

Purchasing Terms and Conditions of UnionOcel, s.r.o. (hereinafter referred to as the “Purchasing Terms and Conditions”) – **effective from 19 June 2024**

I. Scope of the Purchasing Terms and Conditions, written form

1. These Purchasing Terms and Conditions apply as defined in the provisions of Section 1751 of the Civil Code, No. 89/2012 Coll., as amended (hereinafter referred to as the “Civil Code”), to all current and future purchase contracts and, mutatis mutandis, to other contracts and performances in which UnionOcel, s.r.o. acts as the buyer (purchaser, customer) and the other party as the seller (supplier, contractor). For the purposes of these Purchasing Terms and Conditions, when the term seller is used, it shall mean any person acting as the seller, supplier, service provider, contractor, etc., buyer shall mean UnionOcel, s.r.o. and purchased items shall also include work or service.
2. The application of the seller’s terms and conditions is hereby excluded. Provisions of Section 1751 (2) (conflict of terms and conditions) of the Civil Code shall not apply.
3. For the purposes of these Purchasing Terms and Conditions, an electronic form without a recognised or qualified electronic signature shall also be deemed to be a written form.

II. Seller’s offer, buyer’s purchase order, order confirmation and contract execution

1. The issuance of offers and/or preliminary quotations by the seller is free of charge and non-binding for the buyer. A request for an offer and/or preliminary quotation from the seller does not constitute the buyer’s purchase order. When preparing its offer, the seller must adhere to the buyer’s requirements set out in the request. If the seller has a better solution in technical or economical terms, it shall additionally offer this solution to the buyer, justifying its advantages compared to the buyer’s request.
2. The buyer places purchase orders in writing.
3. The seller shall confirm the purchase order, call-off and order change request in writing immediately, but no later than within three business days after receiving the purchase order, the call-off or order change request, including the delivery date specified by the buyer (order confirmation). If the seller does not confirm the order within this time limit, the buyer is entitled to cancel the purchase order.
4. The buyer is also entitled to cancel the purchase order before the seller accepts it.
5. Confirmation of the purchase order creates a contract between the buyer and the seller. Any changes to the contract must be in writing.
6. Deviations from the purchase order, which the seller has indicated in the order confirmation, are binding on the buyer only if agreed in writing by the buyer. The provisions of Section 1740(3) of the Civil Code (acceptance of an offer with an amendment or deviation) do not apply.

III. Purchased items, defects, warranty of quality

1. The purchased items shall be delivered to the buyer in the quantity and quality agreed between the parties. The purchased items are delivered properly if they do not exhibit any defects, whether factual or legal.
2. The purchased items must meet the following requirements:
 - (a) they are fit for their intended purpose;
 - (b) they are suitable for any special purpose communicated by the buyer to the seller in any form;
 - (c) they conform in all respects to the samples or drawings; the weights, measurements, markings, descriptions and other information given on and/or with the purchased items are true and correct and comply with the law;
 - (d) they are new, unused, of undamaged material and of good workmanship;
 - (e) they are not manufactured using imitation, counterfeit or suspect parts and are not counterfeit goods and not contain counterfeit goods;

Page:	2 / 7
Attachments:	0
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(f) they comply with legislation, including EU legislation, in particular as regards design, manufacture, sale, packaging, labelling, safety standards and use;

(g) they shall furthermore exhibit, in particular, the characteristics set forth in technical standards applicable to the purchased items, works or services; and the seller shall prove the above upon the buyer's request.

