TERMS AND CONDITIONS OF PURCHASE
of the company Strojírny a stavby Třinec, a.s., effective from 1 November 2024

Registered office: Průmyslová 1038, Staré Město, 7369 61 Třinec
Company registration number: 47674539
registered in the Commercial Register maintained by the Regional Court in Ostrava, Section B, File 637

I. Introductory Provisions

1. These Terms and Conditions of Purchase of Strojírny a stavby Třinec, a.s. (hereinafter referred to as "Terms and Conditions of Purchase") are terms and conditions within the meaning of Section 1751 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended, and govern the legal relationship established by a contract between the buyer, namely the company Strojírny a stavby Třinec, a.s. (hereinafter referred to as the "customer"), and the seller – a legal or natural person (entrepreneur) who supplies goods to the customer (hereinafter referred to as the "supplier"). The provisions of these Terms and Conditions of Purchase shall apply unless otherwise stipulated in the contract.

2. The contract shall be concluded exclusively in writing, and the customer shall not be bound by the contract if the written form is not complied with. Written confirmation by the supplier of the customer's written order (draft contract) shall also be deemed to constitute the conclusion of a contract in writing. The order (draft contract) must contain at least the following details:

- a description of the goods and their quantity,
- the price of the goods,
- the delivery date of the goods,
- the place of delivery of the goods and transport instructions,
- a reference to the Terms and Conditions of Purchase,
- the period during which the customer is bound by their order (the period for accepting the offer to conclude a contract).

If the order does not specify a period during which the customer is bound by the order, the customer shall be deemed to be bound by the offer to enter into a contract for a period of seven (7) calendar days from the date of issue of the order.

3. The contract is concluded upon timely confirmation of the order (acceptance of the proposal to conclude a contract) by the supplier, made in writing without any addenda, reservations, restrictions or other amendments, even if these do not substantially alter the terms of the order (proposal). The customer shall not be bound by the contract if it comes into existence in any other manner, even if provided for by law, unless the customer expressly confirms in writing to the supplier that it is bound by the contract thus formed. Upon conclusion of the contract, any previous agreements and correspondence relating to the content of the contract shall cease to have legal effect. Addenda and amendments to the contract are valid only in writing.

By concluding the contract, the supplier confirms that they are familiar with the Terms and Conditions of Purchase to which the contract refers, thereby also excluding any of the supplier's own terms and conditions from forming part of the contract, including those of which the customer may be aware.

4. The Supplier and the Customer are authorised to sign and affix their signatures by mechanical means to all documents relating to the conclusion of contracts, the negotiation of amendments or addenda thereto, or their termination. Communications sent by electronic means which enable the content of a legal act to be recorded and the identity of the person who performed the legal act to be determined shall be deemed to be in writing.

II. Price and Terms of Payment

5. The purchase price of the goods is a fixed price, comprising all the Supplier's costs associated with the fulfilment of its obligations under the contract, taking into account the agreed place of delivery, including packaging costs, transport costs to the place of delivery and, where applicable, any other costs for agreed ancillary activities carried out by the Supplier in connection with the delivery of the goods. The price does not include value added tax (VAT).

6. Payment of the price is conditional upon the supplier's full performance of the contract and the delivery to the customer of a tax document – an invoice – setting out the breakdown of the amount due. The invoice must contain all the details required by applicable legislation, as well as the order number and a document confirming fulfilment of the contract, as confirmed by the customer; the supplier is entitled to combine supplies provided under several different contracts on a single invoice. Each invoice must always be delivered to the customer in the form of the original document to the address

Strojírny a stavby Třinec, a.s. Průmyslová
1038
739 61 Třinec, Staré Město

or electronically, provided it bears an electronic signature in accordance with specific legislation. Should the invoice fail to contain the required details, the customer is entitled to return it to the supplier for correction without delay, but no later than the final day of its due date, on the understanding that a new payment term of the original duration shall commence upon delivery of the corrected invoice to the customer.

7. The price of the supply is normally payable within 60 days of the date of delivery of the invoice to the customer, unless a different payment term has been agreed. Should the payment term stated on the invoice differ from that specified in the contract, the payment term specified in the contract shall apply. However, the customer is entitled to withhold payment if, at the time the payment is due, the supplier is in default with the provision of services under any other contract concluded with the customer, or with the fulfilment of its obligations arising from liability for defects in any other services provided to the customer, for the duration of such default.

