

General Terms and Conditions

A. Recitals

1. These General Terms and Conditions ("T&C") of STRKAN s.r.o., based at Lánská 144/5, Radobyčice, 301 00 Pilsen, ID: 29157382, registered in the Commercial Register maintained by the Regional Court in Pilsen, Section C, File no. C 27494, govern all business cases in which STRKAN s.r.o. acts as the contractor ("Contractor") and the trading partner as the purchaser ("Purchaser").

2. Contractor is a:

- Producer of work, which is understood as the design, production, assembly, maintenance and repair or modification of equipment or a part thereof;
- Manufacturer of components according to Purchaser's documentation;
- Designer and author of technical, engineering and manufacturing documentation;
- Provider of manufacturing services.

3. Purchaser is a legal or natural person which purchases Contractor's works, products or services.

4. A contractual relationship (contract for work, purchase agreement, framework agreement) arises upon dispatch of an order by Purchaser and receipt of an order by Contractor, or upon acceptance of Contractor's bid by Purchaser.

5. These T&C form the appendix to every confirmed order/agreement.

6. These T&C have general validity, which can be excluded or limited solely through written agreement between Contractor and Purchaser upon execution of each individual business case confirmed by both parties, or through an agreement or framework agreement.

7. After the elapse of the period for which the framework agreement has been concluded, the T&C apply for subsequent business cases unless agreed otherwise through a subsequent framework agreement.

8. Contractor may amend or change the wording of the T&C; however, this provision does not affect any rights or obligations arising while the previous wording of the T&C is in force.

9. All relations between Contractor and Purchaser not regulated by these T&C are governed by the relevant provisions of Act 89/2012, Civil Code ("Civil Code").

B. Contractor's bids and entrance into a contractual relationship

- 1.** Contractor's bids are in response to inquiries made by Purchaser.
- 2.** Contractor's bids contain the identification and pricing information for the inquired supply of a work/product/service. Based on the special requirements in Purchaser's inquiry, the bids may also contain additional requested information, i.e. technical parameters and specifications provided by the supplier.
- 3.** The contractual relationship between Contractor and Purchaser is formed upon the:
 - issuance of an order by Purchaser based on a bid sent by Contractor and confirmation of this order by Contractor;
 - signature of a written purchase agreement or written contract for work or framework agreement.
- 4.** Company managing directors sign the written agreement on behalf of Contractor. Another person may sign the agreement solely based on written authorisation from the managing directors.
- 5.** Regarding the persons signing an agreement on behalf of Purchaser, Contractor acts in good faith that the person is entitled to sign such document.
- 6.** Contractor always confirms the order in writing; confirmation via email is permissible. Other forms for confirming the order are not valid. Contractor's authorised employee(s) is/are entitled to sign the order confirmation.

C. Purchaser's order

- 1.** An order is the Purchaser's unilateral binding legal act addressed to Contractor. Purchaser makes an order based on Contractor's bid.
- 2.** Purchaser may deliver the order to Contractor by sending it to the email addresses of authorised employees.
- 3.** Purchaser is obliged to list the following information in the order:
 - Bid number that forms the basis of the order;
 - Purchaser's corporate name or first and last name, registered address/residence, company registration number, VAT number, contact details (phone and fax number, email address);
 - Exact address for delivery of the work/product/service;
 - Contact person authorised to act on behalf of Purchaser regarding the order.

4. Purchaser is obliged to immediately inform Contractor in writing of any and all changes to the information listed in the order. Contractor shall assess whether such changes necessitate a modification of the bid. Contractor is not liable for any delay or incorrect delivery of the work/goods/services if such was caused by a breach of Purchaser's obligations under this article.

D. Subject of delivery

1. The subject of delivery is a work, product, or service, the performance of which has been agreed between Contractor and Purchaser via one of the methods described in Section B(3) of these T&C.

2. If the subject of delivery is a product, it shall have technical parameters agreed upon with Purchaser with regard to applicable regulations. If any technical parameters are not agreed upon and are not defined in the bid or in the order, Purchaser shall define the parameters as those which are usual for the delivery of a performance of the type in question.

3. Depending on the character of the delivery, relevant documentation, which does not necessarily have to be provided in Czech language, may be included in the delivery together with the work/product/service. Such documentation is a declaration of conformity, a packing list, instructions, or another document within the scope of Contractor's bid.

4. The potential incompleteness of Contractor's deliver does not represent non-performance of the delivery; however, it does establish Purchaser's right to start a warranty claim process.

