TES VSETIN a.s. GENERAL TERMS AND CONDITIONS OF SALE

valid from 1st November 2023

PREAMBLE

These General Terms and Conditions of Sale (hereinafter the "Terms") apply to all contracts in which TES VSETIN a.s., Id. No. 17529069, with its registered office at Jiráskova 691, 755 01 Vsetín, operates as the supplier (i.e. provides performance as the seller or contractor etc.) and thus form the contents of contracts within the meaning of Section 1751 of Act No. 89/2012 Coll., the Civil Code. These Terms shall apply to all types of contracts meeting the condition specified in the preceding sentence, notwithstanding whether a purchase contract or contract for work is concerned. Where these Terms are in conflict with any provisions of a contract between the customer and the supplier, the arrangements contained in the contract shall prevail unless provided otherwise in the contract. TES VSETIN, a.s. is hereinafter referred to as the "Supplier". Within these Terms, "Customer" means a legal entity or a natural person receiving services or goods from the supplier, notwithstanding whether such party is referred to in the purchase contract as the buyer, client, etc.

1. CONCLUSION OF CONTRACT

1.1 Contracts are entered into in any form whatsoever, especially in writing if this is preferred by the supplier. In the purchase order (or at a later point, but always before entering into a contract), the Customer is obliged to specify exactly the subject of performance and its required specifications, or parameters of the performance provided. The Customer acknowledges and expressly agrees that the Supplier is not obliged to examine whether the goods/work/services being supplied are suitable for the purpose intended by the Customer. However, if the Customer advises the Supplier of the purpose and the Supplier assumes the relevant obligation in writing, the Supplier is obliged to assist the Customer, according to the Supplier's capabilities and experience, in examining the suitability of the product being supplied.

1.2 If the Supplier decides to enter into a contractual relationship with the Customer, the Supplier shall accept the purchase order in writing. Commencement of manufacture (or commencing the provision of services) is also considered to be acceptance. A contract may be entered into also implicitly by the goods being supplied by the Supplier to the Customer (with a delivery note referring to a website containing these Terms).

1.3 The Supplier shall advise the Customer at the latter's written inquiry as to whether any special tools or equipment are required for the installation and normal/extraordinary maintenance and repairs of the subject of performance. The Supplier is not obliged to advise the Customer of this fact automatically because the Supplier considers that the Customer, as a professional in the relevant field, is well versed in these matters. Similarly, the Supplier is not obliged to advise the Customer of any unsuitable instructions or defective material provided for the manufacture of any goods, with the exception of a very clearly unsuitable instruction or very clearly unsuitable material for the manufacture of the goods/work.

1.4 These Terms are an inseparable part of the concluded contract and will become binding upon both Parties. The Terms shall be attached to the concluded contract directly or in such a manner that the purchase order refers to the Internet pages where these Terms are made available to the public. If the Customer fails to state not later than upon execution of the contract that the Customer was unable to become acquainted with the Terms, it shall hold that the Terms were properly attached to the contract.

2. DELIVERY TERMS

2.1 The delivery of the subject of performance shall be governed by INCOTERMS 2010, EXW Vsetín clause, unless agreed otherwise in the contract. The risk of damage to a thing shall pass to the Customer at the time when the Customer is first allowed to physically handle the subject of performance.

2.2 Upon handover of the subject of performance, the Supplier shall also hand over the documents pertaining to the subject of performance if this was agreed in the contract or required by the legislation of the Czech Republic. The documentation shall be handed over in the Czech language unless agreed otherwise in the contract.

2.3 Upon handover of the subject of performance, the receiving party is obliged to present a valid identity card and authorisation to take over the thing (for example, power of attorney, contract for carriage). The Supplier shall hand over the subject of performance to the party (legal entity or legal person) identified by the Supplier.

2.4 If the delivery terms are EXW or FCA INCOTERMS 2010, the Supplier is not obliged to secure the goods to a vehicle. If is hereby agreed that a roofed vehicle must be used for carriage; the Supplier is not obliged to protect the subject of performance against rain.

2.5 The Customer is obliged to accept the subject of performance even if the subject of performance shows minor defects and snags that, in aggregate, do not prevent use of the subject of performance.

