

General Purchase Conditions of  
**ONDRSTROJ ENGINEERING s.r.o.**  
(hereinafter also referred to as the “GPC”)

**I. Introductory Provisions**

1. These General Purchase Conditions govern the relations and rights and obligations between **ONDRSTROJ ENGINEERING s.r.o.**, ID no.: 06060072, registered office at Salisov 49, 793 76 Zlaté Hory, registered in the Commercial Register kept by the Regional Court in Ostrava, Section C, File no. 77619 as the purchaser, client or customer, on the one hand (hereinafter also referred to as “*OE*” or the “*Client*”) and any third party, as the seller, contractor, service provider or supplier, on the other hand (hereinafter also referred to as the “*Supplier*”), arising between the parties on the basis of or in connection with the order of OE made towards the Supplier and when concluding the purchase contract, contract for work, contract for the provision of services or when concluding contracts similar to these contracts (hereinafter also referred to as the “*Contract*”).
2. The provisions of these GPC are an integral part of each individual OE order made towards the Supplier and each Contract concluded in connection with the order made by OE towards the Supplier or each Contract that contains an explicit reference to these GPC. Deviating provisions in the Contract shall prevail over the provisions of these GPC.
3. For the purposes of these GPC and the Contract, the goods also mean work or service, in cases where it is applicable.
4. All orders and Contracts shall be made in a written form. The written form of the order or Contract is also maintained in case of the use of means of distance communication (in particular communication via e-mail).
5. The provisions of these GPC shall apply to the legal relations between OE and the Supplier in preference to any provisions of the Supplier’s terms and conditions. If the Supplier’s terms and conditions, which should be applied to the legal relations between OE and the Supplier, are contrary to the provisions of these GPC, it is possible to apply such provisions of the Supplier’s terms and conditions only with the prior written consent of OE.
6. If any provision of these GPC differs from the arrangement between OE and the Supplier that was expressly agreed in the Contract or expressly stated in the OE order, such an arrangement shall prevail over the provisions of these GPC.

**II. Order and Establishment of the Contract**

1. A proposal to conclude a Contract is a written OE order delivered to the Supplier.
2. The Supplier confirms the order in writing as a whole, without additions, reservations or changes, otherwise the Contract will not be concluded. Inaction or silence shall not be deemed

acceptance of the order. Performance of the order by the Supplier in accordance with the conditions of the order without written confirmation of the order by the Supplier and provided that the order has not been revoked by OE within the relevant period is considered to be an order confirmation, this does not apply in the case of only partial performance of the order.

3. At the moment of unconditional confirmation of the order, the Contract is concluded between OE and the Supplier.
4. If the Supplier does not confirm the order within 30 days from the date of delivery of the order to the Supplier, OE reserves the right to revoke the order. For the avoidance of doubt, it is stated that OE's written order is a revocable proposal to conclude the Contract.
5. If the Supplier confirms the order after its withdrawal by OE within the meaning of Article I (4) of these GPC, it is considered that the Contract has not come into existence. Such late confirmation of the order is considered a new proposal for the conclusion of the Contract made by the Supplier towards OE. In such a case, the Contract will be concluded only if OE confirms such a new proposal for the conclusion of the Contract in writing within 30 days.
6. In the event that an OE order contains an obvious error in quantity, price, quality, numbers or writing, or any other obvious error, the Supplier shall invite OE to confirm the order, stating the facts in which the Supplier sees an obvious error in the order. If the Supplier does not invite OE to confirm an obviously erroneous order under this paragraph of the GPC, OE is entitled to refuse performance according to the order, but only to the extent that the order was clearly erroneous.

### **III. Performance of Orders and Contracts**

1. The place of performance is the registered office of OE, unless OE individually determines another place of performance under the order or the Contract.
2. Goods delivered by the Supplier under the concluded Contract must meet all the requirements specified in the OE order and must be delivered within the agreed date. The Supplier is entitled to perform the order or the Contract before the specified date of performance of the order or the Contract only with the written consent of OE.
3. The Supplier acknowledges that the date of performance specified in the order or in the Contract is binding for the Supplier and in the event of a delay in performance of the order or the Contract, serious damage may occur on the part of OE. Any delay in the performance of the order and the subject of the Contract on the part of the Supplier is a material breach of the order and the Contract and OE is entitled to withdraw from the Contract in case of a delay in the performance of the order and to refuse the performance as delayed.
4. In the event that the Supplier discovers or circumstances indicate that the Supplier will not be able to fulfil the order or its obligations under the Contract within the specified date, the Supplier shall inform OE in writing about this fact together with information about the alternative date of performance of the order or the Contract. OE is subsequently entitled within

