

General terms and conditions for the delivery of goods and services to the company Schäfer - Menk s.r.o.

I. Definitions

„the Supplier“ means any legal entity or natural person – entrepreneur, in a position of a seller according to the § 2079 and following of the Civil code, or in a position of a contractor according to the § 2586 and following of the Civil code, or in a similar economic position as a party of other contract, either regulated or unregulated by the Civil code.

„INCOTERMS 2010“ means international rules for transport conditions INCOTERMS 2010.

„Civil code“ means Act no. 89/2012 Coll., Civil Code, as amended.

„the Client“ means the company Schäfer – Menk s.r.o., Id. No.: 614 61 512, with its registered office at Prague 5, Přeštínská 1415, Postal Code 153 00, registered in the Commercial register maintained by the Municipal court in Prague, Section C, Insert 28416.

„Subject of performance“ means items and their components or work, that the Supplier commits to hand over to the Client according to the Contract and to allow him to acquire ownership of such items/work and the Client according to the Contract commits to take over such items/work and accept their ownership and commits to pay to the Supplier the negotiated price.

„the Contract“ means purchase contract according to the § 2079 and following of the Civil code, contract for work according to the § 2586 and following of the Civil code or other contract with a similar economic purpose, either regulated or unregulated by the Civil code.

„General terms“ means these General terms and conditions for the delivery of goods and services to the company Schäfer - Menk s.r.o.

II. A conclusion of the Contract

The Client is authorized to make a proposal to the Supplier for the conclusion of the Contract (hereinafter referred to as the "Proposal"). Such Proposal may be withdrawn by the Client without any sanction, provided that the withdrawal was made in writing and was made within 5 working days.

The Client's Proposal must be confirmed in writing by the Supplier within 5 working days since the receipt of the Proposal, otherwise the Proposal is deemed rejected.

The Contract is concluded upon delivery of the Supplier's confirmation of the acceptance of the Proposal to the Client without any reservation or other changes.

If the Supplier's confirmation contains reservations, limitations, or other changes, it is considered a new proposal for the conclusion of the Contract. In such a case, the Contract is concluded only if the Client expressly and in writing accepts this new proposal by the Supplier. Such Contract is concluded at the moment of delivery of Client's confirmation to the Supplier.

The Contract may be amended by the contracting parties on the basis of written amendments.

III. Subject of performance

The Supplier is obliged to deliver the Subject of performance in the time, manner, place, quality and quantity in accordance with the Contract, these General terms and relevant legislation. Unless the Contract contains specific provisions, the Supplier shall deliver the Subject of performance in time, manner, place, quality and quantity that satisfies the purpose for which the Subject of performance is delivered.

The Subject of performance has to meet the requirements set by the Contract, these General terms and relevant legislation.

The Subject of performance shall comply with all technical and legal requirements and technical and safety standards.

The Subject of performance shall be free of any defects, both factual and legal, apparent and hidden, removable and irremovable.

If the need arises to deliver additional work, goods or services for the proper performance of the Contract, the Supplier shall bear these additional costs, provided that these costs are deemed to be part of the agreed price of the Subject of Performance.

IV. Shipping and delivery terms

If the Contract does not specify a mode of transport, the Supplier is obliged to use such a mode of transport that shall avoid damage to the Subject of performance during transportation.

Unless otherwise agreed, the place of delivery is the registered office of the Client; this provision is consistent with INCOTERMS 2010 section DAP.

The Supplier is obliged to deliver Subject of performance to the place of delivery on working days from 8:00 to 16:00, unless otherwise agreed between the parties. If the Subject of performance is metallurgical material then the Supplier is obliged to deliver it to the place of delivery on working days from 7:00 to 14:00.

Unless otherwise specified in the Contract, the Supplier shall deliver the Subject of Performance within 30 days of the conclusion of the Contract.

The Supplier is obliged to provide the Client with all necessary documents, together with the Subject of Performance.

A delivery note shall be included in the delivery of the Subject of performance.

The delivery note has to contain at least the identification of the parties and the Subject of performance, the contract number or order number, the date of issue of the delivery note and its number, the method of transport and the contact details.

The Customer is entitled to return the delivery note for correction and reject the Subject of Performance if the delivery note is defective or incomplete.

The Supplier is obliged to pay a contractual fine of CZK 3,000 for each defective or incomplete delivery note.

The handing over and acceptance of the Subject of performance shall be captured by the handover protocol signed by both contracting parties.

At the request of the Client, the Supplier is obliged to provide assistance in the release, even individual, of separate parts of the Subject of Performance.

V. Packaging

If the method of packaging is not specified in the Contract, the Supplier is obliged to deliver the Object of Performance in such a package that it guarantees its adequate protection against damage during transport and subsequent storage.

The Supplier is required to take into account weather and other climatic conditions, while choosing the method of packaging.

The Subject of performance must be clearly marked on the packaging.

