



# General Terms and Conditions of Purchase

## KMV Group

### 0. Definition of Terms and Abbreviations

Capitalized terms used herein and in connection with the Contractual Relationship shall, for the purposes hereof and any Contractual Relationship, have the meanings defined hereinbelow:

- **"Price"** shall have the meaning defined in Article 3 hereof.
- **"Delivery Note"** shall mean any written document or handover/acceptance report on the delivery by the Supplier to the Customer and on the acceptance by the Customer from the Supplier of the Performance, which is the subject of the relevant Contractual Relationship. The Delivery Note shall include, at minimum, information on the Parties, the delivered Performance, and on the date of delivery.
- **"Supplier"** shall mean a natural person or a legal entity who or which is in a Contractual Relationship with the Customer as the party of the seller, provider of any services, contractor of any work, or the supplier of any products, services, work, as well as of other goods or commodities.
- **"Delivery Date"** shall mean the date by or before which the Supplier shall be obligated to deliver the Performance, which is the subject of the relevant Contractual Relationship, to the Customer.
- **"Confidential Information"** shall mean any information, data, materials, papers, documents, recordings of oral statements, or any other information and data provided in whatever form by the Customer to the Supplier, or otherwise acquired by the Supplier from the Customer in connection with these GTCP, any Contractual Relationship, or any Establishment of the Contractual Relationship or in any other manner, which concern
  - i. Any Contractual Relationship and the individual terms and conditions thereof, including the Price,
  - ii. Business and other activities of the Customer and the KMV Group and, in particular, their (whether separate or joint) business or pricing strategies, business and entrepreneurial plans, business partners and business relations, products, manufacturing processes, organization and security of information systems and technology, accounting, tax and other financial facts, know-how, intellectual property rights, intents prior to or after the Establishment of the Contractual Relationship with the Supplier, or any other information, which contains data of a business, financial, production, technical or strategic nature and pertains to the enterprise of the Customer or to the enterprises of the KMV Group, or
  - iii. Other information and business secrets protected in accordance with the provisions of Section 504 of the Civil Code, which are not commonly accessible to the public and which the Customer treats in a manner clearly manifesting its will to keep such information secret, or any other information explicitly designated as "confidential", whether having a written, oral or other form.
  - iv. Any and all Confidential Information shall remain the property of the Customer. Information, which is publicly known at the time of its disclosure to the Supplier or which becomes publicly known after its disclosure to the Supplier due to reasons other than as a result of a breach of the confidentiality or other obligation arising herefrom or the Contractual Relationship on the part of the Supplier, or which was demonstrably known to the Supplier prior to its disclosure or which the Supplier is obligated to provide, under the threat of a sanction, to the relevant state authorities based on the applicable generally binding legal regulations, shall not be deemed Confidential Information.
- **"Invoice"** shall have the meaning defined in Article 3(5) hereof.
- **"Period for the Remedy of Defects"** shall have the meaning defined in Article 6(5) hereof.
- **"Maturity Period"** shall have the meaning defined in Article 3(10) hereof.
- **"Place of Performance"** shall mean the registered office of the Customer entered in the Commercial Register as of the date of completion of the Performance, unless another place of performance is explicitly agreed in connection with the relevant Contractual Relationship.
- **"Defect Claim"** or **"Defect Claims"** shall have the meaning defined in Article 6(5) hereof.
- **"Civil Code"** shall mean Act No. 89/2012 Coll., the Civil Code, as amended.
- **"GTCP"** shall mean these General Terms and Conditions of Purchase of the KMV Group, published on December 1, 2018 and effective as of December 1, 2018.
- **"Customer"** shall mean a company which belongs to the KMV Group, which shall figure in the Contractual Relationship as the customer, buyer or is occupying a similar position within the Contractual Relationship as the receiver of Performance and the payer of its Price.
- **"Customer's Personal Data"** shall have the meaning defined in Article 8(3) hereof.
- **"Notification of Defects"** shall have the meaning defined in Article 6(4) hereof.
- **"KMV"** shall mean Karlovarské minerální vody, a.s., a legal entity established in the legal form of a joint-stock company in accordance with the legislation of the Czech Republic, with registered office at Horova 3, zip code: 360 01, Karlovy Vary, Czech Republic, identification number (ID No.): 14706725, tax identification number (TAX ID No.) CZ14706725, incorporated in the Commercial Register kept by the Regional Court in Pilsen, Section B, Insert No. 71.
- **"Performance"** shall mean performance of any kind or character rendered by the Supplier under the terms and conditions agreed between the Supplier and the Customer within the relevant Contractual Relationship, regardless of whether such performance constitutes performance in kind or other fulfillment of a tangible or intangible nature, or any other performance rendered by the Supplier.
- **"Intellectual Property Rights"** shall mean any copyright and copyright-related rights, as well as any other intellectual or industrial property rights of any kind, which are subject to protection pursuant to the applicable legal regulations of the Czech Republic or any other relevant legal order, including Act No. 121/2000 Coll., the Copyright Act, Act No. 527/1990 Coll., on Inventions and Rationalization Proposals, Act No. 441/2003 Coll., on Trademarks, Act No. 207/2000 Coll., on the Protection of Industrial Designs, Act No. 478/1992 Sb., on Utility Models, as well as analogous legislation of the European Union in its valid wording.
- **"Regulations on the Protection of Intellectual Property"** shall mean any applicable legal regulations of the Czech Republic or any other relevant legal order governing Intellectual Property Rights.
- **"KMV Group"** shall mean any company, organizational unit or other entity anywhere in the world, which belongs to the KMV holding.
- **"Party"** or **"Parties"** shall mean the Customer or the Supplier and/or the Customer and the Supplier.
- **"Supplier's Account"** shall mean an account of the Supplier maintained by a bank or a financial institution in accordance with Article 3(11) hereof.

