

**General Terms and Conditions for the Supply of Goods**  
**Ammann Czech Republic a.s., Company ID: 000 08 753, with its registered office at**  
Náchodská 145, 549 01 Nové Město nad Metují  
(the “General Terms and Conditions”)

Version: 2/2018

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| <p><b>1. Validity of the General Terms and Conditions</b></p> <p>1.1 <u>Subject matter, content.</u> These General Terms and Conditions regulate the conditions of purchase of goods by Ammann Czech Republic a.s., Company ID: 000 08 753, company having its registered office at Náchodská 145, 549 01 Nové Město nad Metují (the “buyer”).</p> <p>1.2 <u>Part of purchase contract.</u> These General Terms and Conditions are deemed an integral part of a purchase contract.</p> <p>1.3 <u>Binding force.</u> By entering into a purchase contract, a seller agrees with all rights and obligations included herein and resulting herefrom.</p> <p>1.4 <u>Prevalence of the purchase contract.</u> In the event that the content of the purchase contract diverges from the content of these General Terms and Conditions, the provisions of the purchase contract prevail over different provisions of these General Terms and Conditions.</p> <p>1.5 <u>Governing law.</u> Mutual relations not regulated by the purchase contract or these General Terms and Conditions are governed by the laws of the Czech Republic, namely Act No. 89/2012 Sb., Civil Code, as amended.</p> <p>1.6 <u>Arbitration clause:</u> The parties agree that all disputes arising from the purchase contract or in connection with it that are not settled by agreement between the parties will be finally decided with the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech</p> | <p>Republic according to its Rules by three arbitrators.</p> <p><b>2. Conclusion of the Purchase Contract</b></p> <p>2.1 <u>Conclusion of the purchase contract.</u> A written order of the buyer is deemed a draft purchase contract. The order must be delivered to the seller either by a postal licence holder, by fax or by electronic mail (e-mail) or in person. The purchase contract is concluded once the seller accepts the order placed in this manner and the buyer receives a written confirmation of the order.</p> <p>2.2 <u>New draft of the seller.</u> The order confirmation that contains amendments, reservations, restrictions or other changes is deemed rejection of the order and constitutes a new draft purchase contract of the seller. In such situation, the purchase contract is concluded only if the buyer confirms this draft purchase contract in writing and delivers back to the seller in a manner set out in Art. 2.1 hereof.</p> <p>2.3 <u>Deadline for acceptance, cancellation of the order.</u> The seller is obliged, within 5 days of delivery of the order, to confirm the order in writing and deliver it to the buyer or to notify the buyer of the rejection of the order. The confirmation and rejection of the order must be made in writing and delivered to the buyer by a postal licence holder, by fax or by electronic mail (e-mail) or in person. The buyer may cancel the order in a written or oral form or by remote data transmission until the seller delivers the confirmed order or the rejection of the order.</p> |
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### 3. **Place of Delivery of Goods**

3.1 Place of Delivery. Unless the purchase contract provides otherwise and the buyer stipulates a different place of delivery at any time before the delivery, the seller is obliged, at his own risk and expense, to deliver the goods to the buyer to the place of the buyer's enterprise which is situated at: Nové Město nad Metují, Náchodská 145, post code 549 01.

3.2 Delivery clause. Delivery of the goods is governed by INCOTERMS 2010, as set out in the purchase contract. In the event that no delivery clause under INCOTERMS 2010 is contracted or unless agreed otherwise, delivery of the goods is governed by Art. 3.1 hereof and general provisions of the Civil Code.

