

GENERAL TERMS AND CONDITIONS

relating to suppliers

of **FläktGroup Czech Republic a.s.**, ID No. 467 08 375, with its registered office at Liberec, Liberec XXV-Vesec, Slovanská 781, Postal Code 463 12, registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, section B, insert 252 (hereinafter referred to as the "**Purchaser**").

1. INTRODUCTORY PROVISIONS

- 1.1. These general terms and conditions (hereinafter referred to as "**GTC**") govern the mutual rights and obligations of the contracting parties arising in connection with or based on purchase agreements and other similar types of contracts, including contracts for the provision of services, as well as framework agreements and related orders concluded between the Purchaser as the buyer and its business partner as the seller or service provider or another performance provider (hereinafter referred to as the "**Supplier**") and form an integral part of every inquiry or order of the Purchaser or a contract concluded between the Supplier and the Purchaser.
- 1.2. In order to improve the quality of services provided, in connection with the development of the legal environment, the development of technologies, and also in view of the business policy of the Purchaser, the Purchaser is entitled to unilaterally change these GTC to a reasonable extent, especially, but not exclusively, in relation to the form of communication of the contracting parties, the method of invoicing, the range of products and services offered, complaints, and ways of terminating the contractual relationship ("**Change**"). In such a case, the Purchaser is entitled to propose a Change to the Supplier in writing no later than thirty (30) days before the day when the Change is proposed to take effect. If the Supplier does not agree with the Change, he is entitled to terminate the contract in writing, effective on the day preceding the proposed effective date of the Change. The written notice must be delivered to the Purchaser no later than fifteen (15) days before the proposed effective date of the Change. If the notice is not delivered to the Purchaser within the aforementioned period, the Change becomes effective on the proposed effective date and becomes binding on both parties.

2. CONCLUSION OF THE CONTRACT

- 2.1. A contract is concluded between the contracting parties by (i) signing the contract by both contracting parties or (ii) explicit written acceptance of the Supplier's offer by the Purchaser according to point 2.2 below or (iii) explicit written confirmation of the order by the Supplier to the Purchaser.
- 2.2. The Purchaser may make a non-binding inquiry for the Supplier's goods or services, based on which the Supplier may prepare a calculation and offer, which he will send to the Purchaser. In the case of unconditional acceptance of the Supplier's offer by the Purchaser without any changes, a contract is concluded; this does not apply if the offer or confirmation of the offer expressly states that the contract arises only by signing a written contract by both contracting parties. Modified acceptance of the offer is not allowed. Delivery of offer acceptance with an addition or deviation, which, even if it significantly does not change the offer conditions, is not an acceptance of the proposal

but is considered a stimulus for further negotiation on the form of the contract between the Supplier and the Purchaser. The provisions of § 1740 para. 3 of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as the "**Civil Code**"), will not be applied.

- 2.3. If a framework supply contract is concluded between the parties, the Purchaser will order partial deliveries via partial orders (hereinafter referred to as "**Partial Order**") containing the following details: (i) specification of goods or services; (ii) the number of pieces or the volume of required services; (iii) the internal storage number of the Purchaser and the storage number of the Supplier (relevant for goods); (iv) the required delivery date; (v) price; (vi) identification of the person who issued the Partial Order, stating her name, surname, and position and (vii) the date of the Partial Order. Confirmation of the Partial Order by the Supplier results in a partial contract.
- 2.4. The Purchaser reserves the right to revoke any order made by it in relation to the Supplier, including Purchaser, at any time, even within the period specified for its acceptance. An order of the Purchaser (including a Partial Order) is considered revoked if the revocation is received by the Supplier before he has sent the acceptance of the Purchaser's order.

