditions shall not affect the validity or enforceability of the remaining provisions that are contained therein.