### 4. **Due Delivery of Goods**

4.1 Delivery of goods in a due and timely manner. The seller is obliged to deliver the goods to the buyer in a due and timely manner. The goods are deemed to be delivered in a timely manner if they are delivered within the agreed deadline. The goods are deemed to be delivered in a due manner once all the following conditions are met:

- a) the seller delivers the goods to the place of delivery in a due manner,
- b) the goods are delivered along with complete documents free from defects relating to the goods,
- c) the buyer accepts the goods,
- d) the goods delivered to the buyer are free from defects. The goods having apparent defects may only be delivered if the buyer describes the defects in a protocol attached to a delivery note of the seller and expressly represents that he accepts the goods despite the apparent defects. In such a case,

the buyer is obliged to specify the apparent defect detected and designate specific goods that have the apparent defects. However, the acceptance of the goods does not affect the fact that the delivered goods are defective and the buyer's claims resulting from liability for defects remain thereby unaffected in any manner.

4.2 Contractual penalty. If the seller fails to deliver the goods in a due and/or timely manner, the seller is obliged to pay the buyer a contractual penalty of 5% of the value of undelivered goods for each commenced day of default on delivery of the goods. The agreed contractual penalty is payable within 15 days of the receipt of its account by the seller. Payment of the contractual penalty does not affect in any manner the buyer's right to compensation of damage caused because of the seller's default on delivery of the goods (including but not limited to necessary costs the buyer incurred in connection with the delayed delivery). The buyer is entitled to exercise both rights separately next to each other and arranging the contractual penalty does not affect the liability for damage, its claiming and a right to its compensation.

### 5. **Acquisition of a Right of Ownership and Passage of Risk of Damage to the Goods**

5.1 The buyer acquires a right of ownership to the goods under the purchase contract once he accepts the delivered goods.

5.2 Passage of risk of damage to the goods. The risk of damage to the goods passes on to the buyer once the goods are delivered in a due manner.

## 6. Warranty

6.1 Warranty on the delivered goods. The seller provides warranty on the delivered goods to the buyer and at the same time to any other person who acquires the right of ownership or any other right to the goods or a thing that is part of the goods. The seller warrants that throughout a warranty period, the goods are suitable for a purpose designated in the purchase contract, otherwise for the usual purpose, and that the goods have qualities specified in the purchase contract. If the purchase contract does not stipulate certain qualities of the goods, the seller warrants to the buyer that throughout the warranty period the goods delivered under the purchase contract have their usual qualities.

6.2 Duration and commencement of the warranty period. The duration of the warranty period is set out in the purchase contract. If the duration of the purchase contract is not expressly set out in the purchase contract, the warranty period is 30 months from the date of due delivery of the goods.

6.3 Suspension of the warranty period. The warranty period is suspended for a period for which the buyer or other persons stated in Art. 6.1 hereof are unable to use the delivered goods due to their defects for which the seller is liable.

## 7. Liability for Defects of the Goods

7.1 Some factual defects of the goods. The goods are defective if they are not delivered duly packed and preserved for transport, in a quantity, quality and design specified in the purchase contract or in these General Terms and Conditions.

7.2 Liability for defects. Throughout the warranty period, the seller is liable for all defects that are detected on the goods during this period, irrespective

of when the defects arise.

7.3 Protocol on defects of the delivered goods. Unless the purchase contract or these General Terms and Conditions provide otherwise, if the buyer detects any defects of the delivered goods, the buyer will draw up a protocol on defects which will contain information about delivery of the goods (order number and delivery note number, including a specific name of a product and a serial number), a person who detected the defect, date of detection of a defect, assessment of a nature of the defect by the buyer. The buyer delivers the protocol to the seller without undue delay, including a notice to inform about a method of removing defects and arranging a remedy.

7.4 Form and delivery of the protocol on defects. The protocol on defects may be delivered to the seller in writing by a postal licence holder, by telefax or by electronic mail (e-mail) or in person as well.

