

General Trading Terms And Conditions

Applying To The Sale Of Goods By PILANA Metal s.r.o.

1. Preamble

1.1 These General Trading Terms And Conditions Applying To The Sale Of Goods By PILANA Metal s.r.o. (hereinafter referred to as "General Trading Terms") shall be applied to any legal relations arising from the sale of goods by Pilana Metal s.r.o. as the Seller to third parties as Buyers.

1.2 These General Trading Terms shall form an integral part of a sales contract or a master contract for the sale of goods (hereinafter referred to as the "Contract"). Any departures from the individual provisions of these General Trading Terms may be negotiated by a written agreement of the contractual parties and included into the Contract. If an agreement in the Contract is in deviation from the General Trading Terms, preference shall be given to the agreements in the Contract.

1.3 These General Trading Terms shall also apply to Contracts between the Seller and the Buyer that arise on the basis of the Buyer's written order that is confirmed by the Seller. On the basis of an order (delivered personally, by phone, post, fax or by email), the Seller shall issue to the Buyer a written Order Confirmation containing the type, price and quantity of goods which the Seller undertakes to deliver to the Buyer. The written Order Confirmation becomes a binding Contract in both of the following situations:

- (a) At the moment when the Buyer sends the order confirmation back to the Seller with his own confirming signature.
- (b) On the expiry of a period of 3 days after the Order Confirmation is received by the Buyer, if he does not dispute it.

2. Place and time of Delivery

2.1 The goods shall be deemed to have been delivered to the Buyer if they are made available to the Buyer according to the INCOTERMS delivery supplement agreed upon in the Contract. Unless stated otherwise in the Contract, INCOTERMS 2020 issued by the International Chamber of Commerce in Paris shall be applied.

2.2 Unless a different Incoterm is agreed upon in the Contract, the EXW incoterm is valid. Then the place of performance shall be the Seller's registered office – Nádražní 804, 768 24 Hulín, Czech Republic.

2.3 If the Contract includes transportation of goods, the goods shall be deemed to have been delivered at

the moment of their handing over to the first carrier carrying out transportation for the Buyer. Unless agreed otherwise in the written Contract, the costs of transport from the place of performance to the designated place of destination shall be covered by the Buyer.

2.4 The delivery time means the date/period when the goods are ready for collection / dispatch from the Seller's premises.

2.5 If later amendments of the Contract by the Buyer influence the delivery time, it could be extended appropriately to the circumstances. 2.6 In case of unusual events on the part of the Seller that could not be foreseen (such as Acts of God, industrial disputes, disturbances, official measures, non-arrival of raw material deliveries a.s.o.), the delivery time is extended appropriately to these circumstances. The Seller is obliged to inform the Buyer immediately about events of such kind. The Seller has no legal responsibility for any damage such delays may cause (see point 8).

3. Quantity and Quality of Goods

3.1 The Seller's obligation to deliver the goods in agreed upon quantity shall be deemed fulfilled if the actual quantity of goods delivered differs from the amount of goods agreed upon in the Contract by a maximum of +/-10%.

3.2 The quality of the goods can only be assessed on the basis of whether or not the goods meet the agreed technical parameters (such as quantity, width, length, TPI etc).

3.3 Whether the quantity and quality of the goods is as agreed is determined as of the time of passage of risk (see Clause 6 of these General Trading Terms).

4 Liability for defects

4.1 The Buyer is obliged to inspect the goods without undue delay after its receipt. The Buyer is obliged to report any complaints regarding visible quantity / quality defects within 2 weeks after receiving the goods. Later complaints are ruled out if the Buyer could have detected the defects when performing the acceptance of the goods with due care.

4.2 Unless otherwise agreed, the limitation period for claims concerning any defects is 6 months after delivery.

4.3 The Seller has the right to investigate the defect and the goods that is the subject of the Buyer's complaint. Upon request of the Seller the Buyer is without delay obliged to provide necessary information about the nature of the defect, photographs, video recording of the good's performance, samples of the goods. If the Buyer does not comply with these obligations, his claims concerning the defects will not be taken into account.

4.4 The costs and risks associated with proving the claim (e.g. transporting samples back to the seller) are borne by the buyer. The Seller shall reimburse the Buyer for these costs after the claim has been found to be justified by the Seller's experts.

4.5 In case of justified, timely complaints concerning defects, the Seller will either fix the goods or supply a replacement, at his own discretion.

4.6 In case of deliveries made according to drawings, specifications, samples, etc. provided by the buyer, the buyer assumes all legal or factual risks that may arise as a result of the fact, that the goods meet these individual specifications.

4.7 The Seller bears no responsibility for material defects that arise from unsuitable storage (such as exposure to weather, humid environments etc), improper use, faulty assembly, installation, or commissioning by the Buyer or third parties, customary wear, or faulty or negligent handling or for the consequences of changes or repair work performed by the Buyer or third parties.

4.8 The Seller will not provide compensation for such defects, that merely to a trivial degree reduce the value of the goods.

5. Payment

5.1 Unless stated otherwise in the Contract, invoices shall be payable before delivery (as defined in clause 2.1).

5.2 The date of actual payment shall be understood as the day on which the corresponding account of the Seller is credited with the outstanding amount to be paid.

5.3 Unless stated otherwise in the Contract, it shall be the Buyer who shall cover all the bank fees related to the depositing or transferring of the outstanding amount to the Seller's account, aside from fees charged by the Seller's bank.

5.4 In case the Buyer is in default with the payment, the Seller shall be entitled to request payment of default interest in an amount corresponding to the annual

REPO rate determined by the Czech National Bank increased by five (5) percentage points.