- **"Establishment of the Contractual Relationship"** shall mean
  - i. Execution of a written contract, agreement or other arrangement between the Customer and the Supplier,
  - ii. Acceptance of a written order of the Customer by the Supplier in writing and without any reservations, wherein reference is made to these GTCP as being an integral part of such written order,
  - iii. Implied acceptance of a written order of the Customer by the Supplier in the form of delivery of products, goods, work, other commodities, services, or other Performance requested by the Customer in the particular order, or
  - iv. Written acceptance by the Customer of a specific offer of the Supplier in the event of the Supplier's reservations.
- **"Personal Data Protection Regulations"** shall mean Act No. 101/2000 Coll., on the Protection of Personal Data and Amendment to Some Related Acts, as amended, or any future generally binding legal regulation replacing the same and at the same time the regulations of the European Parliament and Council (EU) 2016/679 dated April 27, 2016 on the protection of individuals in connection with the processing of personal data, and the free movement of this data, and the abolition of Directive 95/46/ES (General Data Protection Regulation).
- **"Contractual Relationship"** shall mean any purchase contract, contract for work, contract on procurement of a thing, or any other contract, agreement or arrangement establishing a Contractual Relationship between the Customer as the recipient of the Performance and the payer of the Price thereof and the Supplier as the provider of the Performance in favor of the Customer resulting from the Establishment of the Contractual Relationship. For the purposes hereof, the Contractual Relationship shall also mean a contract or agreement not having a contractual form provided that the Parties sufficiently determine the subject of their obligations therein.

### 1. Introductory Provisions

- 1.1. These GTCP constitute an integral part of the binding terms and conditions of any Contractual Relationship between the Customer and any Supplier within the meaning of the provisions of Section 1751 of the Civil Code.
- 1.2. Any divergent arrangements agreed under the Contractual Relationship shall take precedence over the wording hereof.
- 1.3. By the Establishment of the Contractual Relationship, the Supplier confirms to be a legal entity duly founded and existing under the laws of the Czech Republic or another legal order, or a natural person – entrepreneur possessing a business authorization in accordance with the laws of the Czech Republic or another legal order permitting the Supplier to carry out business activities in the extent necessary for the due fulfillment of the Supplier's obligations arising from the relevant Contractual Relationship, the Supplier further affirms to be duly authorized to execute the Establishment of the Contractual Relationship, as well as to fulfill the obligations arising therefrom, the Supplier declares that the Establishment of the Contractual Relationship is not in contradiction with any of the Supplier's legal or contractually assumed obligations and avouches to be competent to render the Performance being the subject of the relevant Contractual Relationship in a due and timely manner.
- 1.4. These GTCP, the Contractual Relationship, the rights and obligations of the Parties conditioned by or arising from the Contractual Relationship, including any matters explicitly not conditioned herein or under the Contractual Relationship, shall be governed by the applicable legal regulations of the Czech Republic, namely by the Civil Code. Pursuant to the provisions of Section 89a of the Civil Procedure Code (Act No. 99/1963 Coll.), the general court exercising venue jurisdiction over the Customer shall be competent to resolve any and all disputes arising from the Contractual Relationship.

