

## **1. Scope**

(1) All deliveries, services, orders and offers from our suppliers shall be made exclusively on the basis of these General Purchasing Terms and Conditions. These are an integral part of all contracts that we, CHETAU BZENEC, spol. s r.o., Podhájí 421, 696 81 Bzenec, IČ: 60706678 (subsequently referred to as "Buyer"), make with our suppliers for the deliveries or services offered by them. They also apply to all future deliveries, supplier services, or our future offers, even if they are not again separately agreed upon.

(2) The terms and conditions of our suppliers or third parties do not apply, even if we do not separately object to their application in individual cases. Even if we refer to a letter that contains or refers to the terms and conditions of the supplier or a third party, this does not constitute an agreement to the validity of those terms and conditions.

## **2. Orders and contracts**

(1) Unless our offers expressly have a commitment period, we are bound for one week after the offer date. Receipt of a notice of acceptance by us is decisive for timely acceptance. We are bounding by a written offer to conclude a contract (order) only. If this offer was in electronic form, it had accompanied by a scanned handwritten signature (so-called facsimile signature) of two executives of our company or a person who, as an employee of our company, who has been entrusted with the purchase of goods and services. An acceptance of the order had made by the supplier in writing and had delivered to our company in paper form at the address of its registered office or in electronic form at the e-mail address specified in the order.

(2) We are entitled to change the time and place of delivery as well as the type of packaging at any time by giving written notice of at least 14 calendar days before the agreed delivery date. The same applies to changes in product specifications insofar as these can be implemented within the framework of the supplier's normal production process without significant increased effort, whereby, in these cases, the notification period is at least 8 weeks according to the previous sentence. We will compensate the suppliers for the additional costs that arise from the changes that are evidenced and reasonable. If such changes result in delivery delays that cannot be avoided in the supplier's normal production and business operations with reasonable efforts, the originally agreed upon delivery date will be postponed accordingly. On careful assessment, the supplier will notify us in a timely manner in writing of any additional costs or delays in delivery to be expected from them before the delivery date, but at least within 14 working days after receipt of our notification according to p. 1.

(3) We are entitled to withdraw from the contract at any time with a written declaration of the reason if we are no longer able to use the ordered products in our business operations or are only able to use them at considerable expense due to circumstances for which the supplier is responsible and which occur after the conclusion of the contract (e.g. non-compliance with legal requirements) or if the financial circumstances of the supplier deteriorate after the conclusion of the contract in such a way that delivery in accordance with the contract cannot be expected.

(4) Deviations of the order confirmation from the order, verbal agreements before, at or after conclusion of the contract and deviations from these ordering terms and conditions require our written consent and confirmation to become effective.

(5) We only reimburse offers, planning, drafts and the like if expressly agreed upon in writing.

(6) We are entitled to withdraw from the contract in the case of initiation of insolvency proceedings against the supplier.

## **3. Prices, payment terms, invoices**

(1) The price stated in the order is binding.

(2) In the absence of any written agreement otherwise, the price includes packaging, delivery and transport to the shipping address stated in the contract.

(3) After agreement, insofar as the price does not include the packaging and the remuneration for the packaging - which is not only provided on loan - is not expressly determined, this is to be billed at the determined cost price. Upon our request, the supplier must take back the packaging at their own expense.

(4) Unless otherwise agreed, we will pay the net purchase price within 30 days after delivery of the goods and receipt of the invoice. The receipt of our transfer order at our bank suffices for the timeliness of the payments owed by us.

(5) All order confirmations, delivery documents, and invoices are to indicate our order number, the article number, delivery quantity and delivery address. If one or more of these details are missing and processing

in the normal course of business is thereby delayed by us, the payment deadlines referred to in para. 4 will be extended by the amount of the delay.

(6) Payments are not deemed as an acknowledgement of the delivery or service being in accordance with the contract and are made subject to invoice verification.