E. Price of the work/product/service and payment terms

1. Purchaser is obliged to pay Contractor the agreed price for the delivery of the work/product/service. This is the price stated in the agreement or in Contractor's written confirmation of the order. The agreed price is valid as of the date the offer is processed by Contractor. If the prices of materials and purchased components increase by more than 10% while the delivery of the work/product/service is being executed, Contractor reserves the right to commensurately increase the price of the work based on due proof of this increase in prices. Due proof of the price increase is, e.g., comparing prices in price lists and price bids for sourced items dating from the time the bid was processed, with prices in price lists and price bids at the time the individual items were ordered so as to execute the delivery of the work/product/service. An increase in the price of the delivery of the work/product/service is also possible in the event of supplementary actions – further requirements and modifications to the work

requested by Purchaser while the delivery of the work/product/service is being executed.

2. Contractor shall charge Purchaser the price after the delivery by issuing a valid VAT invoice. On the invoice, Contractor shall deduct the advance payments made by Purchaser to date for the given business case.

3. Unless stated otherwise in the specific purchase agreement, written contract for work, or framework agreement, Purchaser is obliged to pay the price for the work/product/service pursuant to the following terms of payment:

- 50% of the price of performance after confirmation of the order by Contractor, based on a pro-forma invoice.
- 50% of the price of performance after the performance is effected, based on a final valid VAT invoice.

4. The pro-forma invoice is payable in 10 days. The final valid VAT invoice is payable in 15 days. If payment of the invoice is delayed, Contractor may charge Purchaser statutory interest for late payment amounting to the Czech National Bank's repo rate plus 8 percentage points p. a., unless a different default interest rate is contractually agreed in writing.

5. A delay by Purchaser in paying the deposit shall result in Contractor's delivery deadline being extended by the amount of time by which payment of the pro-forma invoice is delayed. If the delay is more than 30 days, Contractor is entitled to terminate the contractual agreement.

F. Date, place and requisites of delivery

1. Contractor must fulfil the delivery by the deadline stated in the confirmed order or by the deadline stated in the written agreement. If no deadline has been agreed, then the delivery must be fulfilled within a period usual for fulfilling deliveries of such type.

2. If changes are made to the technical parameters and other specifications of the subject of delivery while the performance is being executed, Contractor is entitled to set a new deadline with regard to the extent of the changes and Purchaser's capacity.

3. Purchaser may withdraw from the contractual agreement only if such has been explicitly stipulated in the contractual relationship.

4. Unless agreed to otherwise, the place of delivery is Contractor's registered address listed in the Commercial Register.

5. If the delivery includes transportation, Contractor shall arrange delivery of the work/product through in-house delivery vehicles or via transportation companies. Purchaser is obliged to countersign the packing list/handover certificate for Contractor. Without countersignature of the packing list, Contractor is entitled to not hand over

the delivery without bearing any consequences of delay on its part. Contractor's employee shall make a note on the packing list that the delivery was rejected.

6. If the delivery is received in person at Contractor's registered address, Purchaser is obliged to countersign the packing list/handover certificate for Contractor. Without countersignature of the packing list, Contractor is entitled to not hand over the delivery without bearing any consequences of delay on its part. Contractor's employee shall make a note on the packing list that the delivery was rejected.

7. Upon taking receipt of the delivery, Purchaser is required to thoroughly examine its completeness and, as circumstances allow, its functionality. Delivery defects are noted by Purchaser's employee on the packing list/handover certificate. Contractor is not required to consider later claims regarding the completeness of the delivery.

8. If a dispute arises, the records on the packing list/handover certificate in the possession of Contractor are considered binding.

G. Acquisition of title

1. Until the transfer of title to the contracted work/product/service to Purchaser, Purchaser undertakes to treat the work/product/service in such a manner that Contractor will not incur damage. Furthermore, Purchaser undertakes to fulfil the handling instructions given by Contractor as the present owner of the object. The risk of damage to the object is transferred to Purchaser at the moment of handover/receipt of the subject of delivery.

2. Rights are transferred to Purchaser only upon payment of the price described in Section E.

H. Warranty period

1. Contractor provides a 12-month warranty on the delivered work/product which starts from the date of transfer of risk of damage to the subject of delivery, unless stipulated otherwise in specific agreements.