8. The Supplier is obliged to state on each invoice (tax document) the bank account into which the purchase price is to be paid by the Customer; where the Supplier is a VAT payer, the Supplier's bank account specified shall be the account published by the tax authority in a manner permitting remote access. The customer is obliged to pay the purchase price by bank transfer to the account specified by the supplier in this manner. If the bank account of the supplier – a VAT payer – stated on the invoice is not a published account, the customer is entitled, without delay, but no later than the final due date of the invoice, to return the invoice to the supplier for correction – to include the published account details – on the understanding that, upon delivery to the customer of the corrected invoice stating the published account, a new payment deadline of the original duration shall commence.

9. In the event that VAT is charged on the purchase price, and
a/ the supplier's bank account stated on the invoice is not the published account at the time of payment, or
b/ at the time of the taxable supply, the tax authority publishes, via a method allowing remote access, the fact that the supplier is a so-called 'unreliable taxpayer',
the customer shall be entitled to pay the purchase price only in the amount excluding VAT, whilst at the same time being entitled to pay the VAT relating to this payment on behalf of the supplier by way of a 'special method of tax security'.

10. The assignment of any claim by the supplier against the customer, arising from the contract, from a breach thereof or in any other connection with it, is prohibited without the customer's prior written consent. If such a claim cannot be assigned to another party, it may not, at the same time, be pledged, whether to secure the fulfilment of the supplier's own obligations or those of third parties. Ifthe Supplier, without the Customer's prior written consent, enters into an agreement with a third party concerning the assignment or pledging of a claim arising from the mutual contract, from a breach thereof or in any other connection therewith, the Supplier shall be obliged to pay the Customer a contractual penalty amounting to 20 per cent of the nominal value of the claim which the Supplier has thus unlawfully attempted to assign or pledge. This shall not affect the customer's right to compensation for any loss or damage incurred as a result of the supplier's actions in breach of the prohibition on the assignment or pledge of the claim. For the avoidance of doubt, any agreement to assign or pledge a claim concluded by the supplier without the customer's prior written consent shall be deemed invalid, with all the consequences that this entails.

11. In the event of the customer's delay in paying the duly invoiced purchase price, as well as in the event of a delay in fulfilling any other monetary obligation undertaken under the contract or otherwise arising therefrom, the rate of interest on arrears shall be 0.025 per cent of the amount due for each day of delay, including any part thereof.

12. The Supplier is responsible for determining the correct tax regime in accordance with Act No. 235/2004 Coll., on Value Added Tax, as amended. If the tax authority justifiably challenges the tax regime applied to the customer as determined by the Supplier, or if the Supplier discovers that the tax regime has been incorrectly applied, the Supplier is obliged to correct the tax regime and issue a corrective tax document to the customer. Any mutual obligations arising from a correction to the amount of VAT or the VAT treatment shall be settled within thirty (30) calendar days of the date on which the corrective tax document is issued. If, by decision of the tax authority, the customer is required to pay interest on arrears or other penalties due to a tax document incorrectly issued by the supplier, the supplier is obliged to reimburse the customer for all amounts which the customer has paid to the tax authority or otherwise remitted in this respect.

III. Terms of Performance

13. The supplier is obliged to provide the customer with the goods in accordance with the agreed delivery terms and within the agreed timeframe. The supplier is not entitled to withhold the supply of goods on the grounds of any claims it may have against the customer. Fulfilment of the contract shall be confirmed by the customer on the consignment note or another similar document.

14. The goods shall be delivered to the customer packaged and secured in such a way as to prevent damage, deterioration or theft during loading, transport or unloading. The supplier shall select packaging that allows for the long-term and safe storage of the goods without affecting their quality, and shall specify this on the label and in the delivery note/consignment note. If the packaging is marked by the supplier as returnable or reusable, the supplier is obliged, upon written request from the customer, to collect such marked packaging at the place of delivery at its own expense. In the case of consignments consisting of several packages, the supplier is obliged to clearly mark the package in which the delivery note is enclosed.

