

## 1. Scope

These Commercial Terms and Conditions (hereinafter as “CTCs”) are incorporated by reference into every contract for the manufacture and delivery of goods entered into by and between ZÁLESÍ a.s. (hereinafter referred to as “ZÁLESÍ”) as the contractor and seller and a client as the client and buyer (hereinafter referred to as the “Client”). Any other terms and conditions, including but not limited to the Client’s terms and conditions of purchase, will apply only if ZÁLESÍ expressly agrees with the binding effect of such terms and conditions in writing before concluding the contract.

The parties may amend, supplement or exclude individual terms hereof by inserting an express provision to that effect in the contract. In this regard, the arrangements made in the contract shall take precedence over these CTCs.

## 2. Subject-Matter

These CTCs define the rights and obligations of the parties.

ZÁLESÍ agrees to properly manufacture and deliver the goods to the Client in the agreed quantity under a contract.

If no separate written contract is concluded, the contract for the manufacture and delivery of the goods shall be deemed to have been concluded upon the acceptance of the offer made by ZÁLESÍ without reservations by the Client or upon the acceptance of the Client’s purchase order by ZÁLESÍ. A purchase order shall be deemed to be binding from the date of its acceptance by ZÁLESÍ. ZÁLESÍ reserves the right to reject any purchase order.

Any illustrations, drawings, calculations, other documents and data made by ZÁLESÍ are subject to ZÁLESÍ’s copyright. Neither party is authorised to use any commercial, production or technical data, of which the party has learnt or which it has obtained under a concluded contract, in conflict with the interests of the other Party or for its own benefit or for the benefit of any other party. This provision will survive the termination of the contract. Confidential information includes all commercial, production and technical information not commonly available in the relevant business circles.

Any disclosure of such information to a third party will require a prior written consent of ZÁLESÍ.

Compliance with the delivery dates and quantities is subject to the proper and timely cooperation of the Client which includes but is not limited to:

- sending forecasts and purchase orders

- paying invoices by due dates
- provision of timely information about upcoming technical modifications

### 3. Delivery Terms and Deliveries

Unless otherwise stated in the contract, the agreed place of delivery is the registered office of ZÁLESÍ (EXW according to Incoterms 2010).

The title to the products will pass onto the Client upon the proper payment of the purchase price.

The risk of damage to a thing will pass upon the acceptance of the goods by the Client on the basis of a duly confirmed delivery note or, where relevant, upon the handover to the first carrier for transport to the Client.

Unless otherwise agreed, the Client agrees with partial deliveries of the agreed quantity and early deliveries.

### 4. Price of the Goods and Payment Terms

The price is specified in the concluded purchase contract or the relevant price list. ZÁLESÍ reserves the right to unilaterally change the price list.

The right to claim payment of the price for the goods and the relevant services arises on the date of compliance with the obligation under the contract.

The Client shall pay the billed amount to the account of ZÁLESÍ within the time limit specified in the contract. Unless otherwise stated in the contract, invoices issued by ZÁLESÍ will be payable within 30 days of the invoice date.

Payment retention, claim assignment or set-off of the Client's claims is excluded unless approved by ZÁLESÍ in writing.

Justified objections to the payment document must be communicated to ZÁLESÍ by the relevant due date. ZÁLESÍ will not take into account any objections raised after the due date.

ZÁLESÍ reserves the right to discontinue deliveries in the event that invoices are not paid by the Client by the due date. In the event of the Client's default in payment of invoices, ZÁLESÍ will be entitled to claim a contractual fine of 0.05% of the outstanding amount for each day of default or part thereof.

Prices are calculated based on the market prices of input costs on the offer date. In case of unexpected increases in prices of input materials or an unfavourable change in the exchange rate between the Czech koruna and other currencies, ZÁLESÍ reserves the right to negotiate an increase in the prices of its products.

## 5. Force Majeure

In case of force majeure, ZÁLESÍ is entitled to suspend deliveries for the duration and to the extent of force majeure, including but not limited to operational disturbances, transport disruptions, disturbances of power supply and strikes. In the event that a disruption lasts for 6 weeks or ZÁLESÍ becomes unable to continue to supply the products due to a disruption, ZÁLESÍ and the Client are entitled to withdraw from the contract.

## 5. Quality of the Goods and Liability for Defects

Approved drawings, descriptions and samples ordered by the Client are binding for both parties. Unless otherwise agreed, ZÁLESÍ will not start production without sampling parts and without the Client's written sample confirmation and approval.

ZÁLESÍ is responsible for ensuring that all goods delivered are manufactured and delivered with the quality parameters specified in the contract and in accordance with applicable laws and regulations, including compliance with qualitative requirements in storage and transport. Liability for defects will be governed by applicable laws and regulations.

Claims from liability for defects and compensation for damage cannot be made if the defect is caused by improper handling, maintenance, installation, improper use, negligent handling or routine wear and tear, by the Client or any third party.

If the claim is made in a timely manner and is justified, ZÁLESÍ shall remedy the defect at its own discretion, usually in the form of a replacement delivery or repair of the defect.

As part of each claim, the Client shall demonstrate the liability of ZÁLESÍ for the defect.

## 6. Final Provisions

The Client agrees to notify ZÁLESÍ within 15 days in writing of any organisational changes resulting in the transfer of rights and obligations under contracts and these CTCs onto another legal entity and to communicate the correct name of the new entity.

In the event that one of the parties suspends payments, is subject to insolvency proceedings initiated against it or goes bankrupt, the other party will be entitled to withdraw from the portion of the contract that has not been performed by then.

In the event that any provision of these CTCs becomes invalid, the remaining provisions shall remain unaffected. Both parties will replace the invalid provisions with provisions that come as close to the invalid provision as possible.

The parties agree that their legal relationships will be governed by the laws of the Czech Republic. The general court of ZÁLESÍ will have jurisdiction over any legal disputes.