2. Purchaser is obliged to lodge a warranty claim in writing (email) within 48 hours of taking receipt of the work/product regarding its defects, particularly non-conformance with the parameters in the bid and differences in the delivered quantity which could not be identified upon receipt. Purchaser is obliged to describe the defects or state how they appear when the work/product is used. Email, registered letter, or minutes from a meeting delivered to Contractor to its place of business is considered to constitute written notification of a defect. Other forms of notification of the defect are not binding.

- 3.** If Purchaser uses the delivered work/product for further processing, it is expected that Purchaser has thoroughly checked the work/product and declared it is free of defects. Purchaser is not entitled to compensation for damage caused by further processing of the delivered performance.
- 4.** Contractor is responsible for the delivered work/products/services of third parties with regard to the scope of these third parties' warranty terms and conditions.
- 5.** The warranty does not apply to defects caused by improper or unprofessional handling, outside normal operations.
- 6.** Contractor's shall not be liable for defects covered by the warranty if such defects were caused by external events after the transfer of risk of damage to the object and were not caused by Contractor.
- 7.** Contractor is obliged to inform the person who reported the defects to Contractor of the date of removal of the defects via telephone, email, or in writing.
- 8.** Purchaser is obliged to provide Contractor's employees with access to sites that are essential to remove the defect. If such access is not provided, Contractor shall not be delayed with starting work on removing the defect.
- 9.** The contracting parties shall agree upon a deadline for removing the claimed defect according to the extent and nature thereof. If the contracting parties do not agree to a date for removal of the claimed defect, the dates defined in the Civil Code shall apply.

I. Contractor's right to not enter into a commercial relationship with Purchaser if Purchaser's financial obligations are overdue

- 1.** If Purchaser has outstanding overdue financial obligations to Contractor or unpaid invoices that are due, Contractor shall not start processing and working on further orders until such obligations are settled. Contractor shall inform Purchaser of this step via email or telephone. This cannot be assessed as a delay in delivery on the part of Contractor.
- 2.** After all Purchaser's due obligations are settled to Contractor's account, Contractor shall immediately start working on the order and the new delivery date shall also be calculated from that point in time.
- 3.** If Purchaser does not pay the outstanding financial obligations within 15 days of receipt of Purchaser's new order by Contractor, Contractor may issue written withdrawal from the contractual agreement for delivery of the work/product/service. Withdrawal from the contractual agreement terminates the rights and obligations of the contracting parties *ex tunc*, and Contractor shall settle any deposits made by Purchaser for the cancelled business case by offsetting such deposits against its overdue receivables owed by Purchaser, including default interest and exchange rate

differences. After clearance of the deposits, Contractor shall return any overpayment of deposits to Purchaser's account.

J. Withdrawal from the Agreement

- 1.** If any facts preventing the performance of the contractual provisions arise for either of the contracting parties, such party is obliged to immediately inform the other party thereof without undue delay and call a meeting of the contracting parties.
- 2.** Both contracting parties may withdraw from the Agreement in cases where the other contracting party substantially breaches the obligations it is contractually bound to fulfil and the contractual provisions or Sections 1977 and 2002 of the Civil Code define such action as a substantial breach of agreement.
- 3.** Withdrawal from the agreement takes effect on the day following the date on which written notification of withdrawal from the agreement is delivered to the other party. Email or registered letter delivered to Contractor to its place of business is considered to constitute written announcement.

K. Processing personal data

- 1.** Contractor undertakes to not disseminate without Purchaser's previous consent any information provided to it which the law views as personal data.
- 2.** Purchaser provides consent to the processing of personal data relating to him or her for the purposes of Contractor's customer care and marketing activities. This consent is voluntary and is granted within the intent of Acts 89/2012, Civil Code; Act 101/2000, Act on the Protection of Personal Data; and Regulation (EU) No 2016/679 of the European Parliament and of the Council 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. This consent may be withdrawn at any time. Personal data processing is governed by the Personal Data Protection Policy.

L. Final Provisions

- 1.** Contractor and Purchaser are entitled to transfer their rights and obligations arising from the commercial relationship to another entity. They are obliged to inform the other contracting party of such change in writing.
- 2.** If the commercial relationship between Contractor and Purchaser contains an international (foreign) element, then both parties agree that this relationship shall be governed by Czech law. This does not affect the rights of either party arising from generally binding legal regulations, particularly the Civil Code.

3. These Terms and Conditions are valid and effective from 01 March 2022.



Ing. Martin Holubec

Managing Director, Financial Director

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