GENERAL TERMS AND CONDITIONS OF PURCHASE ČKD Blansko, a.s.

1. Validity of the General Terms and Conditions

1.1 Subject, content.

These General Terms and Conditions of Purchase of ČKD Blansko, a.s. (hereinafter referred to as the "General Terms and Conditions") apply to all legal acts in which ČKD Blansko, a.s. (hereinafter *referred to as "ČKD*") acts as a customer, client or buyer, in particular in the case of purchase contracts, contracts for work and similar contracts (hereinafter *referred to as the "Contracts")* concluded with ČKD's business partners (hereinafter referred *to as the "Supplier").*

1.2 Part of the Agreement.

These General Terms and Conditions form an integral part of all Contracts pursuant to Article 1.1.

1.3 Binding.

By concluding the Contract, the Supplier bindingly agrees with all rights and obligations contained in these General Terms and Conditions and arising from these General Terms and Conditions.

1.4 Priority of the Contract.

In the event that the content of the Agreement deviates from these General Terms and Conditions, the provisions of the Agreement shall take precedence over the deviating provisions of these General Terms and Conditions.

1.5 Supplier's Terms and Conditions.

The General Terms and Conditions of the Supplier that have not been expressly agreed to by ČKD in writing as part of the Contract between the Contracting Parties and/or are in conflict with these General Terms and Conditions or the Contract or deviate from them are ineffective to this extent, unless ČKD agrees to them in advance in writing, and only through a person authorized to represent ČKD to the given extent.

1.6 Governing Law.

Mutual relations not regulated by the Contract or these General Terms and Conditions are governed by the provisions of the legal order of the Czech Republic, in particular by Act No. 89/2012 Coll., the Civil Code, as amended. The application of the UN Convention on the International Sale of Goods is excluded.

2. Definitions of certain terms and introductory provisions

2.1 Formal takeover.

In these General Terms and Conditions, formal acceptance means the acceptance of delivered goods by ČKD, where the Supplier's delivery note is confirmed to ČKD on the basis of such acceptance of goods.

2.2 INCOTERMS 2020.

Where the Treaty contains a reference to INCOTERMS, this shall be understood as a reference to the set of international interpretative rules INCOTERMS 2020 issued by the International Chamber of Commerce in Paris.

2.3 Contract.

Contract means a Contract concluded pursuant to Article 3 of these General Terms and Conditions. Unless otherwise stipulated, a Contract under these General Terms and Conditions shall also mean any framework Contract on the basis of which the Contract will be concluded in accordance with Article 3 of these General Terms and Conditions.

2.4 Proper delivery.

In these General Terms and Conditions, proper delivery shall mean the proper fulfilment of the Supplier's obligation to deliver the goods to ČKD and the transfer of ownership of the goods to ČKD. Proper delivery shall occur upon the fulfilment of all conditions set out in Article 8.1 of these General Terms and Conditions.

2.5 Contracting Parties, Contracting Party.

The Supplier and ČKD are jointly referred to as the Contracting Parties or individually as the Contracting Party.

2.6 Subcontractor.

According to these General Terms and Conditions, a subcontractor is a third party who supplies part or all of the performance or part of the goods for the performance of the Contract by the Supplier.

2.7 Deadline for performance.

In these General Terms and Conditions, the term of performance means the specified or agreed period for proper delivery.

2.8 Goods.

In these Terms and Conditions, Goods shall mean items and their components which the Supplier undertakes to deliver to ČKD and to transfer the ownership right to these items and ČKD undertakes to take over and take ownership of these items and to pay the purchase price for them, regardless of whether the goods are designated as goods, spare parts, etc. in the Contract. Unless otherwise specified below, the term "goods" also includes work and/or services performed by the Supplier on the basis of the Contract concluded with ČKD.

If the goods are not specified in the Contract in an unmistakable manner or if it is not clear in view of the specification what goods the Supplier is to deliver to ČKD, or such doubts could arise, the Supplier is obliged to notify ČKD in writing of such fact without delay and wait for the specification of the goods before delivery.

2.9 Written form.

Where these General Terms and Conditions refer to written form, this also means e-mail communication and communication via data messages in the data box system, unless explicitly stated otherwise.

3. Conclusion of the contract

3.1 Conclusion of the Contract on the basis of an order from ČKD.

The draft Contract is a written order from ČKD. The deadline for acceptance of the order by the Supplier is 5 days from the date of delivery of the order to the Supplier. Acceptance and rejection of the order must be made in writing. The Supplier is also entitled to accept the order implicitly, in the event that it does not respond within 5 days of the delivery of the order. In such a case, the effects of acceptance take effect on the 6th day from the delivery of the order.

3.2 New Supplier Proposal.

An order confirmation containing additions, reservations, limitations or other changes, even if it is not a material change, shall be considered as a rejection of the order and shall constitute a new proposal of the Supplier to conclude the Contract. In such a case, the Contract shall be concluded only if this proposal is confirmed by ČKD and delivered back to the Supplier under the conditions specified in Article 3.1 of these General Terms and Conditions.

3.3 Order recall.

As long as the confirmed order has not been delivered by the Supplier to ČKD, the order may be revoked by ČKD.

3.4 Conclusion of the Contract by accepting the Supplier's offer.

The draft Contract is also a written offer of the Supplier delivered to ČKD. The deadline for acceptance of the offer is 5 days from the date of delivery of the offer to ČKD. Acceptance and rejection of the offer must always be made in writing. During the period for acceptance of the Supplier's offer, the Supplier is bound by its offer and is entitled to change it only with the prior written consent of ČKD.

3.5 Danger of changing circumstances.

The supplier assumes the risk of a change of circumstances within the meaning of Art. 1765 of the Civil Code.

4. Quantity, quality, design and packaging of goods

4.1 Quantity.

The Supplier is obliged to deliver the goods in the quantity specified in the Contract. If it follows from the Contract that the quantity of goods is specified in the Contract in units of measure, the Supplier is obliged to deliver the goods according to these units of measurement.

4.2 Quality, quality and workmanship.

The goods must be delivered to ČKD in the quality and design expressly specified in the Contract. In the event that the quality and performance of the goods are not expressly determined by the Contract, the Supplier is obliged to deliver the goods to ČKD in a quality and design that fully meets the purpose for which such goods are delivered and, if no such purpose is agreed, the purpose for which such goods are usually used. The goods must comply with all legal standards, technical requirements, technical and safety standards for the given type of goods, both binding and recommendatory standards (including ČSN, EN, etc.). The goods and components used for their production must be new, unused, undamaged and made of quality material. If the goods are delivered on the basis of samples, models, designs or drawings submitted to the Supplier by ČKD, they must fully comply with these samples, models, designs or drawings. The goods must be able to perform consistently standard in accordance with the properties and quality specified in the Contract and fully comply with the purpose for which they are delivered. The goods must not be burdened with any legal defects, e.g. a lien. The Supplier is not entitled to exercise a right of retention on the goods or any items handed over to it by ČKD.