3. SUBJECT OF PERFORMANCE

- 3.1. The subject of performance is the delivery of goods or a set of goods (collectively referred to as "**Goods**"), or the provision of services (hereinafter referred to as "**Services**"), as agreed in the contract, specified in the order or Partial Order confirmed by the Supplier or the offer of the Supplier accepted by the Purchaser under the conditions stated in these GTC.
- 3.2. The Purchaser is entitled to increase or decrease the quantity of Goods or Services by 50% of the total scope of Goods or Services no later than 30 working days from the conclusion of the contract, confirmation of the order, or partial order by the Supplier or acceptance of the offer by the Purchaser.
- 3.3. The Supplier is obliged to indicate in all documents, especially in delivery notes and invoices, consistent data with the labeling of Goods in the contract, order, partial order, or accepted offer, especially the internal warehouse number of the Purchaser and the warehouse number of the Supplier unless otherwise agreed in a specific case.
- 3.4. The Supplier must specify the same units of measurement for the Goods in all documents, especially in delivery notes and invoices, consistently with the data in the contract, order, or partial order or accepted offer.
- 3.5. Goods delivered by the Supplier must meet the qualitative parameters and standards agreed upon by the contracting parties in the contract, order, partial order, or accepted offer, at least to the extent specified by the relevant legal regulations, technical standards, and other relevant regulations (including industry regulations) currently valid or used in the Czech Republic.
- 3.6. Unless expressly agreed upon, the properties or design of the Goods must be suitable for the purpose expressly stated in the contract, order, partial order, or offer, otherwise for the usual purpose.
- 3.7. The Purchaser undertakes to provide the Supplier without undue delay with all necessary cooperation for the proper performance of the Supplier's obligations.

4. DELIVERY OF GOODS

- 4.1. The Supplier will deliver the Goods to the Purchaser in the agreed time to the Purchaser's warehouse at the address Liberec, Liberec XXV-Vesec, Slovanská 781, ZIP 463 12, unless the contracting parties expressly agree on a different place of performance, and the Purchaser undertakes to properly take over the delivered Goods. Services will be provided by the Supplier to the Purchaser at the time and place agreed upon in the contract, specified in the order, partial order, or the Supplier's offer accepted by the Purchaser.
- 4.2. The delivery deadline for Goods or Services specified in the contract or specified in the order confirmed by the Supplier, partial order according to the framework contract confirmed by the Supplier, or the Supplier's offer accepted by the Purchaser is binding under the conditions specified in these GTC. If the Supplier fails to meet the agreed delivery deadline for Goods or Services, he is obliged to inform the Purchaser at the latest seven (7) days before the agreed delivery date of Goods or Services and the receipt of information about non-compliance with the delivery deadline of Goods or Services must be confirmed by the Purchaser. The confirmation of receipt of information about non-compliance with the delivery deadline of Goods or Services according to this point of the GTC does not affect the obligations of the Supplier nor the rights of the Purchaser arising in connection with the Supplier's delay in delivering Goods or Services. Depending on the length of the Supplier's delay, the Purchaser is entitled to a contractual penalty according to Article 7 of the GTC and also has the right to withdraw from the contract in accordance with Article 8 of the GTC.
- 4.3. The Supplier is obliged to inform the Purchaser in writing or by e-mail about the planned delivery of Goods at the latest three (3) working days before sending the Goods to the Purchaser and provide him with the following information:
 - a) place of dispatch of the Goods;
 - b) contact person for the purpose of resolving issues related to the delivery of Goods, including a telephone number;
 - c) size of the Goods shipment at least in terms of weight, height, number of boxes, number of pallets;
 - d) tracking number of the Goods shipment at the carrier, if assigned by the carrier.
- 4.4. If the Supplier does not provide the Purchaser with information within the period and to the extent specified in point 4.3 of these GTC, or if this information is not confirmed by the Purchaser, the Purchaser is not obliged to accept the shipment of Goods. In such a case, the Purchaser has the right to withdraw from the concluded contract according to Article 8 of the GTC and also has the right to a contractual penalty according to the provisions of Article 7 of these GTC.
- 4.5. The Supplier is obliged to label each shipment of Goods always with the appropriate number that identifies the ordered Goods, usually referring to the order number of Goods, the internal warehouse number of the Purchaser, and the warehouse number of the Supplier. If the contracting parties do not agree on another reference marking of the Goods shipment (e.g., contract number, tax document number), the Supplier is obliged to state the said order number in all documentation related to the shipment of Goods,

always in such a way that a specific shipment can be clearly distinguished and determined.

