

**General Conditions of Sale of Wikov Sázavan s.r.o.****1. Definition of Terms**

- 1.1. „Contract of Sale“ in these General Conditions of Sale shall mean the Contract of Sale, purchase order or written purchase order confirmation provided by the Seller.
- 1.2. “Goods” in these General Conditions of Sale shall mean the objects, which Seller undertakes to deliver to Buyer under the Contract of Sale.
- 1.3. “Buyer” in these General Conditions of Sale shall mean the entity described in the Contract of Sale as Buyer.
- 1.4. “Seller” in these General Conditions of Sale shall mean Wikov Sázavan s.r.o., VAT ID CZ48950874, described in the Contract of Sale as Seller.
- 1.5. “Confidential Information” means information provided by one of the parties, its employees, agents or representatives to the other party, its employees, agents or representatives, including but not limited to corporate, business, product and financial information, documents, tapes, drawings, printed parts, conceptual sketches, tool drawings, processing information, production technology or information of any kind, production plans, equipment specifications, records, components, samples, prototypes, specifications, photographs, reports and other written materials, information or hardware, whether patented or patentable or not, regardless of the manner in which such information is stored, submitted, sent or viewed, and any information obtained by visiting and inspecting the premises of a party or by inspecting any of the above.

**2. Validity of General Conditions of Sale**

- 2.1. Part of Contract: These General Conditions of Sale are an integral part of each Contract of Sale, FrameGoods Contract of Sale or purchase order concluded between the Seller and Buyer (hereinafter referred as „Contract of Sale“).
- 2.2. Obligation: By concluding a Contract of Sale, the Buyer expressly agrees to all rights and obligations in these General

Conditions of Sale and arising from these General Conditions of Sale.

- 2.3. General Conditions of Sale of Buyer: General Conditions of Sale of the Buyer which are not expressly agreed in the written form as a part of Contract of Sale do not become part of Contract of Sale, not even to any partial extent.
- 2.4. Priority: In case the Contract of Sale varies in content from the content of these General Conditions of Sale, the provisions of the Contract of Sale shall take precedence over the different provisions contained in these General Conditions of Sale.
- 2.5. Technical Delivery Regulations: If technical delivery regulations form (also including operating and maintenance instructions) is an annex to the Contract of Sale and if these technical delivery regulations vary in content from the content of the Contract of Sale or from the content of these General Conditions of Sale, the provisions of the Contract of Sale, possibly of these General Conditions of Sale shall have precedence over the different provisions of the technical delivery regulations.  
If the technical delivery regulations contain a certain regulation of the rights and obligations of the contracting parties and other facts, which rights, obligations or facts are not explicitly regulated in the Contract of Sale or in these General Conditions of Sale, such modification of the technical delivery regulations is part of the Contract of Sale.

**3. Quantity, Quality and Packing of Goods**

- 3.1. Quantity: The Seller is obliged to deliver the Goods to the Buyer in quantity determined in the Contract of Sale.
- 3.2. Quality: The Seller is obliged to deliver Goods to the Buyer in the quality that is explicitly determined by the Contract of Sale. In case the extent, quality or Goodsmanship of the Goods are not explicitly determined (maybe in part) by the Contract of Sale, the Seller is obliged to deliver the Goods to the Buyer in the extent, quality and Goodsmanship, which are suitable for

the purpose for which such a Goods is customarily used.

- 3.3. Internal Marking of Seller: The Buyer notes that the Seller shall mark the Goods by stamping his internal number or the number of the project, drawing, etc.  
Based on the timely request of the Buyer, the Seller marks the goods according to the Buyer's specification as well.
- 3.4. Packing: In case of transport, the Seller is obliged to pack the Goods or otherwise safeguard it in a way specially laid down by the Contract of Sale. If the way of packing or another way of preparing of Goods for transport is not specially determined by the Contract of Sale, the Seller is obliged to pack the Goods for transport or secure it in another way to ensure its preservation and protection.
- 3.5. Documentation: Together with the Goods the Seller shall deliver documents explicitly specified in the Contract of Sale to the Buyer. Any fault in the documentation submitted in this way or its non-submission do not represent fault of the Goods.