7.5 Obligations of the seller, notification of the method of removing defects. The seller is obliged and represents that within a deadline under the purchase contract, otherwise within 30 days of the receipt of a protocol on defects under Art. 7.3 hereof or of the receipt of a defective part by the seller, under instructions of the buyer, he fulfils the obligation:

- a) to arrive to the place of performance or a place specified by the buyer in order to inspect the goods and examine the defects notified by the buyer in the protocol on defects and to notify the buyer of a specific method of removing defects of the goods, or
- b) to notify the buyer of a specific method of removing defects with maximum effort, care and with regard to technological deadlines, including a schedule of implementation remedial measures.

7.6 Claims from liability for defects.

Regardless the nature of the defect and seriousness of breach of the purchase contract by occurrence of the defect, the buyer is always entitled:

- a) to require removing defects by the supply of substitute goods instead of the defective goods, by the supply of missing goods and to require removing legal defects,
- b) to require removing defects by the repair of the goods if the defects may be repaired,
- c) to require a reasonable reduction in the purchase price,
- d) to withdraw from the contract,
- e) by himself or through another person and at the expense of the seller, to inspect the goods, to make necessary steps for detecting defects, to sort out, repair or arrange a substitute supply without such measures taken by the buyer affecting the warranty on the delivered goods. The seller undertakes to fully reimburse such costs to the buyer. In this situation, the buyer is obliged to demonstrate the costs incurred under a previous sentence in a due manner and to document the defects of the goods (images, video and the like);

7.7 Other claims of the buyer. In addition to the claims from the liability for defects, the buyer is entitled to damages.

## 8. **Purchase Price**

8.1 Amount of the purchase price. The buyer is obliged to pay the seller a purchase price set out in the purchase contract. The purchase price includes all costs associated with the goods, including packaging costs, transportation costs, insurance of the goods, costs associated with procuring documents attached to the goods,

labelling, customs, taxes, storage fees etc. The seller undertakes to deduct a reduction in the purchase price to which the buyer becomes entitled under the purchase contract or other agreement even if the buyer does not notifies the seller to deduct the reduction or does not calculate its specific amount. The seller is liable for the reduction to be calculated accurately.

8.2 Rise of an obligation to pay the purchase price. The buyer becomes obliged to pay the seller the purchase price once the buyer acquires the right of ownership to the goods unless the purchase contract or an agreement of the parties provide otherwise.

8.3 Some elements of an invoice. The seller is entitled and at the same time obliged to issue an account of the purchase price – an invoice, once the buyer becomes obliged to pay the purchase price. The invoice must include elements of a tax and accounting document, namely:

- a) order number;
- b) name and specification of the goods, including a serial number of the goods;
- c) quantity of the goods;
- d) unit purchase price for the goods;
- e) reduction amount to which the buyer becomes entitled;
- f) the total purchase price for the goods after deduction of the reduction.

8.4 Due date of the purchase price. The due date of the purchase price is set out in the purchase contract. In the event that the due date of the purchase price is not set out in the purchase contract, the buyer is obliged to pay the purchase price within 60 days of the receipt of a proper invoice. In the event that the invoice is altered or supplemented, the proper invoice is deemed to be delivered once the new proper invoice is delivered.

8.5 In the event that the seller as a provider of taxable supply is, in the time of performance of such taxable supply, published in a manner allowing remote access as an unreliable VAT payer within the meaning of Section 106a of Act No. 235/2004 Sb., on Value Added Tax, as amended, the buyer as a recipient of the taxable supply is entitled to pay the provider of the taxable supply only the price without value added tax (VAT) and to pay an amount of the VAT to the seller's tax administrator pursuant to Section 109a of the above-mentioned act.

8.6 The seller undertakes his tax document (invoice) to state only such bank account (accounts) which is registered at the tax administrator as an account used for economic activities and published in a manner allowing remote access. In the event that it does not happen in an extraordinary and reasonable case, the buyer as a recipient of taxable supply is, therefore, entitled to pay the provider of taxable supply only the price without value added tax (VAT) and to pay the amount of the VAT to the seller's tax administrator pursuant to Section 109a of the above-mentioned act.

