

## 1. Basic Provisions

- 1.1 These Business Terms and Conditions for Purchasing (hereinafter the **"Terms and Conditions"**) of the buyer apply, pursuant to Section 1751 of Act No. 89/2012 Coll., the Civil Code (hereinafter the **"Code"**), to obligations arising from the acquisition of goods by Zeppelin CZ s.r.o., company registered number: 18627226, file reference: C 2346, kept at the Municipal Court in Prague (hereinafter the **"Buyer"**), in the form of a Purchase Contract or Contract for Work. Any deviation from these Terms and Conditions requires a written agreement between the Seller (Supplier) and the Buyer (Customer).
- 1.2 In relation to contracts which oblige to long-term and repeated performances of the same type, the Buyer is entitled to amend these Terms and Conditions to a reasonable extent in accordance with Section 1752(1) of the Code. Such amendment must be notified to the Seller in writing or by e-mail, where, if it does not consent to the amended Terms and Conditions, the Seller may terminate the contract with a notice period of 14 days after the delivery date of the notification concerning the amendment to the Terms and Conditions.
- 1.3 Any and all offers made by the Buyer prior to the conclusion of the relevant contract are non-binding. Technical data, operating costs, consumption, weight, dimensions, images, etc. are only approximate, unless they are expressly confirmed by the Buyer in writing.
- 1.4 All conditions for mutual performances of the Seller and Buyer are given in the contract and in these Terms and Conditions, unless the contract provides otherwise.
- 1.5 Except for Article 2.4 of the Terms and Conditions, changes and modifications to the contract may only be made in writing, in the form of an amendment approved by both contracting parties.
- ## 2. Conclusion of Contract
- 2.1 A written proposal of the Buyer for conclusion of a contract (**"Order"**) must be accepted by the Seller in writing within seven days of the delivery of the relevant Order, but no later than ten business days after the Order was sent by the Buyer. In the event of the future expiration of the deadline, the Offer is regarded as rejected, unless the Seller renders performance.
- 2.2 A contract is concluded on the day of delivery of a written acceptance of an Order by the Seller to the address of the Buyer's registered office, no later than the last day of the period set in the Order for its acceptance. Late reception of an Order has also the acceptance effect provided the Buyer has confirmed it to the Seller in writing.
- 2.3 If the acceptance of an Order contains any amendments or deviations, the acceptance of the Order is regarded as a new proposal and a contract is not concluded until the Buyer confirms the new proposal in writing.
- 2.4 Changes and modifications may be made over the framework of Article 1.5 of the Terms and Conditions also in such a manner that the Seller, after receiving an Order of the Buyer, expresses its consent to the Order by handing the requested item over to the Buyer in the period set for the acceptance of the Order, or otherwise rendering performance under the contract.
- ## 3. Time and Place of Performance
- 3.1 The Seller's contractual obligations are performed upon the delivery of goods, including all documents necessary for the use of the goods, to the place designated in the contract. The time of delivery of goods is set in the contract; if the time of delivery is set as being by a specific date, the Seller is obliged to set the handover date no less than three business days in advance. The Seller also undertakes to provide the Buyer with all necessary co-operation for the performance of changes to records of goods in the event the Buyer so requests.
- 3.2 The Seller is obliged to hand over to the Buyer goods of the designated type, in a quantity, quality and design in accordance with the contract. If the contract does not determine the quality or design of goods, the Seller hands over the goods in a quality and design in accordance with the relevant technical standard or in a quality and design corresponding to the agreed purpose, or the purpose for which such goods are usually used, and/or for the purpose resulting from the Buyer's Order. The goods must also be in accordance with all legal, technical, safety and other generally binding regulations related to the goods. The Seller is obliged to package the goods in such a manner that the packaging suits the type and nature of the goods and the method of transport, and prepare them for transport in the manner usual for such goods.
- 3.3 The ownership title to the goods devolves to the Buyer at the moment of acceptance.
- 3.4 The Seller undertakes that goods delivered to the Buyer do not have any legal defects.
- 3.5 Unless agreed otherwise in the contract, the delivery of goods is governed by the DDP delivery term at the Buyer's registered office in accordance with INCOTERMS 2010.