The Supplier is obliged to inform ČKD in the order confirmation of the country of origin of the delivered goods. In the event of a breach of this Article or in the event of untruthfulness of such a statement, the Supplier is obliged to pay ČKD a contractual penalty in the amount of EUR 10,000.

4.3 Compliance with legal regulations.

The Supplier declares that no legal regulations have been violated during the production of the goods, e.g. governing the production, use and other handling of hazardous and toxic substances, and that the goods meet all possible requirements according to legal regulations and technical standards. In the event that the above statement of the Supplier turns out to be false, ČKD is liable for damage caused by the violation of legal regulations and/or technical standards.

4.4 Special tools or equipment.

If special tools or equipment are required for installation, routine and extraordinary maintenance and repairs of goods, the Supplier is obliged to notify ČKD in writing of this fact prior to the conclusion of the Contract, including information on the availability and current costs of acquiring such tools or equipment.

4.5 Packing, securing and preparation of the goods.

For possible transport, the Supplier is obliged to pack, secure or otherwise provide the goods for transport at its own expense in the manner expressly stipulated in the Contract. In the event that the method of packing and securing the goods is not expressly stipulated in the Contract, the Supplier is obliged to pack or secure the goods for transport in such a way that the goods cannot be damaged or devalued during transport, including loading and unloading. The Supplier is obliged to notify ČKD in writing in advance of any inappropriateness of its instructions regarding the packaging or securing of the goods. If the Supplier fails to notify ČKD of the inappropriateness of its instructions, the Supplier is also liable for damages caused by the execution of inappropriate instructions of ČKD. The Supplier declares that all costs of packing, securing and securing the goods according to this Article are already included in the purchase price under the Contract.

4.6 Essentials of the packaging of the goods.

The packaging must allow safe storage of the goods without loss of their quality. The packaging of the goods must have the Supplier's marking, ČKD, order number, identification number of the goods, information on the quantity and type of goods according to the designation and division specified in the Contract and instructions for safe handling of goods, e.g. legal regulations governing hazardous and toxic substances. The packaging of the goods must be environmentally friendly. The packaging must also contain information on the gross weight of the goods and the dimensions of the package, marked with a label, colour or other clear and legible way. Goods without the specified elements on the packaging are considered defective.

5. Documents for goods

5.1 Documents for goods.

Together with the goods, the Supplier is obliged to provide ČKD free of charge with the documents expressly stated in the Contract. If such documents are not explicitly stated in the Contract, the Supplier is obliged to hand over to ČKD free of charge all documents necessary for the receipt, free handling, customs clearance and use of the goods, in particular documents regulating the technical conditions of installation, operation and maintenance of the goods.

5.2 Certificates.

The Supplier is obliged to deliver the certificates for the goods specified in the Contract and/or required for the goods in question by legal regulations without further ado for each delivery together with the delivery of the goods. The Supplier will hand over these certificates to ČKD in such a way that

ČKD always has a valid certificate. Certificates under this article are understood in particular as declarations of conformity of products, etc.

5.3 Cooperation in obtaining documents.

The Supplier is obliged to provide ČKD with all assistance at its request in obtaining documents or corresponding electronic messages issued or issued in the Czech Republic or in the country of origin, which ČKD may need for the export or import of goods and, if necessary, for the transport of goods through the territory of a third country.

5.4 Form and some elements of documents.

The documents that the Supplier is obliged to deliver to ČKD must be legible, clear and error-free in all places. The documents must be delivered in written printed form, which cannot be replaced by a record on an information data carrier, unless the Contracting Parties agree otherwise in writing in advance. In the event that ČKD requests the Supplier to do so, the Supplier is obliged to deliver the documents to ČKD also in the form of a record on an information data carrier, in a freely accessible data format. The Supplier is obliged to deliver documents relating to the goods in the Czech language and to deliver documents in any other language with a Czech translation, unless otherwise agreed in the Contract. The costs associated with the preparation and delivery of all documents in the required number, including their corrections, supplementation of substitute delivery and delivery in the form of a record on an information data carrier, shall be borne by the Supplier. By delivering the documents to ČKD, they become the property of ČKD, which is entitled to dispose of them freely.

5.5 Reimbursement of costs.

All costs such as customs, storage and other fees incurred by ČKD as a result of the late submission of proper documents by the Supplier shall be charged to the Supplier, who hereby expressly undertakes to pay them. Should these costs be paid by ČKD, the Supplier undertakes to reimburse the Supplier for the costs thus paid.

6. Place of delivery

6.1 Place of delivery.

Unless otherwise stipulated in the Contract and unless ČKD determines another place of delivery at any time prior to delivery, the Supplier is obliged, at its own expense and risk, to deliver the goods to ČKD at the place at the following address:
ČKD Blansko a.s., Gellhornova 12, 678 01 Blansko.

6.2 Delivery clause.

The delivery of goods is governed by the delivery condition of the DDP according to the INCOTERMS 2020 rules.

7. Deadline

7.1 Deadline for performance.

The date of performance is specified in the Contract. Before the expiry of the deadline for delivery of the goods specified in the previous sentence, the Supplier is entitled to deliver the goods only with the written consent of ČKD.

7.2 Delivery on working days and during working hours.

If the place of delivery of the goods is Gellhornova 12, 678 01 Blansko, or the place of the company ČKD, the Supplier is obliged to deliver the goods on working days and the usual working hours of ČKD,

i.e. from 6.00 a.m. to 2.00 p.m., unless otherwise specified by ČKD. After 2.00 p.m., the receipt of goods is possible only on the basis of a prior telephone agreement between the Supplier and the head of the Goods Receipt. The Supplier's request for delivery of goods after 2.00 p.m. must be made every working day by 1.30 p.m. at the latest.

7.3 Notification of the delivery date of the goods.

The supplier is obliged to notify ČKD in writing at least 2 days in advance when the goods will be delivered to the place of delivery and made available. For the removal of doubts, the Contracting Parties expressly declare that the agreement of the previous sentence does not affect the agreed date of performance in any way.

7.4 Postponement of the delivery date of goods.

If ČKD informs the Supplier in writing at least 5 days before the date of performance pursuant to Article 7.1 of these General Terms and Conditions that it is postponing the date of performance, the agreed date of performance shall be postponed by the time communicated to the Supplier by ČKD, but not more than by 10 working days.

8. Proper delivery

8.1 Proper and timely delivery.

The Supplier is obliged to deliver the goods to ČKD properly and on time. The goods are considered to have been delivered on time if they are delivered within the agreed performance date. The goods are considered to have been duly delivered at the moment of meeting all of the following conditions:

a) the goods are delivered by the Supplier to the place of delivery,
b) complete and impeccable documents relating to the goods are delivered together with the goods,
c) the goods are formally taken over by ČKD,
d) the goods are delivered to ČKD without any defects. Goods may be delivered with obvious defects only if ČKD states these defects in a protocol that forms an annex to the Supplier's delivery note and explicitly declares that it will take over the said goods despite these defects (which ČKD is not obliged to do). In such a case, ČKD is obliged to specify the obvious defect found in the protocol accordingly, together with an indication of the specific goods on which the obvious defect occurs. However, the acceptance of the goods does not change the fact that the delivered goods have defects and ČKD's claims for liability for defects are not affected in any way by such acceptance.

