

GENERAL TERMS AND CONDITIONS OF BOCO PARDUBICE MACHINES, s.r.o.

issued in compliance with the provision of Section 1751 et seq. of Act No. 89/2012 Sb., Civil Code, as amended (hereinafter as "CC")

1. RECITALS

- 1.1 These General Terms and Conditions (hereinafter as "**GTC**") are issued by BOCO PARDUBICE machines, s.r.o., company ID No. 067 73 702, VAT No. CZ06773702, with registered office at č.p. 1, 533 32 Čepí, registered in the Commercial Register maintained by the Regional Court in Hradec Králové, section C, entry 45326 (hereinafter as "**Contractor**") in order to regulate the mutual rights and obligations between the Contractor, on the one part, and individuals or entities that enter into a contractual relation or contractual relations with the Contractor, on the other part (hereinafter as the "**Client**" and jointly with the Contractor as the "**Parties**").
- 1.2 These GTC apply to all contractual obligations and business transactions between the Contractor, on the one part, and the Client, on the other part, such as purchase of goods by the Client from the Contractor and performance of work by the Contractor for the Client (hereinafter as the "**Contract**"). Current version of the GTC is accessible at <https://www.boco-extruders.eu/downloads>.
- 1.3 These GTC do not apply to relations between the Contractor and consumers, i.e. individuals not acting within their entrepreneurial activities or professional practice.

2. CONTRACT, CONCLUSION OF CONTRACT

- 2.1 The Contract is concluded upon confirmation of the Client's order (hereinafter as the "**Order**") by the Contractor in writing, whereas electronic form of communication (e-mail) is also regarded as written form; an e-mail is not required to be signed by a qualified electronic signature for the Order and confirmation of Order to be valid.
- 2.2 The Client shall verify that the Order is confirmed correctly upon its receipt. If the Client discovers any discrepancies between their Order and the confirmation of the Order or if the Contractor refuses to accept any terms stated in the confirmation of the Order, the Client may decline the confirmation of the Order no later than within 2 (two) business days. Otherwise, the confirmed Order is to be considered perfect and binding for both Parties and the Contract concluded.
- 2.3 Any offer made by the Contractor is always non-binding, unless the Contractor expressly indicates their binding nature; in which case the Contract is concluded upon acceptance of such binding offer by the Client without any reservation or modifications.
- 2.4 The Contract between the Contractor and the Client is also concluded upon the execution of a written Contract by both Parties.
- 2.5 By making the Order and/or execution of the Contract the Client also accepts these GTC, which are made available to the Client in advance.
- 2.6 The Contract must include at least the following information:
 - (a) Identification of the Parties, including their business name, ID number, VAT number, bank details;
 - (b) Specification of the goods/work, including their quantity and type;
 - (c) Price of the goods/work (hereinafter as the "**Price**");
 - (d) Payment terms of the Price;
 - (e) Time and place of performance of the Contractor's obligation, if the place of delivery differs from the place of delivery established pursuant to these GTC;
 - (f) Provision that the GTC form an integral part of the Contract.
- 2.7 Under the concluded Contract, the Contractor undertakes to provide the Client with goods/work to be purchased or performed within the meaning of the Contract, in compliance with the terms agreed between the Parties in the Contract and, unless the Contract states otherwise, in compliance with the terms set forth in the GTC.

