

GENERAL PURCHASING TERMS AND CONDITIONS

of Zoeller Systems s.r.o.

1. INTRODUCTORY PROVISIONS

1.1 In accordance with the provisions of Section 1751 of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as the “**Civil Code**”), these General Purchasing Terms and Conditions (hereinafter referred to as “**GPTC**”) define the rights and obligations of contracting parties to all contracts (whether concluded on a one-time basis or in connection with a general agreement), the subject-matter of which is the supply of raw materials, other materials or provision of services (hereinafter jointly referred to as the “**Goods**”) and which are concluded between Zoeller Systems s.r.o., having its registered office in Říčany, Rooseveltova 1500, postal code 25101, Czech Republic, Comp. Reg. No.: 46349413, registered in the Commercial Register kept by the Regional Court in Prague, (file C 10792, as the customer or buyer (hereinafter referred to as the “**Customer**”) and any natural person or legal entity (whether domestic or foreign-based) as the supplier or seller (hereinafter referred to as the “**Supplier**”) (such contracts hereinafter referred to as the “**Contract**”). In addition, the Customer’s quality assurance guidelines may also form a part of the Contract provided that reference to such guidelines is made in the Contract. These GPTC form an integral part of any proposal by the Customer to conclude a Contract and of any acceptance of the Supplier’s offer by the Customer.

1.2 Any differing arrangements agreed in the Contract shall prevail over the provisions of these GPTC.

1.3 The application of any commercial terms and conditions of the Supplier or of any third party to the Contract is hereby expressly excluded. Consequently, any third-party commercial terms and conditions shall not apply to a relationship based on a Contract, including when not expressly denied by the Customer.

1.4 Legal relationships arising from the Contracts shall be governed by the laws of the Czech Republic.

2. CONCLUSION OF A CONTRACT

2.1 Contracts may be concluded and amended in writing only in order to be valid. The possibility to conclude or amend a Contract in a form other than in writing is hereby excluded. The written form is also required when a Contract is concluded on the basis of a purchase order or call-off (in case of general agreements). The written form is also retain for legal acts made by electronic or other technical means making it possible to capture the contents of such acts and identify the acting person.

2.2 A Contract between the Supplier and the Customer may be concluded:

2.2.1 as a separate individual Contract, on the understanding that a purchase order placed by the Customer shall also be deemed to constitute such a Contract, if it includes at least the following particulars: data about the specification and quantity of goods, place and date of delivery and price, provided that it is confirmed by the Supplier in writing, or

2.2.2 based on a general agreement and the pertaining individual purchase orders (call-offs).

A Contract shall not be concluded until the price for the Goods is agreed in writing between the contracting parties.

2.3 The acceptance of a Customer’s offer (purchase order) to conclude a Contract with any amendment or deviation by the Supplier shall be deemed to be a rejection of the Customer’s offer (purchase order) and to constitute a new proposal to conclude a Contract, which must be confirmed in writing by the Customer.

2.4 Every offer (purchase order) by the Customer to conclude a Contract is revocable.

2.5 These GPTC shall be deemed to have been accepted by the Supplier no later than upon the confirmation of the Customer’s offer (purchase order) to conclude a Contract by the Supplier.

2.6 In case of electronic communication, the time data generated at the Customer’s technical device shall be decisive.

2.7 The concluded Contract shall always replace, in full, any prior written or oral agreements, correspondence and other communication between the contracting parties made in relation to the subject-matter of the concluded Contract, unless expressly provided for otherwise in the Contract.

3. DELIVERY TERMS AND CONDITIONS

3.1 The Supplier shall deliver the Goods to the Customer under DDP Incoterms the Customer's plant in Říčany, postal code 251 01, Czech Republic, unless implied otherwise in the Contract or these GPTC.

3.2 The transport of the Goods to the place of delivery shall be arranged for by the Supplier at own expense. The risk of damage to the Goods shall pass onto the Customer upon acceptance of the Goods at the place of destination. The Supplier is obliged to insure the Goods in transit, at own expense, against all common risks.