8.2 Contractual penalty.

If the Supplier fails to fulfil its obligation to deliver the goods to ČKD on time and/or properly, ČKD shall be entitled to pay a contractual penalty in the amount of 0.5% of the purchase price of the goods with the proper delivery of which the Supplier is in arrears, for each day of delay, and the Supplier shall be obliged to pay this contractual penalty to ČKD. The contractual penalty will be determined in accordance with the above, but always at least EUR 100 for each day of delay, and at the same time a one-off flat-rate fee will be charged to compensate for administrative costs in the amount of EUR 100 for each case of delay pursuant to this Article.

8.3 Defect report on delivered goods.

If ČKD finds out that the delivered goods have obvious defects and if it does not declare in accordance with Article 8.1 (d) of these General Terms and Conditions. d) of these General Terms and Conditions that it accepts the goods even with obvious defects, it shall draw up a defect protocol containing a description of the defect found.

8.4 ČKD's claims in the delivery of defective goods.

If the goods have obvious defects when delivered to the place of delivery, ČKD is entitled to:

a) require the Supplier to carry out an inspection of the goods at the place and time specified by ČKD and the Supplier is obliged to carry out an inspection of the goods;
b) refuse to accept the defective goods and return them to the Supplier at its expense, without thereby delaying ČKD in taking over the goods; or
c) accept defective goods with the understanding that ČKD is entitled to an appropriate discount on the purchase price; or
d) to accept the defective goods with the proviso that ČKD is entitled to the removal of these defects.

ČKD is entitled to assert one, more or all of the claims referred to in this Article, if they can be asserted side by side.

9. Risk of damage to goods, transfer of ownership

9.1 Transfer of the risk of damage to goods.

The risk of damage to the goods passes to ČKD at the moment of proper delivery.

9.2 Risk of damage to ČKD's belongings.

The risk of damage to all items and/or materials handed over by ČKD to the Supplier for processing, such as samples, models, dies, technical drawings, moulds, tools, tools, etc., which are owned by ČKD and have been provided for the fulfilment of the Supplier's Contract and/or have been ordered separately by ČKD, shall be borne by the Supplier from the moment of their receipt until the moment of their proper return to ČKD. The Supplier further undertakes that the items and/or materials referred to in the previous sentence will be used exclusively for the supply of goods to ČKD under the Contract, and expressly declares and undertakes not to use these items or materials otherwise and at the same time to ensure that these items and/or materials are not used by any third party, except for the prior written consent of ČKD. The Supplier undertakes to provide these items and/or materials with the marking that they are the property of ČKD and to store these items and/or materials separately from other items and materials. The Supplier is obliged to compensate ČKD in full for the damage caused by non-compliance with this obligation, regardless of whether it was violated by ČKD or by a third party.

9.3 Acquisition of ownership rights.

The ownership right to the goods delivered by the ČKD Supplier on the basis of the Contract and these General Terms and Conditions shall be acquired by ČKD at the moment of the transition, when there is no longer a risk of damage to the goods.

10. Changes to the Agreement

10.1 Changes to the Agreement.

ČKD is entitled to notify the Supplier at any time in writing of a proposal for an amendment to the Contract, the content of which is an amendment to the Contract, in particular with regard to the quantity and quality of the goods, the place of delivery of the goods, delivery times and instructions regarding the packaging of the goods. The Supplier is obliged, within 7 working days from the date of delivery of the written proposal for an amendment to the Contract pursuant to the first sentence of this Article:

a) confirm in writing the proposal for an amendment to the Agreement and deliver it to ČKD; or
b) inform ČKD of the objective reasons that prevent the Supplier from confirming such a change to the Contract and at the same time undertakes to enter into negotiations with ČKD in such a way as to reach an agreement on the amendment of the Contract acceptable to both Parties.

10.2 Contractual penalty.

If the Supplier fails to fulfil its obligation set out in Article 10.1 of these General Terms and Conditions properly and in a timely manner, ČKD shall be entitled to payment of a contractual penalty in the amount of 0.25% of the purchase price determined pursuant to the original Contract for each day of delay, and the Supplier shall be obliged to pay this contractual penalty to ČKD.

10.3 Transferability of rights and/or obligations.

ČKD is entitled to transfer the rights and/or obligations arising from the Contract to a third party. ČKD is obliged to notify the Supplier in writing of the transfer of rights and obligations under the Contract to a third party. In the event of a transfer of rights and/or obligations under the Contract, the Supplier grants its consent to the transfer of rights and undertakes that in such a case it will fulfil its obligations under the Contract to the legal successor of ČKD specified in the notification pursuant to the first sentence of this Article and at the same time also to assert all claims under the transferred Contract against him. The transfer of rights and obligations becomes effective upon delivery of the notification pursuant to this Article to the Supplier.

11. Quality guarantee

11.1 Warranty for delivered goods.

The Supplier provides ČKD and at the same time any other persons who acquire ownership or other rights to the goods or the thing of which the goods are a part of a warranty for the delivered goods. The Supplier undertakes that the goods delivered under the Contract will be suitable for use for the purpose specified in the Contract during the warranty period, otherwise for the usual purpose and that they will retain the properties specified in the Contract. If the Contract does not specify some of the characteristics of the goods, the Supplier undertakes to ČKD with a guarantee that the goods delivered under the Contract will retain their usual properties for the period of time.

11.2 Length and start of the warranty period.

The length of the warranty period is determined by the Contract. If the length of the warranty period is not explicitly stipulated in the Contract, the Supplier provides a warranty for the subject of performance for a period of 36 months from the date of proper delivery of the subject of performance on the basis of a protocol on the handover and acceptance of the subject of performance. The warranty period begins with the proper delivery of the subject of performance on the basis of the

signing of the protocol on the handover and acceptance of the subject of performance. The warranty period is always extended by the period from the proper delivery to the moment when the subject of ČKD's performance is put into operation, used or otherwise processed, but by a maximum of 18 months.

11.3 Determination of the warranty period.

The warranty period does not run for the period during which ČKD or other persons specified in Article 11.1 of these General Terms and Conditions cannot properly use the delivered goods due to their defects for which the Supplier is responsible.

12. Liability for defects

12.1 Some factual defects of the goods.

The goods are defective if they are not delivered properly packed and provided for transport, in the quantity, quality and workmanship stipulated by the Contract or these General Terms and Conditions, and/or generally binding legal regulations and/or technical standards.

12.2 Defects in documents, complaints.

Defects in documents that the Supplier is obliged to deliver with the goods to ČKD under the Contract, these General Terms and Conditions or according to legal regulations are also considered to be defects in the goods. In the event that the documents show defects, ČKD is entitled to return them to the Supplier at the Supplier's expense and/or to call on the Supplier to deliver documents without defects. The Supplier is obliged to deliver complete documents without defects to ČKD without undue delay, no later than 4 days from the return of the defective documents or from the delivery of the request to ČKD.