### 2. Performance

- 2.1. The subject of Performance shall be at all times specified in writing with respect to the relevant Contractual Relationship.
- 2.2. The Supplier's Performance shall be rendered at the Place of Performance by or before the Delivery Date and shall be deemed completed based on a written confirmation by the Customer of the relevant Delivery Note.
- 2.3. Pecuniary performance on the part of the Customer shall be effected within the Maturity Period to the Supplier's Account and shall be deemed fulfilled at the moment the specific Price is debited from the account of the Customer in favor of the Supplier's Account.
- 2.4. The Parties undertake to closely cooperate with each other, in particular, to provide complete, true and timely information required for the due fulfillment of their obligations and, in the event of any substantial changes of the circumstances that affect or may affect the fulfillment of their obligations arising from the Contractual Relationship, the affected Party shall notify the other Party of such change without unnecessary delay, however, not later than within seven (7) days following the date on which such change occurred.
- 2.5. Each of the Parties undertakes to collaborate with the other Party as necessary to allow the due fulfillment of the obligations arising from the Contractual Relationship.
- 2.6. In order to ensure the optimum fulfillment of their obligations arising from the Contractual Relationship, the Parties shall perform their obligations in a due and timely manner to avoid any default in the fulfillment of the same. Should any of the Parties become aware of any imminent default or find themselves in default in the fulfillment of their obligations, the Party in default shall immediately notify the other Party of the reason and of the estimated date and manner of remedy of the same. The rights of the entitled Party arising from the default of the other Party shall remain unaffected thereby, unless the Parties explicitly agree otherwise in connection with the Contractual Relationship.
- 2.7. The Parties commit themselves to fulfill their obligations arising from the Contractual Relationship in compliance with any and all applicable generally binding regulations and standards.
- 2.8. None of the Parties shall be liable for any default resulting from any delay in the fulfillment of the corresponding obligations by the other Party.
- 2.9. Should any circumstances arise during the execution of the Contractual Relationship and should they imply, due to whatever reason, that it would be advisable to change any substantial parts of the Contractual Relationship, i.e. Delivery Date, Maturity Period,

Price, subject of Performance, Place of Performance, etc., the Party experiencing or becoming first aware of such circumstances shall immediately send a written notice to the other Party, in which the Party will request the other Party to negotiate changes to the terms and conditions of the Contractual Relationship and append a draft of the concrete changes to the wording of the relevant terms and conditions of the Contractual Relationship, including the justification of the same. To become valid and effective, any changes of a Contractual Relationship shall be approved by the Parties in writing.

- 2.10. The Supplier may subcontract a part of (in exceptional cases subject to a prior written agreement with the Customer also the entire) Performance, i.e. the Supplier may fulfill the obligations arising from the Contractual Relationship through third parties. Whereas the previous written consent of the Customer expressed either upon the Establishment of the Contractual Relationship or separately at a later date shall be required. In such a case, the Supplier shall be liable for and shall ensure that any and all obligations arising from the Contractual Relationship are complied with by the subcontractors as though the Performance were rendered by the Supplier. The Supplier shall be fully liable for any act or omission of all subcontractors, their representatives or employees as though the act or omission were that of the Supplier or the Supplier's representatives or employees. When the Supplier is in default in the payment of the price of a specific subdelivery to a particular subcontractor, the Customer shall be entitled but not obligated to settle the price of the subdelivery to the subcontractor directly instead of the Supplier, however, only after discussing the reason of such default with the Supplier. In such an event, the Customer shall have the right to set off any amount paid in this manner to the subcontractor against the Price, which the Customer is obligated to pay to the Supplier for the Performance. The Customer shall inform the Supplier of such settlement of the price of the subdelivery without undue delay after effecting the payment.