#### **4. Contract Conclusion**

- 4.1. Contract Conclusion: The Contract of Sale is concluded by signing the contract by both parties or by confirming the Buyer's purchase order by the Seller in writing. In case that the Contract of Sale is not signed by both parties on the same day and together, the day of handover of signed Contract of Sale to the other party is deemed as a day of conclusion of the Contract of Sale.
- 4.2. New Proposal of Seller: If the Seller proposes a certain change in the execution of the Goods in writing after conclusion of the Contract of Sale (including design or technical solution of the Goods) and the Buyer does not comment on such proposal within 7 working days of receipt of the proposal, for the purposes of Contract of Sale it is considered that Buyer agrees with the proposed changes to the Goods. In such a case, the Seller is obliged to deliver the Goods to the Buyer in the execution according to the Contract of Sale as amended in the proposal of change to the execution of

the Goods and the Buyer is obliged to take over the Goods in this way and pay the agreed price.

However, if the proposal of change to the execution of the Goods also results in a change of the price for the Goods, the assumption for the above-mentioned change of the Contract of Sale is the conclusion of an addendum to the Contract of Sale in writing.

- 4.3. Change of Contract: If any changes in the technical or contractual documentation originally handed over by the Seller to the Buyer or by the Buyer to the Seller in another form (in the offer or purchase order and in annexes to these documents or in the technical documentation itself which the offer or purchase order refers to), the Buyer is obliged to expressly notify the Seller of all changes in writing, including a comparison of changes with the form of technical or contractual documentation before the changes were made.  
If the Buyer does not fulfill the above-mentioned obligation or if the Buyer is not able to clearly demonstrate the fulfillment of the above-mentioned obligation, the technical or contractual documentation applies as amended in the form previously submitted by the Seller to the Buyer or in which the documentation was originally handed over to the Seller by the Buyer (before the changes were made), unless the Seller subsequently agrees in writing with such changes.

#### **5. Place of Delivery**

- 5.1. Place of Delivery: The place at which the Seller shall deliver the Goods to the Buyer is determined by the Contract of Sale.  
If the place of delivery is not expressly determined in the Contract of Sale, it is applied EXW according to INCOTERMS 2020 – company address of Seller at Okružní 600 28522 Zruč and Sázavou, Czech Republic.
- 5.2. Delivery Terms: If the Seller is requested by the Buyer to send the subject of Goods to a different place than determined in the Contract of Sale, the Seller's commitment to deliver the Goods (carry out the Goods) to the Buyer shall be fulfilled by handing the subject of Goods over

to the first freight forwarder to be transported to the Buyer. In that case the Seller is obliged to make it possible for the Buyer to assert its rights ensuing from the transport contract with the freight forwarder, provided the Buyer does not already have those rights under the transport contract itself made by the Seller.

## 6. Term of Delivery

- 6.1. Term of Delivery: The term of delivery is the time, when the delivery of the subject of Goods is to take place between the Contracting Parties and it is determined by the Contract of Sale.
- 6.2. Adequate Period: If the Contract of Sale does not explicitly specify the date of fulfilment, the Seller is obliged to deliver the subject of Goods to the Buyer within an adequate period of time, taking the nature of the Goods and the place of delivery into account.
- 6.3. Goods Takeover: The Buyer is obliged to take the subject of Goods over from the Seller on the day of delivery.
- 6.4. Storage: In case that the Buyer accepts the handover protocol on the handover of the subject of the Goods within the term of execution, but does not physically take over the subject of the Goods, the Seller stores the goods and the Buyer is obliged to pay the specified storage fee for this storage. If the storage conditions are not explicitly stipulated in the Contract of Sale, the Buyer is obliged to pay to the Seller a storage fee (flat-rate reimbursement of costs associated with storing and caring for the object of Goods) in a lump sum of 600,- CZK/1m<sup>2</sup> for each calendar month started. The area in m<sup>2</sup> which is relevant for the determination of the amount of storage is determined in the following ranges, the upper limit of the specified range always being used for the determination of the amount of storage:
- up to 5 m<sup>2</sup> inclusive
  - from 5 m<sup>2</sup> to 10 m<sup>2</sup> inclusive
  - from 10 m<sup>2</sup> to 20 m<sup>2</sup> inclusive
  - over 20 m<sup>2</sup> based on the reality

The storage covers the costs associated with storage, except of

costs of insurance and transportation of the subject of the Goods.