a period of 5 working days from the date of delivery of the notice of the alternative performance date of the order, or the Contract, to accept the performance of the order or the Contract within the alternative date in writing. This does not apply in cases where the time between the delivery of the notice of the alternative performance date and the specified performance date is shorter than 15 working days. Acceptance of the performance of the order or the Contract by OE within the alternative date does not release the Supplier from the obligation to compensate for damage caused by the delay in performance of the order, or the Contract compared to the originally specified performance date.

5. In the event of delay in performance of the order, or Contract on the part of the Supplier, including performance within the alternative performance date according to Article III (4) of these GPC:

- (i) OE is entitled to require the Supplier to pay a contractual penalty of 3% of the price of the goods for the first commenced week of delay, and 5% of the price of the goods for each subsequent commenced week of delay;
- (ii) the Supplier shall compensate OE for all damage, including indirect and consequential damage, caused by the Supplier's delay in performance of the order or the Contract within the specified date.

For the avoidance of doubt, it is stated that the damage on the part of OE incurred due to the delay in performance of the order on the part of the Supplier also means all costs of OE for the change of the production schedule, costs of OE for machine borrowing, securing related overtime necessary for the timely completion of the job order, lost profit, interest on late payment, contractual penalties applied by the final customer, etc.

6. OE is not obliged to take over performance of a partial scope or performance of a larger scope, unless otherwise specified in the order or the Contract in an individual case.
7. If OE, by reference to technical standards or otherwise in the order, has stipulated a requirement for compliance of the goods with certain standards or performance of the material tests, the Supplier shall document such compliance or performance of the tests with the originals of the relevant certificates, together with the delivery of the goods.
8. For the purposes of performance of the order or the Contract, the Supplier shall use materials and raw materials not originating in countries subject to any restrictions or sanctions issued at the level of the European Union and/or the Czech Republic, including (but not limited to) anti-dumping duties.
9. In the event of the Supplier's intention to use material and raw materials originating from any third world country including the People's Republic of China and the Republic of India for the purposes of performance of the order, or the Contract, the Supplier shall, in each individual case, notify OE of this fact in advance, at the latest within the order confirmation or together

with it. In such a case, OE reserves the right to refuse performance of the order and withdraw from the Contract without undue delay.

10. OE has the right to check the progress of production at any time during the production of the ordered goods, both at the Supplier's production premises and at its subcontractors. In order to inspect the production of the goods, the Supplier shall provide OE with the necessary cooperation.
11. The Supplier takes over the risk of a change in circumstances within the meaning of Section 1765 (2) of Act no. 89/2012 Coll., the Civil Code, as amended, especially in relation to changes in the prices of materials and raw materials needed for the purposes of performance of the order, or the Contract.

#### **IV. Subcontractors**

1. Unless the order or the Contract provides otherwise, the Supplier is entitled to entrust the performance of its obligations or their parts to a third party – a subcontractor. If the Supplier intends to perform any part of the performance under the OE order or the Contract through subcontractor or subcontractors, it shall state their proper identification in the order confirmation or together with it. The Supplier shall notify OE about any change of subcontractor without undue delay. OE reserves the right to refuse the performance of the order or the Contract at any time by a subcontractor. OE shall inform the Supplier about the refusal of the performance of the order or the Contract by the subcontractor without undue delay.
2. OE expressly declares that OE will not accept the order performance through subcontractors that:
  - (i) are tax residents in countries against which any trade restrictions have been issued at the level of the European Union and/or the Czech Republic, which could affect the performance of the order and the Contract;
  - (ii) are listed or were listed in sanction lists valid in the Czech Republic and the European Union in the last 3 months at the time of performance of the order or the Contract;
  - (iii) will be marked as excluded subcontractors in the relevant order.
3. OE is entitled to request a change of subcontractor in justified cases.
4. In the event of a breach of any Supplier's obligation under Article IV of the GPC, OE is entitled to terminate the Contract with immediate effect or to withdraw from the Contract. In such a case, the Supplier shall compensate OE for the damage incurred in full.