- 3.6 The Seller's rights and obligations upon delivery of goods through a third party are governed by the provisions of the Code, the contract or these Terms and Conditions.
- 3.7 The date of delivery and acceptance is extended by the period for which the impediments to performance caused by circumstances excluding liability in accordance with Section 2913(2) of the Code prevail. The deadline for performance is also extended by a period of delay on the part of the other contracting party.
- 3.8 The Buyer may reject performance if goods are not delivered in order and on time. Otherwise, the Seller is entitled to store the goods at the Buyer's expense, where the Buyer is obliged to pay all related costs to the Seller.
- 3.9 If the Seller delivers to the Buyer a larger quantity of goods than agreed in a contract, the contract is not concluded in relation to the excess quantity, unless the Buyer confirms in writing that it accepts the excess quantity. Otherwise, the Seller is obliged to remove the excess goods at its own expense.
- 3.10 The Buyer is not obliged to accept partial deliveries that were not agreed in advance in the contract.
- 3.11 The Buyer is not in delay with the payment of the purchase price if the Seller is late with the delivery of the goods. After setting an additional period for delivery of the goods, the Buyer is entitled to withdraw from the contract.
- 3.12 The transfer of the risk of damage to the goods shall be governed by Sections 2121–2125 of the Civil Code.
- 3.13 The acceptance of goods is confirmed by the Buyer on a delivery bill/docket if a contractual carrier is used and on a handover record in case of personal acceptance. Confirmation of acceptance of goods is made by the Buyer in such a manner that he states in block letters on the document his first name and surname, position (job) and attaches his signature and an imprint of the Buyer's stamp.
- 3.14 The Seller is aware of the possible risk of a material change of circumstances which may involve an unreasonable increase in the costs of performance and the Seller accepts this risk as well as the fact that the unreasonably increased costs will be debited to it.
- ## 4. Buyer's Duties
- 4.1 The Buyer is obliged to pay the Seller the purchase price in the manner specified in the contract and provide assistance to the Seller when performing the contract.
- 4.2 The Buyer is obliged to observe the confidentiality duty concerning information about business relations, the pricing policy, documentation and information provided by the Seller with respect to any third party, even in the event of termination of the obligation between the contracting parties.
- ## 5. Purchase Price
- 5.1 The purchase price, including the conditions of its payment, is set in the contract and is a final price. The payment of other costs by the Buyer must be expressly agreed in writing.
- 5.2 The purchase price for goods will be paid based on invoices issued by the Seller and properly delivered to the Buyer in duplicate. The source document for the issue of an invoice is a signed handover record or other source document on acceptance of goods by the Buyer. An invoice must meet the requisites of a tax document and also state the contract number. In the event an invoice does not have the requisites of a tax document, or contains evident errors, or is in conflict with the signed handover record or other document on acceptance of goods by the Buyer, it may be returned by the Buyer, where the payment period for the corrected invoice runs as of its repeated delivery.
- 5.3 In connection with Act No. 235/2004 Coll., on value added tax, as amended (the "VAT Act"), the following provisions apply:
- The Buyer will make all payments solely into the Seller's account that is published by the relevant tax administrator in a manner enabling remote access in the payers' register (in accordance with Section 98 of the VAT Act) and that is stated in the header of the Contract.
  - Any change to information in the payer's registration for value added tax during the contract's validity must promptly be notified by the Seller to the Buyer.
  - In the event of non-compliance with the aforementioned provisions and requirements by the Seller for the payment of an invoice in a manner where the Buyer becomes or can become the guarantor for the payment of value added tax in accordance with Section 109 of the VAT Act, the Buyer is entitled to return tax documents (invoices) to the Seller without payment and call on it to issue and deliver a new tax document with the number of the account published in the payers' register.
- 5.4 The Seller is entitled to invoice the agreed purchase price of goods only after their delivery.
- 5.5 In the event the payment of the purchase price in the form of instalments is agreed, the Buyer will lose the benefit of instalments in the event of delay with three instalments, and the entire purchase price therefore becomes payable 14 days after the due date of the third instalment with which the Buyer is in delay.