- 6.5. Delay in Advance Payment: In case the Buyer is in default in fulfilling his commitment to pay an advance of the price according to Contract of Sale, this will automatically, without further negotiations or agreements, lead to the prolongation of the term of delivery (delivery of the Goods) laid down by the Contract of Sale or these General Conditions of Sale. The term of delivery shall be prolonged by at least the same number of days as that for which the Buyer is in default in fulfilling his commitment to pay the advance of the contract price. At the same time, the Seller has the right for compensation of costs incurred in connection with this default.

However, the Seller is entitled to perform the Goods within the term agreed upon when concluding the Contract of Sale.

- 6.6. Material or Semi-finished Product Handover: If any materials or semi-finished products necessary for the production or delivery of the Goods to the Buyer are required to be delivered by the Buyer to the Seller, the Buyer is obliged to deliver such materials or semi-finished products to the Seller within the time limit fixed by the Contract of Sale. If the Contract of Sale does not explicitly fix such a term for the delivery of the materials or semi-finished products by the Buyer to the Seller, it is understood that the Buyer shall deliver such materials or semi-finished products to the Seller without undue delay after making the Contract of Sale.

Unless the Contract of Sale provides explicitly otherwise, the price for the production or delivery of the Goods fixed by the Contract of Sale or these General Conditions of Sale shall not be reduced by the price of the materials or semi-finished products thus delivered in this manner.

If the Buyer is in delay in fulfilling his obligation to deliver to the Seller materials or semi-finished products needed for the production or delivery of the Goods by the Seller to the Buyer, this will automatically, without further negotiations or agreements,

lead to the prolongation of the term of delivery (delivery of the Goods) laid down by the Contract of Sale or these General Conditions of Sale. The term of delivery shall be prolonged by at least the same number of days as that for which the Buyer is in default in fulfilling his commitment to deliver to the Seller the materials or semi-finished products needed for the production or delivery of the Goods by the Seller to the Buyer.

However, the Seller is entitled to deliver the Goods within the term agreed upon when concluding the Contract of Sale.

Material or semi-finished products necessary for the production or delivery of the Goods, which remain at the disposal of the Seller after the production or delivery of the Goods or after the cancellation of the Contract of Sale (material or semi-finished products that were not or could not be used for the production or delivery of the Goods or which had to be replaced by other material or semi-finished products for various reasons during the production or delivery of the Goods), is the Seller entitled at the Buyer's cost to liquidate, sell or otherwise dispose of them as with its own material, unless otherwise specified by the Buyer within 30 days after signing the Contract of Sale. The Seller is entitled to keep any profit from the liquidation, sale or other use of the material or semi-finished products (after deducting the costs associated with the storage, disposal or sale of the material or semi-finished products).

- 6.7. Changes: The specification or change of technical conditions of production or delivery of the Goods, performed by the Buyer after the conclusion of the Contract of Sale, extends the date of production or delivery of the Goods by at least the same number of days that elapse between the Buyer's request for such specification or change and reaching agreement of the parties to perform this specification or change. Such an agreement must be provided in writing.
- 6.8. Missing Information: In case that the Buyer is in delay with the delivery of documents or other information or does not provide other necessary

cooperation, the deadline for the Goods is extended by at least the same number of days that elapse between the Seller's request for additional information and their providing by the Buyer.

However, the Seller is entitled to produce or deliver the Goods within the original term agreed upon in the Contract of Sale.

- 6.9. Contractual Penalty: If the Buyer is in delay in fulfilling his commitment to take the subject of Goods over from the Seller, the Buyer shall pay a penalty to the Seller in an amount of 0.05 % of the price agreed in the Contract of Sale for each day of delay in fulfilling his commitment to take the subject of Goods over. In addition to the agreed penalty, the Seller is entitled to claim from the Buyer the full compensation of damage (all costs) caused to the Seller by the non-observance of the Buyer's duty to take the subject of Goods over on the day of delivery.