3. The Seller guarantees that third-party rights are not and will not be infringed in connection with the purchased items. If any claims are made against the buyer by third parties for this reason, the seller shall indemnify and hold the buyer harmless against such claims at the buyer's first request. Any and all costs and expenses incurred by the buyer in connection with the assertion of such claims (including court fees and legal costs) shall be borne by the seller. The seller further undertakes to fulfil all obligations to its creditors in connection with the purchased items so that the buyer does not acquire, within the meaning of Section 1106 of the Civil Code, any obligation that could be associated with the purchased items and which the buyer did not intend to assume together with the ownership right to the purchased items. If the buyer acquires such an obligation, this paragraph shall apply similarly as in the case of infringement of third-party rights.
4. The seller may fulfil its obligations towards the buyer through a subcontractor only with the prior written consent of the buyer. Breach of this obligation shall be deemed a material breach of the contract.
5. Unless the parties agree otherwise in the contract, the seller provides the buyer with a 24-month warranty of quality with the warranty period starting at the moment of the transfer of the risk of damage.
6. The buyer undertakes to carry out a routine inspection of the purchased items within five (5) business days after their acceptance. The buyer shall notify the seller without undue delay if the purchased items have defects consisting in an incorrect quantity of the purchased items and/or obvious defects, i.e. defects that can be detected by ordinary visual inspection. Other defects shall be claimed by the buyer without undue delay after discovering them.
7. In case of doubt as to quantity, weight and measurements, the data recorded by the buyer during the incoming inspection shall apply.
8. If the defect becomes apparent within the warranty period, the seller shall remedy the defect or deliver a new item. The choice rests with the buyer. The seller shall remedy the defect within 14 days of the buyer's claim. If this is not the case, it shall be deemed an irremovable defect and the buyer may demand delivery of a new item, a reasonable discount on the purchase price, or withdraw from the contract.
9. If the buyer discovers a defect in the purchased item at a time when the purchase price has not yet been paid, the buyer is not obliged to pay the purchase price until the claim has been properly handled. The maturity period of invoices shall be suspended for the time when claims are being handled.
10. In the event of a claim, the buyer is entitled to be reimbursed for any costs incurred in connection with the claim, including demonstrable legal consulting fees
11. If a new item is to be delivered, the buyer withdraws from the contract, or repairs are to be carried out requiring the transport of the item, the seller shall bear all costs of the return of the purchased items (including but not limited to transport, packaging and fees).
12. In addition to claims arising from the warranty, the buyer is also entitled to compensation for damage not covered by the warranty.
13. The seller shall carry out or arrange for out-of-warranty repairs at a reasonable cost, including the procurement of spare parts, for a period of 10 years after the handover of the purchased items to the Buyer, if this is evident from the nature of the purchased item. If at any time during this period the seller is unable to fulfil its obligation, the seller shall inform the buyer of this fact and provide the buyer with an alternative solution on similar terms.
14. The seller agrees that the buyer may transfer some or all of the rights arising from defective performance, warranty and/or servicing to a third party to whom the buyer has delivered the purchased items. The buyer may also authorise a third party (its customer) to assert the buyer's rights arising from defective performance, including warranty and servicing claims which lie with the buyer. The buyer shall inform the seller of the extent of the transfer of rights or authorisation under this article. Unless otherwise stated in the notice, the buyer's

customer is not entitled to withdraw from the purchase contract or accept performance, including but limited to performance in the form of a discount or refund of the purchase price. The seller is aware of this fact. If the seller pays any amount to the buyer's customer in contravention of this article, it shall not be relieved of its obligations towards the buyer and shall continue to be obliged towards the buyer as if it had not made any payment to the buyer's customer.

IV. Delivery of the purchased items

1. The purchased items are delivered on time if they are handed over to the buyer on the date specified in the accepted purchase order (contract) and at the agreed place of performance. This also applies if purchased items are transported to the buyer. Regardless of the shipping method, handover to the carrier shall not constitute handover to the buyer. If the seller's performance includes assembly, installation, commissioning, testing, etc., the delivery shall be considered made on time if all activities, which the seller agreed to perform, have been completed.
2. Handover shall be considered to have been effected at the moment of signing a written confirmation of acceptance of the purchased items by the buyer.
3. The buyer is not required to accept partial performance. The seller may not perform early without the buyer's consent.
4. The location shall be agreed upon by the parties in writing in the contract or otherwise.
5. The provisions of Section 2093 of the Civil Code (delivery of large quantities of goods) do not apply.
6. If the seller discovers that it cannot fulfil its contractual obligations in whole or in part or in time, the seller must immediately inform the buyer in writing of this fact, stating the reason and the expected duration of the delay. Such notification shall not affect the buyer's rights arising from delayed, incomplete or defective performance. However, the buyer is entitled to withdraw from the contract if obstacles on the seller's side last more than 30 days. Failure to comply with the obligations set out in this paragraph is a material breach of contract.

