

**§ 1 General – Scope**

1. These General Terms and Conditions of Purchase shall apply exclusively to the legal relationship between Schenck Process s.r.o., ID No.: 41692292, with the registered office at Prague 6 - Ruzyně, Na Hůrce 1041/2, postal code 161 00 (hereinafter referred to as “Customer”) and the Supplier in connection with orders, unless different terms and conditions have been agreed for a single order. These Terms and Conditions shall apply both for purchase contracts and contracts for work. The Supplier's business terms and conditions that are contrary to or deviate from these General Terms and Conditions of Purchase shall not apply, unless the Customer expressly agrees with their application in writing. These General Terms and Conditions shall also apply if the Customer accepted without reservation the Supplier's business terms and conditions with which the Customer was acquainted and which are contrary to or deviate from these General Terms and Conditions of Purchase.
2. Deliberately omitted.
3. These General Terms and Conditions of Purchase shall only apply in relation to enterprises.
4. These General Terms and Conditions of Purchase shall also apply to all future commercial transactions with the Supplier.
5. Legally relevant declarations shall be in writing to be effective.

**§ 2 Order – Order Documentation**

1. The order has to be confirmed immediately. For this purpose, the Supplier shall sign a copy of the order in their name (in case of a legal entity, the name of that entity shall be provided) and send it back to the Customer. Placed orders are deemed to have been accepted if the Supplier does not oppose or otherwise inform the Customer in writing within 7 working days after their delivery that the Supplier does not want to conclude the contract. If the order confirmation deviates from the order, the Supplier shall point out this deviation distinctly (e.g. using a special mark) and contact the Customer in writing without delay. Changes made by the Supplier in the order shall be valid only if confirmed by the Customer in writing.
2. The Customer reserves the ownership right and the copyright to pictures, drawings, calculations and other supporting documents. They may only be disclosed to third parties with the Customer's express written consent. They may only be used for production based on the Customer's order; they shall be automatically returned to the Customer after the order is processed or if the order will not be executed. They have to be kept confidential in relation to third parties.

**§ 3 Prices – Terms of Payment**

1. The price stated in the order is the maximum price and is binding. The price includes all costs in relation to the delivery and service that the Supplier is obliged to provide, such as packing, the technical documentation, the instructions for use, etc.
2. All applicable customs duties, taxes, levies and costs for import arisen from or in connection with the order shall be borne by the Supplier.
3. Unless otherwise agreed, the prices stated in the order shall be exclusive of VAT; VAT in the statutory amount shall be added.
4. The Supplier may issue invoices and the Customer may process them only if they indicate – in accordance with the requirements in the order – the order number stated in the order; the Supplier shall be responsible for all consequences of the failure to comply with this obligation unless they can prove not to be responsible for such non-compliance.
5. Unless otherwise agreed in writing, the Customer shall pay the purchase price within 90 days after the receipt of delivery and the invoice. Unless otherwise agreed between the Customer and the Supplier, advanced payments shall not be made. The day of effecting the payment shall be the day on which the Customer's bank received the respective payment order.
6. The Customer shall be entitled to set-off and retention in accordance with the law. If the delivery or performance is defective or incomplete, the Customer shall be particularly entitled, in addition to its other rights, to retain payments from the business relation in a reasonable volume until proper performance, providing the respective receivable is indisputable or legally binding.

**§ 4 Delivery**

1. The delivery time stated in the order is binding.
2. Deliveries are DAP (Incoterms 2010) to the place of delivery designated in the order, unless otherwise agreed between the Customer and the Supplier.
3. Deliveries shall be performed in the necessary packing. Return of the packing has to be agreed separately.
4. If the delivery includes machines and/or parts of machines, the technical documentation and full instructions for use have to be delivered for free. The technical documentation shall comply with the EC Directive for Machines (2006/42/EC). The Customer acquires gratuitous ownership right and right of use to this technical documentation. In case of software, the delivery obligation shall be fulfilled only after complete documentation was handed over.
5. The Supplier is obliged to exactly indicate the Customer's order number on all transport papers and delivery notes. Should the Supplier fail to do so, the Customer shall not be responsible for delay in processing them.
6. The Supplier is obliged to notify the Customer without undue delay in writing if circumstances occur or become evident to the Supplier from which it follows that the agreed delivery time cannot be met. The agreed delivery time shall not be extended by such information.
7. In the event of a default of delivery, the Customer shall be entitled to raise legal claims. If the Customer demands compensation for damage, the Supplier shall be entitled to prove that they are not responsible for breach of this obligation.
8. If the Supplier fails to comply with the delivery time, the Customer shall be entitled to request a contractual penalty. The contractual penalty shall amount to 0.5% from the price of the goods excl. VAT per one working day, but not exceeding 5% of the total net amount of payment for the goods. The Customer shall be entitled to claim the contractual penalty until the final payment even though the Customer did not expressly reserve the right to be paid penalty in case of delayed delivery. Other claims of the Customer resulting from failure to comply with the delivery time shall remain unaffected, including the Customer's right to compensation for damage.
9. Early or partial deliveries may only be made upon our prior written consent.

