

# Kovokon Purchase conditions

## 1. General provisions

- 1.1 These purchase conditions are an integral part of the purchase agreements concluded for the purchase of goods by Kovokon Popovice, s. r. o. with the registered office at Na Záhonech 1072, 686 04 Kunovice, Czech Republic as the Buyer on the one hand, and the Seller on the other hand. Sale, trade, as well as other terms and conditions of the Seller not approved by the Buyer do not apply to the contractual relations agreed between the Parties.
- 1.2 Unless otherwise stipulated in the purchase agreement, these purchase conditions shall apply. These purchase conditions can only be deviated from in writing in the respective purchase contract.
- 1.3 The Buyer reserves the right to refuse delivery or to delay payment of invoices until the purchase conditions have been duly fulfilled.

## 2. Purchase agreement

- 2.1 The purchase agreement shall arise on the basis of a written order of the Buyer and unconditional confirmation of the order by the Seller, delivered to the Buyer within 2 working days. If the Buyer's written order is not confirmed by the Seller within 2 working days, the order will automatically be deemed confirmed by the Seller.
- 2.2 Making any changes by the Seller in the order submitted by the Buyer does not give rise to a purchase agreement. In this case, it is a proposal for the conclusion of the purchase agreement submitted by the Seller to the Buyer and the contract will only come into existence on the date of delivery of the Buyer's consent to this proposal to the Seller.
- 2.3 The contracting Parties exclude the application of Sections 1740 (3) and 1751 (2) of the Civil Code in the case of concluding a purchase contract, which provide that a purchase contract is concluded even if there is no complete agreement of the Parties' intentions.
- 2.4 The Parties are obliged to indicate the order number on all correspondence, invoices, delivery notes and all other documents relating to the order.
- 2.5 The Buyer shall specify in the order at least the following data, which constitute the essential details of the purchase contract:
  - Identification of the Buyer and the Seller, including their company name, registered office and ID number,
  - specification of the required goods,
  - required amount,
  - the unit or total purchase price.
- 2.6 Until the Buyer receives a written confirmation of the order, the Buyer may withdraw the order in writing or by telephone with additional written confirmation of such withdrawal without the Seller's right to compensation.
- 2.7 The Seller's deviations and additions contained in the confirmed order are only valid if the Buyer subsequently agrees to them in writing. If the Buyer accepts delivery of the goods or pays for them, this does not mean that the Buyer accepts any terms and conditions of sale or other terms and conditions of the Seller not agreed by the Buyer.
- 2.8 Changes to the purchase agreement after its conclusion are possible only in writing by agreement of both Parties.
- 2.9 A written order or order confirmation is also considered to be a written document when sent by e-mail.

## 3. Purchase price

- 3.1 The agreed purchase price is fixed without VAT. VAT will be added to the purchase price in the amount specified by the applicable legislation.