V. Price and payment terms

1. The purchase price is always in the amount and currency specified in the accepted purchase order. If the invoice is inconsistent with the above, the buyer shall fulfil its obligation to pay the purchase price by paying the amount in the currency agreed in the accepted purchase order. The purchase price includes all costs of the seller necessary for the proper performance of the seller's obligations, such as packaging, insurance, taxes and fees including customs duties, documentation, assembly and testing, etc. The price also includes any remuneration for the granting of the right to use the software and firmware and the granting of intellectual property rights if they form part of the purchased items, certificates and permits and other documents necessary for the proper delivery of the purchased items. Unless otherwise agreed in writing, the purchase price always includes the transport costs including loading and unloading, postage, packaging and packaging material. If the packaging is to be returned, the parties must expressly agree on it in writing. The purchase price also includes operator training if instruments or equipment are supplied, instructions, manuals, certificates and other mandatory elements that are customary for the purchased items. If any of the requirements of this paragraph are missing, the purchased item has not been delivered without defects.
2. The purchase price shall be paid to the seller's bank account specified in the contract provided it is also published remotely by the tax administrator. The buyer is entitled to make the payment to the seller's bank account published remotely by the tax administrator even if it was not specified on the invoice.
3. Invoices issued by the seller must contain the mandatory elements of a tax document according to Czech legislation and the order reference number specified by the buyer as well as the individual invoiced items. If the invoice does not contain the details specified in this paragraph, the buyer is entitled to refuse to pay such invoice and return it to the seller for corrections with the deficiencies noted. The maturity period shall start anew after the corrected invoice is sent.

- Unless otherwise agreed in the contract, invoices are due 30 days after delivery of the invoice or the provision of proper performance, whichever occurs later.
- The obligation to pay the purchase price is fulfilled upon the debiting of the amount due from the buyer's account.
- If the buyer provides identification of the payment when paying in such a way that it is clear that it is the purchase price (especially by indicating the payment reference number shown on the invoice), the seller is entitled to use such payment only as payment of the purchase price. Set-off against other claims is hereby excluded.
- Payment of the purchase price does not exclude or limit the buyer's claims arising from liability for defects, liability for delays and liability for damages.
- At the request of the buyer, the seller shall prove due payment of the VAT. The buyer is entitled to postpone payment of the purchase price until the delivery of such a document without being in default.
- If the seller becomes an unreliable payer within the meaning of Act No. 235/2004 Coll., on value added tax (hereinafter referred to as the "VAT Act") after the conclusion of the contract, the buyer is entitled to pay the seller the purchase price minus an amount equal to the relevant VAT and to pay the VAT directly to the account of the relevant tax administrator. In that case, the purchase price shall be deemed to be paid upon the debiting of the relevant VAT sent to the account of the relevant tax administrator and the remaining part of the purchase price to the seller's account. The seller shall cooperate with the buyer as necessary in such procedure. The buyer shall not be in default of payment of the purchase price until such cooperation is provided.

VI. Ownership right, transfer of risk concerning the purchased items

- The ownership right to the purchased items shall pass to the buyer at the moment of handover. The risk of damage to the purchased items shall pass to the buyer at the same time.
- If the buyer delivers to the seller parts of products, whole products or other material for the purpose of processing (hereinafter referred to as the "delivered material"), the buyer shall retain the ownership right to it.
- Any processing or reworking of the delivered material by the seller is subject to the buyer's consent. If the delivered material is processed with other items owned by a person other than the buyer, the buyer shall become a co-owner of such item at the ratio of the net invoice value of the delivered material to the net invoice value of the reworked or processed item. The same applies in the case of combining and mixing.

VII. Set-off, assignment

- The seller may only assign its claims against the buyer with the prior written consent of the buyer.
- Exercise of a right of retention and unilateral set-off by the seller are excluded.