## 7. Price

- 7.1. Price for Goods: The price for production or delivery of the Goods is determined by the Contract of Sale. If the price for production or delivery of the Goods is not explicitly stated in the Contract of Sale, the Buyer shall pay to the Seller the customary price, which is paid for comparable Goods at the time of the effective day of the Contract of Sale, under contractual conditions similar to those contained in the Contract of Sale.
- 7.2. Value Added Tax: The Contract of Sale lays down the amount of the price for production or delivery of the Goods excluding value added tax and stipulates that value added tax shall be added to the fixed amount of the price for production or delivery of the Goods. In case the Contract of Sale fixes the amount of the price for production or delivery of the Goods without saying explicitly whether the price includes value added tax or not, it shall be understood that such a price for the production or delivery of Goods does not include value added tax and the relevant VAT shall be added to the price for production and delivery of the Goods.

7.3. Price for Packing and Transport: Unless otherwise explicitly specified in the Contract of Sale, it is understood that the price for production or delivery of the Goods stated in the Contract does not cover the price for possible packing or transport of the subject of Goods. In that case the Buyer is obliged to pay the full amount of costs incurred in the packing and transport of the subject of Goods to the Seller in addition to the agreed price for production or delivery of the Goods. The payment of such costs is due within 15 days of the issuing an invoice by the Seller to the Buyer.

7.4. Exchange Rate: If the price for the production or delivery of the Goods stated in the Contract of Sale is stipulated in a currency other than the Czech crown (CZK) and if on the day of payment of this price by the Buyer to the Seller or on the day of payment of any part of this price the exchange rate of the Czech crown (CZK) in relation to the currency of the Contract is changed to the disfavour of the other currency by more than 1.5 % as against the exchange rate as of the date of conclusion of the Contract of Sale, the Buyer undertakes to pay to the Seller a price of the Goods augmented as against its amount fixed in the Contract of Sale, so that the price for production or delivery of the Goods converted into Czech crowns (CZK) will remain the same as that valid on the day of conclusion of the Contract of Sale, as well as on the day of payment of the price of the Goods or any part thereof. For the purpose of this point, the exchange rate of the Czech crown (CZK) in relation to the other currency shall be the exchange rate fixed by the Czech National Bank.

If the due date of the price for the production or delivery of the Goods is postponed compared to the date specified in the Contract of Sale due to the Seller's delay in proving of Goods, for the purpose of this article it is considered that the day when the price for the Goods or part thereof is paid by the Buyer is the day when the price for production or delivery of the Goods would be paid in case the Seller provided the Goods in time according to the Contract of Sale.

## 8. Payment Terms

8.1. Invoice Due Date: The date on which the payment of the price for the production or delivery of the Goods is due is determined by the Contract of Sale. In case no due date for the payment of this price is explicitly stated in the Contract of Sale, the Buyer is obliged to pay this price to the Seller in the moment the Seller's obligation to deliver goods to the Buyer or to carry out Goods was fulfilled.

8.2. Obligation to pay the contract price: The obligation of the Buyer to pay the price for the production or delivery of the Goods is not conditioned by the possibility to view the Goods.

8.3. Tax Documents Form: The Seller is entitled to issue tax documents (hereinafter referred to as invoices), which the Seller is entitled and obliged to issue on the basis of a Contract of Sale, either in paper or electronic form. Invoices issued in paper form are sent by the Seller to Buyer's postal address specified in the Contract of Sale. Invoices issued in electronic form are sent by the Seller to the Buyer's e-mail address specified in the Contract of Sale. To fulfill the Seller's obligation to issue and deliver an invoice to the Buyer, it is sufficient to issue an invoice in electronic form and deliver it to the Buyer's e-mail address. At the request of the Seller, the Buyer is obliged to confirm the delivery of the invoice in electronic form to the Seller in writing. The Buyer is obliged to pay the price for the production or delivery of the Goods to the Seller within the due date of the invoice.

8.4. Payment of Price: In case of account-to-account payment, as the day of payment of the price for production or delivery of the Goods is deemed the day, on which the bank credited the amount of this price to the Seller's current account.

