

**General Purchasing Conditions of Vychodoceske plynarenske strojirny, a.s.,
Company ID No. 601 08 819, with its registered office at No. 16, 538 34 Rosice,
entered in the Commercial Register maintained by the Regional Court in Hradec
Králové, Section B, File 1017 (hereinafter referred to as the "Company")**

Version as of September 1, 2024

(Pursuant to Section 1751(1) of Act No. 89/2012 Coll., the Civil Code, as amended,
hereinafter referred to as the "Civil Code")

1. Scope and Validity

1.1. These General Terms and Conditions of Purchase (hereinafter also referred to as the "General Terms and Conditions") shall apply to all framework and individual purchase contracts concluded by the Company as the purchaser with its supplier as the seller (hereinafter referred to as the "Purchase Contract"), unless a specific framework or individual purchase contract contains any written provisions to the contrary.

1.2. The Company insists exclusively on the application of these General Terms and Conditions and excludes the conclusion of a purchase contract to a different extent, unless otherwise agreed in writing with the seller in a specific case.

2. Conclusion of the Purchase Contract

2.1. The purchase contract shall be concluded at the moment when the seller confirms in writing (accepts) the previous proposal to conclude the contract (offer) made by the Company (hereinafter referred to as the "Offer"). The Offer shall always contain the identification of the goods purchased, including information on the required quantity and price for the ordered goods. The Offer may also contain further details, such as a proposal for determining the purchase price, the delivery deadline, the required quality, a reference to the drawing documentation, requirements for meeting technical standards, the goods card number, or a reference to a previously concluded framework purchase contract.

2.2. The seller is obliged to confirm the Offer within 48 (forty-eight) hours of its delivery, unless the Offer contains a different deadline for confirmation. After the expiration of this deadline, the Company shall no longer be bound by its Offer, unless it notifies the seller that it considers the delayed acceptance as timely, or begins to act in accordance with the Offer. Any changes, additions, or deviations contained in the acceptance of the Offer, regardless of whether they substantially or insubstantially change the terms of the Offer, shall only bind the Company if it gives its additional consent in writing.

2.3. Until the Offer is accepted by the seller, the Company is entitled to revoke the Offer.

2.4. Legal acts relating to the process of concluding a framework or individual purchase contract shall take place between the Company and the seller exclusively in writing

(electronic means of communication, in particular fax and email communication, are also permitted).

3. Purchase Price and Payment Terms

3.1. Purchase Price: The purchase price shall be determined in the amount or manner agreed upon in the framework or individual purchase contract, and shall always correspond to the price stated in the offer.

3.2. Final Price and Costs: The purchase price is fixed and final and always includes all additional costs of the seller, in particular packaging, transportation costs, and insurance of the goods. The seller's entitlement to payment of the purchase price shall arise only upon proper and timely delivery of the goods to the Company and upon the acquisition of unrestricted ownership of the goods by the Company.

3.3. Invoicing: The seller shall invoice the Company with a proper tax document (invoice), provided that it contains all the statutory requirements stipulated by Act No. 235/2004 Coll., on value added tax, as amended, including the specification of the rate and amount of value added tax in Czech currency. If the seller is a VAT payer, it is obliged to prove this fact to the Company. In the event that the tax document does not contain all the requirements required by law, or contains factual errors, or does not correspond in any way to the Offer or these General Terms and Conditions (in particular paragraph 9.1), the Company is entitled to return the tax document to the seller and the seller is obliged to deliver a corrected document to the Company, whereby the payment deadline shall commence from the delivery of the corrected invoice.

3.4. Payment Terms: The due date for invoices shall be bindingly specified in the Offer. In the case of payment of the invoice within 14 days of its delivery to the Company, the Company shall be entitled to a discount from the purchase price of 2% of the purchase price (excluding VAT).

4. Acquisition of Ownership and Risk Transfer

4.1. Transfer of Ownership: The Company shall acquire ownership of the goods upon its acceptance from the seller or a third party.

4.2. Transfer of Risk: Upon acquisition of ownership of the goods by the Company, the risk of damage to the goods shall pass to the Company.

4.3. Seller's Responsibility: The seller is obliged to ensure that the goods are packed and transported in a professional manner. The seller shall be liable for damage to the goods caused by insufficient or improper packaging of the goods, even if the Company accepts the goods.

5. Delivery of Goods and Delivery Time

5.1. Delivery: The goods shall be delivered by the seller properly and on time if the goods are delivered to the Company and handed over in the quantity, quality, design, and time specified in the framework or individual purchase contract. The place of performance shall be the registered office of the Company, unless otherwise agreed.

5.2. Accompanying Documents: Upon delivery of the goods, the seller is obliged to hand over to the Company all documents necessary for the acceptance and further use of the goods, as well as any other documents specified in the framework or individual purchase contract.