#### **4. Delivery time and delivery, transfer of risk**

(1) The delivery time (delivery date or period) specified by us in the order or otherwise determined according to these General Purchasing Terms and Conditions is binding. Early deliveries are not allowed without our prior written consent.

(2) The supplier is obligated to inform us in writing immediately if circumstances occur or become apparent whereupon the delivery time cannot be met.

(3) If the day on which the delivery must be made at the latest can be determined on the basis of the contract, the supplier shall be in default after the end of this day without requiring a reminder on our part.

(4) In the event of a delay in delivery, we are entitled to the legal claims without limitation, whereby we are only entitled to exercise a right of withdrawal or assert claims for damages in lieu of performance after the fruitless expiry of a reasonable grace period.

(5) In the event of delivery delays for which the supplier is accountable, we are entitled, after prior written warning to the supplier, to demand a contractual penalty of 0.5%, up to a maximum of 5%, of the respective order value for each commenced week of delay in delivery. We reserve the right to make further claims, whereby the contractual penalty is to be offset against the default damage to be compensated by the supplier. If the reservation of the contractual penalty is omitted upon receipt of deliveries, services, or subsequent performance, we may nevertheless assert the contractual penalty until the payment of the final invoice.

(6) The supplier is not authorised to make partial deliveries without our prior written consent.

(7) Even if shipment has been arranged, risk is first transferred to us when the goods are handed over to us at the appointed destination.

(8) Depending on the agreed delivery method, the supplier shall send us a dispatch notification (delivery notification) or a message regarding the provision of the goods by fax or by e-mail, stating the order number, call-off number, the quantity actually delivered and the time of delivery, etc.

(9) The loading equipment offered for exchange upon delivery or collection must meet the agreed or, alternatively, the commercial quality requirements of average type and quality; otherwise we may refuse an exchange. If goods are delivered in silo vehicles, we reserve the right to draw up a weighing report from a calibrated or, alternatively, public weighbridge. Damage to the original packaging of delivered goods or to the sealing of silo vehicles, which give reasons to doubt the integrity or authenticity of the goods, entitles us to reject such goods.

#### **5. Property protection**

(1) We hold proprietary rights or copyright on orders placed by us, contracts as well as drawings, illustrations, calculations, descriptions, and other documents made available to the supplier. The supplier may neither make them accessible to third parties nor use or reproduce them themselves or through third parties without our express consent. The supplier is to return these documents to us fully at our request if they are no longer required by the supplier in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. In this case, any copies made by the supplier are to be destroyed; the only exceptions are preservation within the scope of statutory preservation obligations and data storage for backup purposes within the scope of normal data backup.

(2) Tools and models that we make available to the supplier or that are produced for contractual purposes and are billed to us separately by the supplier remain or become our property. The supplier shall identify them as our property, store them carefully, protect them to a reasonable extent against damage of any kind and use them only for the purposes of the contract. In the absence of an agreement to the contrary, the contracting parties each bear half of the costs of maintenance and repair. However, insofar as these costs are attributable to defects in the items manufactured by the supplier or to improper use on the part of the supplier, their employees or other vicarious agents, they shall be borne solely by the supplier. The supplier shall notify us immediately of any not insignificant damages to these tools and models. Upon request, the supplier is obligated to return these to us in proper condition if they are no longer required by the supplier for the performance of the contracts with us.

(3) Reservation of property rights by the supplier only applies insofar as it relates to our payment obligation for the respective products for which the supplier reserves these rights. In particular, extended or prolonged reservations of property rights is not permitted.

#### **6. Warranty claims**

(1) In the event of defects, we are entitled to the legal claims without limitation. However, the warranty period of 30 months deviates from this.

(2) Deviations in quality and quantity shall in any case be addressed in a timely manner if we notify the supplier of them within 14 working days of receipt of the goods. Hidden material defects shall in any case be addressed in a timely manner if the supplier is notified within 14 working days after discovery.

(3) We do not waive warranty claims with the acceptance or approval of provided samples or specimens.

