

GENERAL TERMS AND CONDITIONS

These General Terms and Conditions (hereinafter referred to as „GTC“) regulate all legal relations between the company Cetetherm s.r.o. having its principal office at Prosecká 851/64, Prosek, 190 00 Praha 9, ID 08300321, registered in the Commercial Register maintained by the Municipal Court, Prague, Section C, Entry No. 316583 (hereinafter referred to as the “Contractor”) and the Customer, Purchaser or Distributer (hereinafter referred to as the “Client”), arising in connection with Contractor’s business activities.

1. INTRODUCTORY PROVISIONS

1.1. These GTC regulate mutual rights and duties of the Contractor and the Client (hereinafter collectively referred to as the “Parties”) arising between the Parties from orders, purchase contracts, service contracts and other similar types of contracts, as well as general agreements and any related orders concluded between the Contractor and the Client. These GTC also apply to the Client in the position of a Consumer in accordance with Section 419 of the Civil Code (hereinafter referred to as the “Consumer”).

1.2. These GTC form an integral part of any offer made by the Contractor, or a contract concluded between the Contractor and the Client. These GTC also apply in case of a reference to them in a confirmation of Client’s order by the Contractor.

1.3. Any relations regulated by these GTC shall subsidiarily be governed by General Conditions ORGALIME 2012 (hereinafter referred to as “ORGALIME 2012”). These GTC and ORGALIME 2012 are the sole applicable commercial terms between the Client (in ORGALIME 2012 referred to as the “Purchaser”) and the Contractor (in ORGALIME 2012 referred to as the “Supplier”) and they exclude the application of any other commercial terms of the Client unless the Contractor has expressed their prior consent in writing.

1.4. The Contractor has the right to amend these GTC unilaterally to a reasonable extent in order to improve the quality of service, in relation to the development of legal environment and technology, and also in respect to the business policy of the Contractor, particularly in the area of form of communication between the Parties, the way of invoicing, the range of goods and services on offer, and the ways of terminating contractual relations (“Amendment”). In such a case, the Contractor is entitled to propose the Amendment to the Client in writing at least two (2) months before the day on which the Amendment shall come into effect based on the proposal. In case the Client does not approve of the Amendment, he is entitled to renounce the contract in writing with the effect from the day before the proposed effective date of the Amendment. A written notice of termination of contract shall be delivered to the Contractor at least one (1) month before the proposed effective date of the Amendment. In case the notice of termination of the contract is not delivered to the Contractor in the above-mentioned term, the Amendment comes into effect as from the proposed effective date and becomes binding upon both Parties.

2. CONCLUSION OF CONTRACT

2.1. The contract between the Parties is concluded by (i) signing the contract by both Parties, or (ii) confirmation of Client's order by the Contractor.

2.2. The Client may make a non-binding enquiry about the goods or services of the Contractor, based on which the Contractor may prepare a quote and offer to be sent to the Client.

2.3. The orders shall include: (i) specification of the item; (ii) number of items; (iii) required date of delivery; (iv) price; (v) customer number; (vi) identification of the person who placed the Order, including their name, surname and role; and (vii) the date of Order. If necessary, the order shall include drawing documentation or a draft. Confirmation of the Order by the Contractor establishes a partial contract. The last sentence, Clause 10, ORGALIME 2012 does not apply.

2.4. The Contractor shall respond to the Order within five (5) working days, unless otherwise agreed. The confirmation of Client's Order by the Contractor shall include a brief overview of contractual terms.

2.5. In case the Order contains different terms in comparison with the offer and / or GTC, the Contractor is entitled to amend the Order in the Order Confirmation in compliance with the GTC and thus make a modified Order acknowledgement. Modified Order Confirmation shall be sustained, unless the Client rejects such amendment to the Order within three (3) working days from the delivery of modified Order Confirmation.

3. SUBJECT-MATTER

3.1. The subject-matter is the delivery of goods or services (hereinafter collectively referred to as "Products"), as agreed in the contract, specified in the Order confirmed by the Contractor, or Contractor's offer accepted by the Client under the terms stated in these GTC.

3.2. Unless the quality, properties or style of Products are expressly agreed, the Products suitable for the purpose expressly stated in the contract, order or offer, otherwise for standard purpose, shall be delivered, according to the knowledge of the Contractor.

3.3. The Client undertakes to provide the Contractor without undue delay with any necessary cooperation in order to duly fulfil Contractor's obligations.