15. The supplier is obliged to comply with the transport instructions provided by the customer; where the goods are specified by type, the supplier is obliged to declare their weight based on readings from an officially certified set of scales. The supplier is obliged to notify the customer of each partial delivery by means of a written notice (advance notice), delivered to the customer at least one (1) day in advance. The supplier shall always mark all deliveries (parcel, postal, rail, etc.) with the exact address of the place of delivery and the number of the relevant order (draft contract) or contract on the outside of the packaging; the same applies to all documents relating to the performance of the contract and transport documents (consignment notes,

waybills, delivery notes, etc.). Should the Supplier combine goods in a single consignment that are supplied under multiple contracts, they are obliged to notify the Customer of each delivery separately. The Supplier shall provide the Customer, at the latest upon delivery of the goods, with all documents necessary for the proper acceptance of the delivered goods (labels, delivery note, packing list, bill of lading, etc.), as well as the documents necessary for the proper use of the goods (declaration of conformity, certificate of origin, chemical safety data sheet, operating and maintenance instructions, warranty certificate, etc.).

16. In the event that the supplier fails to meet the agreed delivery date, they shall be obliged to pay the customer, for each day of delay (including any part thereof), a contractual penalty amounting to 0.5 per cent of the purchase price of the undelivered goods, excluding VAT. If the supplier's delay in delivering the goods lasts for more than seven (7) days, this shall also entitle the customer to withdraw from the contract.

17. If, in connection with the provision of the goods to the customer, any drawings, technical or other documentation has been provided to the supplier, the supplier is obliged to return it to the customer immediately once the reason for its provision ceases to exist, but no later than upon delivery of the goods procured on the basis of such documentation.

IV.
Requirements regarding the quality and origin of goods

18. The customer's requirements regarding the supplier's quality management system are based on EN ISO 9001, EN ISO 14001, ISO 50001 and, where applicable, other applicable standards; the supplier is obliged to comply with the conditions required by these standards, even if the supplier itself is not certified.

19. Proof of the quality of the goods shall be provided by the 'Certificate of Quality and Completeness of Delivery', which the supplier shall hand over to the customer together with the goods and other documents (see clause 15).

20. The customer is entitled to participate in customer audits at the supplier's premises and, through these, to verify the systemic, technological or other measures adopted by the supplier to ensure the continuous improvement of the quality of supplies. The purchaser shall notify the supplier of its intention to carry out an audit at least ten (10) working days in advance. The supplier undertakes to grant the purchaser, or a representative authorised by the purchaser through whom the purchaser exercises these rights, access to the supplier's premises and to the relevant quality documentation for the purpose of carrying out the aforementioned activities.

21. Unless the contracting parties have expressly specified the quality and design of the goods in the contract, the supplier is obliged to supply the customer with goods of a quality and design that fully comply with the purpose for which the goods are supplied; and if no such purpose has been agreed, then with the purpose for which the goods are normally used. The goods, as well as the components used in their manufacture, must be new, unused and undamaged.

22. The Supplier undertakes to comply with all European Union sanctions measures issued in the form of Regulations of the European Parliament and of the Council and implementing/amending regulations thereto, including, amongst others,

- Council Regulation (EU) No 208/2014 of 5 March 2014 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Ukraine,
- Council Regulation (EU) No 269/2014 of 17 March 2014 on restrictive measures in view of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine,

- Council Regulation (EC) No 765/2006 of 18 May 2006 concerning restrictive measures against President Lukashenko and certain officials of Belarus who are included on the so-called sanctions lists,
- Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine,

as amended by subsequent legislative acts (hereinafter also collectively referred to as the 'Regulation'), as well as measures issued in the form of legal acts which replace the Regulation.

23. The Supplier undertakes to

- supply the customer, at the latest together with the goods, with all documentation duly certifying the origin of the goods supplied;
- in connection with the sale/delivery of the goods to the customer, not to circumvent or breach the prohibition on the direct or indirect purchase, import or transport of products subject to other import restrictions;
- not to make payments, either directly or indirectly, in whole or in part, to persons subject to so-called individual financial sanctions within the meaning of the Regulation and listed on its sanctions lists, in connection with the sale or delivery of the goods;
- comply with other obligations in connection with the sale or supply of goods, and shall not circumvent or breach other prohibitions laid down in the relevant Council (EU) Regulations.

24. Where goods meeting the definition of iron and steel products set out in Annex XVII to Council Regulation (EU) No 833/2014 of 31 July 2014, as amended, are supplied to the customer, the supplier undertakes to the customer that:

- these goods do not originate in Russia nor have they been exported from Russia;
- if these goods have been processed in a third country, they do not contain iron and steel products originating in Russia, as listed in the same Annex;
- it will provide the customer with proper and reliable evidence of the country of origin of the iron and steel inputs used in the processing of these goods in a third country (the relevant MTC 3.1/3.2 metallurgical certificate).