VIII. Contractual penalties

- In the event of a breach of its obligations under the following terms of the Purchasing Terms and Conditions, specifically Article III, paragraph 3, Article III, paragraph 4, Article III, paragraph 8, Article III, paragraph 13, Article VI, Article VII and Article X of the Purchasing Terms and Conditions, the seller undertakes to pay the buyer a contractual penalty of 0.05% of the price of the purchased items for each day of the breach until the breach is remedied.
- The contractual penalty is payable within 7 days of the buyer's request. The right to compensation for damages in excess of the contractual penalty remains unaffected. The contractual penalty is due to the buyer for each case of breach of obligations by the seller.
- The buyer undertakes to pay the seller a contractual penalty of 0.05% of the amount due for each day of delay in the event of default in payment of its monetary obligations.

IX. Termination of the contract

1. The parties may only withdraw from the contract in cases expressly provided for in the contract, in the Purchasing Terms and Conditions and in cases expressly provided for in the law. The withdrawal shall become effective on the date of delivery of the written notice of withdrawal to the other party.
2. Either party may withdraw from the contract
 - a) due to material breach of the contract. Material breach of the contract means:
 - (aa) the seller's delay in handing over the purchased items free of defects for more than 10 days;
 - (ab) breach of obligations indicated as material in the Purchasing Terms and Conditions,
 - b) if insolvency proceedings have been initiated against the other party; the seller is only entitled to withdraw from the contract if the seller has given the buyer the opportunity to meet its obligations under the contract (including but not limited to the obligation to pay the purchase price) and the buyer has failed to do so;
 - c) if the other party has become an unreliable payer within the meaning of the VAT Act;
 - d) if there are force majeure circumstances that last longer than two (2) months.
3. The buyer is entitled to withdraw from the contract if the seller is in default of its obligations under another contract for more than 30 days.
4. The buyer is entitled to withdraw from the contract if it appears probable that the seller will not fulfil its obligations under the contract in a due and timely manner.
5. Withdrawal from the contract does not affect the right to claim payment of contractual penalties, damages and other provisions of the contract or these Purchasing Terms and Conditions which, as expressed by the parties or due to their nature, are intended to survive the termination of the contract.

X. Confidentiality

1. The Parties undertake to maintain the confidentiality of information, data and communications provided by the other party, regardless of their form.
2. The obligation of confidentiality does not apply to:
 - (a) information which is publicly known at the time of disclosure to the other party or which is subsequently disclosed not due to a breach of an obligation under this article;
 - (b) information that is already demonstrably available to the party at the time of its communication by the other party.
3. The obligation of confidentiality shall survive termination of the contractual relationship.

XI. International trade and export control

1. The buyer is not obliged to perform the contract if such performance is prevented by any restrictions arising from national or international trade law, or by embargoes or other sanctions. If such regulations prevent the buyer from fulfilling its obligations under the contract, the buyer is entitled to withdraw from the contract.
2. The seller shall comply with all applicable provisions of relevant legislation, including international legislation, concerning export control, customs duties or related taxes and fees.
3. The seller shall provide the buyer with all data and information necessary for the buyer to fulfil its import/export obligations, including in the case of resale.
4. The seller undertakes to ensure security in the supply chain in accordance with the requirements of an internationally recognised initiative under the standards for the security and unification of global trade adopted

by the World Customs Organization. The seller shall secure the purchased item against unauthorised access or manipulation.

