

# MONTS s.r.o. General Purchase Terms and Conditions

## 1 Order

1.1 This order shall be exclusively subject to these Purchase Terms and Conditions. MONTS s.r.o., Company ID No. 25949969, with its registered office at Vážní 1147, Slezské Předměstí, 500 03 Hradec Králové, Czech Republic (hereinafter referred to as "MONTS ") acts here as a client and/or purchaser. Any deviation herefrom may only be made in the order or a written agreement of the Parties. Refusal hereof by the Seller shall mean the refusal of the MONTS order. These General Purchase Terms and Conditions may be replaced by the General Supply Contract.

1.2 The MONTS order (hereinafter referred to as the Contract) shall only be binding when submitted to the Seller in writing (i.e., in writing, by fax, email or EDI – Electronic Data Interchange).

1.3 The MONTS order must be confirmed by the Seller within five days from delivery, otherwise the order shall be considered refused, unless the Parties agree in writing otherwise. MONTS reserves the right to withdraw the order at any time before receiving the confirmation thereof.

1.4 Essential as well as non-essential changes to the order made in the Seller's confirmation shall only be valid when confirmed in writing by MONTS. If MONTS fails to confirm the changes within 30 days from receipt of the confirmation, the changes shall be considered unaccepted and the order as well as the acceptance thereof with deviations shall not be binding for the Parties.

## 2 Delivery Terms

2.1 The Seller shall deliver the goods within the delivery date or delivery period to the place of delivery specified in the order. The delivery period shall start from the date of the order. The goods shall be delivered to MONTS on a business day from 7:30 am to 2:30 pm unless agreed otherwise. If the delivery date or the end of the delivery period fall on a non-business day, the Seller shall deliver the goods on the closes preceding business day unless agreed otherwise. Early delivery within the delivery period shall be possible if MONTS does not specify in the order otherwise; the exact date and time of the early delivery shall be subject to a prior written approval by MONTS.

2.2 Any delay in delivery of the goods shall result in the order termination unless the delivery date or delivery period is extended by MONTS in writing. Partial performance is only possible upon previous written consent of MONTS.

2.3 The Seller shall deliver the goods according to applicable INCOTERMS 2010, based on specific conditions specified in the order.

2.4 The goods must comply with valid laws, regulations and technical standards of the Czech Republic applicable to the goods. The Seller undertakes to comply with regulations governing the dangerous goods transport and hazardous waste, as well as special regulations governing the storage and operation, and to notify MONTS thereof in good time.

2.5 The Seller shall pack, label and prepare the goods for the transport in the usual manner and in compliance with legal regulations of the Czech Republic.

2.6 The Seller shall attach to the supply a delivery note, providing all the data from the order, such as the order number, part numbers, exact identification of the goods and quantity, order items and, in the event of supplies from countries within the European Union, also the tariff headings for each individual supply. In the case of delivery of the goods without a proper delivery note, MONTS reserves the right to refuse the goods.

2.7 The Seller shall attach to the supply all documents that need to be provided to the goods under legal regulations or the Contract or that are necessary for the proper use and disposal of the goods (including resale). In the case of delivery of technical equipment and instruments, it is necessary to provide, in particular, the required installation instructions (including all connections, any building restrictions, etc.), processing instructions, storage, operation and maintenance regulations, lists of parts and components that are subject to wear and tear, CE declaration, and/or notice of specifics of the supply subject matter. Descriptions must be made in English. Regulations and operating instructions must be submitted in duplicate in Czech and, upon MONTS' request, also in other

languages, within delivery of the goods by the Seller. Such documents must also be provided by the Seller in electronic form. In the case that all required documents will not be provided, the order or Contract shall not be considered complete (incomplete delivery).

## 3 Price of Goods, Payment Terms

3.1 The price is set as a fixed price, including all the costs, exclusive of VAT. The payment terms and the price currency are specified in the order.

3.2 The invoice must contain all essentials legally required for a tax document, order number, all data of the goods per items according to the order (quantity, weight, number of pieces), specifying the respective price and total price of the goods in full and after discount. Where the invoice fail to contain the essentials required for a tax document by law or these General Purchase Terms and Conditions, or will contain incorrect information, MONTS is entitled to return the invoice. In such a case the maturity period specified in the invoice shall be interrupted and a new maturity period shall not start until the new properly corrected invoice is delivered to MONTS. Similarly, the extension of invoice maturity period shall apply in the case of incomplete delivery of the goods.