5.3. Early Delivery: The goods may be delivered by the seller to the Company even before the expiration of the delivery deadline only with the prior written consent of the Company. Without granting such consent, the Company is entitled to refuse acceptance of such goods.

5.4. Penalties for Late Delivery: In the event of a breach of the seller's obligation to deliver the goods within the delivery deadline, the seller shall pay the Company a contractual penalty for each day or part thereof of such delay in the amount of 0.05% of the total purchase price of the goods (including VAT) stated in the Offer. The payment of the contractual penalty shall not affect the Company's right to claim damages or other rights arising from defective performance. The contractual penalty shall be payable upon the Company's request.

5.5. Penalty for Non-Compliance with Quantity, Quality, or Design. If the seller fails to deliver the goods in the agreed quantity, quality, or design, the seller shall pay the Company a contractual penalty in each individual case of 0.05% per day of the total purchase price of the goods (including VAT), starting on the 3rd day from the date on which the Company informs the seller of the breach of its obligation until the day on which the seller delivers the goods properly and on time. Payment of the contractual penalty shall not affect the Company's right to claim damages or other rights arising from defective performance. The contractual penalty shall be payable upon the Company's request.

6. Liability for Defects, Notification of Defects

6.1. Inspection: The Company undertakes to inspect the goods for obvious defects upon using the delivered goods in production, at the latest within three years of taking over the goods.

6.2. Notification of Defects: The Company undertakes to notify any detected defects (whether obvious or hidden) at the latest within two months of their detection. Within the same period, the Company shall assert the following right from defective performance in connection with the defective performance, whereby the choice of a

specific right is entirely at the discretion of the Company, regardless of whether the defective performance constitutes a material or immaterial breach of the contract:

- Replacement of the defective item with a new, defect-free item or delivery of the missing item, provided that the Company is entitled to obtain a new item of similar quality from a third party, and all costs of acquiring a new item from a third party shall then be charged to the seller, who undertakes to reimburse the Company within 5 days of receiving the request.
- Repair of the defect.
- Right to a price reduction.
- Right to withdraw from the contract.

6.3. Reimbursement of Costs: The Company shall have the right to claim reimbursement from the seller for costs associated with exercising rights from defective performance, which may in particular include costs for the legal assessment of the justification of the Company's claim by a third party, usually a law firm cooperating with the Company, or costs for preparing an expert opinion. The Company is entitled to claim reimbursement from the seller for costs associated with the detected defects at the latest within 3 years from the date on which it notified the seller of the defect.

6.4. Additional Damages: The assertion of a claim for a right from defective performance shall not affect the Company's right to claim damages caused by the defect in the goods or damages incurred by the Company in connection with resolving the removal of the defect in the goods. Such damages may include, but are not limited to, the Company's costs of dismantling the defective goods and transporting them to the seller, travel expenses of the Company's employees or persons cooperating with the Company on the basis of a separate contractual relationship, costs of tolls, customs duties, and similar fees. The Company is entitled in this case to charge the seller with all costs incurred in connection with resolving the defective product, multiplied by a coefficient of 1.2 to account for the Company's overhead costs associated with resolving the claimed defect, and the seller undertakes to reimburse the Company for this damage within 10 days of receiving the written invoice. The Company is also entitled to claim lost profits from the seller in connection with the defect in the product.

7. Warranty and Complaints

7.1. Warranty: The seller provides the Company with a quality warranty, stating that the delivered goods shall be fit for the agreed or usual purpose and shall retain the agreed or usual properties, functions, and performance for a period of 3 (three) years from the date of delivery. The warranty period shall be extended by the period during which the Company cannot use the goods due to defects covered by the provided warranty.

7.2. Warranty Claims: Within the framework of the provided quality warranty, the Company shall be entitled at its discretion to demand:

- Replacement of the defective item with a new, defect-free item or delivery of the missing item, provided that the Company is entitled to obtain a new item of similar quality from a third party, and all costs of acquiring a new item from a third party shall then be charged to the seller, who undertakes to reimburse the Company within 5 days of receiving the request.
- Repair of the defect.
- Right to a price reduction.
- Right to withdraw from the contract.

7.3. Notification of Defects: The Company must notify the seller of any defect covered by the warranty within the period specified by the duration of the warranty.

7.4. Reimbursement of Costs: The Company shall have the right to claim reimbursement from the seller for costs associated with asserting a claim, which may in particular include costs for the legal assessment of the justification of the claim by a third party, usually a law firm cooperating with the Company, or costs for preparing an expert opinion. The Company is entitled to claim reimbursement from the seller for costs associated with asserting a claim at the latest within 3 years from the date on which it notified the seller of the defect covered by the warranty.