8.5. Non-delivery of Technical Documentation: The fact that the Seller fails to deliver the ordered technical documentation along with the Goods has no influence on the Buyer's obligation to pay the price for the production or delivery of the Goods by the deadline indicated in the Contract of Sale, possibly the moment the

- Seller fulfilled its obligation to deliver the Goods to the Buyer.
- 8.6. Other Fees: The Buyer is obliged to pay the full price for the production or delivery of the Goods specified in the Contract of Sale or these General Conditions of Sale to the Seller. The Buyer is obliged to pay any bank or similar fees, except the fees for the bank maintaining the current account of the Seller to which the price for the Goods is remitted by the Buyer without deducting these fees from the price of the Goods. If this price is not credited in full in accordance with the Contract of Sale or these General Conditions of Sale for reasons of payment (deduction) of the above fees to the current account of the Seller, the Buyer is obliged to pay this price difference to the Seller without undue delay.
- 8.7. Set-off of Receivables: The Buyer is not entitled to one-sided offset any of its own receivables or receivables acquired by assignment against the Seller's claims resulting from the Contract of Sale or these General Conditions of Sale. Offsetting against the Seller's claims resulting from the Contract of Sale or these General Conditions of Sale, including claims for the payment of advances, is only possible on the basis of a written agreement of both Contracting Parties.
- 8.8. Payment Stopping: The Buyer is not entitled to suspend the payment of the price for the Goods or any part thereof to the Seller. Suspension, e.g. due to waiting for the defect removal, is only possible on the basis of a written agreement of both parties.
- 8.9. Compensation of Damage: In case the Buyer is in delay in fulfilling its obligation to pay the price for the production or delivery of the Goods to the Seller, the Buyer undertakes to compensate the Seller for all costs incurred by it as a result of the Buyer's delay. The Buyer thus pledges to pay the costs of enforcing the Buyer's due payments, the costs incurred in the period concerned to the Buyer in securing exchange risks etc. to the Seller.

## 9. Danger of Damage to Goods

- 9.1. Danger of Damage: The danger of damage to the goods passes to the buyer at the time of take over of the goods.
- 9.2. Delay in Goods take over by Buyer: In case the buyer is in delay with his obligation to take over the Goods delivered according to conditions stipulated in the Contract of Sale or these General Conditions of Sale, the danger of damage to the Goods passes to the Buyer at the moment when the Seller allows to the Buyer to dispose of the Goods in accordance with the Contract of Sale or these General Conditions of Sale.
- 9.3. Dispatch of Goods: If the Seller is obliged according to the Contract of Sale to dispatch the Goods to the Buyer, the danger of damage to the goods passes to the Buyer by taking it over to the first carrier for transport to the destination.
- 9.4. Damage to Goods after passing of Danger of Damage: Damage to the Goods, which occurred after the passing of the danger of damage to the Goods to the Buyer, does not affect the Buyer's obligation to pay the price according to Contract of Sale.

## 10. Warranty

- 10.1. Providing a Warranty: The Seller grants the Buyer a guarantee for the Goods carried out under the Contract of Sale. By the warranty the Seller pledges to the Buyer that the Goods carried out under the Contract of Sale will be fit for use for its customary purpose for the guarantee period and that it will maintain the properties stated in the Contract of Sale. In case certain properties of the Goods are not covered by the Contract of Sale, the Seller guarantees to the Buyer that the Goods carried out under the Contract of Sale will maintain its customary properties for the period of the warranty.
- 10.2. Warranty Period: The duration of the warranty period is laid down in the Contract of Sale. If the Contract of Sale does not specify the duration of the warranty period explicitly, its duration shall be 12 months from the delivery of the Goods (making of the