- 2.8 The concluded Contract may only be amended by a written agreement of the Client and the Contractor. Telephone arrangements and agreements become binding for the Contractor and the Client once confirmed in writing by both the Contractor and the Client.
- 2.9 Subject to other agreement between the Client and the Contractor, the dimensions and allowances of the goods/work are governed by the standards and/or the specification of products of the relevant sector or enterprise of the Contractor. Goods/work must comply with the applicable laws of the Czech Republic and technical standards valid at the time when the Contract and/or the Order is executed. The Contractor does not warrant for the goods/work if the Client uses them in other countries than the Czech Republic, since the Contractor may not be familiar with the laws and technical standards of other states and, therefore, they cannot be taken into account in the course of the delivery, unless stated otherwise herein. In such case, the Contractor does neither warrant for the goods/work, nor does this imply a defect affecting the goods/work. For this purpose, the Client shall provide the Contractor with any and all specific instructions to be observed during delivery for the respective foreign state.
- 2.10 The Contractor's information contained in booklets, commercials and advertisement do not constitute an offer to conclude the Contract within the meaning of Section 1732 of the CC.
- 2.11 Any derogations from or amendments to the GTC are only valid if they are agreed to in writing by both Parties.
- 2.12 Any and all technical documentation, such as design sheets, specifications, blueprints, including any information regarding dimensions, qualities or weight, are for information only and do not contain any quality or other warranties with regard to the contracted item, unless they are incorporated by reference into the binding offer. The same applies to specifications and depictions in the offers, booklets, advertisements, catalogues, in addition to other public declarations, promotions or commercials of the Contractor. Contractor's warranties and representations must be confirmed exclusively in writing and designated as such. Any supporting documents pertaining to the offer (copies, drawings, descriptions, etc.) remain in the exclusive ownership of the Contractor and are protected by copyright, if applicable. They may be made available to third parties, even if it is in the form of an excerpt, only with the Contractor's prior written consent.

3. PRICE, PAYMENT TERMS

- 3.1 The Client undertakes to pay for the goods/work the Price set forth in the concluded Contract. The Price does not include any tax or other similar fees. The Contractor is always entitled to charge taxes in addition to the Price set forth in the Contract pursuant to the applicable laws valid at the time of the taxable transaction.
- 3.2 The Contractor is subject to VAT. The Client undertakes to provide the Contractor with truthful information regarding whether the Client is subject to VAT, an entity registered for VAT in another EU Member State or a foreign entity registered in a third country, as applicable. In the case of tax exemption, the Tax Exemption Certificate must be attached to the Contract and/or the Order.
- 3.3 The Price does not include costs of transportation, packaging, shipment insurance, export, transit, import, customs duties, taxes and tolls. The Client hereby acknowledges that these costs will be borne exclusively by the Client, unless the Contract states otherwise. If any of these services fall within the scope of the Contractor's obligations under the concluded Contract, the Contractor is entitled to charge the Client for these costs and the Client shall pay these costs to the Contractor.
- 3.4 The Price does not include costs of attestation, test run, Contractor's no-warranty repair services and other services connected with the goods/work.
- 3.5 Unless stated otherwise in the Contract, the Client shall pay the Price in favour of the Contractor's bank account set forth in the Contract as follows:
- (a) 50% of the Price based on the first proforma invoice issued by the Contractor without any delay after the conclusion of the Contract, with a maturity of five (5) business days from the invoice issue date;

- (b) 40% of the Price based on the second proforma invoice issued by the Contractor once the Client is notified that either most or the entire part of the goods/work is prepared for dispatch, with a maturity of five (5) business days from the invoice issue date;
 - (c) 10% of the Price based on the final invoice (tax receipt) issued by the Contractor after the handover of the goods/work to the Client, whereas the maturity of the final invoice equals to 30 (thirty) days from its issue date, the final invoice issued by the Contractor will indicate the overall amount of the Price and it will reflect the paid advance payments as well as VAT.
- 3.6 Following the receipt of each advance payment, the Contractor undertakes to issue a proforma tax receipt in favour of the Client no later than within 15 (fifteen) days from the receipt of the respective advance payment.
- 3.7 Payment of any amount by the Client is deemed to be made when the respective amount indicated in the respective invoice (tax receipt) or proforma invoice is credited in favour of the Contractor's bank account.
- 3.8 In the case any additional works prove to be necessary in the course of fulfilment of the Contractor's obligations under the Contract, which are either not specified in the Contract (e.g. due to changes in the project documentation) or which the Client expressly requires the Contractor to perform beyond the agreed works and activities, the extent of such additional works as well as the date and price of their performance will be set forth by an agreement of the Parties prior to commencing with the performance of such works.
- 3.9 Default in payment of the Price constitutes a substantial breach of the Contract, which entitles the Contractor to withdraw from the Contract in accordance with Article 11 of these GTC. In addition, the Contractor is also entitled to withdraw from any other Contracts entered into with the Client or withhold performance of these Contracts until full settlement of all of the Client's due obligations.