- 4.6. In relation to the packaging of Goods, the Supplier is further obliged to:
- a) package the Goods in such a way that, given their nature, they are packaged appropriately, especially so that they do not lose their quality in any way and the packaging method corresponds to any storage instructions specified on the Goods packaging;
 - b) package fragile products of the Goods shipment with sufficient care so that they are protected against damage during transport, especially by packaging them in a box using special protective filler against damage.
- 4.7. The Purchaser undertakes to duly accept the Goods at the place of fulfillment, to inspect them without unnecessary delay by an authorized employee, and to confirm the receipt on the Supplier's delivery note. Goods without a properly issued delivery note are not considered to be delivered in accordance with these GTC, and the Purchaser is entitled to refuse to accept such a shipment. In such a case, the Purchaser has the right to withdraw from the concluded contract according to Article 8 of the GTC and is also entitled to a contractual penalty according to provision 7.3 of these GTC. 4.8. The risk of damage to the goods passes to the Purchaser upon receipt. 4.9. Unless otherwise agreed, the ownership rights to the Goods are transferred to the Purchaser at the moment of its delivery to the Purchaser.
- 4.8. The risk of damage to the goods passes to the Purchaser upon receipt.
- 4.9. Unless otherwise agreed, the ownership rights to the Goods are transferred to the Purchaser at the moment of its delivery to the Purchaser.

5. PRICE AND PAYMENT CONDITIONS

- 5.1. Unless otherwise stated, the price of Goods or Services includes all costs of the Supplier, for Goods mainly the costs of its production (especially material cost, labor), packaging, transportation to the place of delivery, and insurance, if agreed. The price of Goods or Services is stated without VAT, which will be added to the price in accordance with the relevant legal regulations.
- 5.2. The Purchaser is obliged to pay the Supplier the agreed price of Goods or Services based on a tax document - invoice, which will meet the requirements of a tax document under Act No. 235/2004 Coll., VAT Act, as amended, and will also contain the following information:
- a) Details of the Supplier, including: trade name, address, ID number, VAT ID;
 - b) Payment details of the Supplier, especially bank account number and bank details;
 - c) Invoicing details of the Purchaser;
 - d) Address of the Purchaser's warehouse mentioned in 4.1 of the GTC;
 - e) Due date and date of issue of the invoice;
 - f) Specification of provided Services or information about the Goods at least in the following scope:

- (i) Number that identifies the ordered Goods as per 4.5 of the GTC above, including the Purchaser's internal warehouse number and the Supplier's warehouse number;
 - (ii) Quantity of Goods by individual products (number of pieces, weight, etc.);
 - (iii) Price of each product of Goods;
 - (iv) Total invoiced amount for the delivery of Goods;
 - (v) Total VAT;
 - (vi) Total price of Goods or Services including VAT;
 - (vii) Currency.
- 5.3. The Supplier is entitled to issue an invoice no earlier than the day of proper delivery of Goods or Services according to Article 4 of the GTC.
- 5.4. Unless otherwise agreed, the due date of the invoice is sixty (60) days from the date of delivery of the invoice to the Purchaser, with the invoice usually being issued no later than fifteen (15) days after the delivery of the Goods or Services. In the case of late delivery of the invoice to the Purchaser or sending an invoice that does not contain the particulars according to 5.2 of the GTC, the agreed due date of the invoice runs only from the day of delivery of the invoice containing the details according to 5.2 of the GTC to the Purchaser.
- 5.5. The Supplier is obliged to always deliver the invoice to the Purchaser also in electronic form, always in a separate file for each individual invoice. The information on the invoice for the Goods must always match the details on the delivery note issued for the respective Goods, which the Purchaser confirmed upon delivery of the Goods.