3.4. The Client undertakes to observe the conditions of proper storage, professional installation, handling, maintenance and operation of Products in compliance with Contractor's instructions according to the rules stated in Sections 4 and 5 in ORGALIME 2012.

4. DELIVERY OF GOODS

4.1. The Contractor shall deliver the Products to the Client in the place of performance within the agreed delivery time (or after specifying all technical and business matters) and the Client undertakes to accept them. If the place of performance is not expressly specified, it is considered that the place of performance is in the place of Client's registered office.

4.2. Delivery time shall be extended at least by the delay time in cases stated below:

4.2.1. If the Contractor does not receive all information and documents necessary for fulfilling the contract in time, or if the Client requests additional amendments to the original order, and thus causes delays in the delivery of goods or services.

4.2.2. If there are obstacles which the Contractor, despite due efforts, cannot overcome, regardless of them being on the side of the Contractor, the Client, or any other supplier, such as epidemic, mobilisation, warfare, riots, operational disaster, accident, strikes, delayed or faulty subdelivery, administrative inactivity, or natural disasters.

4.2.3 If the Client or the third party does not fulfil their duties, or does not observe contractual obligations, particularly in relation with the terms of payment.

4.3. The Contractor shall pack the Product according to the Contractor's standards, unless otherwise agreed.

4.4. Unless expressly specified in the Contract or Order, the Product delivery shall not be considered as Fixed obligation pursuant to Section 1980 of the Civil Code.

4.5. The Client undertakes to duly accept the Products at the place of performance, to perform the inspection of quality without delay (including usual technical inspection of properties of the Product, e.g. parameters and volume of delivery) in person or by an authorised person, and to confirm the delivery note of the carrier. If the Client does not determine any defects in the delivery note upon delivery, it is considered that there are no apparent defects in the Products and the Client shall not be entitled to claim apparent defects later.

4.6. Minor defects and backlogs, which do not impede the usage of Products, are not considered a reason for refusing to accept the Products by the Client.

4.7. The risk of Product damage passes to the Client at the moment when the Contractor hands over the Products to the carrier or a person authorised by the Client. In case the handover to the carrier is delayed on Client's instruction or for other reasons without the fault of the Contractor, the risk of product damage passes to the Client at the moment of stock removal of the goods. From the removal, the Products shall be stored at the cost and risk of the Client.

4.8. The title to the Products is transferred on the Client on the day of payment of full price for the Products, including VAT, unless otherwise agreed.

5. PRICE AND PAYMENT CONDITIONS

5.1. The price of Products under the contract is fixed and stated without the value added tax, which shall be added to the price at the amount stipulated by applicable legal regulations. Unless otherwise agreed in the contract, the goods shall be delivered based on the INCOTERMS 2010 delivery terms and the packaging and packing costs shall not be included in the price, nor the loading costs, or any other costs or fees, such as taxes, duty, insurance, etc. All of the aforementioned costs shall be borne by the Client.

5.2. The Client is bound to pay the agreed Price for the Products to the Contractor, including any possible packaging, transport, insurance and installation costs, unless expressly agreed that they are part of the price, respectively based on the invoice which shall meet all

requirements of a tax document, pursuant to Act no. 235/2004 Col., Value-added tax Act, as amended.

5.3. The Contractor is entitled to require a deposit from the Client on the price of Products before starting the production. In case of Client's delay in the payment of the deposit, the term of delivery by the Contractor is extended by the length of the delay. The Contractor is also entitled to withdraw from the contract of Product delivery in case the deposit has not been paid.

5.4. The contractor is entitled to shorten the due date of invoices to 14 days in the event of repeated delay in Client's payment obligations, or in case of a significant deterioration in Client's financial situation. In such cases, the Contractor may hold any unfulfilled deliveries from all Purchase contracts without breaching the Contracts or the right of withdrawal.

5.5. Unless otherwise agreed, the due date of invoices is 30 days from the date of issue, whereas the invoice shall be issued within 15 days after Product delivery. In case of partial deliveries, the Contractor is entitled to issue an invoice for the price of individual partial performance.

5.6. The price shall be paid by transfer into the Contractor's bank account stated in the invoice. If there is a variable or specific symbol in the invoice, the Client is obliged to provide this information upon payment. The day of payment of the monetary performance is the day when the due amount is paid into the Contractor's bank account.

5.7. In case of the delay of payment of any invoiced amount, the Contractor is entitled to demand an interest on overdue payment of 0.2 % per day from the outstanding amount for each commenced day of delay until the payment.