- 5.6 The Buyer is entitled to set off its receivable due from the Seller against a receivable of the Seller which is due from the Buyer and is not yet payable, and is entitled to assign any rights and obligations under the contract to a third party, even without the Seller's prior consent.
- 5.7 Payments of the purchase price under Section 1957(1) of the Code are made by bank transfer in the contract's currency. The due date of payment is met if the relevant amount is credited to the beneficiary's account no later than the due date. The place of performance of pecuniary obligations of the Buyer is, in accordance with Section 1955(1) of the Code, the bank with which the Seller has the account whose number is specified on the invoice. Tax documents on a statement of account issued in the manner of bulk data processing do not have to contain the issuer's stamp or signature.

## 6. Warranty for Quality, Rights under Defective Performance

- 6.1 The Seller provides the Buyer with a warranty period for the quality of the delivered goods individually agreed in the contract, otherwise lasting 24 months from the day of regular and due delivery of the goods to the Buyer.
- 6.2 In the event of a difference in the length of the warranty period stated in the contract and/or on the warranty certificate and/or on the packaging for the goods, the longest warranty period applies.
- 6.3 The Buyer is entitled to complain about quantity or evident defects within 14 days of the delivery of goods to the Buyer. The Buyer is entitled to complain about all other defects at any time during the warranty period. A complaint about a defect is timely if it was sent by the Buyer by the 14<sup>th</sup> day after the delivery of goods, or the last day of the warranty period.
- 6.4 The Buyer is obliged to complain to the Seller about ascertained defects in writing (by a letter, fax or e-mail). The Buyer will describe the ascertained defect and communicate the chosen right under defective performance to the Seller.
- 6.5 The Seller will remove the ascertained defects in goods within seven days of the delivery of a notification, in accordance with the right chosen by the Buyer under Article 6.4 of the Terms and Conditions. If the Buyer chooses the correction of a defect or delivery of new goods without defects, it will also determine a reasonable period for performance for the Seller. If the Buyer chooses a delivery of new goods, the Buyer will return defective goods to the Seller in accordance with the Seller's instructions and at the Seller's expense.
- 6.6 At the Buyer's request, the Seller is obliged to promptly send a representative, who will examine the claimed defects for the purpose of assessing them.
- 6.7 If the Seller does not remove a defect claimed by the relevant deadline, the Buyer is entitled to remove the defect itself or via a third party at the Seller's expense. The Seller is obliged to reimburse the Buyer for such costs within 30 days of the delivery of a statement of account/billing.
- 6.8 If a defect cannot be removed or if unreasonable costs are related to its correction, the Buyer is entitled to either withdraw from the Contract or choose another right under defective performance.
- 6.9 For warranty repairs the Seller is obliged to always use new and original spare parts. A new warranty period in accordance with Article 6.1 of the Terms and Conditions applies to repaired or new parts of goods and starts to run upon the signature of the service record or, if one is not prepared, on the day the Buyer is again enabled to handle the goods.
- 6.10 Until removal of a defect, the Buyer is entitled to withhold part of the purchase price corresponding to the Buyer's right to a discount.
- 6.11 The Buyer is entitled, in addition to the rights arising from defective performance, also to claim rights under other legal titles.
- 6.12 Claiming rights arising from defective performance does not prevent the Buyer from making claims against the Seller for compensation of damage suffered by the Buyer due to a breach of the Seller's duties. The Seller is obliged to reimburse the Buyer for such damage within 30 days of the delivery of a statement of account/billing.
- ## 7. Penalties
- 7.1 If the Seller is in delay with the delivery of goods, it shall pay the Buyer a contractual penalty totalling 0.05% of the purchase price of the undelivered goods for each day of delay.
- 7.2 If the Seller is in delay with the removal of ascertained and notified defects in the goods, including documents necessary for their use, it shall pay the Buyer a contractual penalty totalling 0.05% of the purchase price for each individual defect and each day of delay correcting it.
- 7.3 If the Seller incorrectly or incompletely prepares the documents necessary to accept goods, the Buyer is entitled to request from the Seller a contractual penalty totalling CZK 10,000.
- 7.4 Contractual penalties and receivables for compensation for damages billed by the Buyer shall be settled by the Seller within 30 days of the delivery of a statement of account/billing. It is expressly stipulated that the Buyer is entitled to compensation for damage arising from a breach of an obligation to which a contractual penalty applies.