25. The supplier hereby declares to the customer that

- it is not included on any sanctions list under the Regulation, nor under any other applicable regulations, including UN regulations, nor on any US or UK sanctions list, nor is it subject to any other US or UK economic sanctions;
- it is not owned by a natural or legal person who is listed on any of the EU, US or UK sanctions lists, or who is subject to economic sanctions.

26. In the event of a breach by the supplier of any of its obligations arising from clauses 23 or 24 of these Terms and Conditions of Purchase, the purchaser shall be entitled to claim payment of a contractual penalty equal to the purchase price of the goods to the sale or delivery of which the breach relates.

27. In the event of a breach by the Supplier of any obligation arising from clause 22, 23 or 24 of these Terms and Conditions of Purchase, as well as in the event that any of the Supplier's representations within the meaning of clause 25 of these Terms and Conditions of Purchase is untrue, the Purchaser shall be entitled to withdraw from the contract to which such legal act or omission relates.

V.
Rights arising from defective performance

28. The Supplier shall be liable to the Purchaser for supplying goods free from defects in the quantity, quality and workmanship specified in the contract. Goods specified by type shall be deemed to have been duly supplied if they are delivered within a quantity tolerance of ±5 per cent, unless the contract specifies a different tolerance. The Supplier is also liable to the Customer for ensuring that the goods supplied are fit for the purpose specified in the contract (or, failing that, for their usual purpose), and that the goods supplied and their design comply with all technical and safety requirements imposed on them by the relevant legislation and technical standards.

29. The Supplier provides the Customer with a guarantee as to the quality of the goods. The guarantee period is 12 months and commences on the date of delivery of the goods. The period during which the Customer is unable to use the goods due to defects shall not be included in the guarantee period.

30. The customer is obliged to exercise their rights arising from defective performance against the supplier without undue delay upon discovering defects in the goods, by means of a written complaint. The complaint must describe the defects and specify how they manifest themselves (whether the defect prevents or does not prevent the proper use of the goods). Every complaint must include the identification details of the delivery in question (order/contract number, date of delivery, delivery note number). The customer is obliged to raise a complaint with the supplier regarding obvious defects in the goods – i.e. defects detectable upon taking delivery of the goods from the supplier without the need to unpack them – no later than fifteen (15) days from the date of taking delivery of the goods. Complaints regarding quantity defects must always be supported by a weighing slip from an officially certified set of scales.

31. The customer is obliged, for a period of seven (7) days following the date of delivery of the complaint to the supplier, to allow the supplier access to the goods subject to the complaint for the purpose of inspecting their condition or, where necessary, taking samples. During this period, the customer is obliged to store the goods subject to the complaint separately.

32. In the event of any defect being claimed, the Supplier is obliged, no later than seven (7) days after the date of receipt of the complaint, to confirm in writing to the Customer the period within which the right arising from defective performance may be exercised, and to state whether it considers the complaint to be justified or, if not, the reasons for rejecting liability for the defects. Where the Supplier acknowledges liability for the defects, it shall simultaneously inform the Customer whether the defect is remediable or irremediable, how it proposes to remedy the defect, and the timeframe it proposes for doing so.

33. The customer is entitled to choose the remedy for defective performance, which they must notify the supplier of in writing no later than seven (7) days from the date of receipt of the supplier's statement regarding the complaint. The customer is entitled to choose the remedy for defective performance regardless of the content of the supplier's statement regarding the complaint, provided that a material breach of contract is always deemed to have occurred if the goods supplied are unsuitable for proper use due to a defect or if the defect in performance is characterised by the supplier as irreparable.

34. The customer is entitled to remedy the defects in the goods themselves at the supplier's expense, provided that

- the defects prevent the proper use of the goods supplied, and
- the defect is rectified by simply replacing the defective component with a functional component having identical technical specifications,

as well as in the event that the supplier fails to rectify the defect in the goods properly and in a timely manner.

35. The rectification of any defect in the goods shall always be confirmed by a written record between the supplier and the customer. In the case of defects preventing the proper use of goods which are of a technical

equipment, the full functionality of the goods or equipment in question and its fault-free condition shall always be demonstrated to the customer in an appropriate manner before the record is signed.