## 4. Defects of Goods, Quality Guarantee

4.1 The Seller shall provide a quality guarantee to the goods of at least 24 months (in the event of longer legal or contractual time periods, such a longer time period shall apply). The Seller shall be responsible for ensuring that the design, construction, purpose and technique of the goods production correspond to the state of the art in terms of science and technology, that only suitable and first-rate material has been used and that the subject matter of the order fits for the purpose of their use.

4.2 MONTS is entitled to claim defects of the goods at any time during the warranty period and is entitled to choose the claim option based on the goods defect.

4.3 The Seller shall be responsible for ensuring that the goods are free of any legal defects. In the case any legal defects (in particular, infringement of rights of others) occur in connection with the goods ordered, it shall be considered a material breach of the Contract, and the Seller is obliged to make every effort to make sure that no legal steps are taken against MONTS and that MONTS does not incur any damage. Upon request, the Seller undertakes to reimburse any damage to MONTS without undue delay.

4.4 The warranty period shall start at the moment when MONTS's customer takes over the goods. If any dispute regarding the warranty defect arises between the Parties, the Seller undertakes to remove at its own costs the existing defect at least temporarily, in order to ensure the goods functionality for the purpose of their use, until the issue whether it is or is not a warranty defect is solved.

4.5 Should the Seller fail to remove the defects of the goods properly and timely, or refuse to remove them, MONTS is entitled to demand from a third party to remove thereof at the Seller's costs, in which case the Seller undertakes to reimburse the costs upon MONTS's request without undue delay.

## 5 Contractual Penalties, Contract Termination

5.1 Should the Seller be in default of the Contract performance, it shall pay a contractual penalty in the amount of 0.05 % of the goods price for each commenced day of delay.

5.2 The payment of the contractual penalty does not affect the MONTS's right to claim compensation of damages which shall be paid separately and independently of the contractual penalty.

5.3 The Seller is obliged to take all measures to prevent damages and notify MONTS in writing of any imminent danger. The Seller shall be fully responsible for any damage incurred by MONTS directly or indirectly in connection with the goods and the use thereof.

5.4 In the case of imminent bankruptcy of the Seller, or where the court declared the Seller insolvent, or insolvency proceedings were

discontinued, or the declaration of insolvency was rejected due to the failure to pay the advance payment in respect of the insolvency proceedings costs, or the Seller declared itself insolvent, or the Seller is subject to dissolution, or the Seller's ownership structure is subject to any change, MONTS is entitled to withdraw from the Contract. In such a case, legal consequences shall be the same as with withdrawal from the Contract due to material breach of the Contract.

## 6 Reservation of Title, Assignment

6.1 Any and all Seller's supplies need to be carried out without reservation of title or rights of third parties. Such reservations shall be ineffective towards MONTS even without MONTS's explicit objection.

6.2 Seller's claims on MONTS in respect of this contractual relation may only be assigned with an express prior written consent of MONTS.

6.3 The Seller may not assign its rights and obligations under the Contract or any part thereof to third parties without the prior written consent of MONTS.

## 7 General Provisions

7.1 The Seller must promptly notify MONTS by a registered letter of any change in the registered office address or any contact address, any change in other records of the Seller in the public register, any fusion, merger or change of the Seller's legal form, and of any insolvency proceedings in relation to the Seller. Until the moment the new address is notified by the Seller, the notices, statements, requirements and other communication sent to the original address shall be considered sent to the Seller's contact address.

7.2 If any provision of these General Purchase Terms and Conditions or the Contract is or becomes invalid or ineffective, or the Contract is incomplete, the other content thereof remains unaffected. The invalid or ineffective provision shall be replaced with any such provision that, in terms of legality and validity, comes as closest as possible to the meaning and purpose of the invalid or ineffective provision. The same shall apply for any gaps in the Contract.

7.3 Any and all disputes arising between MONTS and the Seller under or in connection with the contractual relation, shall be decided exclusively before the competent court of the Czech Republic having territorial jurisdiction over MONTS.

7.4 These General Purchase Terms and Conditions and the Contract between MONTS and the Seller shall be governed exclusively by laws of the Czech Republic. The application of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.