3.3 All deliveries of the Goods must include certificates of origin of the Goods, of their quality, movement, as well as any other labels, certificates and documents related to the Goods, which are required under legal regulations. Each individual delivery must be accompanied with a delivery note, which is to be handed over to the Customer no later than upon the handover of the Goods to the Customer. The delivery note must include at least the following particulars: delivery note identification and number, trade name, registered office or place of business, comp. reg. No. and tax ID of both the Supplier and the Customer, Contract or purchase order number, precise description of the subject (Zoeller reference number), delivery date of the Goods, number of units in package, number of packages, number and identification of reusable packaging, method of transport, place of destination of the delivery. Unless agreed otherwise; following informations will be indicated on delivery note also as bar codes: delivery note number, purchase order number, Zoeller reference number. Supported code formats: Datamatrix (2D code), Code128 (bar code), PDF417, QR code, EAN, Code39. Any document that does not meet these requirements shall not be deemed to constitute a proper delivery note; in case of a failure to meet these requirements, the Customer reserves the right to refuse to accept the Goods. A delivery is deemed to have been delivered upon the signing of the delivery note by the Customer's authorized representative. The signing of the delivery note (or any other document proving the delivery of the Goods) by the Customer does not confirm the faultlessness of the delivery in any way.

3.4 Partial deliveries (as well as performance before the agreed delivery date) shall not be allowed, unless expressly agreed otherwise in writing; the Customer shall not be obliged to accept any such partial or premature deliveries of the Goods. In the event that the Supplier is not able to deliver the Goods to the Customer, for any reasons whatsoever, in the agreed quantity and/or period, the Supplier shall notify the Customer immediately in writing; this shall be without prejudice to the Supplier's liability for damages.

3.5 The Supplier is obliged to perform (cover) confirmed purchase orders placed by the Customer (Contracts) in 100%. Any quantity deviations in deliveries are only allowed in a maximum range of $\pm 5\%$, provided that the quantity deviation was approved by the Customer in writing in advance. However, the Supplier shall only be entitled to receive the price for the Goods actually delivered to the Customer.

3.6 In case of any delay with the delivery on the part of the Supplier, the Customer shall be entitled to withdraw from the Contract or a part thereof (in the scope of the Goods not yet delivered) immediately. In such case, the Customer shall be entitled to return the Goods already delivered at the expense of the Supplier.

3.7 If the Supplier violates the obligation to supply the Goods to the Customer properly and in time, the Customer shall be entitled to demand compensation for the damage suffered. The payment of any contractual penalty by the Supplier shall be without prejudice to the Customer's right to damage compensation in full. Damage shall be compensated in cash.

3.8 The date of acceptance of the Goods by the Customer (the Customer's signature on the delivery note shall be decisive to assess compliance with the agreed delivery period.

3.9 The Goods must be delivered solely in first-class quality and meet the required specifications, technical and acceptance conditions as well as all legal and technical requirements on the delivered Goods, which are provided for in generally binding legal regulations and technical regulations related to the delivered Goods (including non-binding technical standards). The Supplier must comply with all obligations arising from the quality assessment system under ISO 9001:2015, alternatively ISO 14001:2015.

3.10 Where the Goods are to be delivered based on a sample, the Supplier is obliged to deliver the Goods with the properties of such sample, with no exception. Any technical, technological or other modification to the Goods (against the submitted sample) must be first discussed by the Supplier with the Customer and approved in writing.

3.11 Before delivery, the Supplier must ensure, at own expense, that the Goods are packed in the manner agreed in the Contract or, where appropriate, in the common manner corresponding to the agreed method of delivery so that the Goods are protected against damage and destruction during loading/unloading, transport and storage. The Supplier is obliged to mark the Goods in accordance with the Customer's requirements.

4. PRICE FOR THE GOODS

4.1 The price for the Goods must be approved by the Customer in writing in advance. Unless specified otherwise, the prices are determined under DDP Incoterms the Customer's plant in Říčany, postal code 251 01, Czech Republic.

4.2 The agreed price for the Goods is always fixed and covers all costs of the Supplier related to the delivery of the Goods ordered.