#### **V. Delivery of the Goods and Transport**

1. Unless otherwise specified individually in the order or the Contract, the Supplier shall notify OE on the day of handing over the goods to OE at least 5 working days in advance in writing.

2. Handover and acceptance of the goods is always carried out with the participation of authorized employees of OE and the Supplier. Representation, e.g. through a carrier, is not possible. A handover and acceptance report must be drawn up between the two parties on the content of the handover and acceptance of the goods, which will contain at least information on the amount of the goods (content, size, weight, etc.), the day of handover and acceptance, the method of transport of the goods, and information on the packaging and marking of the goods.
3. The Supplier shall pack and mark the goods in the manner specified in the individual order or the Contract, at its own risk and expense. Unless the order or the Contract stipulates the conditions of packaging and the manner of marking the goods, the Supplier shall pack the goods and mark them so that the packaging and marking of the goods comply with all relevant legal regulations and technical standards and so that the transport does not damage, destroy or degrade the goods or damage the property of third parties. If the goods are not properly packed and marked, OE is entitled to demand replacement of the goods in justified cases. If, as a result of improper packaging and marking of the goods, damage occurs, whether caused to OE or a third party, the Supplier shall be fully liable for such damage.
4. If the goods are to be handed over for transport to an external carrier, before sending the goods, or before handing over the goods to the relevant carrier, the Supplier shall document to OE the respective insurance of the shipment, covering damage to the goods at least in the scope of the agreed price.
5. The risk of damage to things passes to OE only at the moment of acceptance of the goods by OE, or by the relevant authorized employee of OE, from the Supplier and/or from an external carrier at the specified place of performance, only in the case of acceptance of the goods without reservations.
6. All deliveries of the goods must include a certificate of origin, as well as all other markings, certificates and documents relating to the goods, in accordance with the relevant legislation.
7. Ownership of the goods is acquired by OE at the moment of acceptance of the goods without reservations and unfinished work.

## **VI. Price and Payment Terms**

1. The price of the goods is always determined within the order, or the Contract, as a fixed price, which includes the Supplier's costs for proper packaging and marking of the goods, shipping costs, insurance and other reasonably foreseeable costs. If the price of the goods is not explicitly stated in the order or in the Contract, it is an obvious error in the order and the Supplier shall proceed according to Article II (6) of these GPC. The price specified in the Supplier's terms and conditions or price lists shall only apply if it is expressly stated in the order or the Contract. Unless stated otherwise in an individual case, the price stated in the order or the Contract is VAT exclusive.

2. The price for delivery of the goods is payable within 45 days from the date of provable acceptance of the goods by OE, but not earlier than 45 days from the date of provable delivery of a tax document issued by the Supplier to OE, containing all the details in accordance with the relevant legal regulations and accounting standards.
3. In justified cases, OE is entitled to pay to the Supplier only part of the price excluding VAT and to pay part of the price in the amount of VAT directly to the relevant tax administrator, providing payment details so that the payment of VAT is registered in the Supplier's tax account. OE shall inform the Supplier about this procedure.
4. In the event of defective performance (see Article VII of these GPC), OE is entitled to withhold any payment or part of it until the order or the Contract is properly performed, even if the right to payment of the price arose for another legal reason.
5. Unless otherwise specified in an individual case, the Supplier is not entitled to assign or suspend its claims against OE.
6. OE is entitled to set off its claims (due and unpaid) unilaterally against the Supplier against the Supplier's claims (due and unpaid) that the Supplier has against OE.
7. OE is not obliged to pay the price to the Supplier's different bank account than the bank account published by the Supplier for VAT purposes in the register of value added taxpayers. In the event that the Supplier requests payment of the price to a bank account other than the bank account published for VAT purposes, OE is entitled to ask the Supplier to prove that it is the owner of the bank account to which it requests payment of the price of the goods. Until the fact according to the previous sentence is proven, OE is entitled to withhold the payment of the price.
8. In the event that OE rightfully, i.e. in accordance with these GPC, withholds the payment of the price of the goods, OE is not in default of the payment of the price of the goods. In such a case, the price of the goods will not become payable earlier than within 14 days from the date of the removal of the obstacle according to these GPC, for which the payment of the price was withheld.