XII. Deliveries for the aerospace industry - requirements under AS/EN 9100

1. The seller is aware of the fact that the buyer wishes to receive the highest quality of the purchased items, and the seller therefore undertakes in particular.
 - a) to implement and comply with the requirements of quality management in the aerospace industry according to the relevant technical and quality standards (including but not limited to AS/EN 9100);
 - b) comply with other legislation and technical and quality standards;
 - c) to inform the buyer of non-conforming processes, products or services relating to the purchased items and obtain the buyer's approval for their disposal; in the event of a non-conforming product, to notify the buyer immediately of such fact and handle the non-conforming product with special care and in accordance with the buyer's requirements; in the event of an irreparable non-conformity, to provide the buyer with evidence of destruction or to return the non-conforming product to the buyer;
 - d) to notify the buyer well in advance of changes in the seller's processes, products or services, changes in the seller's subcontractors and changes in the location of production while not making such changes without the buyer's approval;
 - e) if a subcontractor is used, to have the subcontractor incur the obligation to meet the buyer's requirements to the same extent that the seller is bound to the buyer and, to the extent known to the seller, requirements of the end customer and/or end user;
 - f) to present test samples to the buyer for prototype approval, to enable the buyer to inspect or verify, investigate or audit;
 - g) to keep documentation and information concerning the purchased items or products used in their production for the period of the guarantee for the purchased items, but at least for 5 years from the day following the date of acceptance of the purchased items by the buyer; after this period, to dispose of the documentation and information in accordance with legal and other regulations;
 - h) to obtain certification or authorisation relating to the purchased items within a reasonable time specified by the buyer;
 - i) to inform the buyer of any loss, suspension, or change in authorisation or certification relating to the purchased items;
 - j) to allow the buyer, its customer and public authorities to access the relevant premises and to provide documents and information, in particular to allow the buyer to carry out or participate in an audit relating to the purchased items, certification or authorisation relating to the purchased items;
 - k) to enable the buyer to define its own requirements for approval of products necessary for the manufacture of the purchased items and for the purchased items, as well as procedures, processes and equipment;
 - l) to request the prior consent of the buyer in the event of any changes to the procedures and/or the purchased items and/or the products used in the manufacture of the purchased items;
 - m) to allow the buyer to define the requirements for the release of the products or the purchased items;
 - n) to contribute to the conformity and safety of the purchased items.

2. A breach of the seller's obligations under this article shall be deemed a material breach of contract.

XIII. Personal data protection

1. The buyer is entitled to process information and data about the seller, including personal data if the seller is a natural person, for the purpose of fulfilling contracts and/or for the purpose of fulfilling the buyer's legal obligations.
2. Further information on the processing of personal data by the buyer as a data controller, including the scope and categories of personal data processed, the manner and duration of the processing of personal data, potential recipients of personal data and the rights of data subjects are available on the buyer's website at <https://unionocel.cz/download/>.
3. The buyer shall process personal data in accordance with the applicable legal regulations concerning personal data protection, including but not limited to Regulation (EU) 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.

XIV. Jurisdiction and governing law

1. Any disputes arising out of or in connection with the contractual relationship between the seller and the buyer governed by these Purchasing Terms and Conditions shall be resolved by negotiations between the parties who shall seek to find an amicable solution to the dispute. If the Parties fail to resolve the dispute between them even after making reasonable efforts, such dispute arising out of or in connection with this contractual relationship, its validity or invalidity, its breach or termination, shall be finally decided at the request of either party by arbitration before the Arbitration Court of the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic by three arbitrators in accordance with its rules, whose decision shall be final and binding. Only a person with a university degree in law who is able to communicate in the Czech language both orally and in writing may be an arbitrator. The language of the arbitration shall be Czech. The place of the arbitration shall be Prague. The parties undertake to accept such a decision and to fulfil the obligations imposed on them therein within the time limits set out therein.
2. All legal relations between the buyer and the seller shall be governed by the laws of the Czech Republic, in particular Act No. 89/2012 Coll., the Civil Code, as amended. The application of the UN Convention on Contracts for the International Sale of Goods and the Convention on the Limitation Period in the International Sale of Goods is expressly excluded.

XV. Final provisions

1. The parties declare that neither party is the weaker party and both parties are able to influence the final contract.
2. The parties exclude the obligation of the buyer to compensate the seller for damage that could not have been reasonably foreseen at the time of conclusion of the contract. The buyer is not obliged to compensate the seller for non-material damage within the meaning of Section 2971 of the Civil Code.
3. The seller assumes the risk of changing circumstances within the meaning of Section 1765(2) of the Civil Code. The seller also assumes the risk of changing circumstances within the meaning of Section 2620(2) of the Civil Code if the performance is a work.
4. The seller agrees to maintain the highest possible ethical standards in supplier/customer relationships. The seller is aware of the Code of Ethics available at <https://www.unionocel.cz/> and agrees to comply with it.