- ## 8. Intellectual Property Rights
- 8.1 All technical documentation (drawings, technical documents, calculations, procedures, manuals, etc.) that the Buyer hands over to the Seller as a source document for the production of goods (hereinafter **"Technical Documentation"**) remains the sole property of the Buyer. All technical solutions and other solutions and procedures that the Technical Documentation contains and that are designated in the relevant manner are the object of the Buyer's intellectual property.
- 8.2 Without the Buyer's express written consent, the Seller is not entitled to publish the Technical Documentation, or make it available to any third party, or use it in favour of its own benefit or the benefit of any third party. The Seller is entitled to use the Technical Documentation only in connection with the production of the goods. This obligation does not apply to administrative or other public bodies provided they perform statutory control or other supervision in accordance with the relevant acts.
- 8.3 If the subject of performance delivered in accordance with the contract is a tangible result of activities (hereinafter **"Tangible Result"**) that is protected by an industrial right or other intellectual property right, the Seller provides the Buyer, upon the conclusion of the contract, with a free of charge licence for the use of the Tangible Result for all known methods of use. The licence contains the Buyer's right to the use of the Tangible Result unlimited in terms of time and territory and an authorisation to grant a sublicense to a third party.
- 8.4 In case of a breach of the obligation in accordance with Article 8.2 of the Terms and Conditions by the Seller or by third parties that is attributable to the Seller, the Seller is obliged to pay the Buyer a contractual penalty totalling CZK 10,000,000 for each case of a breach of the obligation. Article 7.4 of the Terms and Conditions also applies to cases of this contractual penalty.
- ## 9. Termination of the Contract
- 9.1 Either of the contracting parties is entitled to withdraw from the contract in writing in the event of a material breach of the contract by the other contracting party.
- 9.2 A material breach of the contract by the Seller includes, in particular, a breach of the obligation to hand over goods to the Buyer in order and on time, and a delay with the removal of a defect. There is also a material breach in a state where a decision on insolvency or risk of insolvency is issued for a contracting party's assets by an insolvency court in accordance with Act No. 182/2006 Coll., the insolvency act, another decision on a declaration of insolvency is issued or an application is rejected due to a lack of assets, or if a decision is adopted on the winding up of the Buyer with liquidation.
- 9.3 The Buyer is entitled to keep part of the goods delivered before withdrawal from the contract, provided it pays the Seller the appropriate part of the purchase price. In the event of withdrawal from the contract, Section 2994 of the Code does not apply.
- 9.4 If a framework contract is concluded between the contracting parties, the contract can be unilaterally terminated by three months' written notice, even without giving reasons. The notice period starts to run on the day of delivery to the other contracting party.
- ## 10. Concluding Provisions
- 10.1 All relations not addressed by these Terms and Conditions are governed by the contract concluded between the Seller and the Buyer and the provisions of the Code, as amended.
- 10.2 The law of the Czech Republic applies to all contractual and non-contractual relations between the Buyer and the Seller, with the exclusion of the application of the UN Convention on Contracts for the International Sale of Goods (CISG).
- 10.3 With the exception of Article 3.7 of the Terms and Conditions, the provisions on a change of circumstances contained in Sections 1765–1766 of the Code do not apply to obligations between the Seller and the Buyer. The content of the purchase contract is regarded as confidential and cannot be disclosed to third parties, unless a generally binding legal regulation indicates that it should be publishable.
- 10.4 All disputes that could arise on the basis of or in connection with the contract will be resolved by a Czech court that has the relevant jurisdiction. The court that has the relevant jurisdiction will be determined in accordance with the Buyer's registered office as at the day an action is filed.
- 10.5 If one or more provisions of these Terms and Conditions is or becomes invalid for any reasons, this will not affect the validity of the other provisions of these Terms and Conditions.
- 10.6 By signing the contract, the Seller and the Buyer express their consent with the Terms and Conditions and undertake to comply with them. If a generally binding legal regulation ties the existence of the right to an agreement between the parties, by concluding the relevant contract the Seller expresses its consent with such agreement.

The Terms and Conditions are effective from 1 March 2019