- Goods) by the Seller to the Buyer, but not more than 6 months after the subject of Goods was put into operation.
- 10.3. Defect Occurrence: The Buyer is obliged to notify the Seller of any defect in writing without undue delay after the defect was ascertained.
- 10.4. Buyer's Objects: In case objects handed over by the Buyer were used in the production of goods under the Contract of Sale, the Seller shall not be responsible for any defects caused to the goods by the use of those objects, if the Seller could not, despite all expert care, uncover the unsuitability of those objects for the production of the goods, or if the Seller notified the Buyer of it, nevertheless the Buyer insisted on the use of those objects.
- 10.5. Buyer's Procedures: If technological or other procedures were used in the production of the Goods according to the Contract of Sale on which the Buyer insisted and of which unsuitability the Seller notified the Buyer in writing, the Seller is not responsible for defects of the Goods caused by the use of these procedures.
- 10.6. Goods Inspection after notifying of the Defect Occurrence: The Seller is obliged, without undue delay after the Buyer informed him in writing about the defect, to make an inspection of the Goods. The Seller and the Buyer are obliged to make a written agreement on the way the defect will be eliminated or on another satisfaction of the Buyer's claim deriving from the Seller's responsibility for the defect in question without undue delay after the written notification of the defect by the Buyer and following the inspection by the Seller.
- 10.7. Warranty Exceptions: The Seller shall not be liable for defects under the guarantee given to the Buyer by the Seller in the sense of this article and the Contract of Sale in cases, where the defects of the Goods occurred after the passage of the danger of damage to the subject of Goods (article 9) or in cases that article 9 of these General Conditions of Sale does

not relate to, after the delivery of the Goods, if the defects were caused by external occurrences and not by the Seller or persons helping them to meet the Seller's obligation towards the Buyer resulting from the Contract of Sale.

Further, the Seller shall not be responsible for defects under the provisions of the warranty given to the Buyer in the sense of this article and the Contract of Sale in cases, where the defects of the Goods were caused:

- a) by installation of the subject of Goods carried out by the Buyer in contradiction with the technical conditions delivered to the Buyer by the Seller along with the Goods,
- b) by the operation of the subject of Goods or its maintenance carried out in contradiction with the technical conditions delivered to the Buyer by the Seller along with the subject of Goods,
- c) in connection with interventions in the construction of the subject of Goods made without the Seller's consent after the subject of Goods was delivered to the Buyer,
- d) in connection with the exchange of any part of the subject of Goods made without the Seller's consent after the subject of Goods was delivered to the Buyer,
- e) by a change in the defined operating conditions,
- f) by interventions made by an unauthorized person without the written approval of the Seller,
- g) by damaging, destroying or evident manipulating the protection seal of the gearbox as a subject of Goods, made or caused by the Buyer or any other person not appointed by the Seller.

Rights from defective execution on the basis of the warranty provided to the Buyer by the Seller in the sense of this article and the Contract of Sale do not arise, or they expire in case and at the moment when the Buyer does not provide or refuses regular service inspection in the range according to technical delivery regulations.

## **11. Compensation of Damage**

- 11.1. Compensation of Damage: The Seller is not obliged to compensate the Buyer

for damage that exceeds the damage that the Seller foresaw at the time of concluding the Contract of Sale as a possible consequence of breach of any obligation arising from or under the Contract of Sale or could have foreseen on the basis of information received by the Buyer.

The Seller is not obliged to compensate the Buyer for any indirect or consequential damage incurred by the Buyer in connection with the breach of an obligation arising for the Buyer out of or on the basis of the Contract of Sale. Indirect or consequential damages are understood primarily (in no case exclusively) as damages in the form of lost profits, lost production, loss of opportunity to conclude a contract, loss of business opportunity, damages incurred in connection with production interruption, losses due to inability to use the subject of Goods, losses in the form of claims of the Buyer's customers for a contractual penalty or compensation for damage due to a delay in the production or delivery of the Goods or in connection with defects in the Goods, etc.

As a compensation of damages in connection with the breach of any obligation arising for the Seller out of or on the basis of the Contract of Sale, Seller is obliged to pay to the Buyer an amount equal to a maximum of 50% of the part of price which according to Contract of Sale relates to the part of the Goods, which caused this damage or in connection with the damage happened. If such a part of the Goods cannot be unambiguously determined, the Seller is obliged to compensate the Buyer for the damage as defined in the previous sentence, up to a maximum amount of 50% of the contract price determined according to article 7 of these General Conditions of sale.