5.5 Should the Buyer find itself in default with the payment of due invoices, the Seller shall be entitled to immediately stop further deliveries to the Buyer and rescind the Contract. If deliveries are stopped due to a situation described in the previous sentence, this shall not constitute a breach of the Contract on the Side of the Seller.

5.6 The Buyer shall not be entitled to withhold payment of the purchase price or its part, nor to retain any claimed goods, in order to satisfy any of its own claims towards the Seller. The Buyer shall not be entitled to set off any of its own claims against the purchase price, not even in cases where these claims are underpinned by entitlements from claims submitted in a timely manner. Any possible discounts from the purchase price due to a claim of defect, shall, after the purchase price is settled, be handled by a credit note.

6. Risk of Damage to the Goods and Proprietary Rights

6.1 The risk of damage to the goods shall pass from the Seller to the Buyer according to the INCOTERMS delivery supplement agreed upon in the Contract.

6.2 Should no delivery supplement be negotiated and included in the Contract, the risk of damage to the goods shall pass to the Buyer at the moment when goods are collected by the Buyer from the Seller or, if the Buyer does not do so in a timely manner, when the Seller makes the goods available for collection and handling by the Buyer and the Buyer breaches the Contract by not collecting the goods. If, according to the Contract, the Seller is obliged to dispatch the goods, the risk of damage to the goods shall pass to the Buyer at the moment when the goods are handed over to the first carrier for their transport to the Buyer.

6.3 Occurrence of a damage to the goods which arises after the risk of damage to the goods has passed to the Buyer shall not relieve the Buyer of his obligation to pay the purchase price to the Seller.

6.4. The Seller reserves the ownership right to the delivered goods until the Seller's claims arising from the contract with the Buyer are fulfilled. The Buyer is entitled to dispose of these goods in the regular course of business, provided that all of his obligations under the business relationship with the Seller are fulfilled at due and proper time. However, the Buyer may neither pledge the reserved goods nor transfer ownership as security.

6.5 If the Buyer defaults on the payment of the purchase price for the goods, the Seller is entitled to demand the return of the reserved goods at the Buyer's expense after a reasonable period of grace. The buyer is obliged to fully replace the goods which he would no longer have in his possession at that time.

6.6 The Buyer has to inform the Seller immediately about any enforcement measures being taken by third parties in respect of the reserved goods. The Buyer is obliged to hand over to the Seller any documents required for any intervention.

7. Repudiation of Contract

7.1 Among other cases set out by these General Trading Terms, the Seller and the Buyer shall be entitled to repudiate the Contract if the other contractual party commits a serious breach of the terms or conditions of the Contract that apply to that party. The following shall be considered as serious breach of the contractual terms and conditions:

a) the Buyer is in default with the payment of the purchase price or of any other amounts payable according to the Contract or according to these General Trading Terms,

b) the Seller is in default with the delivery of the goods (except cases described in paragraphs 2.5 -2.6.)

c) the Buyer is in default with collecting the goods.

7.2 Repudiation of the Contract shall become effective by delivery of a written Notice issued by the contractual party repudiating the Contract to the other contractual party. The Notice informing about the repudiation of the Contract must give a specific reason for the repudiation.

7.3 Repudiation of the Contract shall result into the extinguishing of all rights and termination of all obligations existing under the Contract with the exception of the right of compensation and the right for the payment of a contractual penalty as well as with the exception of provisions contained in the Contract or these General Trading Terms related to the choice of governing law, resolution of disputes between the parties and those provisions that regulate the rights and obligations of the parties in the case of termination of the Contract.

7.4 In the case of customization of goods (e.g. but not limited to custom welding of saw blades, custom marking, etc.), the buyer does not have the right to withdraw from the contract under the provisions of Sections 1829 et seq. of the Civil Code, even if he is a consumer, because according to the provisions of

Section 1837 (I) of the Civil Code, a consumer cannot withdraw from a contract for the supply of goods that have been customized by or for the buyer (consumer).

8. Exclusion of Liability

8.1 Aside from the payment of the purchase price, a contractual party shall not be liable for the failure to fulfil any of its obligations if it proves that such nonfulfillment was caused by an event or obstacle which was beyond its control, which cannot be reasonably expected to have been foreseen at the moment the contract was entered into, or which (or as the case may be, the effects of which) cannot be reasonably expected to be averted or overcome by the party (hereinafter referred to as "Force Majeure").

8.2 Exclusion of liability as per this Clause shall be effective for as long as these events or obstacles persist.

9. Dispute Resolution and Governing Law

9.1 If a dispute arises between the parties with regard to the Contract, its application or interpretation, the contractual parties shall exert maximum efforts to resolve such a dispute by an amicable settlement. If unable to reach an amicable resolution of the dispute between them in connection with the Contract, both of the contractual parties shall be entitled to refer the dispute to court for a decision.

9.2 The contractual parties hereby agree that they shall submit to the exclusive jurisdiction of the courts of the Czech Republic. Except when expressly provided otherwise in the Contract, the rights and obligations of the contractual parties, as well as their legal positions arising out of, created by or existing in connection with these rights and obligations, shall be governed by the law of the Czech Republic. The United Nations Convention on Contracts for the International Sale of Goods is hereby expressly disclaimed.

10. Final Provisions

10.1 Mutual relations not expressly regulated by the Contract and by these General Trading Terms shall be governed by the corresponding provisions of the legal order of the Czech Republic and by the INCOTERMS delivery supplements.

10.2 These General Trading Terms shall become valid and effective on January 1, 2023 and they shall replace any previous terms and conditions applying to the sale of goods by the Seller.