**§ 5 Transfer of Risk**

1. Transfer of the risk of damage shall occur at the place of delivery designated in the order, unless otherwise agreed between the Customer and the Supplier.
2. If acceptance is agreed, it shall be essential for the transfer of the risk. Putting into operation or use shall not replace the Customer's declaration of acceptance.

**§ 6 Inspection for Defects – Liability for Defects**

1. An inspection of incoming goods will be conducted by the Customer only for external identifiable damage and deviations from the agreed upon identity and quantity. Such deviations shall be claimed by the Customer without undue delay. The Customer reserves the right to conduct another inspection of incoming goods. Furthermore, the Customer shall claim defects detected in the due course of business. In this respect, the Supplier waives objection against delayed claim. The provisions of Sections 2111, 2112, 2618 and 2629 of Act No. 89/2012 Coll., the Civil Code, as amended (the Civil Code), shall not apply. In case of detected defects, the Customer shall be entitled to return the complete delivery.
2. The Customer is fully entitled to exercise its rights from liability for defects with the following measures:
  - a. The Customer is entitled to demand that the Supplier remedy the defect or deliver a new item.
  - b. If the defect was not remedied by the Supplier within an appropriate period of time, the Customer shall be entitled, at its option, to rescind the contract or to determine a price reduction, and to demand compensation for damage.
  - c. The customer is entitled to remedy the defect itself at the Supplier's expense, after previously possibly informing the Supplier and after expiration of the period of time which is appropriate for the given situation, in the event of danger of delay (especially in case of threat to operational safety or to avert

exceptional damage) and if the Supplier is in delay with remedying the defect.

- d. The deadline for asserting claims from defects shall be 36 months, calculated from the moment of the passage of the risk of damage. This shall not apply if longer time limits are provided by the law.
- e. Payments for any delivery without reservations shall not be deemed to be the acknowledgement of the delivery as being in compliance with the terms of the contract or free of defect.
- f. The Customer's approval of the technical documentation and/or the Supplier's calculations shall not affect the Supplier's liability for defects.

#### **§ 7 Product Liability and Liability Insurance**

1. If the Supplier is responsible for defects triggering liability, the Supplier shall release the Customer from any product liability and from any obligations towards third parties. The Supplier's obligation to release the Customer from liability shall apply to compensation for all necessary expenses incurred by the Customer due to the fact that a third party raised product liability claims against the Customer, or in this connection.
2. The Supplier is obliged to maintain liability insurance during the life of the contract, i.e. until the prescription of all claims from defects and until expiration of the period for claiming defects. Upon the Customer's request, the Supplier is obliged to prove the aforementioned insurance by presenting the respective insurance contracts. The scope of the Supplier's insurance coverage shall not affect the contractual and legal liability of the Supplier.

#### **§ 8 Proprietary Rights**

1. The Supplier warrants that no third-party rights will be infringed in connection with their delivery.
2. If third-party rights are infringed in connection with the Supplier's delivery and if the third party raises claims against the Customer for this reason, the Supplier shall be obliged to indemnify the Customer upon the first demand against such claims; this shall not apply if the Supplier is not liable for the infringement of third-party proprietary rights. The Customer shall not be entitled – without the Supplier's consent – to enter into any arrangements whatsoever with the third party, particularly to enter into settlement.
3. The Supplier's obligation to indemnify shall apply to compensation of all necessary expenses incurred by the Customer due to the exercise of claims by the third party or in connection therewith.

#### **§ 9 Reservation of Title to Provided Material and Tools – Confidentiality**

1. Materials and parts provided by the Customer shall remain the Customer's property. These may only be used for the intended purpose. It is agreed that the Customer will become, in proportion of the value of the parts provided to the value of the entire product, a co-owner of the products manufactured using materials and parts provided by the Customer which will be arranged by the Supplier.
2. The Customer reserves the title to the tools and/or models belonging to the Customer. The Supplier is obliged to use the tools and/or models belonging to the Customer exclusively for manufacturing the products ordered by the Customer.
3. The Supplier is obliged to maintain strict confidentiality concerning all received pictures, drawings, calculations and other documents and information. They may only be disclosed to third parties with the Customer's express consent. The confidentiality obligation shall apply even after termination of this contract; it shall expire if and to the extent the manufacturing know-how contained in the pictures, drawings, calculations and other documents has entered the public domain.

#### **§ 10 Jeopardized Performance**

Should the Supplier's economic situation deteriorate prior to execution of the order in such manner that the performance of the contract is seriously jeopardized or should insolvency proceedings be initiated against the Supplier, the Customer shall be entitled to rescind the non-performed portion of the contract.

The Customer shall be entitled to rescind the contract in the full extent if it is not interested in partial performance.