4.3 Unless provided for otherwise in the Contract, the prices stipulated in the Contract shall include packaging, transportation and insurance costs. The prices shall be increased with VAT at the current statutory rate, unless the Contract implies that VAT is already included in the price.

5. PAYMENT TERMS AND CONDITIONS

5.1 The price for the delivered Goods shall be paid by the Customer on the basis of an invoice (tax document) properly issued by the Supplier. The right to issue an invoice (receive the payment of the price) arises upon the acceptance of the Goods by the Customer (the signing of the delivery note by the Customer).

5.2 An invoice must be sent in electronic by email or by registered mail to the Customer's address and, in addition to the statutory particulars of a tax document, it must also include: invoice identification, Contract or purchase order number, precise description of the subject-matter of performance corresponding to a single delivery note, delivery date of the Goods, delivery note identification, bank details of the Supplier, price excl. and incl. VAT, invoiced amount, method of transport and place of delivery, the Supplier's signature, and must be accompanied by the relevant delivery note signed by the Customer. An invoice that does not include the particulars or attachments referred to above shall not be deemed to have been properly issued and may be returned by the Customer; in such case, the maturity period shall recommence on the date of issue of the properly issued invoice.

5.3 The Supplier's invoices shall be due and payable sixty (60) days after the issue date, unless agreed otherwise in writing. The price shall be deemed to have been paid on the day when the amount is debited from the Customer's account.

5.4 In case of any delay with the payment of the price, the Supplier shall be entitled to charge interest on late payment to the Customer at the statutory rate.

5.5 The Contracting Parties agree that if the Supplier becomes an unreliable payer within the meaning of Section 106a of Act No. 235/2004 Coll., on Value Added Tax ("Value Added Tax Act"), or the Customer becomes liable for the unpaid tax within the meaning of Section 109 of the Value Added Tax Act (without being called on to do so as the guarantor), the Customer shall be entitled to retain the relevant value added tax on the received performance provided by the Supplier or pay it directly to the respective tax administrator, whereby the Customer's respective debt towards the Supplier shall be decreased by such payment, this procedure shall be considered as the due and timely fulfilment of the Customer's contractual obligations, and no rights to any performance, including compensation for damages or other harm, shall arise for the Supplier towards the Customer in this respect.

5.6 Supplier shall not be authorized to set off, assign or pledge its claims and obligations resulting from the contract to any third party without previous written consent of Customer.

6. PASSING OF OWNERSHIP AND RISK OF DAMAGE TO THE GOODS

6.1 Both the ownership and the risk of damage to the Goods shall pass onto to the Customer no earlier than upon the signing of the relevant delivery note related to the delivery of the Goods by the Customer's authorized representative.

7. LIABILITY FOR DEFECTS, CLAIMS, WARRANTY

7.1 The Supplier shall be liable to the Customer for ensuring that the delivered Goods have, at the time of their handover as well as throughout the agreed warranty period, the properties (in particular as regards the quality of the Goods) stipulated in the Contract and these GPTC, and that they comply with the conditions and requirements of the Contract, GPTC, relevant generally binding legal regulations and technical regulations (including non-binding technical standards). In addition, the Supplier shall be liable for ensuring that the Goods are fit for use for the stipulated purpose (or, where appropriate, the common purpose), and that they are complete and free of any legal or other defects. In this connection, by concluding the Contract, the Supplier

confirms to have made itself acquainted with the purpose and further use of the delivered Goods by the Customer and the end consumer.

7.2 If a separate Contract on quality is concluded between the contracting parties, the Goods must meet also the requirements arising from such Contract.

7.3 Unless agreed otherwise, The Supplier provides to the Customer a quality warranty (in the scope as described above) of at least 24 month from putting product into service of but at the most 36 months counting from its delivery.