36. If the goods supplied are defective, the supplier is obliged to pay the purchaser, upon the purchaser's written request, a contractual penalty amounting to 0.5 per cent of the price of the defective goods, excluding VAT. In the event of the Supplier's delay in fulfilling its obligations under Chapter V of these Terms and Conditions of Purchase, the Supplier shall be obliged to pay the Customer, upon the Customer's written request, a contractual penalty of 1 per cent of the price of the defective performance (excluding VAT) for each day of delay, including any part thereof. This shall not affect the customer's other rights arising from a breach of the supplier's obligations relating to the supplier's liability for defects in the performance provided, in particular the customer's right to reimbursement of all reasonable costs incurred in connection with the exercise of rights arising from defective performance, as well as to compensation for any other loss.

37. Where the defective goods have already been incorporated into the purchaser's finished products, or where these finished products have already been supplied to the purchaser's customers, the purchaser is entitled, as part of a claim for compensation for the loss incurred, to claim from the supplier reimbursement of all reasonable costs incurred in connection with the withdrawal of the finished products from the market or the adoption of other measures to prevent the spread of defective finished products, as well as costs relating to the rectification of defects in the finished products or penalties imposed by the customer's own customers.

VI. Other provisions

38. The aggrieved contracting party shall be entitled to claim compensation for pecuniary and non-pecuniary damage or other harm, independently of and in addition to any contractual penalty agreed under the contract or specified in these terms and conditions, which relates to a breach of the same contractual obligation as a result of which the harm arose.

39. All documents, data and information provided by the supplier/customer in connection with the performance of the contract, as well as the content of the contract itself, may only be disclosed to third parties with the prior written consent of the other contracting party. All such information constitutes a trade secret of the supplier/customer, and it is the intention of the supplier/customer to protect this trade secret and keep it confidential. The above shall not apply where disclosure is required to fulfil an obligation imposed by or under the law, or where disclosure is necessary for the proper exercise of a right.

40. The contract may only be terminated in the event of a material breach, for reasons expressly set out in the contract or in these Terms and Conditions of Purchase. The contract may also be terminated if a bankruptcy order is made against either party. The contract may be terminated by means of a written notice of termination delivered to the other contracting party without undue delay, no later than fifteen (15) days from the date on which the terminating contracting party became aware, or could have become aware, of the grounds entitling it to such termination.

41. The effects of withdrawal from the contract shall apply to the entire performance, unless the customer notifies the supplier in writing that any partial performance already received is of economic significance to them. Within 15 days of the date of delivery of the notice of withdrawal, the contracting parties are obliged to settle the performance mutually provided up to that point. Settlement means

- the return of the goods to the supplier at the place of delivery, if the goods had already been delivered at the time of withdrawal from the contract and if their return is possible,
- the refund of the purchase price, including the relevant VAT, if such VAT was charged, to the customer's account, provided that the purchase price or part thereof had already been paid at the time of withdrawal from the contract,
- payment to the customer, where the contract was rescinded for reasons attributable to the supplier, of statutory interest on the purchase price for the period from its payment until its refund to the customer,

as well as all costs associated with unloading, storage, handling, assembly or other disposal of the goods, incurred by the supplier up to the time of withdrawal from the contract, as well as costs associated with the subsequent dismantling and loading of the goods upon their return to the supplier,

- the issue and delivery to the customer of a corrective tax document relating to the invoice, provided that the invoice setting out the purchase price had already been delivered to the customer at the time of withdrawal from the contract.

The customer is entitled to make the return of the goods to the supplier conditional upon the refund of the purchase price, including any ancillary charges, the payment of costs claimed in connection with the withdrawal from the contract, and the settlement of all other outstanding financial claims against the supplier arising from the cancelled contract.

42. Any disputes arising from the contract or these terms and conditions which cannot be resolved through amicable negotiations between the contracting parties shall be settled in accordance with Czech law by the court having subject-matter jurisdiction to hear the matter, the local jurisdiction of which shall be determined by the address of the customer's registered office.

43. The Supplier shall bear the risk of any changes in circumstances occurring after the conclusion of the contract and affecting the costs of procuring and providing performance to the Customer, including the costs of fulfilling obligations arising from the Supplier's liability for defects. Consequently, due to a change in these circumstances, the Supplier shall not be entitled to assert the rights set out in Section 1765(1) of the Civil Code.

44. The assignment of the contract or any part thereof is only possible with the prior written consent of the assigned party.