#### **§ 11 Foreign Trade Law and Supplier Specifications**

1. The Supplier shall provide the following information in offers and order confirmations for free: Information on whether the subject of delivery requires export approval, and the relevant index number under the Czech export law; information on a possible classification of their product under the foreign law on export control – e.g. US-CCL (Commercial Control List); information on whether the ordered goods are subject to export approval under the valid EC Dual Use Regulations and the relevant index number; statistical product number; country of origin of the goods. In the event that the Customer is not issued the required export licence, the Customer reserves the exclusive right to rescind the contract.
2. The Supplier is obliged to declare to the Customer material contained in their products (including the denomination of the corresponding CAS Registry Number and weight proportion in the homogeneous material), provided that these materials are mentioned in one of the following statutory provisions:
  - EC Regulation No. 1907/2006,
  - Government Regulation No. 481/2012 Coll., on the restriction of the use of certain hazardous substances in electrical and electronic equipment.
3. The Supplier is obliged to confirm to the Customer the origin(/provenience) of the goods, while complying with the legal regulations, inter alia by the supplier's declaration or by the declaration of origin or by the EUR1 certification. The Supplier/manufacturer is obliged to indicate in the supplier's declaration the origin of their goods according to the applicable regulations about origin valid in the country of destination that the Customer will communicate to them.
4. The Customer's payment pursuant to § 3 shall be exclusively subject to submission of all aforementioned information.

#### **§ 12 Technical Documentation**

1. The delivery of the technical documentation and all required reports shall be a part of the main delivery, unless otherwise agreed.
2. The delivery of the technical documentation shall be effected in the paper form and in common readable data format (e.g. doc, pdf), unless otherwise agreed.
3. The instructions for use shall be drawn according to DIN ISO 62079.

#### **§ 13 Software and Rights of Use**

1. Software shall be provided to the Customer on common data media in machine-readable code. User documentation shall be provided as well.
2. Software individually developed for the Customer shall also be provided to the Customer in the source code with manufacturer documentation. Copies of the source code and the manufacturer documentation shall be provided to us upon delivery and must be in accordance with the program level upon the completion of the test phase.
3. Successful measures carried out on the software under the liability for defects shall be included by the Supplier in the source code and the manufacturer documentation without undue delay. A copy of each updated version shall be provided to the Customer without undue delay.
4. The Customer shall acquire an irrevocable, perpetual and territorially unrestricted right of use for all software developed for the Customer or parts thereof, including the right to reprocess, reproduce, change, enhance it and grant simple rights of use to third parties, provided that a restriction does not result from the following paragraphs. Provision of this right of use is satisfied with payment of the respective agreed price.
5. If the acquisition of a right of use pursuant to the foregoing paragraph is prevented by third-party rights to third-party programs or other third-party performance results, the scope of the Customer's right of use shall be agreed accordingly in the contract.
6. The Supplier remains authorized to continue to use standard programs, program modules, tools and know-how contributed by the Supplier that were used for producing the performance

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results and also for third-party orders. The Supplier must not reproduce, process or otherwise use complete or partial performance results and solutions produced for the Customer.

7. The Supplier shall only be entitled to publish performance results – even partial ones – produced for the Customer upon the Customer's written consent.

### § 14 Spare Parts

1. The Supplier is obliged to keep a stock of spare parts for products delivered to the Customer for a time period of at least 10 years after delivery.
2. If the Supplier intends to stop the production of spare parts for products delivered to the Customer, the Supplier shall inform the Customer accordingly immediately after deciding to stop the production. This decision has to take place at least 3 months before the production is stopped.

### § 15 Data Protection

1. Personal data shall be processed by the Supplier in compliance with the statutory regulations.
2. Personal data shall be stored by the Supplier in compliance with the statutory regulations.

### § 16 Job Safety, Environmental Protection and Compliance with Statutory Provisions

1. The Customer's Health and Safety and Environmental Guidelines shall be respected in their entirety, when performance will be provided at the Customer's production site. These Guidelines can be accessed on the Internet at [www.schenckprocess.com](http://www.schenckprocess.com).
2. Furthermore, the Supplier shall guarantee that their deliveries will comply with applicable laws, decrees and other standards as amended.

### § 17 Place of Jurisdiction – Place of Performance – Applicable Law

1. For all current or future claims resulting from the business transactions, the exclusive place of jurisdiction shall be the court in the location of the registered office of the Customer. The Customer reserves the right to file an action at the court having jurisdiction over the Supplier.
2. Unless otherwise stated in the order, the place of performance shall be the stated place of acceptance or the location of the registered office of the Customer.
3. Legal relations governed by these Terms and Conditions shall be subject to the law of the Czech Republic with the exclusion of conflicting rules of law and the United Nations Convention on Contracts for the International Sale of Goods (CISG).

### § 18 Miscellaneous

1. Should individual provisions of these General Terms and Conditions of Purchase or of the contract concluded between the Customer and the Supplier be or become fully or partially ineffective or invalid, this shall not affect the remaining provisions.