The above-mentioned amount represents the maximum amount of the total of all compensation of damages, which the Seller is obliged to pay to the Buyer for the breach of an obligation arising out of or on the basis of the Contract of Sale. This maximum amount also includes the amounts of penalties that the Buyer became entitled to on the basis of the

Contract of Sale or these General Conditions of Sale.

The Seller is not obliged to compensate the Buyer for damage caused as a result of breach of an obligation arising for the Seller out of or on the basis of the Contract of Sale beyond the above-mentioned maximum amount of damages.

However, the above-mentioned limitations of claims for damages do not apply in case of damages caused by the Seller to the Buyer intentionally or through gross negligence. Damage caused by the Seller to the Buyer intentionally or through gross negligence is not considered damage caused by excess (unforeseen or unexpected actions) of the Seller's employee or another person authorized by the Seller to perform certain tasks within the scope of Contract of Sale.

- 11.2. Application of penalties or compensation of damage: The Buyer is obliged to apply any claim for a contractual penalty or for compensation of damages incurred by the Buyer under the Contract of Sale or in these General Conditions of Sale, in writing to the Seller no later than two months from the right to a contractual penalty or compensation of damages.

Upon the expiration of the above-mentioned period in vain, the Buyer's right to a contractual penalty or compensation for damage to the Seller expires.

- 11.3. compensation to the seller for failed production: The buyer is entitled to compensation for the costs of failed production caused by any incorrect consideration by the buyer. For example, these are hidden defects in the material (castings) delivered to the buyer for processing, due to which it is not possible to deliver the finished product in the required quality and it must be discarded. In such a case, the seller is entitled to reimbursement of the full costs, including the variable part and other related costs for this wasted production.

**12. Know-how and Patents**

- 12.1. Technical Documentation: All technical documentation which the Seller has delivered to the Buyer together with the subject of Goods under the Contract of Sale is the exclusive property of the Seller. All technical designs and other designs including processes contained in the technical documentation are also coming under the Seller's exclusive ownership.
- 12.2. Technical Documentation Disclosure by the Buyer: The Buyer may not publish the technical documentation in the sense of point 12.1 of these General Conditions of Sale, make it available to any third party or use it to the benefit of any third party. The Buyer is only entitled to use the technical documentation in connection with the use of the subject of Goods. This obligation does not apply to administration and other public bodies and auditors, if they carry out control activities or supervision regulated by law.
- 12.3. Use of Technical Documentation by the Seller: The Seller is entitled to use the technical designs and other designs and processes contained in the technical documentation mentioned in Article 12.1 of these General Conditions of Sale also for other persons.
- 12.4. Intellectual Property: It is the exclusive right of the Seller to have all new technical and other solutions found by the Seller while delivering the Goods under the Contract of Sale patented, covered by a utility or industrial design, by another industrial and legal protection facility or by regulations on the protection of intellectual property.
- 12.5. Retention of Confidential Information: Unless otherwise provided by the Party providing the information, the Seller and the Buyer, as the parties receiving the information, undertake to keep the Confidential Information received from the other party secret for five (5) years from the date of receipt of the Confidential Information reasonable measures to prevent the disclosure of the Confidential Information received to a third Party and never use the Confidential Information received for other purposes not specified in the Contract

of Sale. The standard of care which each party is obliged to take to protect Confidential Information obtained from the other Party is the level of care that party takes to protect against the disclosure, publication or dissemination of its own Confidential Information of equal importance.

**13. Disputes and Governing Law**

- 13.1. Governing Law: The Contract of Sale, these General Conditions of Sale and all the rights and duties of the Contracting Parties arising from them are governed by the legislation of the Czech Republic.
- 13.2. Jurisdiction: All disputes which may arise from this Contract or in connection with it and which cannot be eliminated by negotiations between the Contracting Parties shall be decided by the final judgment of the Arbitration Court of the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic according to its rules, by a single arbitrator. The place of arbitration proceedings is Prague.