2.6 If the Customer is delayed with taking over the performance, the Customer agrees to pay a storage fee to the Supplier. The amount of the storage fee is hereby agreed in the following amount, depending on the weight of the subject of performance (the amounts are specified in EUR excluding VAT):

Weight of the subject of the contract (machine)	**Handling expenses**	**Transport to warehouse**	**Monthly fee**	**Maintenance – every 3 months**	
				Wrapped on a wooden pallet	**Secured against the effects of sea shipment**
Up to 15 tonnes	150	150	200	1,050	2,050
15 – 30 tonnes	250	150	200	1,100	3,100
30 – 45 tonnes	300	2,600	250	3,350	6,350
45 – 60 tonnes	500	3,000	300	3,800	8,800
Over 60 tons	To be agreed individually. If no agreement is reached, entitlement shall arise to the payment of an amount that is always by 30 % higher than indicated on the preceding line (45 to 60 tonnes) for every 15 tonnes over the weight of 60 tonnes.				

The aforementioned storage fee shall always be paid by the beginning of each month with a maturity period of ten days.

2.7 The Customer is obliged to provide for an inspection of the subject of performance not later than upon takeover. If the subject of performance shows any obvious defects, the Customer is obliged to record such defects in the handover record (or some similar proof of handover/takeover of the subject of performance).

2.8 Any and all packaging shall be disposed of by the Customer at its own expense.

2.9 If the Customer is delayed with the takeover of the subject of performance for a period exceeding two months, the contractual price shall fall due to the full extent, regardless of the fact that the subject of performance has not been performed as yet. Furthermore, the Supplier may withdraw from the contract; this shall be without prejudice to the obligation of the Customer to pay the contractual price (the contractual price covers the costs incurred by the Supplier and lost profits) and all provisions concerning the storage fee and liability of the Customer for damage.

3. TERM OF PERFORMANCE

3.1 The Supplier agrees to deliver the subject of performance within the time agreed in the contract and, if the latter is not agreed in the contract, within a time usual for similar contracts.

3.2 The time of performance of the subject of the contract (i.e. supply of goods, performance of work or provision of services) shall be automatically extended (proportionally to the time of delay or obstacles) in the following cases:

- the Customer is delayed with the payment of any amount to the Supplier (notwithstanding whether under the same contractual relationship or some other relationship);

- the Customer fails to provide the Supplier with the collaboration that is essential for the performance of the Supplier's obligation;

- the Supplier is unable to perform the obligation due to force majeure or for a reason beyond the Supplier's control.

3.3 If the Supplier is delayed with the performance of the subject of the contract, the Supplier agrees to pay to the Customer a contractual penalty of 0.02 % of the price of the delayed performance for each day of delay, although not exceeding 10% of the price of the delayed performance.

4. PRICE AND PAYMENT TERMS

4.1 The price of the subject of performance is agreed in the contract. If the price has not been agreed upon, the Customer agrees to pay the usual price to the Supplier. Where framework price lists have been arranged between the Customer and the Supplier, then, if the price has not been expressly arranged in the purchase order, the price given in such a price list shall apply.

4.2 Unless expressly agreed otherwise in the contract, VAT shall be added to the price. The Supplier may proportionally increase the price for the subject of performance in the following cases:

- due to an unforeseen increase in the Supplier's costs of input raw materials;

- due to legislative amendments that were not known at the time of execution of the contract;

- due to changes in foreign exchange rates.

4.3 The price does not include shipping costs and costs of packaging. If the contract binds the Supplier to provide also shipping or packaging of the subject of performance, the Customer agrees to pay these costs to the Supplier in the amount incurred by the Supplier.

4.4 Unless specified otherwise in the contract, the contractual price shall become payable by the following deadlines:

- the Customer is obliged to pay 50% of the contractual price + the corresponding part of the VAT within 5 days of execution of the contract. The Supplier is obliged to commence performance, or preparation thereof, only when the aforementioned part of the contractual price has been credited.

- the Customer is obliged to pay 45% of the contractual price + the corresponding part of the VAT upon delivery of the subject of performance.

- the Customer is obliged to pay 5% of the contractual price + the corresponding part of the VAT when all defects and snags have been remedied. If the subject of performance shows no defects or snags, the aforementioned part of the contractual price shall be payable together with the preceding part of the contractual price.

4.5 In the event of delay with the payment of the contractual price, the Customer agrees to pay the Supplier a contractual penalty of 0.1% of the outstanding amount for each day of delay.