4. PASSING OF OWNERSHIP, RISK OF DAMAGE TO PROPERTY

- 4.1 The Contractor retains ownership of the goods/work until full payment of the Price by the Client.
- 4.2 Risk of damage to goods/work passes to the Client upon their delivery.
- 4.3 Until the ownership of the goods/work is transferred, the Contractor assumes the position of a custodian of the property and shall label the goods/work in a manner, which allows them to be identifiable as property in the Contractor's ownership.
- 4.4 The Contractor is entitled to insure the goods/work at the Client's expense with reservation of title, against theft, breakage, fire, water and other damage, if the Client does not provide for such sufficient coverage themselves.
- 4.5 The Client shall neither transfer, nor assign or pledge, the goods/work with reservation of title without the Contractor's prior written consent. The Client shall notify the Contractor without undue delay of any enforcement proceedings or other third party measures pertaining to the goods/work with reservation of title and provide the Contractor with all information and documents necessary for the preservation of the Contractor's rights.

5. HANDOVER AND TAKEOVER OF THE GOODS/WORK, PLACE OF DELIVERY, TIME OF DELIVERY

- 5.1 The work is deemed to be completed when it is performed in compliance with the Contract and prepared by the Contractor for handover.
- 5.2 The Client shall take over the completed goods/work or any parts thereof with or without reservations. The Client undertakes to take over the goods/work or any parts thereof based on a written handover report (hereinafter as the "**Handover Report**"), which will be executed without delay after the takeover and which will contain at least the following information:
- (a) Identification and specification of the goods/work or any part thereof or any services rendered, which are being taken over,
 - (b) Evaluation of the quality of the goods/work or any part thereof or any services rendered,
 - (c) List of defects and omissions or reservations pertaining to the goods/work, which are being taken over, as the case may be,

- (d) First and last names of the persons authorised to act on behalf of the Client/Contractor or authorised representatives of the Client/Contractor present at the handover/takeover of the goods / work / part of work,
 - (e) Date of handover and takeover of the goods/work or any part thereof, signatures of the persons carrying out the handover and takeover.
- 5.3 Unless agreed otherwise in the Contract, the Client shall personally attend the demonstration of the goods'/work's eligibility to serve their purpose as well as the handover and takeover of the goods/work and duly evidence the actual handover and takeover of the goods/work in a Handover Report.
- 5.4 The Handover Report may be substituted by a delivery report, delivery note, etc., especially if the goods/work are being dispatched or otherwise transported to the address indicated by the Client.
- 5.5 If the Client fails to take over the goods/work, provided that the work is completed by the Contractor, or withholds their takeover, the goods/work shall be considered taken over by the Contractor on the day, on which the Client by their acts or failing to act, frustrated the takeover of the work, even without the execution of the Handover Report.
- 5.6 The Client undertakes to take over the completed goods/work or any part thereof even with such minor defects and omissions that do not by themselves, or in connection with any other defects, prevent the due use of the goods/work. Any defects or omissions will be recorded into the Handover Report during handover, including the time limit and manner, in which they are to be cured. The Contractor will cure these requirements at their own expense. Those defects and omissions, which do not prevent the due use of the goods/work, are without prejudice to the Contractor's right to issue the final invoice and right to be paid the Price.
- 5.7 Mode and time of delivery of the goods/work are agreed upon in the respective Contract. Unless stated otherwise in the Contract, place of delivery corresponds to Incoterm EXW subject to INCOTERMS 2010 – Contractor's plant at: č.p. 1, 533 32 Čepí. In this case, the delivery of goods/work is deemed to take place when the Contractor makes the goods/work available to the Client.
- 5.8 Time of performance is agreed upon in the Contract. If the Contract provides for partial delivery of the goods/work, the Contractor invites the Client to take over the completed part of the goods/work no later than 3 (three) business days prior to the termination of works associated with the completion of the respective part of the goods/work. If the Client fails to appear in order to take over the completed part of the goods/work in compliance with the invitation, whilst being demonstrably unhindered by any obstruction, which the Client could not have prevented, the takeover of the completed part of the goods/work is deemed to take place upon termination of works associated with the completion of the respective part of the goods/work.
- 5.9 The Contractor may not deliver the goods/work if the Client has any outstanding financial obligations against the Contractor arising from the Contract or in connection with the delivery of any goods/work under previous contracts for other performance.
- 5.10 If the Client fails to take over the goods/work in compliance with the Contract, the Contractor may withdraw from the Contract upon lapse of additional time for takeover, which equals to 1 (one) month. In addition, the Contractor may claim compensation for incurred damage from the Client. The Contractor will store the goods/work at the expense and risk of the Client.