## **VII. Product Defects, Quality Warranty and Complaints**

1. The goods are defective if they are not delivered in the quantity, quality and execution specified by OE in the order, or in the Contract. If the quality and execution in an individual case are not specified in the order, the goods are defective if they are not delivered in quality and execution corresponding to higher standards for the goods. Defects in the documents necessary for the use or processing of the goods are also considered defects in the goods, or defects in performance.
2. Unless otherwise agreed, the Supplier provides a quality warranty for the delivered goods for a period of 24 months from the date of acceptance of the goods by OE. However, if the goods are intended as a part of OE's supply to another entity (end customer), the warranty period

begins to run only on the date of delivery of the entire delivery by OE to such a third party (end customer), but no later than 12 months from the date of acceptance of the goods by OE.

3. In the event of an obvious defect of the goods, OE is entitled to refuse to accept the defective goods, as a whole or only the part of it that is affected by the defect, which will be recorded in the relevant handover report.
4. In the event of detection of a defect in the goods, OE shall inform the Supplier in writing without undue delay about the detected defects in the goods and the method chosen by OE to remove the defects in the goods according to these GPC. The Supplier shall express its opinion of the defects found within 7 calendar days at the latest; otherwise the Supplier has fully acknowledged the defects complained of and the method chosen by OE to remove the defects in full and agrees with this.
5. In the event of defective performance (obvious and hidden defects), OE is entitled to:
  - (i) demand the delivery of new goods without defects, within the date specified according to the order or the Contract. If it is not possible to deliver new goods without defects within the time specified in the order or the Contract, OE may request the delivery of new goods within an alternative date specified by OE. It applies that in the event of a request for the delivery of new goods within an alternative date, the Supplier is in delay in performance of the order, or the Contract and is liable for all damages caused thereby;
  - (ii) demand the repair and/or modification of the goods as soon as possible. OE is also entitled to carry out appropriate repairs or modifications in order to eliminate defects in the goods itself or with the help of third parties. In such a case, OE is entitled to charge the Supplier the costs reasonably incurred for repairs and/or modifications to the goods carried out in order to eliminate the defects in the goods. OE shall inform the Supplier in advance about this procedure;
  - (iii) demand a discount from the price of the goods, up to 100% of the price of the goods, depending on the severity of the defects in the goods and the complications on the part of OE as a result of the delivery of the defective goods; or
  - (iv) withdraw from the Contract, provided that the defects in the goods are material defects or that the delivery of defective goods causes serious damage on the part of OE and these damages cannot be compensated by the procedure for exercising rights from defects according to Clauses (i) to (iii) above.

For the avoidance of doubt, it is stated that OE is entitled to combine and apply the rights from defective performance as listed above under Clause (i) to (iii) together.

6. After handling the complaint, OE is entitled to charge the Supplier for the costs reasonably incurred by OE in connection with the application of the complaint and the removal of defects in the goods.

## **VIII. Intellectual Property Rights**

1. The Supplier hereby declares and warrants that:
  - (i) is the owner and/or authorized user (under the relevant license) of all intellectual property rights relating to the goods delivered on the basis of the order, or the Contract, including the intellectual property rights used in the manufacturing, processing, packaging, marking, promotion and sale of such goods;
  - (ii) fulfilment of the conditions of the order, or the Contract does not conflict with or does not infringe unlawfully any intellectual property rights of a third party;
  - (iii) is entitled to transfer the relevant rights to intellectual property rights to OE, especially for the purposes of using the goods, reproduction of the goods, reworking of the goods, incorporation of the goods, etc.
2. In the event that the goods delivered by the Supplier, as performance of the order, or the Contract are the subject protected by intellectual property rights, by handing over the goods to OE by the Supplier, the Supplier grants OE a license and/or a sub-license to use such goods (work) to the maximum possible material, territorial and temporal extent. The remuneration for granting a license or a sub-license according to this paragraph is already included in the price of the goods specified in the order, or the Contract.
3. In the event of any claims against OE by third parties resulting from the alleged infringement or misuse of the intellectual property rights of such third parties as a result of the use of goods delivered by the Supplier, the Supplier undertakes to assume all responsibility for such a claim by a third party, and to indemnify OE from this claim in full. OE shall inform the Supplier of the third party's claim against OE without undue delay. For the purposes of the relevant legal defence against a claim made against OE by a third party, OE shall provide the necessary cooperation to the Supplier.
4. All costs incurred by OE in connection with the application of a claim by a third party, resulting from the violation or abuse of the intellectual property rights of such a third party, against OE due to the use of the goods delivered by the Supplier, the Supplier shall compensate OE in full and without undue delay.
5. The Supplier undertakes to maintain the confidentiality of all information obtained in connection with the performance of the order or in connection with the performance of obligations under the Contract, either directly from OE and its employees or also if the information was obtained from a third party. The Supplier undertakes to use such information exclusively to the extent necessary for the purpose of performance of the order, or performance



of obligations under the Contract, and not for its own personal benefit or for the benefit of third parties. The Supplier shall transfer this obligation of confidentiality to all parties that will be acquainted with the relevant information.