### 3. Price & Payment Terms

- 3.1. Unless expressly agreed otherwise by the Parties, the Price shall be denominated in Czech Crowns (CZK).
- 3.2. The Price for the Performance shall be agreed by the Parties in each individual Contractual Relationship and/or it shall be based on the mutually agreed pricelists of the Supplier ("Price").
- 3.3. The Price shall not include value added tax. Value added tax shall be charged in the amount and rate determined according to the regulations valid as of the date of issue of the relevant Invoice.
- 3.4. Unless stipulated otherwise herein or in connection with each individual Contractual Relationship, any compensation of travel expenses, accommodation costs, transportation costs, time spent travelling, as well as other costs or expenses expended by the Supplier in relation to the Performance shall be deemed included in the Price.
- 3.5. The Supplier shall have the right to issue an invoice – tax document for the Performance ("Invoice") only if due and faultless Performance has been accepted by the Customer by way of executing the Delivery Note.
- 3.6. Advance payments shall be permitted in exceptional cases and only based on an explicit written agreement of the Parties. The provisions hereof on the payment of the invoiced Price shall reasonably apply to the billing and settlement of advance payments.
- 3.7. The Invoice shall meet any and all requirements for accounting and tax documents stipulated by valid legal regulations. Each Invoice shall be appended with a copy of the Delivery Note pertaining to the Performance, the Price of which is invoiced.
- 3.8. Each Invoice shall contain the specific order number of the Customer and shall be sent to the billing address of the Customer.
- 3.9. If an Invoice does not satisfy the requirements agreed herein or under the individual Contractual Relationship, the Customer shall have the right to return such Invoice to the Supplier with a specification of the deficiencies thereof. In such a case, the Maturity Period of the returned Invoice shall not run. The Maturity Period shall commence no earlier than upon the delivery of an Invoice fully satisfying the agreed requirements.
- 3.10. The Supplier shall issue an Invoice no sooner than on the date of the Customer's written confirmation of the Delivery Note pertaining to the Performance, the Price of which is invoiced. The Maturity Period of the invoiced Price and of any other amounts invoiced by the Supplier shall be sixty (60) calendar days and shall commence on the latest of the below specified dates ("Maturity Period"):
- Date of the handover to and acceptance of the Performance by the Customer, or
  - Date of handover/delivery of the Invoice to the Customer, or
  - Date of the handover/delivery of a corrected or newly issued faultless Invoice, if the original Invoice was returned by the Customer to the Supplier for the correction of deficiencies or for the issue of a new faultless Invoice before the expiry of a 60-day period, which shall commence on the latest of the dates indicated hereinabove under Letters (a) to (b).
- 3.11. The payment of any invoiced amounts and namely the Price shall be effected by bank transfer on working days. When the last day of the Maturity Period falls upon a weekend or a bank holiday and if the Customer pays the invoiced amount on the first following working day, the Customer shall not be in default in the fulfillment of its payment obligation. Payments shall be effected to the Supplier's Account agreed in connection with the Contractual Relationship or notified by the Supplier by means of a special prior written notice (the mere indication of a new bank account and address on an Invoice shall be deemed insufficient). Should the Supplier fail to meet this notification obligation, the Customer shall not be in default in the payment of the invoiced amounts, including the Price. The invoiced amounts shall be deemed paid at the moment they are debited from the account of the Customer.
- 3.12. The Supplier shall be obligated to register all their bank accounts, which should be used by the Customer to make payments, at relevant tax administrator, so that the Customer would not get into the position of a guarantor of VAT evaluated to the Supplier in accordance with Section 109 of the Law on Value Added Tax. The Customer shall procure payments solely towards accounts registered by the previously described form at the relevant tax administrator and solely towards accounts registered at banks within the Czech Republic (further referred to as "Secure Account"). Should the Customer be asked to send a payment towards a different account, the Customer shall have the right to suspend the payment until the date when the Supplier provides the Customer with a Secure account number. In case of payment suspension a new due period for the amount owed shall begin on the day of notice about a Secure account number. In case the Customer was during this period asked to make a VAT payment from such suspended payment as a guarantor, the Supplier by this shall grant the Customer the

right to pay VAT in their name directly to the relevant tax administrator and the payment of the remaining part without VAT in their benefit.