4.6 No claims of the Customer may be unilaterally set off against the Supplier's claim for payment of the contractual price.

4.7 The Customer may not retain payments to the Supplier, for any reason whatsoever.

5. LIABILITY FOR DEFECTS

5.1 The Supplier is obliged to deliver the subject of performance free of factual defects, in the quantity, quality and performance according to the contractually agreed specification.

5.2 The subject of performance may not be burdened with any legal defects, for example right of pledge, retention right, etc. It shall not be deemed a legal defect if the subject of performance is encumbered (or disposal of the subject of performance is limited) with a right following from an intellectual property right if this is usual or expectable in the circumstances (for example, licence to software, other copyright to a work under the Copyright Act, etc.).

5.3 The Supplier must be advised of any defects without undue delay after the defects were ascertained, or should and could have been ascertained, but in all cases not later than 6 months of the date of handover of the subject of performance (otherwise, the rights shall expire). The Supplier is obliged to provide a statement on the notified defects not later than 20

days of the date of the notification. The Customer must provide the Supplier with all possible collaboration in assessing such defects.

5.4 If the subject of performance is vitiated by any defects, the Customer has the right to request that the defects be remedied free of charge within a reasonable time limit.

5.5 It is hereby agreed that compensation for damage shall be limited to 25% of the contractual price of the subject of performance. Consequently, in the event of breach of an obligation, a Party may only claim compensation for damage from the other Party up to an amount corresponding to 25% of the contractual price of the subject of performance. This shall not apply to harm caused to the natural rights of an individual or caused intentionally or due to gross negligence.

6. OWNERSHIP TITLE, PASSAGE OF RISK OF DAMAGE TO THE SUBJECT OF PERFORMANCE

6.1 The risk of damage to the subject of performance shall pass from the Supplier to the Customer at the time of handover of the subject of performance. If the Customer is in delay with the takeover of the subject of performance, the risk of damage to the subject of performance shall pass at the time when the delay occurs.

6.2 It is hereby agreed that the subject of performance shall be subject to retention of title. Thus, the ownership title to the subject of performance shall pass only upon payment of the subject of performance to the full extent. The Customer is obliged to ensure that the subject of performance is not built into any other thing and the Customer may not alienate or encumber the subject of performance in any manner whatsoever.

7. WITHDRAWAL FROM CONTRACTS

7.1. The Supplier may withdraw from the contract in the following cases:

a) insolvency proceedings have been initiated against the Customer;

b) the Customer has entered into liquidation or terminated or discontinued the relevant business activity;

c) the Customer has materially breached any of the obligations stipulated by the contract or these Terms;

d) the Customer fails to provide the collaboration essential for performing the contract for a period exceeding 1 month.

The withdrawal must be made in writing and the notice of withdrawal must be delivered to the Customer. In that case, the Customer is obliged to pay the Supplier an amount corresponding to the sum of the actually incurred costs and 15% of the contractual price (corresponding to fixed lost profits) for the settlement of the mutual claims.

7.2. The Customer may withdraw from the contract in the following cases:

a) bankruptcy has been adjudicated against the Supplier’s assets;

b) the Supplier has entered into liquidation or terminated or discontinued the relevant business activity;

c) the Supplier has materially breached any of the obligations stipulated in the contract and/or these Terms and has not remedied the breach within 30 days of a written notice of the breach;

The withdrawal must be made in writing and the notice of withdrawal must be delivered to the Supplier. In that case, the Supplier is obliged to compensate the Customer for the damage incurred.

8. **CONFIDENTIALITY**

8.1 Both Parties are obliged to treat as business secrets all information related to the contractual relationship that is not generally available in the respective business circles and is significant in competition. All such facts shall be deemed confidential information and the Parties are obliged to maintain confidentiality of such information.

8.2 The confidentiality obligation provided for by this Article shall not apply to information:

a) that is or becomes generally and publicly available other than through breach of the provisions of this Article by the recipient of the information;

b) that was known to the recipient and was freely available to it prior to the receipt of such information from the disclosing party;

c) that is required to be disclosed under the law.

8.3 The Parties are obliged to transfer the confidentiality obligation under this Article to all persons to whom such confidential information is disclosed in accordance with this Contract and to bind them with the obligation to maintain confidentiality. The Parties shall be liable for any damage incurred as a result of breach of the obligation to maintain confidentiality specified herein.