6. LIABILITY FOR DEFECTS IN GOODS

- 6.1. Unless stated otherwise below, the rights and obligations of the Supplier and the Purchaser concerning rights from defective performance are governed by the relevant provisions of Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the "**Civil Code**").
- 6.2. The Supplier provides a warranty for defects and quality of Goods for a period of at least two (2) years from the delivery of Goods to the Purchaser or for a period specified in the contract, in the order, in the Partial order or in the accepted offer, so that the Supplier's warranty covers the warranty period that the Purchaser provides to its customers, usually two (2) years from the delivery to the Purchaser's customer.
- 6.3. The Supplier assures the Purchaser that the Goods are defect-free upon receipt. The Supplier, in particular, is liable to the Purchaser for delivering the Goods in the agreed quantity, quality, and design. The Supplier is also responsible for defects that occur within the specified warranty period after the risk of damage to the Goods has passed from the Supplier to the Purchaser. The Supplier is obliged to handle the complaint within fifteen (15) days of its assertion by the Purchaser, unless mandatory legal regulations state otherwise.
- 6.4. For all removable defects in Goods, the Purchaser has the right to have these defects removed or the right to a reasonable discount on the price or the right to withdraw from the contract, according to the Purchaser's choice. The Purchaser shall notify the Supplier

of defects in writing without unnecessary delay after detecting them. If it turns out that the defects in Goods are removable, but removing them would entail excessive costs, the Purchaser has the rights from defects according to point 6.6 of these GTC for such defects.

- 6.5. The assessment of whether the defects are removable or non-removable in a particular case, as well as the assessment of the disproportionality of costs associated with removing defects, belongs to the Purchaser.
- 6.6. For non-removable defects in Goods, the Purchaser has the right to be delivered new defect-free Goods in exchange for the defective Goods, or the right to a reasonable discount on the price, or the right to withdraw from the contract, according to the Purchaser's choice. The Purchaser shall notify the Supplier of defects in writing without unnecessary delay after detecting them.
- 6.7. The contractual parties confirm that a significant breach of contract also includes, among other things, the delivery of Goods with an expired minimum durability date or with a durability date that will expire in an unreasonably short time after the Goods are delivered to the Purchaser.
- 6.8. The Purchaser is liable for defects caused during transportation only if it organizes the transportation itself. The Purchaser is responsible for damage to the Goods caused by not following prescribed or customary methods of use, only if the Supplier duly warned the Purchaser of the proper method of use in advance.
- 6.9. All costs incurred by the Purchaser as a result of a defect in the Goods, as well as costs incurred as a result of not resolving a complaint within the period specified in point 6.3 of these GTC, will be fully reimbursed by the Supplier to the Purchaser. In the case mentioned in the previous sentence, the Purchaser is entitled to issue an invoice to the Supplier in the amount corresponding to these costs incurred by the Purchaser, with a maturity of fifteen (15) days from the date of delivery of the invoice to the Supplier. For the avoidance of any doubt, the Purchaser and the Supplier confirm that the Purchaser is entitled, at its discretion, to accept even the defective Goods delivered by the Supplier (and pay the price for this delivered defective Goods) and at the same time is entitled to charge the Supplier all possible increased costs associated with accepting such defective Goods, based on an invoice with a maturity of fifteen (15) days from the date of delivery of the invoice to the Supplier, unless mandatory legal regulations state otherwise.
- 6.10. If the Purchaser identifies a defect, it is obliged to take such measures to minimize the occurrence of further possible related damages, to the extent that it can reasonably be required from him.

7. SANCTIONS

- 7.1. In case the Supplier breaches its obligations set out in sections 4.5 and 4.6 of the GTC when delivering the Goods, the Supplier is obliged to pay the Purchaser a contractual penalty of 10% of the total price of the delivered Goods in which he breached his obligation.
- 7.2. If the Supplier fails to fulfill its information obligation in accordance with section 4.3 of the GTC, the Supplier is obliged to pay the Purchaser a contractual penalty of CZK 5,000 (in words: five thousand Czech crowns) for each individual case of breach of this obligation.

- 7.3. In the event the Supplier is delayed in delivering Goods or Services by more than five (5) days, the Supplier is obliged to pay the Purchaser a contractual penalty of 10% of the total price of the delivered Goods or Services. If the Supplier's delay in delivering Goods or Services lasts longer than seven (7) days, the amount of the contractual penalty increases by 10%, and the Supplier is then obliged to pay the Purchaser a contractual penalty of 20% of the total price of the delivered Goods.
- 7.4. The Purchaser is entitled to unilaterally offset the contractual penalties under this GTC article and all costs incurred by the Purchaser in accordance with article 6.7 of the GTC against the Supplier's claims for payment of the price of Goods or Services in the form of a discount on the price of Goods or Services.
- 7.5. The contractual penalty under this GTC article is due on the day the Purchaser's claim for its payment arises. The Purchaser's claim for a contractual penalty under this GTC article does not affect the right to full compensation. The Purchaser is entitled to assert these claims independently and in full, regardless of the assertion or payment of the contractual penalty by the Supplier.