6. REMEDIES FOR DEFECTIVE PERFORMANCE, WARRANTY REMEDIES

- 6.1 The Contractor is liable for defects that the goods/work bear at the time when they are handed over to the Client.
- 6.2 The Contractor hereby warrants that the goods/work will retain all of the qualities agreed upon and specified in the Contract, or usual qualities, until the end of the warranty period. The warranty period provided by the Contractor corresponds to 12 (twelve) months as of the day of handover of the goods/work to the Client.
- 6.3 The Contractor is not liable for the suitability of any part of the goods/work for any other purpose than the one, for which such part of the goods/work was meant to be used by the Contractor, even if the Client notified the Contractor of such intended use. The Contractor is not liable for any defects during the

performance of agreed works or services such as repairs, renovations, refurbishments, etc., which were caused by latent defects of the materials (items) of the goods/work provided by the Client.

- 6.4 The warranty does not cover any defects resulting from normal wear and tear, insufficient storage and maintenance, non-compliance with operating standards, excessive load, improper operational resources, inappropriate procedures and repairs of the Client or any third party, use of non-original components without a prior written consent of the Contractor, as well as due to other reasons not attributable to the Contractor.
- 6.5 The Client shall claim the defect with the Contractor without undue delay after the Client has or could have been made aware of it. Regarding the Client's defective goods/work claims against the Contractor, Sections 2615–2619 of the CC apply with necessary modifications.
- 6.6 If the defect is claimed without undue delay, but no later than within 5 (five) days, depending on the nature of the claimed defect, the Contractor shall assess the defect in such manner that allows the Contractor to choose the type of remedy to be provided to the Client without undue delay.
- 6.7 If the claimed defect constitutes a defect, for which the Contractor is liable, the Contractor shall provide the Client with the following remedies corresponding to the Client's claim, at the Contractor's own discretion:
- (a) Repairing the defect at the place, where the goods/work is being operated;
 - (b) Requesting the shipment of the defective goods/work or any part thereof for the purpose of their repair at the place designated by the Contractor and repairing the defect there;
 - (c) Replacing the defective components with new components;
 - (d) Replacing of the entire goods/work with new goods/work.
- 6.8 If the above mentioned remedies prove to be unsuccessful the Client may then claim a reasonable Price reduction. However, if the amount of the reduction in value is equal to or exceeds the Price, the Client is then entitled to withdraw from the Contract. The Contractor is entitled to withdraw from the Contract only if the Contract or these GTC expressly state so.
- 6.9 The overall calculation of the non-warranty repair services (including transportation) may be obtained from the Contractor upon request prior to ordering such services. The Client shall duly pay for the provided non-warranty repair services pursuant to an invoice issued by the Contractor. If the Parties entered into a Service Contract for the provision of non-warranty repair services, the rights and obligations of the Parties are governed by such Service Contract.

7. OTHER RIGHTS AND OBLIGATIONS OF THE CLIENT

- 7.1 The Client shall furnish all necessary assistance and ensure that the Contractor is able to perform the work in a due and timely manner as well as make available or lend to the Contractor all supporting documents necessary for the performance of the work or delivery of the goods, as the case may be. Failure to comply with this obligation results in the suspension of the time of completion of work / delivery of goods for a reasonable period of time and the Contractor will neither be in default, nor liable for any damage incurred as a result of the Client's breach of the above mentioned obligation.
- 7.2 In the event of installation at the Client's registered office, the Client shall also, in a due and timely manner,:
- (a) Train, or ensure the training of, an authorized employee of the Contractor with regard to occupational safety on the workplace (construction site) rendered, to be evidenced in a written report,
 - (b) Determine and hand over to the Contractor / Contractor's authorized representative the respective workplace / construction site in a condition fit for performance of the work. The Parties shall execute a written report evidencing the handover of the workplace / construction site and
 - (c) make the workplace / construction site at the Client's premises accessible to the Contractor / Contractor's employees / Contractor's sub-contractors in connection with the performance of the work.
- 7.3 The Client is entitled to inspect the performance of the work. If the Client determines that the Contractor does not perform the work in compliance with their obligations, the Client is then entitled to request that

the Contractor removes the defects incurred as a result of defective performance and performs the work in a due manner.