7.4 Defects which were present at the time of passing of the risk of damage to the Goods onto the Customer already may be claimed by the Customer at any time after their detection, with no effect on the course of the agreed warranty period, as well as after the lapse thereof. Defects which occur during the warranty period may be claimed by the Customer at any time during the warranty period. The contracting parties agreed that the application of the provisions of Section 2106(3), Sections 2111, 2112, Section 2605(2) and Section 2618 of the Civil Code shall be excluded in their legal relationship arising from the Contract. For the defect claimed, the Customer shall be entitled to choose, at its discretion, any demand from defective performance available under the Civil Code, irrespective of whether the defect claimed constitutes a fundamental or non-fundamental breach of the Contract. Demands arising from the liability for defects may be chosen by the Customer when filing the claim or at any later point in time; the selected demand arising from the liability for defects may be modified by the Customer as long as the previously chosen demand has not yet been settled by the Supplier. A defect claim may be filed until the last day of the warranty period, on the understanding that a claim sent by the Customer on the last day of the warranty period shall be deemed to have been filed in time.

7.5 The warranty shall apply to all the Goods delivered, including any sub-deliveries, etc.

7.6 Replacement goods must be supplied or defects in the Goods must be remedied by the Supplier within the period of time provided by the Customer. If the Supplier is in default with the fulfilment of its obligation to deliver replacement goods or to remedy defects in the Goods, the Customer shall be entitled to make own arrangements to secure a replacement delivery of goods or remedy of the defects (or have them made by a third party), fully at the expense of the Supplier.

7.7 The Supplier is obliged to compensate to the Customer any and all harm suffered and reimburse any costs actually incurred or to be possibly incurred by Customer in connection with the delivery of defective Goods by the Supplier. The Supplier undertakes to indemnify the Customer for any and all costs, expenses, claims, proceedings or demands that may or will be incurred by the Customer in connection with the defects of the delivered Goods.

7.8 Customer reserves the right to monitor the execution of the order and to check its outputs, including at the appropriate Suppliers' premises. This monitoring and control does not relieve the Supplier of responsibility for product quality and compliance with the conditions of its delivery.

8. TRADE SECRETS

8.1 The contents of the Contract, as well as any information that has or will become known to the Supplier in connection with the negotiations or performance thereof shall be deemed confidential (hereinafter referred to as "**Confidential Information**"). However, any information that is publicly available or known at the time of its use or disclosure shall not be considered to constitute Confidential Information, provided that their public availability or knowledge did not result from a violation of a statutory or contractual obligation. In case of any doubt, information shall be considered to be of confidential nature. The Supplier is obliged to maintain strict confidentiality in relation to the Confidential Information and shall not (i) use the Confidential Information for any purpose other than the purposes of the Contract and the fulfilment thereof, (ii) disclose or otherwise make the Confidential Information available to any third party, without a prior written consent of the Customer. The Supplier is obliged to maintain secrecy in relation to the Confidential Information also after the expiry or termination of the Contract, until such information becomes generally known otherwise than by violation of this Contract. Within its plant, the Supplier is entitled to disclose the Confidential Information only to the group of persons who need to know in order to be able to fulfil the Contract.

8.2 If, based on statutory requirements or a binding decision, the Supplier becomes obliged to disclose the Confidential Information to a third party, the Supplier shall notify the Customer in writing in advance of such circumstances.

8.3 Any materials containing Confidential Information received from the Customer including, without limitation, magnetic recordings, documents, manuals, specifications, charts, programmes and printed data (hereinafter referred to as the “**Materials**”) are and remain the property of the Customer. Without a prior written express consent of the Customer, the Materials may not be reproduced, whether as a whole or in part. Any copies made of the Materials shall become the property of the Customer.

8.4 Upon termination (fulfilment) of the Contract and/or if so requested by the Customer, the Supplier shall be obliged to return to the Customer all Materials provided to the Supplier, including copies thereof.

8.5 The provisions of this Article shall survive the termination of cooperation between the Supplier and the Customer and shall not be limited in time in any way.

9. SETTLEMENT OF DISPUTES

9.1 The contracting parties have agreed that they pledge to solve all disputes, which will arise in connection with the realization of their mutual contractual relationship, at first by conciliation. Unless an agreement is reached in the solution of a dispute, the matter shall be brought to a court of the Czech Republic with material and territorial jurisdiction according to the registered office of Customer for hearing and decision.

10. GPTC VALIDITY

10.1 These GPTC enter into force on 1.6.2022.

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Place, date

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Name and signature „Supplier“