The Supplier is obliged to ensure that all the packaging used by him complies with the requirements laid down in Act no. 477/2001 Coll., on Packaging, as amended.

The Supplier is obliged to compensate the Client for damage caused by the use of improper packaging. Used packaging and fixation material is returned to the Supplier only if it has been expressly and in advance agreed.

VI. Price and payment terms

The price is an essential part of the Contract.

Unless otherwise stipulated in the Contract, the price includes all costs of packaging, (transfer) documents, transportation and insurance of the Subject of performance.

The Supplier is entitled to issue an invoice (tax document) on the date of the proper delivery of the Subject of performance, based on the handover protocol of the Subject of performance signed by both contracting parties.

The Client is obliged to pay the price on the basis of the invoice issued by the Supplier.

The invoice maturity is 60 days from its delivery to the Client.

Apart from legal obligations the invoice has to include the identification of the parties, the contract number or the order number, the delivery note number, number and issue date of the invoice and invoice maturity, the date of completion and the subject of the taxable transaction, the

price including VAT and excluding VAT and bank connections of the parties.

If the Supplier is a payer of VAT, he is obliged to communicate this fact without delay together with other relevant information to the Client and to state these facts on the invoice in accordance with Act no. 588/1992 Coll., on Value Added Tax, as amended.

If the invoice does not meet the conditions set out in the Contract, these General terms or applicable legislation, the Client is entitled to return the invoice to the Supplier for correction.

The invoice maturity in such a case runs from the date of delivery of the new invoice containing all the details.

VII. Transfer of ownership and passage of the risk of damage to property (items/work)

The Supplier bears the risk of damage to the Subject of Performance until it is properly handed over and accepted by the Client, that is, to the signing of the handover protocol.

By signing of the handover protocol to the Subject of performance, the ownership right to the Subject of Performance passes to the Client.

If the Subject of performance meets the legal requirements for granting a patent, registering a utility model or other type of protection under intellectual property law, then such rights shall belong to the Client.

VIII. Supplier's delay and withdrawal from the Contract

The Supplier shall promptly notify the Client of any expected delays; in connection with this the Client may exercise his right to withdraw from the Contract, or may provide the Supplier with an additional period for performance.

The Client is entitled not to accept the Subject of Performance if it is not delivered properly and in a timely manner.

Upon the Supplier's delay, the Client is entitled to demand payment of a contractual penalty of 0.3% of the price of the Subject of performance for each commenced day of delay.

Notwithstanding other arrangements, the Client shall be entitled to withdraw from the Contract if:

- a) the Supplier is in delay with delivery of the Subject of performance;
- b) the Supplier is in delay with complying with obligation arising from the liability for the defects of the Subject of Performance;
- c) there was initiated an insolvency proceeding against the Supplier pursuant to Act. no. 182/2006 Coll., on bankruptcy and methods of its solution, as amended;
- d) the Supplier enters into liquidation;
- e) there is a force majeure event for a period longer than 3 months.

The Contract is cancelled by withdrawing from the Contract in writing. Concurrently with withdrawal from the Contract, the Client shall determine how the parties will settle their mutual rights and obligations.

In the event of withdrawal from the Contract, the Client shall be entitled, besides the rights stipulated in section X., to return to the Supplier, at the risk and the costs of the Supplier, the Subject of performance that has already been delivered and to claim from the Supplier the refund of the paid money for this Subject of Performance, including the reimbursement of expenses related to manipulation, storage or delay of delivery caused by the delivery of a poor Subject of performance.

Similarly, the Client is entitled to claim financial compensation for complaints made by his customer due to a defect in Subject of Performance.

Withdrawal from the Contract does not affect any claims for damages or payment of a contractual fine, liability for defects, confidentiality or choice of applicable law for dispute resolution.

IX. Quality guarantee (warranty)

The Supplier provides the Client with a quality guarantee for the Subject of performance. The Supplier undertakes that the Subject of performance will be eligible for use for

the intended purpose and that it retains the features specified in the Contract, these General terms, applicable legislation and technical standards for the quality guarantee period. Unless otherwise agreed, the quality guarantee period is 24 months from the date of proper handing over of the Subject of performance.

X. Liability for defects (Product liability)

The Subject of performance is defective if it does not meet the requirements stated in the Contract, these General terms or applicable legislation.

Defects of the Subject of Performance also mean defects of documents relating to the Subject of Performance or failure to supply them.

The Supplier is responsible for any defects that appear or occur during the quality guarantee period, regardless of when they arise.

Defects of the Subject of performance shall be reported by the Client to the Supplier.

The Client shall in particular include a description of the defect found, the manner in which the claimed defect shall be resolved and the time limit to remove the defect in the required manner.

This time limit shall be no more than 5 working days unless otherwise agreed between the parties.