- 7.4 Provisions of Section 2594 and Section 2595 of the CC apply if the things handed over to the Contractor by the Client prove to be unsuitable or the Client's instructions inaccurate. The provision of Section 2594(4) of the CC also applies identically to warranty rights.

8. USE OF SOFTWARE

- 8.1 If the Contract covers also software delivery, the Contractor grants to the Client a non-exclusive licence to use the software, including the documentation associated with it. The software may only be used for those goods/service that were delivered to the Client by the Contractor.
- 8.2 The Client may not copy or otherwise modify the software without the Contractor's prior written consent. This does not apply to the Client making one copy for safety reasons. Nonetheless, the Contractor's consent given in this manner only applies to a specific case, unless expressly stated otherwise.
- 8.3 Unless the Contractor expressly states otherwise in writing, the Contractor retains all rights pertaining to the source code and to the documentation, including their copies, and the Client may not interfere with the source code in any way.
- 8.4 The Client may further license their licence to use the software solely together with the sale of goods/work and with the Contractor's prior written consent.

9. COSTS OF MATERIAL

- 9.1 If the Contractor undertakes to test the functionality, assess the performance, modify the instruments, etc. in relation to the goods/work, the Client shall provide the necessary material in such quantity and quality as required for testing by the Contractor at the Client's own expense. If testing is performed at the Client's location, the Client shall, at their own expense, provide electrical energy as well as other necessary media (e.g. compressed air, cooling water, etc.) required for a continuous and faultless operation of the goods/work. The same applies to any other repair services provided by the Contractor. If the Contractor uses their own material for the above mentioned purposes, then the Client shall reimburse the Contractor for all costs of such material.

10. CONTRACTUAL PENALTIES, DEFAULT INTEREST, DAMAGES

- 10.1 If the Contractor fails to complete and hand over the goods/work on time, the Client is entitled to claim the payment of a contractual penalty from the Contractor in the amount of 0.05% of the Price per each day of default, but no more than 10% of the overall Price (exclusive of VAT).
- 10.2 If the Client is in default on payment of the Price or any part thereof (including additional repair services, etc., if applicable), the Contractor is entitled to claim the payment of a contractual default interest from the Client in the amount of 0.05% of the outstanding amount per each day of default, but no more than 10% of the overall Price (exclusive of VAT).
- 10.3 If the takeover of the goods/work is suspended for more than 1 (one) month after the Client is notified that the goods/work are prepared for takeover, the Client shall pay a contractual penalty in the amount of 0.05% of the Price per each commencing day.
- 10.4 If the delivery of goods/work includes installation at the Client's registered office and the Client prevents the installation of the Work at the agreed time in compliance with the terms set forth in Article 7.2 of the Contract, the Client shall pay to the Contractor a contractual penalty in the amount of 0.05% of the Price (exclusive of VAT) per each day of such default.
- 10.5 In case that any of the Parties becomes entitled to claim damages from the other Party in connection with the Contract, the Parties hereby agree on liquidated damages in the amount of up to 10% of the overall Price (exclusive of VAT). The designated amount of liquidated damages is agreed as the total amount of all of the entitled Party's claims for damages. For the avoidance of all doubts, the Parties hereby agree that the designated amount of liquidated damages does not apply if the limitation of damages is precluded by the applicable regulations.

- 10.6 The contractual penalty is payable within fifteen (15) calendar days as of the day when a written call for payment is delivered to the other Party.
- 10.7 These provisions do not apply to either Party's default caused by force majeure.