#### **IX. Force Majeure**

1. Force majeure means any extraordinary and unforeseen or unavoidable event that arose after the conclusion of the Contract, independently of the will of the Supplier or OE, and makes full or partial performance of the Supplier's or OE's obligations impossible for a certain period. Delays in deliveries from the Supplier's subcontractor(s) or restrictions in connection with the COVID 19 pandemic or a similar disease, interruption of gas or electricity supplies to the Supplier are not considered force majeure.
2. In the event that circumstances of force majeure occur, the affected party is not delayed in performance of its obligations according to the order, or the Contract, for the duration of circumstances of force majeure.
3. If the circumstances of force majeure for which the affected party is unable to fulfil its obligations persist for more than 30 days, the other party is entitled to withdraw from the Contract.

#### **X. General and Final Provisions**

1. OE acquires ownership of the goods at the latest upon payment of the price for the goods.
2. By confirming the order, the Supplier agrees with the wording of these GPC.
3. The Supplier declares and guarantees that the delivered goods are not subject to any rights (mandatory or material) of third parties and that the incorporation of the delivered goods into the OE final product will not result in a violation of the rights of third parties.
4. Unless otherwise specified in an individual case, the parties deliver all documents to the addresses of their registered offices registered in the Commercial Register and Trade Register.
5. OE is entitled to withdraw from the Contract:
  - (i) in all cases individually defined in these GPC; and
  - (ii) in the event of a material breach of the Contract by the further
  - (iii) in cases established by law.
6. The Supplier is entitled to withdraw from the Contract in the event of OE's delay in paying the price of the goods by more than 30 days, in the event that the price of the goods is not paid by OE even within the additionally provided period to pay the price of the goods of at least 14 days specified in the Supplier's call to pay the price of the goods. OE is not in delay with the payment of the price of the goods in the event that the non-payment of the price of the goods is caused by a reason on the part of the Supplier (e.g. OE withheld the price of the goods or a part thereof in accordance with the provisions of these GPC, the Supplier did not issue a relevant tax document with all the requisites for the payment of the price of the goods, etc.).

7. The right to payment of a contractual penalty does not exclude the right to compensation. Any contractual penalty under these GPC is payable within 7 calendar days from the date of claim for payment of the contractual penalty made by OE. OE is expressly authorized to set off the claim from the contractual penalty against the Supplier's claims, especially against the price of the goods.
8. OE is not liable for any damages, including indirect, derived, consequential or loss of profit on the part of the Supplier or a third party.
9. Any Supplier's general terms and conditions applied to deliveries of goods by the Supplier shall not be considered binding for the purposes of performance of the OE order, or the Contract concluded with OE, unless otherwise specified in an individual case. If both the general terms and conditions of the Supplier and these GPC are applied to the business relation between the parties, and if they conflict, these GPC shall prevail, i.e. these GPC shall always be applied in full in preference to the arrangement of any terms and conditions of the Supplier.
10. OE is entitled to assign its claims against the Supplier arising on the basis of the order, or the Contract or in connection with it, to third parties even without the consent of the Supplier. The Supplier is not entitled to set off any of its claims unilaterally against OE against its obligations arising from the order, or the Contract.
11. The Supplier acknowledges that OE may process personal data relating to the Supplier (especially personal data of its contact persons) in order to conclude and perform the Contract or to protect its legitimate interests.
12. The rights and obligations of the parties under these GPC shall be governed by the laws of the Czech Republic, in particular the Commercial Code. If the order contains a reference to a specific provision of INCOTERMS 2020, this shall become part of the concluded Contract.
13. Any disputes between OE and the Supplier arising from the legal relations established by the order or the Contract shall be settled in the general court competent according to the OE registered office.