12.3 Legal defects.

The goods have legal defects if they are encumbered by any right of a third party, unless ČKD has expressed its explicit written consent to this encumbrance. The form of e-mail is excluded for consent under this article.

12.4 Liability for defects.

The Supplier is liable for all defects that appear on the goods during this period for the entire duration of the warranty, regardless of when these defects occurred. ČKD is entitled to notify the Supplier of these defects at any time during the warranty period. At the same time, the Contracting Parties expressly declare that ČKD is not obliged to inspect the goods upon receipt or immediately after it. For the removal of doubts, the Contracting Parties expressly exclude the application of Art. 1917, Sections 1918, 1921, 2103, 2104 and 2112 of the Civil Code.

12.5 Complaint protocol.

If ČKD finds any defects in the delivered goods, and unless the Contract or these General Terms and Conditions stipulate otherwise, ČKD will draw up a complaint protocol containing information on the delivery of the goods, the date of discovery of the defect and an assessment of the nature of the defect made by ČKD to the person who discovered the defect. ČKD will send this protocol to the Supplier without undue delay, together with an invitation to notify a proposal for the method of removing defects and remedying them.

12.6 Form and delivery of the complaint protocol.

The complaint protocol may be sent to the Supplier in written or electronic form. The complaint protocol sent electronically must be confirmed by the Supplier within 24 hours of its receipt. If the

contrary is not proven, it is considered that the complaint protocol sent in writing was delivered to the Supplier on the 2nd day from the moment of its sending to the Supplier, while it is completely irrelevant whether the Supplier received the complaint protocol or not. If the opposite is not proven, it is considered that the complaint protocol sent electronically was delivered to the Supplier at the moment of its sending.

12.7 Obligations of the Supplier, notification of a proposal for the method of removing defects.

The Supplier is obliged and declares that within the period specified in the Contract, otherwise within 24 hours from the delivery of the complaint protocol pursuant to Article 12.5 of these General Terms and Conditions, it will fulfill the obligation to:

a) to come to the place of performance or to a place designated by ČKD for the purpose of inspecting the goods and to determine in more detail the defects notified to it by ČKD in the complaint protocol and to notify ČKD within this period of a proposal for a specific procedure by which the defects of the goods will be removed, or
b) notify ČKD of a proposal for a specific procedure by which defects of the goods will be removed with maximum effort, care and taking into account technological deadlines, including the planned dates of implementation of the specified remedial measures, at the Supplier's expense.

12.8 Choice of claim from liability for defects, determination of the method and deadline for removing defects.

The choice of liability claim for defects of goods as well as the choice of the manner in which the identified defects are to be removed belong exclusively to ČKD, and it is not bound by the Supplier's proposals. ČKD is obliged to notify the Supplier in writing within 48 hours of the Supplier's notification pursuant to Article 12.7 of these General Terms and Conditions that:

a) agrees with the method of removing defects in the goods proposed by the Supplier and sets a deadline for removal, or
b) does not agree with the manner proposed by the Supplier and sets the method and deadline for the removal of defects in the goods, or
c) asserts a claim arising from liability for defects of goods pursuant to Article 12.9 of these General Terms and Conditions other than the removal of the defect in goods.

In the event that the Supplier is in default with the obligation to make a notification pursuant to Article 12.7 of these General Terms and Conditions, ČKD is entitled to choose a claim arising from liability for defects and/or the method of removing the defect and the deadline for performance within 24 hours from the date on which the notification specified in Article 12.7 of these General Terms and Conditions expired in vain. The method of removing the defect and the deadline for its removal set by ČKD pursuant to this Article (a) (a), (b) as well as the choice of the claim from liability for defects pursuant to point (c) of this Article. (c) shall be binding on the Supplier.

12.9 Claims for liability for defects.

Regardless of the nature of the defect and the seriousness of the breach of the Contract, ČKD is always entitled to the occurrence of the defect:

a) to request the removal of defects by supplying substitute goods for defective goods, by supplying missing goods and to require the removal of legal defects,
b) require the removal of defects by repairing the goods, if the defects are repairable,
c) to demand a reasonable discount on the purchase price,
d) withdraw from the contract,

e) inspect the goods on its own or through another person and at the expense of the Supplier, perform the necessary actions to identify defects, quantify, repair or arrange for a replacement delivery. The Supplier undertakes to reimburse these costs to ČKD in full. In this case, ČKD is obliged to duly document the costs incurred according to the previous sentence and to obtain documentation from which the defects of the goods will be visible, e.g. photo documentation, etc.;

whereby the choice between these claims belongs exclusively to ČKD.

Regardless of the chosen claim, ČKD is entitled to charge the Supplier a lump-sum compensation for the exercise of any right arising from liability for defects in the amount of EUR 100. This does not affect in any way the right of ČKD to reimbursement of all other costs incurred by ČKD in connection with the defect of the goods (in particular the costs of defect diagnosis, travel expenses, lost profits, etc.), the right to compensation for any further damage and the right to compensation for additional costs exceeding the agreed lump-sum compensation. ČKD is entitled to assert all claims separately next to each other and the negotiation of compensation under this paragraph does not affect other claims arising from liability for damage, its assertion, amount and right to compensation.

12.10 Additional choice of claim for liability for defects.

If it subsequently turns out that the defects of the goods are irreparable or that the repair is associated with disproportionate costs, ČKD may demand the delivery of substitute goods if it notifies the Supplier of its decision without undue delay after the Supplier has informed it of this fact and/or ČKD has discovered this fact.

12.11 Failure to remove defects in goods.

If ČKD asserts a claim from liability for defects pursuant to Article 12.9 (a) and (b) of these General Terms and Conditions. (a) and (b) of these General Terms and Conditions and the Supplier fails to remove the defects of the goods in the manner and within the period specified by ČKD, or if the Supplier informs ČKD before its expiry that it will not remove the defects, ČKD may:

a) withdraw from the Contract, or
b) claim any other claim under Article 12.9 of these General Terms and Conditions.

12.12 Failure to pay part of the purchase price until the defects are removed.

ČKD is not obliged to pay the Supplier any part of the purchase price of the defective goods that has not yet been paid to the Supplier until all defects of the goods are removed.

12.13 Type defect.

In the event that the subject of the delivery or repeated deliveries is goods of the same type and at least 5% (but at least 4 pieces) of the total number of delivered goods on the basis of all deliveries there is an identical defect, such defect is considered to be a type defect. ČKD is entitled to exercise its rights arising from liability for a type defect no later than 5 years from the date of expiry of the warranty period of the goods. If a type defect occurs in the delivered goods of the same type, unless ČKD determines a different claim in relation to a part and/or the entire delivery than pursuant to Article 12.9 of these General Terms and Conditions, the Supplier is obliged to provide ČKD with a full replacement supply of goods complying with the Contract within 30 days of the discovery of the occurrence of the type defect, unless the Contracting Parties agree otherwise. In the event of failure to comply with this obligation of the Supplier, ČKD is entitled to withdraw from the Contract after the expiry of the deadline set by the Supplier for the delivery of substitute performance.