## 4. Delivery conditions

- 5.1 If no delivery period is specified in the confirmed order, the agreed delivery period is 7 working days, which runs from the delivery of the order confirmation to the Buyer. Deliveries before the agreed deadline or partial deliveries can only be made with the consent of the Buyer. Early deliveries that have not been approved by the Buyer will be rejected or stored by the Buyer at the Seller's expense. The Seller is obliged to take all measures at his own expense to meet the delivery time and quality.
- 5.2 The Seller is obliged to deliver the goods to the place specified in the order with the corresponding delivery note. If the place of delivery is not specified in the order, the agreed delivery parity is the Buyer's DAP plant according to INCOTERMS 2010.
- 5.3 For each delivery, the Seller shall issue a dispatch note containing at least the following information:
  - Designation of the Seller and Buyer,
  - number of the dispatch note,
  - order number,
  - quantity and type of goods,
  - delivery date,
  - signature of the Seller.
- 5.4 The Seller is obliged to provide the goods with packaging that complies with the requirements of the relevant legislation, in particular Act No. 477/2001 Coll., on packaging, as amended, in particular to ensure adequate protection of the goods from damage to the destination regardless of the agreed delivery condition, while allowing its handling by normal means of handling. If the Seller places packaging or packaging materials on the market, he is obliged to provide the Buyer with written information on whether he is involved in the EKO-KOM system and pays the fees for placing packaging on the market ("Declaration of compliance with the conditions for placing packaging on the market"). If it is proven that the Seller does not comply with the obligations under the relevant waste legislation, the Seller is obliged to compensate the Buyer for any damage incurred by the Buyer in connection with the disposal of the packaging.
- 5.5 In the case of delivery of chemical substances or preparations, the Seller is obliged to ensure all the requirements resulting from the applicable legislation (current safety data sheet, marking on packaging) and attach these to the shipment.
- 5.6 In case of delay in delivery of the goods, the Buyer has the right to charge the Seller a contractual penalty of 0.05% of the purchase price of the goods excluding VAT, which the Seller has not delivered according to the contract, for each day of delay. The contractual penalty provision does not affect or limit the Buyer's right to compensation for damages caused by the failure to deliver the agreed number of units of goods. Delay by the Seller in delivery of the goods by more than 30 calendar days is considered a significant breach of contract. The application of the contractual penalty does not deprive the Buyer of the right to compensation for any extra costs, e.g. debt collection costs, incurred by the delay in delivery of the goods. The contractual penalty is charged on a quarterly basis and is payable within 30 days from the date of delivery of the invoice to the Seller. If the Parties agree, the Buyer is entitled to set off the contractual penalty against the Seller's claim for payment of the

purchase price for the goods. In cases worthy of special consideration and at its sole discretion, the Buyer is entitled not to charge the Seller the contractual penalty or to reduce it at its discretion in the event of the Seller's delay in delivering the goods. The Parties have agreed that the Buyer has the right to charge a contractual penalty under this paragraph only if the sum of the contractual penalties in the relevant quarter exceeds CZK 500.

- 5.7 The Buyer is entitled not to accept the goods if they are not delivered on time and properly. The Buyer shall be entitled to accept such delivery in whole, in part or reject it completely. All costs associated with this (repackaging, storage, etc.) are the responsibility of the Seller.
- 5.8 The Seller is obliged to comply with the agreed or buyer-determined method of transport. Delivery takes place at the agreed time to the agreed place of delivery. The Seller is obliged to insure the goods for the entire period of transport, including any storage until delivery to the Buyer. The invoiced returnable packaging will not be paid by the Buyer, but will be returned free of charge, unless the Parties agree otherwise. The Seller shall be liable for damage to the goods in transit caused by inadequate or unsuitable packaging, even if the Buyer accepts the delivery of the goods at their destination.

## 5. Payment terms

- 5.1 The purchase price will be invoiced upon acceptance of each delivery by the Buyer by invoices due within 60 days from the date of invoice, unless otherwise agreed. The invoice must also have all the elements of a tax proof and the Seller is obliged to deliver it to the Buyer within 3 calendar days from the date of issue.
- 5.2 The Seller is entitled to transfer any rights or obligations under the contract to a third party only with the prior written consent of the Buyer.

## 6. Documentation and supporting documents

Drawings, calculations, models, dies, matrices, samples and all other documents provided to the Seller shall remain the property of the Buyer and shall be returned to the Buyer by the Seller at any time upon the Buyer's request. They may not be disclosed to third Parties or used by the Seller in any way other than for the purpose of supplying the Buyer without the written permission of the Buyer.

## 7. Warranty and Claims

- 7.1 The Seller guarantees the quality of the goods for 24 months from the delivery of the goods to the Buyer. The warranty period begins on the day following the delivery of the goods to the Buyer. The quality guarantee means that the delivered goods will be fit for use for the agreed or otherwise usual purpose or that they will retain the agreed or otherwise usual characteristics for the duration of the guarantee period. For deliveries of parts intended for installation in the final product, the Seller provides a warranty for the quality of the goods for a period of 24 months from the date of acceptance of the finished product by the Buyer, subject to the conditions of use and compliance with the instructions in the instructions for use, but no longer than 4 years from the date of delivery of the goods to the Buyer.
- 7.2 If the Buyer identifies a discrepancy between the delivered goods and the Seller's specifications, he is obliged to notify the Seller in writing without undue delay. The Buyer is obliged to notify the Seller in writing without undue delay after receipt of the goods of any defects found during the inspection of the goods.