5.8. In case of Client's default with payment of any invoiced amount, the Contractor is entitled to stop performing any other Orders of the Client until all debts have been paid, in this case, the Contractor is not in delay with the performance.

5.9. If the price of Products agreed between the Parties in partial purchase contract / Order confirmation is quoted in currency other than Czech crowns and there is a difference in exchange rate between such currencies to the date of payment for the Product, leading to the decrease of the Product price stated in Czech crowns by more than 2 % in comparison with the Product price in Czech crowns quoted on the date of conclusion of the Purchase contract, the Contractor shall charge such a calculated difference in Product price. The middle exchange rate announced by the Czech National Bank on the date of conclusion of the partial contract and on the date of payment of Product Price is decisive. The Contractor is entitled to invoice such increase separately. This clause of GTC does not apply to the Consumer.

5.10. In case there is an increase in the price of input materials necessary for manufacturing the Product by more than 5 % after Order Confirmation, the Contractor is entitled to increase the Product price by an amount corresponding to the increase of the price of said material, the same applies in case of a change in technical solution of the Product due to Client's request. The Contractor shall notify the Client of such an increase, and together with the notification he shall send to the Client documents justifying the increase of Product price resulting from the changes in material prices (original and new price lists or original and new orders of materials, etc.). The change in Product price shall come into effect as from the

moment of delivery of the notification to the Client. This clause of GTC does not apply to the Consumer.

6. FAULTY GOODS, GUARANTEE OF QUALITY AND COMPLAINTS

6.1. If the Products are delivered by the Contractor for transport to the place specified by the Client, the Client shall secure inspection of the Products immediately upon delivery of the Products to the place of destination. If the Products are delivered at the registered office of the Contractor, the Client shall secure inspection of the Products upon acceptance at the Contractor. If the Client fails to do so, the Products shall be deemed delivered without defects. In case of apparent defects, the Client is obliged to provide documentary evidence and notify the Contractor in writing or email together with relevant photo documentation of the defects on the day of delivery of the Products at the latest. If the Client fails to fulfil these obligations, he shall not be entitled to lodge a claim for defects in relation to these apparent defects. If the Products are damaged in transit, the Client is obliged to document the fact carefully with the carrier in the vehicle at the moment of delivery acceptance and write down a report describing the extent of damage in detail.

6.2. The Contractor provides the Client with the guarantee of quality for faults other than apparent within the period of 12 months from Product delivery. The guarantee applies only to defects of Products for which the conditions of proper storage, professional installation, handling, maintenance and operation have been observed in accordance with Contractor's instructions under Clauses 4 and 5 of ORGALIME 2012. The liability for defects and the course of claim are governed by the provisions under ORGALIME 2012. The Contractor reserves the right to choose between the repair and replacement of faulty Product or its part.

6.3. The Contractor is liable for defects the Product shall have at acceptance (liability for defects) and also for defects under the guarantee and defects occurring during the warranty period (Quality guarantee). The Contractor shall not be liable for defects for which a discount has been provided and of which the Client was notified beforehand at the sale. In case of liability for defects and due notification of the defects to the Contractor, the Client is entitled to:

- a) fault removal by providing spare parts of the Product or providing a missing part,
- b) fault removal in a part of the Product by its removal and repair, if repairable,
- c) receive a reasonable discount from purchase price,
- d) get a refund.

In case of assertion of liability for defects, the provisions under Section 2099 et seq. of the Civil Code are applied.

6.4. Under Clause 24 of ORGALIME 2012, the Contractor shall not be liable for defects and faulty performance arising out of documents and materials supplied by the Client. In case of a Product manufactured by the Contractor according to the documentation and materials supplied by the Client, the Contractor is not obliged to check the correctness, suitability and completeness of the documentation or materials supplied by the Client, and does not assume any responsibility for such documentation (or usage of such materials), nor for fulfilling legislative conditions of distribution and usage of such Products. Client's

documentation redrawn by the Contractor for the purpose of production is also deemed Client's documentation, unless it alters the basic concept of the Product.

6.5. The claim for defects of the Products must be made in writing within the warranty period without undue delay after the assessment of defect, but no later than seven (7) days from the day of defect assessment. The claim must be sent to the Contractor in writing and must contain detailed specification of the Product claimed (incl. identification data, e.g. identification label), detected defect, date, method of defect assessment and its signs.