- 3.13. Should the Customer ascertain within the due period of the Contractual Relationship the existence of data that show that the Supplier is an unreliable VAT payer or concerning the fulfillment of any other obligation provision of the Customer towards VAT billed by the Supplier in accordance with regulations of Section 109 of Act No. 235/2004 Coll., on Value added tax as amended (further referred to as "VAT Act") (possibly in accordance with other regulations), the Customer shall have the right to immediately suspend VAT payment and to pay it only after the presentation confirmation of proper and timely VAT payment by the Supplier towards the account of the relevant tax administrator or on the basis of appeal by the tax administrator to pay this tax from the position of a guarantor towards the account of the relevant tax administrator. In case of payment suspension or non-payment (either wholly or partially) caused by the reasons listed previously, the Supplier shall be always responsible for sanctions or fines incurred based on a decision made by the tax administrator.
- 3.14. As the provider of taxable fulfillment, the Supplier undertakes to promptly inform the Customer as the recipient of taxable fulfillment of the occurrence of any and all circumstances that may give rise to the Customer's guarantee for unpaid tax within the meaning of Section 109 of Act No. 235/2004 Coll., on Value Added Tax, as amended (hereafter the "VAT Act". The Supplier shall compensate to the Customer any and all damages inflicted upon the Customer as a result of the Supplier's breach of this obligation. Such damages shall namely constitute VAT paid by the Customer as the guarantor instead of the Supplier and upon the request of the tax administrator, including any conceivable appurtenances and any other costs demonstrably associated therewith.

### 4. Delivery Terms & Conditions

- 4.1. The Supplier shall deliver the Performance to the Place of Performance based on a written notice from the Customer indicating that the Customer is ready for physical takeover, however, no later than by the Delivery Date. The term of delivery shall be "DAP Place of Performance" (Incoterms 2010) for deliveries within the European Union, or "DDP Place of Performance" (Incoterms 2010) for deliveries outside the European Union.
- 4.2. The delivery of a Performance of an intangible character shall be preceded by a verification of the completeness and the full functionality of all products being the subject of such Performance, namely through the testing of such products by the Customer as the user and of the data and infrastructure of the Customer by the Supplier and/or in another manner corresponding to the character of the Performance agreed between the Parties.
- 4.3. The Customer shall have the right to reject the acceptance of any Performance (whether tangible or intangible) if the Customer considers that the Performance is not, in any respect, in compliance with the conditions of and the requirements for the Performance agreed within the relevant Contractual Relationship, in particular, if the Performance is not in the agreed quantity, quality and workmanship, it has not been packed or prepared for transportation in the agreed manner, or it has not been packed or prepared in a usual or adequate manner, where the manner of packaging or preparation for transportation has not been agreed, or when the documents required for the acceptance and use of the Performance or the documents defined in the Contractual Relationship are not delivered together with the Performance, or if such documents do not correspond to the terms and conditions agreed under the relevant Contractual Relationship. With respect to a Contractual Relationship arising under a contract for work, the Customer shall be entitled to reject the acceptance of the Performance provided that the Performance (work) does not correspond to the result specified in the contract for work establishing the relevant Contractual Relationship. In such a case, the Customer shall have the right to rescind the contract, which established the Contractual Relationship, and to demand compensation from the Supplier of damage inflicted as a result of any delay in the delivery of the Performance or, should the Customer not rescind the contract, demand the Supplier to remedy any identified deficiencies. The Supplier shall be obligated to remedy such deficiencies without undue delay, however, no later than within the Period for the Remedy of Defects (see Article 6(5) hereof), unless the Parties expressly agree otherwise. Subsequently, the Customer shall carry out a repeated inspection of the Performance. When the specified deficiencies have been remedied and the subject Performance is in compliance with the terms and conditions of the Contractual Relationship, the Customer shall sign the Delivery Note. This clause shall also reasonably apply to the provision of services by the Supplier or to any other Contractual Relationship.
- 4.4. The obligation of the Supplier to conduct training for the Customer's employees or other individuals shall be deemed fulfilled upon the execution by the Customer of a written report on completed training.
- 4.5. Should the Supplier provide any Performance on the premises of the Customer, the Supplier shall observe the Customer's internal guidelines regulating occupational health and safety, environmental protection and fire protection, which shall be made available to the Supplier for familiarization in each specific case.