12.14 Other claims of ČKD.

In addition to claims arising from liability for defects, ČKD is entitled to a contractual penalty in the amount specified in Article 12.15 of these General Terms and Conditions, as well as to compensation for damages.

12.15 Contractual penalty.

If the Supplier is in default with the fulfilment of its obligations arising from liability for defects of goods and/or warranty, ČKD is entitled to payment of a contractual penalty in the amount of 0.25% of the purchase price of defective goods for each day of the Supplier's delay in fulfilling the obligations arising from liability for defects of goods and/or warranty, and the Supplier undertakes to pay this contractual penalty. The contractual penalty is determined in accordance with the above, but always at least EUR 100 for each day of delay and at the same time a one-off flat-rate fee will be charged to compensate for administrative costs in the amount of EUR 100 for each case of the Supplier's delay in fulfilling the obligations arising from liability for defects of goods.

13. Purchase price

13.1 The amount of the purchase price.

ČKD is obliged to pay the Supplier the purchase price specified in the Contract. The purchase price includes all costs associated with the goods, including the costs of packaging the goods, transport of the goods, insurance of the goods, costs associated with the procurement of documents for the goods, labelling, customs duties, taxes, storage, etc. The Supplier undertakes to deduct from the purchase price ČKD the discount to which it is entitled under the Contract or other agreement, even if ČKD does not ask the Supplier to deduct the discount or does not quantify its specific amount. The Supplier is responsible for ensuring that the discount has been calculated correctly.

13.2 Supplier's Statement.

The Supplier declares that the purchase price set out in the Contract is a fixed price, or subsequently modified by mutual written agreement of the Contracting Parties, and is in accordance with the applicable legal regulations governing pricing in the Czech Republic and in the Supplier's country during the term of the Contract.

13.3 Occurrence of the obligation to pay the purchase price.

ČKD is obliged to pay the purchase price to the Supplier at the earliest as soon as it acquires the ownership right to the goods, unless otherwise stipulated in the Contract or the agreement of the Contracting Parties.

13.4 Original invoice.

Payment of the purchase price by non-cash bank transfer shall be made by ČKD only on the basis of the original invoice. The Contracting Parties agree in accordance with Art. 26 par. 4-3 of the Act. No. 235/2004 Coll., on Value Added Tax, to issue and send to each other data documents in electronic form, provided with a guaranteed electronic signature of the issuer of the tax document based on a qualified certificate or an electronic mark of the issuer of the tax document based on a qualified system certificate pursuant to Act No. 227/2000 Coll., on electronic signatures. ČKD specifies the e-mail address for the receipt of data documents in electronic form, to which it requests these documents to be sent: faktury@ckdblansko.cz.

Until the Supplier delivers the original invoice without defects, the due date for the invoice will not begin. Unless otherwise stipulated in the relevant agreement of the Contracting Parties, the terms "invoice" and "tax document" are used synonymously.

13.5 Some elements of the invoice.

The supplier is entitled and at the same time obliged to issue a statement of the purchase price – an invoice – only as soon as ČKD is obliged to pay the purchase price. The invoice must contain the elements of the tax and accounting document, in particular:

a) identification of the contracting parties,
b) Order number or contract number;
c) invoice number, invoice date of issue, due date, invoices,
d) the date on which the taxable supply took place,
e) the subject of the taxable supply, the amount of the invoiced amount excluding VAT
f) the amount of the discount to which ČKD was entitled;
g) the total purchase price after deduction of the discount, i.e. the total amount invoiced,
h) bank details of the contracting parties.

The invoice must be accompanied by a document proving the proper delivery of the goods, which will be confirmed by ČKD. The Supplier is obliged to issue a separate invoice for each Contract.

13.6 Correction, supplementation of the invoice.

In the event that the invoice issued by the Supplier does not have the prescribed requirements, contains data contrary to the Contract or these General Terms and Conditions, or does not meet other conditions set out in Article 13.4 of these General Terms and Conditions, ČKD will not be reimbursed and ČKD will immediately return it to the Supplier for supplementation or correction, without thereby causing ČKD to be in default with the payment of the purchase price.

13.7 Maturity of the purchase price.

The maturity of the purchase price is specified in the Contract. In the event that the due date of the purchase price is not specified in the Contract, ČKD is obliged to pay the purchase price within 90 days from the date of delivery of the regular invoice. In the case of correction or amendment of the invoice, the issuance and delivery of a regular invoice is considered to be the issuance and delivery of a proper correction or amendment of the defective invoice.

13.8 Interruption of payment deadlines.

In the event that the subject of the Contract is more than one partial supply of goods and ČKD finds a defect in any of the goods from these deliveries, ČKD is not in default with the obligation to pay the purchase prices for the goods from all these partial deliveries of goods. The payment period for all partial deliveries shall cease from the date of discovery of the defect in the goods. The payment period for the purchase prices of goods for all partial deliveries determined in this way shall continue from the date when, in accordance with ČKD's choice pursuant to the article of these General Terms and Conditions governing claims arising from liability for defects:

a) The Supplier removes the defects in the goods in question and allows their proper use; or
b) ČKD shall deliver a notice to the Supplier that it applies a reasonable discount for defective goods; or
c) ČKD shall deliver to the Supplier a notice that it will repair or arrange for a replacement supply itself or through another person at the Supplier's expense; or
d) by delivery of a withdrawal from the part of the obligation the subject of which was the said defective performance to the Supplier.

13.9 Payment of the purchase price.

In the case of a non-cash payment, the date of payment of the purchase price is the day on which the bank debits the amount of the purchase price from the ČKD account.

13.10 Set-off of receivables.

ČKD is entitled to unilaterally set off against the Supplier's receivables under the Contract or these General Terms and Conditions, or in connection with them, any of its own or assigned, payable and undue, time-barred and non-time-barred receivables. The Supplier is not entitled to set off unilaterally against ČKD's receivables under the Contract or these General Terms and Conditions or in connection with them.

13.11 Assignment of the Supplier's receivables.

The Supplier is entitled to assign receivables for ČKD from the Contract only with the written express consent of ČKD. The form of e-mail is excluded for this consent.

13.12 Sealing of the Supplier's receivables.

The Supplier undertakes not to encumber its receivables for ČKD under the Contract or these General Terms and Conditions in any way with a lien in favour of a third party.

13.13 Contractual penalty.

In the event that the Supplier sets, assigns or pledges receivables for ČKD under the Contract or these General Terms and Conditions in contravention of Articles 13.10, 13.11 and 13.12 of these General Terms and Conditions, the Supplier shall be obliged to pay ČKD a contractual penalty in the amount of 10% of the value of the set-off, assigned or pledged receivable.