8. TERMINATION OF CONTRACT

- 8.1. The contract can be terminated only by:
- a) mutual agreement of the contracting parties;
 - b) written notice for reasons specified in the contract or GTC;
 - c) withdrawal from the contract for reasons specified in the contract or GTC, with immediate effect, unless otherwise expressly agreed.
- 8.2. The reason for withdrawal by the Supplier is (i) the Purchaser's delay in providing cooperation necessary for proper performance by the Supplier, (ii) the Purchaser's delay in payment of any amount owed to the Supplier for more than 30 days.
- If the Supplier has a reason to withdraw, it will first deliver a written notice to the Purchaser with a call for remedy within a reasonable additional period, which will not be shorter than seven (7) working days. After the fruitless expiry of this period, the Supplier may withdraw from the contract in writing.
- 8.3. The reason for withdrawal by the Purchaser is (i) the Supplier's delay in delivering Goods or Services for more than seven (7) days, (ii) repeated failure to provide information before delivering Goods as per section 4.3 of the GTC, (iii) more than 10% of the delivered Goods in a single shipment were not delivered in accordance with section 4.6 of these GTC; or (iv) any other significant or repeated breach of the Supplier's obligations under the contract or these GTC.
- 8.4. If insurmountable obstacles occur on the part of the Purchaser, not caused by the Purchaser, which prevent the fulfillment of its obligations to the Supplier, the Purchaser also has the right to unilaterally withdraw from the contract in writing.
- 8.5. In the event of withdrawal from the contract by the Purchaser under the GTC, the Supplier bears in full any costs of transporting the Goods to the Purchaser and back.
- 8.6. The right to claim contractual penalties under Article 7 of the GTC and any other monetary claims arising from these GTC do not expire by withdrawing from the contract.

9. CONFIDENTIALY OF INFORMATION

- 9.1. The Supplier undertakes not to disclose to third parties, except for those who must be informed for legal reasons (e.g., subcontractors or legal representatives), any information or documents exchanged between them and the Purchaser related to the contract, without the prior consent of the Purchaser. The Supplier is liable for any damage caused to the Purchaser by violating this obligation.

10. FINAL PROVISIONS

- 10.1. Unless otherwise provided in these GTC, these GTC and individual contracts are exclusively governed by and will be interpreted exclusively under the law of the Czech Republic to the fullest extent permitted, excluding the application of conflict of laws rules and international treaties that would, even in part, lead to the application of a law other than that of the Czech Republic. Relations not expressly and/or differently regulated in these GTC and/or contract will be governed by general legal regulations of the Czech Republic within their scope, especially the Civil Code. The Purchaser and the Supplier may agree in the contract to use the international trade terms INCOTERMS in their current version; if the contract refers to a specific INCOTERMS clause, the provisions for this clause in INCOTERMS become part of the contract.
- 10.2. The Supplier's terms and conditions that are in conflict with or deviate from these GTC or the contract are ineffective in this respect unless the Purchaser expressly agrees in writing.
- 10.3. All disputes arising from and in connection with the contract, which cannot be resolved through negotiation between the parties, will be decided by the general court of the Purchaser.
- 10.4. The contractual parties exclude the application of provisions § 1757, 1765, and 1766 of the Civil Code.
- 10.5. Unless expressly stated otherwise, any changes to the contract must be made in the form of a written amendment signed by both contractual parties. This does not apply in the case of changing contact persons, where only prior written notice is required, and in the case of a Change in the GTC, which is regulated in point 1.2 of the GTC.
- 10.6. The Supplier declares that they have properly read these GTC, considers them to be clear, and fully acceptable and reasonable in all respects.
- 10.7. These GTC are effective from September 1, 2023.

FläktGroup Czech Republic a.s.