The Client is entitled to claim the following claims separately or in combination:

- a) Removal of defects by delivering a new or missing Subject of Performance;
- b) Removal of defects by repairing the Subject of performance or removal of legal defects;
- c) Withdrawal from the Contract;
- d) Reasonable discount on the price;
- e) Reimbursement of expenses incurred in connection with the use of the defective Subject of performance;
- f) Repair or delivery of a replacement Subject of performance directly by the Client or through a third party and reimbursement of the costs thereof.

If the Supplier fails to remedy the defects in the required manner within the specified period, the Client is entitled to withdraw from the Contract or to claim another claim based on liability for defects.

All the costs associated with the exercise of the rights to the defective performance are borne by the Supplier.

Claims arising from defects in the Subject of performance do not affect claims for damages or the payment of a contractual fine.

If the Supplier fails to comply with any duty arising out of liability for defects, the Client is entitled to claim payment of a contractual penalty of 0.3% of the price for each commenced day of delay.

In case of repeated complaints or a large number of non-conformities, the Client is entitled to perform an audit of the Supplier in order to clarify the situation and improve the quality of the goods.

XI. Liability for damage

The Supplier is liable for damages caused to the Client and third parties, in particular to the Client's customers, in connection with breach of the Contract, these General terms or applicable legislation. The Supplier is obliged to compensate the Client for any damages incurred by the Client via the Supplier's actions.

XII. Protection of confidential information

The content of the Contract, as well as any information that becomes known to the parties during the performance of the Contract and / or in connection with it, is confidential, except for information generally known or provided in the course of fulfilling a statutory obligation.

The Supplier undertakes to keep secrecy about all confidential information that he was informed about or he has learned about and any other facts relating to the Client's activities, in particular about its customers and business partners.

The duty of confidentiality persists even after the termination of the Contract.

The Supplier is obliged to pay the Client a contractual fine of CZK 100,000 for each breach of confidentiality.

XIII. Force majeure

In the case of force majeure, the deadlines for fulfilling obligations are extended by the length of time for which the force majeure event takes place. The Supplier is

obliged to inform the Client about the occurrence and termination of a force majeure event in writing and without undue delay; the same applies if such occurrence occurs to the subcontractor.

Force majeure events are especially: strikes, lockouts and all circumstances independent of will of parties such as fire, war, flood, earthquake, general mobilization, revolt, requisition, seizure, embargo, limitation of energy consumption as well as defective or delayed deliveries made by subcontractors based on the abovementioned circumstances.

Force majeure events are not: in-house strikes and lockouts, delays in the delivery of subcontractors (if not caused by force majeure), insolvency, lack of workforce or material.

XIV. Dispute resolution

The parties undertake to resolve any dispute arising from the Contract and/or in connection with it in an amicable way. All disputes that cannot be resolved amicably shall be finally decided with the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic according to its Rules by three arbitrators in accordance with the Rules of that Arbitration Court.

XV. Other provisions

All drawings, technical descriptions, samples, films, floppy disks, standards, models, profiles, tools, forms and other technical data supplied by the Client remain in the ownership of the Client and the Supplier may not make them available to third parties or otherwise deal with them in contravention of the Client's instructions and interests without his prior written consent.

The Client reserves the right to perform inspections of Supplier's performance under the Contract.

The Supplier is authorized to fulfil the Contract in part by a third, professionally competent person. In such a case, the Supplier is responsible for the performance of a third party as if he were performing it by himself.

Payment of the contractual penalty does not affect the full liability for damages. A contractual penalty, as well as damages, is payable within 14 days since the date of delivery of the written request to the other party for payment.

No omission or failure to exercise any of the Client's rights may be construed as a waiver of such rights against the Supplier.

If the Supplier does not exercise his right arising from the Contract within 12 months of its creation, then his right shall be time-barred without further.

The Supplier is not entitled to set off any claim or its part against any Client's claim or its part, or to exercise any right of detention, or to transfer the Contract or any part thereof to a third party, without the Client's prior written consent.

XVI. Final provisions

These General terms form an integral part of the Contract. By entering into the Contract, the Supplier expressly agrees to any and all of the rights and obligations contained in these General terms or resulting therefrom.

The legal relationship established by the Contract is influenced solely by these General terms, unless the Client agrees in writing to use the Supplier's general terms, provided that such general terms are not inconsistent with the wording of these General terms.

The provisions contained in the Contract take precedence over the wording of these General terms and, if applicable, general terms of the Supplier.

These General terms and the Contract are governed by the laws of the Czech Republic, without prejudice to the application of the INCOTERMS 2010.

The contracting parties agree that the following provisions of the Civil Code shall not apply to the relationship established by the Contract: § 1765, § 1766, § 1793.

If any provision of the Contract or these General terms is found to be invalid or unenforceable, it will not affect the validity and enforceability of the remainder of the Contract or General Terms. Such a provision will be replaced by a new provision that will be as close as possible to the original intention.

The Client reserves the right to adequately change these General terms at any time.