13.14

As of the date of conclusion of the Contract, the Supplier declares that there are no reasons on the basis of which ČKD would become or should become a guarantor pursuant to Art. 109 of Act No. 235/2004 Coll., on Value Added Tax (hereinafter referred to as "ZDPH") for the Supplier's tax liability arising from the VAT charged by ČKD to the price for the subject of the supply. The Supplier declares and undertakes to file a proper VAT return and, in the event of an obligation to pay VAT, to pay it to the locally competent tax administrator within the specified due date. The Supplier further declares that it has no intention not to pay VAT related to the subject of performance, or the intention to reduce the tax or possibly to entice a tax advantage, and has no intention of getting into a position where it will not be able to pay this tax. ČKD is entitled to withhold the amount of VAT from each invoice issued by the Supplier in the event that the Supplier fails to confirm to ČKD in writing upon delivery that ČKD is not obliged to guarantee the tax within the meaning of Art. 109 of the ZDPH, or if it is published in the list maintained by the Financial Directorate of the Czech Republic within the meaning of the above Article. ČKD is entitled to withhold from the payment of the liability the amount corresponding to the VAT on the invoices received until the date when the Supplier proves that the VAT has been duly and timely fulfilled by the Supplier or to use the VAT withheld in this way as a tax security within the meaning of Section 109a of the ZDPH (in such a case, ČKD's obligation to pay the Supplier the contractual price, including duly invoiced VAT, shall be deemed to have been fulfilled after the payment of the tax security to the Supplier's locally competent tax administrator).

14. Termination of the contract

14.1 Material breach of duty.

A material breach of the obligations set out in the Contract and/or these General Terms and Conditions shall be considered in particular (but not exclusively) the Supplier's delay in fulfilling the obligations:

a) deliver goods to ČKD on time and properly;
b) arising from liability for defects in goods,
c) by initiating insolvency proceedings in relation to the Supplier,
d) the Supplier's entry into liquidation.

14.2 Withdrawal from the contract.

Unless otherwise stipulated in the Contract or these General Terms and Conditions, ČKD is entitled to withdraw from the Contract if at least one of the following conditions is met:

a) if the Supplier materially breaches the obligations set out in the Contract and/or these General Terms and Conditions;
b) if the Supplier breaches in a non-material way any of the obligations stipulated in the Contract and/or these General Terms and Conditions and fails to fulfil this obligation even within the additional period specified by ČKD;
c) if an obstacle specified in Article 22.1 of these General Terms and Conditions prevents the fulfilment of the obligation under the Contract persists for a period longer than 2 months;
d) before the goods are properly delivered without giving a reason.

14.3 Withdrawal from part of the obligation.

If the breach of the Supplier's obligation relates to only a part of the due obligation, ČKD may withdraw from the entire Contract or only from this part of the obligation.

14.4 Formal effects of withdrawal.

The withdrawal must be in writing and must be delivered to the Supplier. If ČKD does not explicitly state in the withdrawal that it withdraws only in respect of a part of the obligation, it is considered to withdraw from the entire Contract. The withdrawal is effective from the day on which the notice of withdrawal was delivered to the Supplier. The form of an email is excluded for withdrawal from the contract.

14.5 Ongoing Claims and Arrangements.

Withdrawal shall terminate the Contract, including these General Terms and Conditions. Withdrawal or termination of the Contract shall not terminate:

a) claims for damages resulting from a breach of contract;
b) claims arising from liability for defects in goods;
c) claims for payment of contractual penalties arising from a breach of contract;
d) warranty and liability arrangements;
e) arrangements for the settlement of the parties in the event of withdrawal;
f) arrangements on the obligation of confidentiality, confidentiality and protection of know-how and trade secrets;
g) choice of law and dispute resolution arrangements;
h) archiving arrangements.

14.6 Goods after the transfer of ownership.

Unless otherwise stipulated in the Contract, the delivered goods to which the ownership right was transferred or transferred to ČKD before the withdrawal from the Contract:

a) remains the property of ČKD after the withdrawal from the Contract. In such a case, the Supplier shall retain the purchase price of the delivered goods and, if the purchase price has not yet been paid, the Supplier shall be entitled to payment of the purchase price corresponding to the delivered goods; or
b) may return the goods delivered to the Supplier after withdrawal from the Contract, after the Supplier has returned the part of the purchase price paid so far, while the Supplier is obliged to return the purchase price to ČKD in full within 3 days from the date of delivery of the withdrawal from the contract by ČKD.

14.7 Goods before the transfer of ownership.

The delivered goods, to which the ownership right was not transferred to ČKD before the withdrawal from the Contract, shall be returned by ČKD to the Supplier at the Supplier's expense.

14.8 Withdrawal without giving a reason.

In the event that ČKD withdraws from the Contract pursuant to Article 14.2 (d) of these General Terms and Conditions. d) of these General Terms and Conditions, it is obliged to reimburse the Supplier for the costs reasonably incurred in connection with the performance of the Contract, up to a maximum of half of the purchase price specified in the cancelled Contract. The Supplier is obliged to send ČKD a written quantification of the costs pursuant to the first sentence of this Article together with documents proving the occurrence of these costs within 14 days from the date on which the Supplier was delivered with the notice of withdrawal, otherwise this entitlement of the Supplier under this Article of the General Terms and Conditions shall expire.

14.9 Settlement of the contracting parties.

In the event of withdrawal from the Contract, the Contracting Parties are obliged to settle with each other in the manner and within the deadlines set by ČKD. ČKD is obliged to inform the Supplier in writing within 60 days from the effective date of the withdrawal from the Contract on how the mutual relations will be settled. In the written report on the settlement of ČKD:

a) define mutual claims arising between the Contracting Parties by withdrawal from the Contract and/or ongoing mutual claims arising under the Contract, in particular claims for the return of goods, claims for the return of other performance provided under the Contract, claims for substitute monetary performance, claims for payment of contractual penalties, claims arising from liability for defects in goods, etc., and
b) sets reasonable time limits for the fulfilment of the mutual obligations of the parties under mutual settlement.

The method of settlement and the deadlines set by ČKD are binding on the Supplier. The costs incurred in connection with the withdrawal from the contract and the possible return of the performance provided shall be borne by the Supplier.

15. Know-how

15.1 Technical and other documentation of ČKD.

All technical and other documentation that ČKD delivers to the Supplier in connection with the goods for the performance of the Contract remains the exclusive property of ČKD. The subject of exclusive ownership of ČKD is all technical and other solutions and procedures that are captured in the technical

documentation, while ČKD does not grant a license to the Supplier in connection with the said know-how, does not provide any rights related to intellectual property, etc.

15.2 Use of technical and other documentation of ČKD by the Supplier.

The Supplier is not entitled to publish or make available technical and other documentation within the meaning of Article 15.1 of these General Terms and Conditions to any third party or to use it for the benefit of any third party. At the same time, the Supplier undertakes to adopt, implement and comply with such measures that are necessary to prevent third parties from accessing technical or other documentation. The Supplier is entitled to use this documentation only in connection with the goods for the performance of the Contract. This obligation does not apply to administrative or other public authorities or authorities if they perform statutory control or other supervision under the relevant legal regulations, or to the Supplier's subcontractors if a confidentiality agreement is concluded between the Supplier and the subcontractor regulating the obligations in relation to the confidentiality of documentation pursuant to Article 15.1 of these General Terms and Conditions to the extent at least to the same extent as set out in Article 15 of these General Terms and Conditions. Upon the performance of the Contract or upon its termination in any other way, the Supplier is obliged to return this documentation to ČKD and destroy any copies made by the Supplier for the performance of the Contract.