### 5. Ownership Rights, Right of Use of Work & Passing of Risk of Damage

- 5.1. The ownership title to the Performance, which should pass to the Customer under the terms and conditions of the Contractual Relationship, shall pass to the Customer upon the date of completion of the Performance according to Article 2(2) hereof, unless otherwise agreed by the Parties.
- 5.2. The right to use the Performance or a part thereof ("Right of Use"), which is protected under the Regulations on the Protection of Intellectual Property, shall pass to the Customer as of the date of handover of such Performance pursuant to Article 2(2) hereof. Unless additional conditions for the lawful exercise of the Right of Use are stipulated by the Regulations on the Protection of Intellectual Property, the Right of Use shall pass to the Customer to the full extent to which the relevant Regulation on the Protection of Intellectual Property permits the exercise of the Right of Use by the party ordering the work, or the granting of the Right of Use to the author or any other person who possesses or exercises the Intellectual Property Rights. Unless otherwise agreed by the Parties or unless otherwise stipulated by the relevant Regulation on the Protection of Intellectual Property, the Right of Use shall pass to the Customer with effect as of the date of execution by both Parties of the Delivery Note pertaining to the Performance specified therein and/or in a contract, agreement, accepted order or another document establishing the Contractual Relationship to which the Delivery Note relates.
- 5.3. The Supplier shall be liable towards the Customer and agrees that, in relation to any Performance or a part thereof, the Supplier has duly obtained, exercised (for example,

in connection with the labeling of products or services) or acquired for the Customer in accordance with the Regulations on the Protection of Intellectual Property all relevant Intellectual Property Rights associated with the Performance and necessary for the operation and use of the same. Failing which the Supplier shall compensate in full any and all damages inflicted upon the Customer as a result of the Supplier's breach of this obligation.

- 5.4. With respect to Performance constituting, in whole or in part, author's work, the Supplier shall grant or assign to the Customer an exclusive license lawfully obtained by the Supplier the author of such, in particular:
- For all forms of use of the work as a whole or any part thereof;
  - In an unlimited extent and for an unlimited period with the Right of Use on the territory of any country throughout the world;
  - With the right of the Customer to modify, process or otherwise change the work or any part thereof and/or to use the work in conjunction with other works, image or word elements, or to include the work in a collective work;
  - Without obligating the Customer to use the work as a whole or any part thereof; and
  - With the right of the Customer to assign the assumed rights (license), in whole or in part, or to sub-license the work, in whole or in part, to a third party, whether with or without other rights thereby obtained by the Customer from the Supplier, and with the right of the third party to further assign the license or to grant a sub-license.
- Unless explicitly agreed otherwise within a Contractual Relationship, the license shall be granted and/or assigned free of charge.
- 5.5. The risk of damage associated with any delivered tangible Performance shall pass to the Customer on the date of the due handover of such Performance indicated in the relevant Delivery Note.