7.5. Additional Damages: The assertion of a warranty claim shall not affect the Company's right to claim damages caused by the defect in the goods or damages incurred by the Company in connection with resolving the removal of the defect in the goods covered by the warranty. Such damages may include, but are not limited to, the Company's costs of dismantling the defective goods and transporting them to the seller, travel expenses of the Company's employees or persons cooperating with the Company on the basis of a separate contractual relationship, costs of tolls, customs duties, and similar fees. The Company is entitled in this case to charge the seller with all costs incurred in connection of resolving the defective product, multiplied by a coefficient of 1.2 to account for the Company's overhead costs associated with resolving the claimed defect, and the seller undertakes to reimburse the Company for this damage within 10 days of receiving the written invoice. The Company is also entitled to claim lost profits from the seller in connection with the defect in the product.

8. Product Liability

8.1. Manufacturer's Liability: As a manufacturer, importer, or distributor within the scope of the supply of goods, the seller shall be liable for ensuring that the product meets all legal requirements for the product and its safety, and that, in particular, in the case of

so-called specified products, it meets the technical requirements for products laid down by the relevant legal regulation.

8.2. Declaration of Conformity: The seller shall be expressly liable for having a declaration of conformity within the meaning of Act No. 22/1997 Coll., on technical requirements for products, as amended, and shall provide a copy of the declaration of conformity to the Company at the latest simultaneously with the goods.

8.3. Joint Liability: The seller shall be jointly liable with the manufacturer for any damages caused as a result of any defects in the product in accordance with the relevant provisions of the Civil Code on liability for damages caused by a defective product.

8.4. Product Liability Insurance. The seller is obligated to establish and maintain, for the entire duration of the contractual relationship with the buyer, product liability insurance, the amount of which shall be commensurate with the subject matter of the framework or individual purchase contract and shall adequately cover the seller's warranty risks, including any remediation of damages to which the seller is obligated pursuant to clauses 6.4 and 7.5 of these General Terms and Conditions. The Company requires that the seller's insurance have worldwide territorial validity. This liability insurance must be duly and verifiably evidenced by the seller upon the Company's request.

9. Information for Intrastat

9.1. The seller is obligated to provide the buyer with information on the goods for the purposes of Intrastat, in particular the HS code, country of origin of the goods, goods card number (if indicated in the Offer), and weight. The seller is obligated to include this information on the invoice for the goods in question.

10. Dual-Use Goods and Technologies

10.1. The seller is responsible for complying with special legal requirements relating to the international control regime for trade in dual-use goods and technologies. In this respect, the seller is responsible in particular for complying with all legal obligations arising from Council Regulation (EC) No. 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering, and transit of dual-use items, as amended by the relevant current Annex I, which contains a list of dual-use items.

11. Environmental Protection

11.1. The seller is obligated to comply with all relevant national and European environmental protection regulations for all deliveries of goods, including Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals

(REACH), and products and parts that are part of the delivery must not contain any products, materials, or substances that are prohibited by the relevant legal regulations.

11.2. If it becomes apparent that the goods violate environmental regulations and, in this connection, the Company is imposed any monetary penalty by public authorities, the seller undertakes to reimburse the Company for damages corresponding to the imposed penalty and the costs of the Company's legal representation in administrative proceedings, upon the written request of the Company.

12. Intellectual Property and Documentation

12.1. All drawings, calculations, models, matrices, and samples, as well as all other materials provided in connection with the deliveries of goods by the Company to the seller, shall remain the exclusive property of the Company and must be returned to the Company upon the Company's request without undue delay, at the latest within 3 working days. Without the written consent of the Company, they may not be provided or made accessible to third parties by the seller in any way. In the event that the seller makes any materials owned by the Company accessible to a third party without its written consent within the meaning of this paragraph, the seller undertakes to pay the Company a contractual penalty of CZK 500,000 in each individual case, without prejudice to the Company's right to claim damages. The contractual penalty shall be payable upon the Company's request.

13. Governing Law and Jurisdiction

13.1. Governing Law: The legal relations arising from and in connection with these General Terms and Conditions shall be governed by the law of the Czech Republic, in particular by the provisions of the Civil Code. The application of the United Nations Convention on Contracts for the International Sale of Goods, published as Notification No. 160/1991 Coll. on the conclusion of the United Nations Convention on Contracts for the International Sale of Goods, is excluded.

13.2. Jurisdiction: The Company and the seller agree on the international and local jurisdiction of the District Court in Hradec Králové for the settlement of all claims related to the framework purchase contract or individual purchase contract, within the meaning of Section 89a of Act No. 99/1963 Coll., the Code of Civil Procedure, as amended, and within the meaning of Article 25 of Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).

13.3. Limitation Period: The limitation period for asserting claims related to the framework purchase contract or individual purchase contract shall be four (4) years.