9. SOFTWARE PROVIDED

9.1 If the Supplier supplies software to the Customer, the Customer has a non-exclusive right to its use. The software is provided for use on the intended object supplied. The software shall not be used on more than one system.

9.2 Before providing the software to the Customer, the Supplier is obliged to take state-of-the-art, up-to-date protection measures to check it for computer viruses, Trojan horses, virus hoaxes and similar programmes, programme parts and malicious functions that may result in loss or falsification of data or programs or impairment of systems or their parts (hereinafter "computer viruses"). Nevertheless, it is not possible to rule out the risk that the software contains unknown or mutated computer viruses or that such viruses may enter an (operating or control) system of the Customer at a later point and possibly change or delete programme data of the software or other data or programmes or impair systems. Consequently, the Customer shall likewise take measures of protection against computer viruses and other malicious software. The Customer is obliged to test whether the supplied software or files are infected with computer viruses before executing the software or opening the files. This shall also apply to software that the Buyer intends to use as part of its (operating or control) systems, where the functioning of the Supplier's software may be affected thereby.

9.3 The Customer is obliged to back up data himself on a regular basis in order to prevent their loss as a result of computer viruses. If data are lost or tampered with, the Supplier is liable only for the cost of restoring them, although provided that the Customer has backed them up properly.

10. OTHER RIGHTS AND OBLIGATIONS

10.1 Any notice shall be deemed delivered to the relevant recipient on the date of receipt when delivered by fax, e-mail or delivery in person on the third business day after posting in the Czech Republic, and on the fifteenth business day after sending for the delivery of a notice abroad to the addresses indicated in the contract or to the address registered in the Commercial Register or some other register in which the addressee is entered. The following documents shall be deemed as proof of delivery of all notices that shall or may be made between the Supplier and the Customer: a) for delivery by fax, a message printed by the fax machine confirming error-free delivery to the relevant fax number specified in the contract; b) for delivery by e-mail, confirmation of delivery of the notice to the relevant e-mail address specified in the contract; c) for delivery in person, written confirmation of receipt; d) for delivery by post, the return receipt attesting to the posting of the consignment for sending by registered post to the address specified in the contract or to the address of the registered office entered in the Commercial Register or some other register, if the addressee is entered in one.

10.2 These Terms, as well as any and all contracts entered into between the Supplier and the Customer, shall be governed by the laws of the Czech Republic. Any disputes arising out of the contract shall be resolved by Czech courts. Local jurisdiction shall be determined on the basis of the Supplier's registered office. The Parties hereby expressly disapply the United Nations Convention on Contracts for the International Sale of Goods (the Vienna Convention).

10.3 If any discrepancies occur between the Czech and foreign-language versions of these Terms, the Czech version of these Terms shall prevail.

10.4 Any documents such as illustrations, drawings and information on dimensions and performance of the goods are indicative and shall not be considered decisive and binding unless they are expressly designated as binding. Any and all sketches, processes, production documentation etc. provided by the Supplier to the Customer constitute the Supplier's

copyrighted works and the Customer may not use them without the Supplier's consent within the meaning of the Copyright Act.

10.5 The Customer may not assign any claims against the Supplier without the Supplier's prior written consent.

10.6 If the Customer intends to export or transfer the subject of performance to a country or territory against which the United Nations, the European Union or the United States of America have imposed an embargo or intends to use the supplied goods in such a country or territory, the Customer must notify the Supplier of this fact in writing before the contract is executed. Any such export, transport or use of the goods is subject to the prior written consent of the Supplier. If the supplied goods are resold by the Customer, the latter must enter into contracts ensuring that the relevant obligations are transferred to the end customer ultimately holding the supplied goods. In the event of breach of an obligation, the Supplier may terminate the contract with immediate effect.

10.7 The Supplier and the Customer are obliged to comply with the respective regulations applicable to the individual components of environmental protection.

10.8 Force majeure means extraordinary circumstances that have occurred independently of the will of a Party and prevent that Party, temporarily or permanently, from performing its obligations, have occurred after the execution of the contract and could not have been averted or overcome by the Party in spite of taking all the efforts that could be reasonably required of that Party and could not have been foreseen at the time when the contract was executed. Force majeure includes, but is not limited to, natural disasters and other calamities, war, general mobilisation and civil war.

10.9 The Parties agree to inform each other about any change in their organisation and transformations of their respective companies.