6.6. If the Client detects a defect, he is obliged to take immediate measures to minimize further damage to the Product and prevent any other possible related damage.

6.7. If the defect is duly claimed by the Client, the Customer undertakes to arrange for an inspection of the claimed Product fault without undue delay. Unless otherwise agreed, the faulty Product shall be transported to Contractor's premises, where it shall be tested for the detection of the defect. The method of transport of the Product to Contractor's premises shall be agreed between the Parties. If the claim is found legitimate, the Contractor shall pay for transport costs. The Client is obliged to provide the Contractor with any necessary cooperation so that the Contractor may verify the defects and duly rectify the claimed faults. If the Client claims the Product and no defect is found for which the Contractor is liable, the Contractor is entitled to reimbursement of any expenses incurred in relation with the claim; the Contractor does not have this right towards the Consumer, unless it is apparent that the right has been abused.

6.8. If the claimed Product is returned and the claim acknowledged by the Contractor, the claim shall be settled without undue delay, but no later than 30 days from the delivery of claimed Products to the Contractor, unless the Client and Contractor agree on a longer period. If the Product is inspected on site, the Contractor shall send an authorized person to perform the inspection of claimed Product no later than 30 days from the date of delivery of written complaint to the Contractor, unless the Parties agree on a longer period. In this case, the claim shall then be settled within 30 days from the day of such inspection, unless the Parties agree on a longer period.

6.9. If the complaint has been acknowledged, the terms of ORGALIME 2012 shall be observed. The Contractor shall remove the defect at his expense without undue delay. This repair shall be performed in the place of the Product, unless the Contractor considers it appropriate for the Product to be shipped to his premises or other place specified by the Contractor. If it is possible to remove the defect by replacing or repairing the faulty part, and the disassembly or uninstallation of this part does not require any special expertise, the Contractor may ask for the faulty part to be sent to his premises or another place specified by the Contractor. In such a case, the Contractor shall fulfil his obligation in relation to the defect at the moment of delivery of a duly repaired or replaced faulty part of the Product to the Client.

6.10. Inspection of functionality and defects in Products, as well as the replacement of components shall only be performed by a qualified employee of the Contractor, or upon agreement between the Parties, by an employee of the Client who has been duly trained for such an operation by the Contractor. In the latter case, the Client must document the inspection or replacement in writing and deliver it to the Contractor within 10 days from its performance. In case of an unauthorised intervention in the Product in violation of these GTC within the warranty period, the guarantee for the quality of the Product expires automatically.

6.11. If the manual or Contractor's instructions state that the Product requires regular professional maintenance and servicing, such maintenance shall be performed, otherwise the guarantee of quality expires.

6.12. Should there be a dispute between the Parties as to whether the defect in the Product is covered by the guarantee or liability of the Contractor, the Parties shall appoint an expert in the field, who will assess the defect and determine whether the Contractor is liable for the defect or not. The expenses related to the expert's opinion shall be paid by the party whose opinion about the defect has not been sustained by the expert's opinion. The term for the removal of the defect in the Product pursuant to Clause 6.7 starts on the date of delivery of the expert's opinion to the Contractor in case the complaint proves legitimate based on the expert's opinion. This clause of GTC does not apply to the Consumer.

7. TERMINATION OF CONTRACT

7.1. The contract shall be terminated only by:

7.1.1. written agreement of the Parties;

7.1.2. written notice for reasons stated in the Contract or GTC;

7.1.3. withdrawal from the Contract for reasons stated in the Contract or GTC;

7.1.4. withdrawal from the Contract by the Consumer pursuant to the provisions of Section 1829 et seq. of the Civil Code, without giving a reason within 14 days, if the Contract has been concluded as a Distance Contract. The expenses related to the return of goods shall be borne by the Consumer.

7.2. Should any of the Parties have a reason to withdraw from the Contract, they shall first notify the other Party in writing, seeking redress within a reasonable term, no shorter than ten (10) working days. In case of neglect of time, the respective Party may withdraw from the Contract in writing.

7.2. The reason for withdrawal of the Contractor is (i) Client's delay in providing cooperation with due performance by the Contractor, (ii) breach of the Client's obligation to ensure necessary rights to use materials supplied by the Client pursuant to Clause 8, or (iii) Client's delay in payment of any due amount to the Contractor.

7.3. The reason for withdrawal of the Client is (i) Contractor's delay in delivering the Products in more than 30 days, or (ii) failure to remove legitimately claimed defects of the Products pursuant to Clause 6.7, or Clause 6.10.