15.3 Other technical and other documentation.

The Supplier undertakes not to publish or make available any other technical and other documentation not specified in Article 15.1 (in particular documentation developed by the Supplier for the purpose of performing the Contract), the development of which was participated in or financed or co-financed by ČKD, or not to use it for the benefit of any third party. The Supplier is entitled to use this documentation only in connection with the goods for the performance of the Contract. Upon the performance of the Contract or upon its termination in any other way, the Supplier is obliged to hand over this documentation free of charge to ČKD, transfer the ownership right to it and destroy any copies made by the Supplier for the performance of the Contract.

15.4

If the Supplier fails to fulfil its obligation under Article 15.1, 15.2 or 15.3 of these General Terms and Conditions, ČKD shall be entitled to payment of a contractual penalty in the amount of EUR 100,000 against the Supplier for each individual breach of this obligation, even repeatedly, and the Supplier shall be obliged to pay this contractual penalty to ČKD. For the avoidance of doubt, the Contracting Parties expressly declare that the payment of the contractual penalty does not terminate the obligation under Article 15.1, 15.2 or 15.3 of these General Terms and Conditions.

16. Other arrangements

16.1 Subcontractors.

If the Supplier supplies equipment manufactured by a subcontractor for the performance of the Contract as part of the performance or as part of the goods, then the Supplier is obliged to prevent the removal, and not to remove, from such equipment any identifications, such as trademarks, catalogue or reference number, type and model identifications, as well as technical details, etc., provided by the original manufacturer of such equipment, and which would be available on the same or similar equipment if it was purchased by ČKD directly from ordinary commercial sources, and which are also mentioned on the labels attached to such equipment, as well as instructions for this

equipment. If the Supplier fails to fulfil this obligation, ČKD is entitled to pay a contractual penalty in the amount of EUR 5,000 against the Supplier for each individual breach of this obligation, even repeatedly, and the Supplier is obliged to pay this contractual penalty to ČKD.

16.2 List of subcontractors, selection of ČKD.

If the Supplier intends to supply equipment manufactured by a subcontractor for the performance of the Contract as a part of the performance or as part of the goods, the Supplier is obliged to submit to ČKD a list of qualified subcontractors. ČKD is obliged to designate in writing those subcontractors from whom the Supplier is entitled to purchase supplies for the performance of the Contract within 30 days of the delivery of the list of qualified subcontractors. The Supplier is entitled to purchase supplies from subcontractors other than those identified in writing only with the prior written consent of ČKD. The Supplier is also liable to ČKD for defects in performance or parts of goods delivered to a subcontractor for the performance of the Contract as if it were supplying the performance itself.

16.3 Information about the production of goods at the subcontractor.

At the request of ČKD, the Supplier is obliged to inform ČKD in writing immediately (no later than within three days) of the stage of production of the goods by the subcontractor. If any facts occur in the case of the subcontractor that could potentially jeopardize the proper or timely performance of the Contract, the Supplier is obliged to inform ČKD of such facts immediately (no later than within three days). The Supplier is obliged to provide ČKD with all possible cooperation in connection with the performance of the Contract and to comply with ČKD's requirements to the maximum extent possible.

16.4 Inspection of the Supplier and subcontractors.

ČKD and/or third parties authorized by it are entitled to directly check compliance with the fulfilment of obligations by the Supplier and individual subcontractors at any time during working days and during normal working hours. The Supplier is obliged to ensure that ČKD and/or third parties authorized by ČKD have the opportunity to inspect the progress of production of the required goods and production equipment at the Supplier's and/or subcontractors' request, at the request of ČKD, directly at the registered office of their company or in the plant where the production of the goods in question takes place. The Supplier is obliged to maintain a quality management system for the production of goods for the duration of the guarantee for the last delivery of goods under the Contract, at least to the extent and quality that it was at the time of the conclusion of the Contract. In justified cases, ČKD is entitled to request that the Supplier dismiss any subcontractor from the performance of the Contract. The Supplier is obliged to comply with such a request without undue delay, within the meaning of this Article. The costs associated with the termination of cooperation under this Article shall be borne by the Supplier. A breach of this obligation is considered a material breach of the Supplier's obligation and establishes the right of ČKD to withdraw from the Contract.

16.5 Archiving obligation.

The Supplier is obliged to keep all records related to or arising from the Contract for a period of 15 years from the date of performance of the Contract. In particular, the Supplier is obliged to keep records of compliance with the requirements under the Contract, lists of sources approved by ČKD, lists of materials and processes used, and lists of standard parts of goods under the Contract. The Supplier is obliged to keep records of all approved sources used in the performance of the Contract, i.e. in particular subcontractors, certificates, attestations, measurements, according to the type of goods according to the Contract, numbers of goods and serial numbers (if serial numbers are required). These records must be complete and must be made available to third parties free of charge

by ČKD upon request or with the consent of ČKD, while ČKD is entitled to make extracts, copies or any copies from these records.

16.6 Supplies performed by the Supplier on the premises of ČKD.

If the Supplier performs the performance of the subject of the Contract in the premises of ČKD or in a place designated by ČKD, it is obliged to move for this purpose only in the premises or handling areas defined by ČKD. The Supplier is obliged to properly store any items or other items that are either used for the performance of the subject of the Contract or become part of it in the premises designated for this purpose by ČKD, and to properly secure them against theft, and to maintain them in a proper, tidy condition. After the fulfilment of the subject of the Contract, the Supplier is obliged to restore these premises to their original or otherwise agreed state and hand them over to ČKD on the basis of a written protocol within the agreed deadline, otherwise no later than 14 days after the fulfilment of the subject of the Contract.

16.7 Contractual penalty.

In the event of a breach of the Supplier's obligations pursuant to Article 16.6., the Supplier is obliged to pay ČKD a contractual penalty in the amount of EUR 10,000 for each individual breach of contractual obligation, even repeatedly.

17. Failure to exercise contractual rights, omissions

17.1 Non-exercise of contractual rights.

If any of the Supplier's claims under these General Terms and Conditions or under the Contract are not asserted within 12 months from the moment of the occurrence of the event giving rise to such a claim, such claim of the Supplier shall be immediately barred upon the expiry of the said period.

17.2 Omission.

No omission or non-exercise of any rights of ČKD arising from these General Terms and Conditions or the Contract shall be considered as a waiver of these rights against the Supplier and shall not result in the termination of these rights or the termination of ČKD's ability to exercise these rights.

18. Confidentiality obligation, confidentiality of information

18.1 Information about the existence of the Agreement.

The Supplier undertakes not to disclose to third parties information about the existence of the Contract and its content without prior express written consent. The Supplier is liable for any damage caused by ČKD as a result of a breach of this obligation.