11. WITHDRAWAL FROM CONTRACT

- 11.1 The Client may withdraw from the Contract due to the Contractor's substantial breach of the Contract, whereas the following events constitute the Contractor's substantial breach of the Contract:
- (a) Contractor's non-performance lasting more than 60 (sixty) calendar days,
 - (b) Incurable defects of the goods/work, which prevent the use of the work pursuant to the terms stated in Article 6.6 of the GTC.
- 11.2 The Contractor may withdraw from the Contract due to the Client's substantial breach of the Contract, whereas the following events constitute the Client's substantial breach of the Contract:
- (a) Client's default in payment of any part of the price for work lasting more than 30 (thirty) calendar days,
 - (b) Breach of the agreed reservation of title terms under Article 4 of the GTC,
 - (c) Repeated breach of any of the provisions of these GTC or the Contract,
 - (d) Client's bankruptcy or insolvency or if the Contractor might assume that the likelihood of such events occurring is imminent.
 - (e) Failure of the Client to take over the goods/work under Article 5.8 of the GTC.
- 11.3 If the Contract provides for a test run of the work and if in the course of the test run of the Work it becomes apparent that the work cannot be completed at the current state of the art, any of the Parties may withdraw from the Contract.
- 11.4 The withdrawal from the Contract must be made in writing.
- 11.5 In the event of withdrawal from the Contract, the Parties shall return to each other everything that they rendered pursuant to the Contract no later than within 15 (fifteen) calendar days after the delivery of a written notice of withdrawal from the Contract.
- 11.6 In the event of withdrawal from the Contract due to breach of obligations, the breaching Party shall compensate the other Party for any damage proven to be incurred in connection with the termination of the Contract up to the amount of liquidated damages under Article 10.5 of these GTC.

12. FORCE MAJEURE

- 12.1 Neither Party is liable for either full or partial non-performance of any of their obligations if such non-performance is the result of circumstances suggesting force majeure, provided that the obliged Party may not be reasonably presumed to have prevented such obstruction or its consequences or to have foreseen such obstruction at the time of formation of their contractual obligations, provided that such event occurred beyond the control of that Party. The Party that is obstructed in performing their obligations due to the occurrence of a force majeure event shall without delay notify the other Party in writing, no later than within 7 (seven) days after the occurrence of the above mentioned events, as well as no later than within 7 (seven) days after the force majeure event ceases to exist. If the force majeure obstruction continues for more than 30 (thirty) days throughout the validity of the Contract, both Parties may withdraw from the Contract. Circumstances, which occur at the time when the obliged Party has already been in default with the performance of their obligations or circumstances, which result from the Party's economic situation do not constitute force majeure events.

13. GOVERNING LAW, RESOLUTION OF DISPUTES

- 13.1 These GTC as well as all legal relations between the Client and the Contractor arising from the Contract are governed by the laws of the Czech Republic, namely the CC.
- 13.2 Any property disputes between the Parties arising in connection with the Contract, including other contractual obligations, will be finally decided by the competent courts of the Czech Republic; in

compliance with the provision of Section 89a of Act No. 99/1963 Sb., Civil Procedure Code, as amended, and Article 25 of the 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 judgements in civil and commercial matters (Brussels I bis), the court having local jurisdiction in matters falling within the subject-matter jurisdiction of district courts is the District Court in Pardubice, and in matters falling within the subject-matter jurisdiction of regional courts, it is the Regional Court in Hradec Králové.

14. FINAL PROVISIONS

- 14.1 The Client acknowledges and agrees that the Contractor retains and collects data concerning the contractual relations for their own need. These GTC supersede all prior general business and delivery terms applicable to business relations between the Client and the Contractor and they become effective when the Client becomes aware of them.
- 14.2 The invalidity of any of the provisions of these GTC or any provisions incorporated into another agreement or contract is without prejudice to the validity of the remaining provisions, paragraphs or agreements set forth in these GTC.
- 14.3 The Client may neither assign nor transfer any of their rights or obligations arising from the Contract to any third party without the Contractor's prior written consent.
- 14.4 The application of the provisions of Section 1799 and Section 1800 of the CC is hereby precluded. The Parties hereby assume the risk of change of circumstances; change of circumstances does not grant any of the Parties the right to enforce any claims associated with such change and the Parties preclude the application of Section 1765(1) and Section 1766 of the CC.
- 14.5 These GTC come into force and effect when they are published on the Contractor's website at <https://www.boco-extruders.eu/downloads>; with regard to this version of the GTC, this corresponds to [TBD].
- 14.6 The Contractor reserves the right to unilaterally amend these GTC. If these GTC are amended, then the respective contractual relation is governed by the GTC version valid on the day of conclusion of the Contract.
- 14.7 In the event of any discrepancies, the provisions set forth in the Contract prevail over these GTC.

BOCO PARDUBICE machines, s.r.o.