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- 7.3 The Buyer is obliged to notify the Seller in writing without undue delay after taking delivery of the goods of any hidden defects which the Buyer, with the exercise of professional care, should discover during the inspection upon receipt of the goods. The Buyer is obliged to notify the Seller without undue delay of hidden defects that can be detected later, as soon as they are detected or can be detected with professional care, but always no later than the expiry of the warranty period of 24 months.
- 7.4 The Seller shall notify the Buyer without undue delay, but no later than within 5 working days of receipt of the notification of defects, of a proposal for further action to resolve the claimed defect in the goods. The Seller undertakes to deal with the claimed defect promptly according to the nature of the goods, but no later than 14 days from receipt of the Buyer's written notification of the defect, unless the Seller and the Buyer agree otherwise. The Buyer's opinion is always decisive for the assessment of defects. In the event of delay by the Seller in settling the claim within the time limit under this paragraph, the Buyer has the right to demand a contractual penalty of 0.05% of the price of the claimed goods excluding VAT for each calendar day from the date of delivery of the Buyer's written notice of the defect.
- 7.5 The choice between the aforementioned claims belongs exclusively to the Buyer. The Buyer may apply these claims either to the entire delivery of goods or only to a certain part of it. The Buyer reserves the right to claim that the entire delivery is defective if it fails the statistical inspection methods applied by the Buyer. In case of repair or replacement of the delivered goods, the warranty period starts again on the day following the delivery of the repaired or replacement goods. Acceptance of the claim by the Seller entitles the Buyer to demand payment of any extra costs by the Seller.
- 7.6 If the Seller does not communicate to the Buyer within 14 working days of the notification of the defect a proposal for further action to resolve the claimed defect in the goods, the Buyer is entitled to withdraw from the entire transaction. The cost of returning the defective goods delivered shall be borne by the Seller.
- 7.7 In the event that the Seller is in delay with the removal of the defect by delivery of new goods without defect, delivery of the missing goods or repair of the goods for more than 60 days, the Buyer has the right to withdraw from the contract, either for the entire delivery of goods or only for a certain part of it. In such case, the Seller is obliged to issue a credit note and deliver it to the Buyer.
- 7.8 If the claimed defect is a defective performance, the Buyer has the right to:
- The supplier must inform Kovokon no later than 14 days whether:
- You accept this claim, send a credit note and agree to have Kovokon dispose of the non-conforming material.
  - You want to pick up the claimed parts. The parts are always ready at the specified loading address from the next day you receive the complaint. Parts will be stored for a maximum of 28 days, if not collected within this period they will be disposed of.
  - If you require further information, please contact the quality or purchasing staff, contact list provided in the e-mail.
  - You disagree with the reasons for the complaint. In this case, please describe in detail the reasons why the claim was rejected.
- 7.9 If the defects found are of such a nature that they do not substantially prevent the use of the products, the products may be used at KOVOKON's discretion by granting a written deviation from the agreed technical specification.
- 7.10 In the case of the use of deviating products, KOVOKON has the right to claim a price reduction.
- 7.11 If an 8D report is required in the CLAIM, the supplier must complete and send it to the issuer immediately. If the supplier fails to deliver the 8D report by the required deadline, this behaviour is reflected in the supplier's quality and reliability rating.
- 7.12 If defects have been detected only by the KOVOKON's customers, this is specified in the CLAIM.
- 7.13 In the case of enquiries regarding defective products, the CLAIM number must be quoted (D-YYYYMM/XXXX). The supplier addresses questions to the issuer of the CLAIMS.
- 7.14 If KOVOKON receives overcharges from the customer, these are further recharged to the supplier on the basis of the previously issued CLAIM.
- 7.15 In the event of repeated poor quality deliveries, KOVOKON shall be entitled to require the sending of measurement reports for each subsequent delivery of the supplier's entire product range until further notice. The scope of the measurement protocols will be determined on the basis of the decision of KOVOKON. Failure to deliver the required protocols will result in the entire delivery being deemed non-conforming.