8. COPYRIGHT

8.1. If the Products or their parts are produced on the basis of the documents supplied by the Client, the Client undertakes to ensure appropriate rights to use such documents to the necessary extent, and he shall be liable for any damage (including lost profit, reimbursement of the costs of proceedings, costs of legal representation, legal and other charges), which may arise in relation to the use of such materials to the Contractor, and undertakes to pay for any such damage to full extent to the Contractor. The Contractor shall not be liable for any breach of the rights of another person from industrial or other intellectual property due to the

production and / or usage of the Product according to the documents supplied by the Client under any rule of law, under which the breach may occur.

8.2. Drawing documentation, 3D models, technical documentation and any other technical information and documents submitted between the Contractor and the Client for the purpose of production and delivery of the Products shall not be used for any other purpose without previous explicit consent of the Party which provided such documents and submitted them to the other Party. Such documents shall not be copied, reproduced, nor made available to any third parties without previous written consent of the Party which provided such documents.

8.3. Unless the Parties expressly agree otherwise, the technological procedures, documentation and technical information related to the manufacture of the Products, with the exception of documents provided by the Client, are intellectual property of the Contractor.

9. CONFIDENTIALITY

9.1. The Parties undertake to maintain confidentiality about all information related to the Parties which they obtained directly or indirectly from the other Party in connection with the conclusion of the Contract and fulfilment of obligations arising from the Contract, and to not disclose such information to any third party, with the exception of disclosing the information to a necessary extent in order to duly perform the Contract. The Parties undertake to ensure the protection of Confidential Information, including securing adequate technical and organizational means to protect such Confidential Information in order to protect it against unauthorized use or transfer. If a separate Confidentiality or Non-disclosure Agreement is concluded, the provisions of such an Agreement shall prevail over this Confidentiality clause should there arise a dispute between the Parties.

9.2. The following information is not considered confidential under this clause: (i) information which is or becomes generally known or publicly accessible for any reason other than as the consequence of breach of confidentiality obligation under this Contract, (ii) information the disclosure of which is foreseen by the Contract (e.g. reference), (iii) information where (a) there is the legal duty to disclose confidential information to the court or other public authority, or any of the Parties enters into suspicion that the other party has committed a crime against life, health, human dignity or personal freedom, (b) confidential information is disclosed to a person who is subject to legal duty of confidentiality, in particular them being a lawyer or another professional consultant, or (c) it is disclosed in order to fulfil the obligations under this Contract.

10. FINAL PROVISIONS

10.1. Legal relationship between the Client and the Contractor shall be governed by the applicable laws of the Czech Republic.

10.2. When interpreting the contents of legal relationships under these GTC, the Parties agree on this order of priority, where the provisions in these GTC prevail over the provisions in ORGALIME 2012.

10.3. The Client and the Contractor have agreed that any disputes arising from legal relations governed by these GTC or related, which cannot be resolved by negotiation

between the Parties, shall be definitely decided at Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic under its regulations by three arbitrators. The language of the arbitration shall be Czech. In case such an option is excluded by law or is objectively impossible, the dispute shall be decided by ordinary court of the Contractor, under the Rules of Civil Procedure of the Czech Republic. Section 46 of ORGLIME 2012 regulations shall not apply to the contractual relation between the Contractor and the Client. This clause of GTC does not apply to the Consumer to whom the following clause 10.4 of GTC applies.

10.4. In case there is a consumer dispute between the Contractor and the Client as a Consumer arising from the Purchase contract or Service contract, which cannot be resolved by mutual agreement, the Consumer shall file a motion for out-of-court settlement of such a dispute by the entity designated for out-of-court consumer dispute resolution, i.e. The Czech Trade Inspection Authority (CTIA) Central Inspectorate – ADR Department, Štěpánská 15, 120 00 Praha 2, email: adr@coi.cz, web: adr.coi.cz.

10.5. The Client and the Contractor exclude the application of provisions under Sections 1765, 1766 and 2594 of law no. 89/2012 Col. Civil Code.

10.6. Unless expressly stated otherwise, any modification of these GTC or contractual stipulations between the Client and the Contractor shall be performed in the form of a written amendment signed by both Parties. This does not apply in case of change of the contact person, in which case an advance written notification is required, and in case of Amendment to these GTC, which is stipulated in Clause 1.4 above.

These GTC are effective as from 1 January 2020.