## 9. Force Majeure

9.1 Force Majeure. If there occurs a force majeure event, the deadlines for fulfilment of obligations of the parties under the purchase contract or these General Terms and conditions are prolonged by the time for which the force majeure event lasts. The seller is obliged to inform the buyer in writing about the occurrence and disappearance of the force majeure event without undue delay. The seller is obliged to inform the buyer in writing about the occurrence and disappearance of the force majeure event at his subcontractor without undue delay. Events, such as lock-out, delay of subcontractor's supplies

(unless they are caused by force majeure events), insolvency, lack of work force or material, are not deemed to be force majeure events. Events, such as earthquake, flood, extensive fire and/or war, are deemed force majeure events.

## 10. Compliance

10.1 The parties are aware of the necessity that these General Terms and Conditions and/or performance under the purchase contract must be kept assessed and possibly revised in the event that based on any change in the current situation on the relevant market it would be necessary to take measures necessary for effective compliance of contractual practice with the rules of competition within the meaning of Section 2972 et seq. of the Civil Code, under Act No. 143/2001 Sb., on the Protection of Competition and under Art. 101 and 102 of the Treaty on the Functioning of the European Union. Therefore, the parties undertake, if necessary, to immediately do everything necessary to secure the above-mentioned compliance, including agreement on possible amendments of the General Terms and Conditions and/or the purchase contract in the form of its written amendment and/or additional implementation of necessary organizational and technical measures when performing the purchase contract.

10.2 In order to fulfil par. 10.1 of this Article hereof, the parties undertake to inform each other well in advance about all facts that could have any adverse impacts on efficient competition on the relevant market of goods and that could be interpreted or assessed by competent authorities (namely Office for the Protection of Competition, Czech Republic) as actions contrary to competition rules.

10.3 Contractual obligations and commitments of the parties under par.

- 10.1 and 10.2 of this Article also fully apply to the compliance of the General Terms and Conditions and/or performance under the purchase contract with all binding measures and instructions of competent inspection and supervisory authorities. In this respect, the parties represent that within their internal structure, they have taken necessary organizational and technical measures which result from the law and/or which may be reasonably required in order to prevent or disable possible commission of crimes by their employees based on which the parties as legal entities could bear criminal liability pursuant to Section 8 of Act No. 418/2011 Sb., on Criminal Liability of Legal Entities and Proceedings against Them.
- 10.4 The parties are fully aware of legal restrictions and prohibitions resulting from the legal regulation of bribery both in connection with procuring things of public interest and in connection with business included in Section 331 et seq. of Act No. 40/2009 Sb., Criminal Code, in the form of bribery under Section 332 or accepting bribes under Section 331 or indirect corruption under Section 333 of the Criminal Code. In this respect, the parties are aware of the fact that the bribe pursuant to Section 334(1) of the Criminal Code means any unauthorised advantage consisting in direct asset enrichment or another profit that is to be given to a bribed person or with his/her consent to another person and to which he/she is not entitled. The parties hereby expressly undertake not to provide each other or any other business partners or officials, directly or indirectly, with any payments, gifts or other advantages that would be contrary to applicable laws and ethical rules of business and undertake in this respect to refrain from any acts that could be deemed to be an offer, provision, promise or acceptance of a bribe.
- 10.5 Breach of any obligation and/or representation included herein by either party will be deemed a material breach of the purchase contract and for the purposes of the purchase contract; it is expressly agreed as a qualified reason for withdrawal of the contract. The breaching party is obliged to compensate all the damage caused to the other party because of such breach, including loss of profit.
- 11. Protection of Personal Data**
- 11.1 The seller informed the buyer on the processing of personal data of natural persons acting on the part of the buyer, as required by law, namely Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
- 12. Language versions**
- 12.1 These General Terms and Conditions has been executed in Czech and English versions. Seller will receive both of these version. In case of discrepancies between the Czech and English version, the Czech version will prevail.

Issue date: 01 August 2018