- 7.16 In the event of poor quality deliveries due to defects that are only detectable upon machining, KOVOKON may claim extra costs in the amount of 100% of the machining price, unless otherwise agreed.
- 7.17 The Seller as manufacturer, importer or distributor is liable for any demonstrable damage caused by poor workmanship of the product. The Seller is responsible for having a declaration of conformity pursuant to Act No. 22/1997 Coll., on Technical Requirements for Products, as amended, if its issuance is required under this Act. In this case, the Seller is obliged to give the Buyer together with the goods an assurance that a declaration of conformity has been issued. Upon request, the Seller is obliged to send the above documentation to the Buyer no later than 2 working days after receipt of the request. The Seller shall be liable for any damages incurred by the Buyer in connection with poor workmanship of the delivered product or the absence of a declaration of conformity.
- 7.18 In order to check the quality of the delivered goods and to respect the environmental rules, the Buyer's representative or the Buyer's customer is entitled to enter the Seller's production premises after prior notification, including the possibility of auditing the quality management system. Such an audit may be carried out either by the purchaser or by a third party authorised by the purchaser, in justified cases in the presence of a representative of the purchaser's customer.
- 7.19 If special tests are required in the order, the purchase agreement or in the specifications attached thereto, the Seller shall, before carrying them out, give reasonable notice thereof to both the Buyer and the inspection or expert body concerned, so that the latter may provide representatives to supervise the tests.
- 7.20 The Seller shall provide the necessary certificates for any tests requested by the Buyer in the purchase order or purchase agreement. All goods supplied must be clearly marked with an identification number enabling them to be matched to the certificate.
- 8. Industrial rights**
- 8.1 The Seller undertakes to relieve the Buyer of any claims of third parties in respect of possible infringement of their industrial rights. This provision also applies in the case of infringement of industrial rights by a subcontractor of the Seller.
- 8.2 The only exception to the previous provision is if the Seller manufactures according to the Buyer's drawings or reference samples which he does not know infringe the industrial rights of third parties.
- 8.3 Upon request, the Seller is obliged to provide the Buyer with information about the industrial property rights owned by the Seller or licensed to the Seller for the purpose of manufacturing the goods supplied to the Buyer.
- 8.4 The Buyer and the Seller shall inform each other of the possible risks of infringement of the industrial rights of third parties and cooperate in preventing such infringements.
- 9. Final provisions**
- 10.1 If any provision of the purchase conditions is or becomes invalid or ineffective, the invalid provision shall be replaced by a provision which meaning is as close as possible to the invalid provision. The invalidity or ineffectiveness of one provision shall not affect the validity of the other provisions. Amendments and supplements to the purchase agreement or the purchase conditions require a written form.
- 10.2 The Buyer is entitled to unilaterally change these purchase conditions to the extent necessary. The new version of the purchase conditions will be delivered by the Buyer to the Seller's address together with the order. The Seller is entitled to reject the change of the purchase conditions by written notice delivered to the Seller and to unilaterally withdraw from the purchase conditions.
- 10.3 The rights and obligations of the Seller and the Buyer arising under these purchase conditions shall be governed by the law of the Czech Republic.
- 10.4 Withdrawal from the contract does not affect the right to payment of a contractual penalty or default interest, if already incurred, or the right to compensation for damages resulting from the breach of a contractual obligation.
- 10.5 All disputes arising out of these general terms and conditions of sale and purchase agreements, relating to their formation, performance and termination, as well as disputes concerning their validity, the Parties shall first attempt to resolve by mutual negotiation and agreement. If the dispute cannot be resolved in this way, it shall be finally settled by the Arbitration Court of the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic based in Prague in accordance with its Rules. The arbitration proceedings will be conducted in the Czech language.
- 10.6 These purchase conditions apply from 1 July 2021.