18.2 Mutually Provided Information and Documents.

The Supplier undertakes not to release to third parties any information or documents that have been handed over to it by ČKD and that relate to the Contract and/or about all information and/or data of which it has become aware directly or indirectly in connection with the performance of the Contract without prior express written consent. The Supplier is liable for any damage caused to ČKD by breach of this obligation.

18.3

E-mail communication is excluded for written consent under this article.

18.4

In the event of a breach of the Supplier's obligation set out in Articles 18.1 and 18.2., the Supplier undertakes to pay ČKD a contractual penalty in the amount of EUR 10,000 for each individual breach of obligation, even repeatedly.

19. Industrial or other intellectual property rights

19.1

The Supplier undertakes to ensure that no provisions of the Contract, or their application, unjustifiably interfere with the intellectual or industrial property rights of any third parties enjoying legal protection under the laws of any state.

19.2

The Supplier hereby expressly declares that it is fully entitled to dispose of the industrial and intellectual property rights to the goods, and undertakes to ensure the proper and undisturbed use of the goods by ČKD or ČKD's customers, and the transfer of the goods from ČKD to third parties. The Supplier declares that the goods belong to ČKD from the date of receipt of the goods with a non-exclusive, unlimited right to use the goods to the widest possible extent in accordance with the relevant legal regulation of the relevant type of industrial or intellectual property. The right to use the goods is unlimited in time, territorially, it is transferred as a free right, a transferable right with the right to grant sublicenses and a right assignable without the need for the consent of any other person. Any remuneration for the provision of these rights is included in the purchase price of the goods.

19.3

The Supplier further undertakes to ensure that as a result of any breach of obligations on the part of the Supplier set out in this Part or the falsity of the Supplier's statement, there will be no damage to ČKD or any other person. The Supplier expressly undertakes to compensate ČKD for all damages incurred by the breach of these obligations or the falsity of the statement, as well as for all damages and costs incurred by ČKD as a result of the exercise of the rights of third parties against ČKD or the ČKD customer.

19.4

The Supplier is obliged to inform ČKD in writing about the nature and scope of the industrial and legal protection of the goods or technical documentation at the latest upon delivery of the goods to the place of delivery of the goods. If the delivered goods or technical documentation are not subject to the industrial and legal protection of the Supplier or third parties, the Supplier is obliged to issue a written statement to ČKD no later than upon delivery of the goods to the place of delivery that the delivered goods, their part or technical documentation are not subject to the industrial and legal protection of the Supplier or third parties, and do not contain any other industrial and legal defects. In the event of falsity of this statement of the Supplier, the Supplier is obliged to pay a contractual penalty in the amount of EUR 10,000 to ČKD, and at the same time undertakes to pay all damage incurred in connection with the falsity of this statement.

20. Liability for damage

20.1 Liability for damages.

The Supplier shall be liable for damage caused to ČKD, ČKD's customers or other persons in connection with the breach of its obligations arising from the Contract. The Supplier shall be obliged to

compensate ČKD for damages, in particular (but not exclusively) in the amount of the amounts incurred by ČKD in connection with the breach of the Supplier's obligations under the Contract, the costs of ČKD's proceedings conducted in connection with the breach of the obligation under the Contract, as well as all costs incurred in connection with defects in the goods, including the costs of dismantling the goods, the costs of new assembly of the goods and the costs of shutting down the final product in which the defective goods were installed. The Supplier undertakes to pay ČKD the damage in full, within 15 days from the date of delivery of the notice, or within another period if otherwise agreed in writing by both Contracting Parties.

21. Contractual penalty

21.1 Contractual penalty and compensation for damages.

The parties agree that no contractual penalty agreed in the Contract or these General Terms and Conditions excludes the right to compensation for damages. Claims can be asserted separately next to each other and the agreement on the contractual penalty does not affect the liability for damage, its application, amount and right to compensation.

21.2 Contractual penalty due date.

All contractual penalties agreed in the Contract or these General Terms and Conditions are payable within 14 days of the delivery of the notice for payment of the contractual penalty to the other contracting party.

22. Force majeure

22.1 Force Majeure.

In the event of the occurrence of an extraordinary unforeseeable and insurmountable obstacle arising independently of the will of the Contracting Parties, the deadlines for the fulfilment of the obligations stipulated to the Contracting Parties by the Contract or these General Terms and Conditions shall be extended by the period for which such obstacle lasts. The Contracting Party shall be obliged to inform the other Contracting Party in writing of the occurrence and termination of such obstacle without undue delay (but no later than within three days). The Supplier shall be obliged to inform ČKD in writing without undue delay (but no later than within three days) of the occurrence and termination of such an obstacle at the subcontractor's case. In particular, such events as lockouts, delays in deliveries of subcontractors (unless caused by an obstacle pursuant to this Article), insolvency, lack of workers or materials shall be considered unforeseeable and insurmountable. Events such as earthquakes, floods, large-scale fires or war are considered to be unpredictable and insurmountable obstacles.

23. Governing Law

23.1 Governing Law.

The rights and obligations of the contracting parties, including the rules for concluding the Contract, its validity and effectiveness, are governed by the law of the Czech Republic.

24. Dispute resolution

24.1 Prorogation

The parties hereby agree on the exclusive territorial jurisdiction of the Municipal Court in Brno and the territorial jurisdiction of the Regional Court in Brno for disputes for which the Regional Court has substantive jurisdiction.

25. Severability clause

25.1 Severability clause.

If any provision of the Contract or these General Terms and Conditions is, or becomes, invalid or ineffective, this shall not affect the validity and effectiveness of the other provisions of the Agreement or these General Terms and Conditions. In this case, the Contracting Parties undertake by agreement to replace the invalid and/or ineffective provision with a new provision that would best correspond to the originally intended purpose of the original provision.

26. Exclusivity of ČKD

26.1

For the avoidance of doubt, the Supplier expressly undertakes that any goods in the development of which have been participated in or financed or co-financed by ČKD will not be used and will prevent their use by any other person other than ČKD.

26.2

No later than upon termination of a specific Contract concerning specific goods, the Supplier undertakes to hand over all materials relating to these goods free of charge, or related to their development or documentation.

26.3

If the Supplier fails to fulfil its obligation under Articles 26.1 and 26.2 of these General Terms and Conditions, ČKD shall be entitled to pay a contractual penalty in the amount of EUR 100,000 against the Supplier for each individual breach of this obligation, even repeatedly, and the Supplier shall be obliged to pay this contractual penalty to ČKD. For the purpose of removing doubts, the Contracting Parties expressly declare that the payment of the contractual penalty does not extinguish the obligation under Article 26.1 and Article 26.2 of these General Terms and Conditions.

Trading company ***ČKD Blansko, a.s.***

Name, surname and function *Yaroslav Okhatrin, Member of the Board of Directors*

On *10. 2. 2023* Signature

ČKD Blansko a.s.
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