**14. Withdrawal from the Contract of Sale**

- 14.1. Withdrawal from the Contract of Sale: If either of the Contracting Parties has substantially violated its obligation which it has under the Contract of Sale and these General Conditions of Sale and in case it has not fulfilled that obligation even during an adequate term allowed to it by the other Contracting Party, the other Contracting Party shall be entitled to withdraw from the Contract of Sale.
- 14.2. Form of Withdrawal: The withdrawal must be made in writing and must be delivered to the other Contracting Party.
- 14.3. Contract Cancellation: By withdraw from the Contract of Sale the Contract of Sale and these General Conditions of Sale shall cease. If the Seller has already performed a certain separately usable part of the Goods for the Buyer before the cancellation of the Contract of Sale, any of the contracting parties may withdraw from the Contract of Sale only in respect of the part of the Goods not yet submitted.

- 14.4. Claims: However, withdrawal and cancellation of the Contract of Sale does not affect the right to compensation for damages caused by breach of Contract, nor the agreement on damages or contractual penalties contained in Article 8.9 of these General Conditions of Sale, the compensation of damage contained in Article 11 of these General Conditions of Sale, the agreement on choice of the law and settlement of disputes contained in Article 13 of these General Conditions of Sale, nor the agreement on know-how contained in Article 12 of these General Conditions of Sale and the agreement on the handling of materials and semi-finished products supplied by the Buyer pursuant to Article 6.6 these General Conditions of Sale.

The Buyer is also obliged to compensate the Seller in full for all costs incurred for the Goods before withdrawing from the contract.

## 15. Force Majeure

- 15.1. Prolongation of Delivery Time: In case of an occurrence of force majeure the term of delivery fixed by the Contract of Sale or these General Conditions of Sale shall be automatically prolonged by the time for which the occurrence of force majeure lasts.
- 15.2. Force Majeure Notice: The Seller is obliged to inform the Buyer of the occurrence of force majeure in writing without undue delay.
- 15.3. Force Majeure: Events such as delays in the supply of subcontractors (unless caused by force majeure events), insolvency, lack of manpower or materials etc. are not considered force majeure events.
- Force majeure includes in particular events such as strikes, lockouts and all
- 16.5. shall
- 16.6. be deemed as surrender of these rights and shall result in the termination of these rights or the termination of the opportunity to apply these rights.
- 16.7. Prohibition of Employment: The Buyer undertakes not to offer the conclusion of an employment relationship to the

circumstances beyond the control of the Contracting Party, earthquake, war, fire, flood, epidemic, general mobilization, insurrection, requisition, seizure, embargo, governmental order or regulation of European Union.

## 16. Final Provisions

- 16.1. Subcontractors: The Seller reserves the right to produce the Goods with the help of subcontractors. The Seller is nevertheless directly responsible to the Buyer for the full extent of the delivery.
- 16.2. Incoterms: If the Contract of Sale refers to Incoterms, it is a reference to the International Rules for the Interpretation of Delivery Clauses – Incoterms 2020, a publication of the International Chamber of Commerce No. 560, unless the Contract of Sale explicitly provides otherwise. If the Contract of Sale contains a reference to a concrete Incoterms clause, the provisions of that clause in Incoterms become part of the provisions of the Contract of Sale.
- 16.3. Substitution of Previous Agreement: The Contract of Sale, together with these General Conditions of Sale as well as eventual technical delivery regulations mentioned in Article 2.5 of these General Conditions of Sale express the full agreement of the Seller and the Buyer concerning their mutual rights and duties connected with the production or delivery of the Goods. The Contract of Sale, together with these General Conditions of Sale, completely substitutes all previous agreements and arrangements between the Seller and the Buyer relating to the production or delivery of the Goods.
- 16.4. Omission: No omission or non-application of any rights of the Seller arising from these General Conditions of Sale or the Contract of Sale
- Seller's employees or any other contractual institute resulting in an employment relationship with the Buyer or any third party and not to enter into an employment relationship or any other contract resulting in an employment relationship with any Seller's employee. In case of a breach of this obligation, the Buyer is obliged

to pay a contractual penalty of CZK 500,000 for each individual breach of this obligation to the Seller.

- 16.8. Disposal of hazardous waste: In case the part of the object which was supplied by the Buyer to the Seller contains any waste, oil or any other hazardous waste, the Seller is entitled to dispose of this waste at the Buyer's cost.