(4) Upon receipt of our written notice of defects by the supplier, the limitation of warranty claims is suspended until the supplier rejects our claims or declares the defect rectified or otherwise refuses to continue negotiations on our claims. In the event of a replacement delivery and rectification of defects, the warranty period for replaced and repaired parts begins again unless we had to assume from the supplier's conduct that the supplier did not consider themselves obligated to take the measure but only undertook the replacement delivery or rectification of defects as a gesture of goodwill or for similar reasons.

## **7. Product liability**

(1) The supplier is responsible for all claims asserted by third parties for personal injury or property damage attributable to a defective product delivered by them and is obligated to indemnify us against any resulting liability. If we are obligated to carry out a recall towards third parties due to a defect in a product provided by the supplier, the supplier shall bear all costs associated with the recall.

(2) The supplier is obligated to maintain product liability insurance at their own expense with a coverage amount of the typical contractual risk. Upon request at any time, the supplier shall send us a copy of the liability policy.

## **8. Property rights**

(1) The supplier is responsible in accordance with para. 2 for ensuring that no third-party property rights are infringed upon by products supplied by them in European Union countries or other countries in which they manufacture products or have them manufactured and that we are free to use the products.

(2) The supplier is obligated to indemnify us against all claims made against us by third parties due to the infringement of industrial property rights mentioned in para. 1 and to reimburse us for all necessary expenses in connection with this claim. This does not apply insofar as the supplier proves that they are neither responsible for the property right infringement nor should have been aware of it at the time of delivery if they had exercised due commercial care.

(3) Other legal claims from us due to defects of title of the delivered products to us shall remain unaffected.

## **9. Replacement parts**

(1) The supplier is obligated to keep spare parts in stock for the products delivered to us for a period of at least 5 years following delivery.

(2) If the supplier intends to discontinue the production of spare parts for the products delivered to us, they shall notify us immediately after this decision has been made. This decision must - subject to para. 1 - be at least 6 months before production is ceased.

## **10. Confidentiality**

(1) The supplier is obligated to keep the terms and conditions of the order as well as all information and documents made available to them for this purpose (with the exception of publicly accessible information) confidential for a period of 5 years after the termination of all contractual relations and to use them only for carrying out the order and to destroy all documents after the expiry of statutory retention obligations or to return them to us immediately upon request.

(2) Without our prior written consent, the supplier may not refer to the business relationship in advertising material, brochures, etc., and may not exhibit items manufactured for and delivered to us.

(3) The supplier shall obligate their sub-suppliers in accordance with section 10.

## **11. Assignment / offset**

(1) The supplier is not entitled to assign their claims arising from the contractual relationship to third parties. This does not apply insofar as monetary claims are concerned.

(2) The contractor may only offset an undisputed or legally established claim or exercise a right of retention in this respect.

## **12. Compliance with laws**

(1) Associated with the contractual relationship, the supplier is obligated to comply with the legal provisions applicable to them in each case. This applies in particular to anti-corruption and money laundering laws, the Minimum Wage Act, statutory minimum wages as well as antitrust, labour, and environmental protection regulations.

(2) The supplier shall ensure that the products delivered by them comply with all relevant European Union and European Economic Area requirements for placing products on the market. In the case of food, in particular, with Czech and EU food law as well as with all legal provisions for the protection of life, health and safety applicable at the delivery location, insofar as is applicable in each case. Upon request, the supplier is to provide us with evidence of compliance by submitting appropriate documents.

(3) The supplier shall use reasonable efforts to ensure compliance by their sub-suppliers with the obligations incumbent on the supplier under this section 12.

**13. Miscellaneous**

(1) The place of performance for both parties is headquarters of our company or operating unit specified in the order. For all disputes, arising from the contractual relationship is a General court of our company.

(2) The contracts made between us and the supplier are subject to the law of the Czech Republic.

(3) Order confirmations, dispatch notes (shipping notifications), delivery notes, invoices, and other documents to had provided by the supplier and had sent in Czech or English, unless otherwise agreed upon.

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