7.5 The contractual performance by MONTS is subject to the condition that no obstacles under national or international regulations in the area of international trade law or under embargo (or other sanctions) shall arise. MONTS is not obliged to reimburse any Seller's damage caused thereby.

## 8 Special Provisions

8.1 MONTS and any representative thereof and/or any third party authorised by MONTS shall be entitled (but not obliged) to check the compliance with the Seller's obligations at the Seller's premises. The check (audit) may only be carried out upon the MONTS's previous written notice, during regular business hours and in compliance with legal measures for the protection of data and information. Such a check must not unreasonably limit business activities of the Seller, or objectively disrupt the Seller's contractual obligations with regard to the confidentiality of information towards third parties of which MONTS has been demonstrably informed by the Seller. When carrying out the check (audit), the Seller undertakes to provide reasonable cooperation. If MONTS discovers that any Seller's obligations under the contractual relation are not complied with, it is entitled to require from the Seller to remedy it and determine a deadline for such remedy. The Seller's delay in the

remedy shall be considered a material breach of the Contract. Each Party shall pay its own costs incurred in connection with such a check (audit).

8.2 Notwithstanding other rights to which MONTS is entitled under these General Purchase Terms and Conditions or the Contract, and without any liability to the Seller, MONTS is entitled to terminate the Contract in writing without any notice period if the Seller has materially breached the rules of reciprocal trade.

8.3 A material breach of the rules of reciprocal trade shall mean, in particular, child labour, bribery, corruption and failure to comply with requirements for the environmental protection as well as other principles of ethical conduct recognised generally or required by MONTS. For this reason, MONTS is entitled to terminate the Contract upon the expiry of additional deadline for remedy that has been provided to the Seller at the discretion of MONTS as a reasonable deadline to remove the cases of breach. The expiration of the deadline for remedy shall also mean the situation where the Seller fails to prove within the deadline that the remedy has been successfully ensured.

## 9 Data for the Purpose of Export Control and Foreign Trade

9.1 With respect to the products supplied and services provided, the Seller is obliged to comply with all applicable provisions of respective national legal regulations and international laws relating to export control, customs duties or taxes and charges, as well as international trade laws (hereinafter jointly referred to as "INTERNATIONAL TRADE LAW"). The Seller is also obliged to obtain any necessary export licences or permits unless, according to applicable provisions of INTERNATIONAL TRADE LAW, such licences or permits need to be requested by MONTS or a third party, and not by the Seller.

9.2 The Seller is obliged promptly, however not later than by the determined delivery date or delivery period, to provide MONTS, together with delivery of the goods, any and all data and information necessary for MONTS to comply with all applicable provisions of INTERNATIONAL TRADE LAW that can apply to export, import or (in the case of resale) re-export of respective products or services, and such data and information must be provided in writing, and, concurrently, to make sure that there is no objective threat of breach of the INTERNATIONAL TRADE LAW due to the failure to provide the data and information. In particular, the Seller is obliged to provide MONTS to each product or service with the following:

- "Export Control Classification Number" in compliance with the "U.S. Commerce Control List" (ECCN) in the case that the goods are subject to the provision of "U.S. Export Administration Regulations";
- All export numbers, in particular, all AL numbers according to the Community regulations in the case that the goods are referred to in Annex No. 1 of Council Regulation (EC) 428/2009, or similarly referred to in any replacing regulation;
- Statistical number of the goods according to applicable Goods Classification, external trade statistics and categorization according to the Harmonized System;
- Data of the country of origin (in the case on non-preferential origin);
- Seller's declaration of preferential origin (in the case of European sellers) or preferential certificate (in the case of non-European sellers) unless MONTS confirms in writing in advance that the above documents are not required (the bullets above are hereinafter jointly referred to as the "DATA").

In the case of breach of this obligation, it shall be considered a material breach of the Contract.

9.3 If any changes in the origin or properties of products or services, or any change in applicable provisions of INTERNATIONAL TRADE LAW occur, the Seller is obliged promptly, however not later than by the determined delivery date, to update the DATA and provide such updated DATA to MONTS in a written form. The Seller is obliged to make every effort to make sure that MONTS does not incur any damage due to the incompleteness or inaccuracy of the DATA provided. The Seller undertakes to reimburse any and all MONTS's costs or other damages that may be incurred by MONTS due to the breach of any Seller's obligation under Article 9 hereof.