## 6. Quality Warranty & Liability for Defects

- 6.1. The Supplier undertakes that any Performance delivered shall always be in full compliance with the conditions of and the requirements on the Performance agreed under the relevant Contractual Relationship, in particular, that it shall be delivered in the agreed quantity, quality and workmanship, packed and prepared for transportation in the agreed manner and that the documents necessary for the acceptance and use of the Performance or the documents stipulated within the Contractual Relationship shall be delivered together with the Performance. As regards a Contractual Relationship arising under a contract for work, the Performance (work) shall correspond to the result specified in the contract for work establishing the relevant Contractual Relationship.
- 6.2. The Supplier undertakes that any Performance shall be fully fit for the agreed purpose of use, shall be functional according to all provided documentation and that the Performance shall maintain its agreed properties throughout the warranty period, which shall be 24 months and shall commence upon the delivery of the Performance to the Customer, unless otherwise agreed by the Parties.
- 6.3. The Supplier shall be liable for defects in the Performance in compliance with the applicable provisions of the Civil Code, unless these GTCP or the Contractual Relationship expressly provide otherwise.
- 6.4. The Customer shall exercise the rights ensuing from the liability for defects by a written notification of the defects in the Performance, delivered to the Supplier no later than on the last day of the warranty period ("**Notification of Defects**").
- 6.5. In case of delivery of a defective Performance, the Customer may exercise one or more of the following claims against the Supplier:
- Demand the remedy of defects free of any charge no later than within 5 calendar days from the delivery of the Notification of Defects to the Supplier ("**Period for the Remedy of Defects**"), namely by requesting the delivery of a faultless Performance or compensatory Performance for the defective Performance, or the delivery of missing Performance or of any missing part thereof;
  - Demand the remedy of defects free of any charge namely by requesting the repair of the Performance no later than within the Period for the Remedy of Defects, provided that the defects are repairable;
  - Demand the remedy of any legal defects of the Performance no later than within the Period for the Remedy of Defects;
  - Demand a reasonable discount from the Price of the Performance, however, of not less than 5% of such Price;
  - Terminate the Contractual Relationship by rescission;
- (Individually referred to as "**Defect Claim**" and collectively as "**Defect Claims**").
- 6.6. The Customer shall notify the Supplier of the selected Defect Claim in the Notification of Defects. The Customer shall be entitled to change the selected Defect Claim asserted in the Notification of Defects, including the termination of the relevant Contractual Relationship, without the Supplier's consent, however, no later than within the Period for the Remedy of Defects or before the commencement of the remedy of defects by the Supplier. Any change in the choice of the Defect Claim shall be notified by the Customer to the Supplier in the same manner as the Notification of Defects. The Supplier shall provide to the Customer a confirmation indicating the date of delivery of the Notification of Defects by the Customer to the Supplier, including any change thereto, as well as the execution and the manner of remedy of the defect and the duration thereof. Should the Supplier fail to remedy the defects within the Period for the Remedy of Defects, the Customer shall have the right to terminate the relevant Contractual Relationship by rescission and demand the payment of a contractual fine in the amount of five-hundredths of a percent (0.05%) of the Price of the Performance for each day of the Supplier's default in the remedy of the defects. The entitlement of the Customer to the compensation of damage inflicted as a result of the Supplier's default in the delivery of the Performance free of defects or in the remedy of defects, including damage exceeding the amount of the contractual fine, shall not be affected by the payment of the contractual fine. In case the claim is settled by means of any of the options indicated under Letters (a) to (c) hereinabove, a new warranty period of 24 months for the new or repaired Performance or the new or repaired part thereof shall commence on the date of delivery of the same, unless the Parties agree otherwise. When the Customer exercises any of the Defect Claims set out in Article 6(5)(a) through (c) hereinabove and if, within the Period for the Remedy of Defects, the defects of the Performance prove non-remediable within the Period for the Remedy of Defects, the Supplier shall notify the Customer of this fact in writing and without undue delay, however, no later than within 2 calendar days from the day on which the Supplier became aware of the same. In case of such non-remediable defect, the Customer shall have the right to exercise any of the Defect Claims set out in Article 6(5)(a), (c), (d) and (e) hereinabove. When the Customer selects the Defect Claim pursuant to Article 6(5)(a)

hereinabove, but the Supplier fails to deliver a compensatory performance within the Period for the Remedy of Defects, the Customer shall have the right to terminate the relevant Contractual Relationship and demand the payment of a contractual fine in the amount of five-hundredths of a percent (0.05%) of the Price of the Performance for each day of the Supplier's default in the remedy of the defects. The entitlement of the Customer to the compensation of damage inflicted as a result of the Supplier's default in the delivery of the Performance free of defects, including damage exceeding the amount of the contractual fine, shall not be affected by the payment of the contractual fine.

- 6.7. A removable defect shall also be considered a non-remediable defect, which entitles the Customer to the Defect Claims and other rights, including the right to the contractual fine pursuant to Article 6(6) hereinabove, provided that such defect occurs repeatedly after at least one completed repair of the Performance or any part thereof (including the replacement of a part of the Performance), or if more defects (more than one) of any kind occur simultaneously. Any Performance made from a material other than the material explicitly agreed or otherwise bindingly specified or with the aid of a technological process other than technological process bindingly specified, or having a defect, the removal of which would impair the functionality, appearance or the quality of the Performance shall be deemed to possess a non-remediable defect. If the Customer does not exercise the minimum discount indicated Article 6(5)(d) hereinabove, the amount of such reasonable discount shall be agreed upon by the Parties. When an agreement on discount amount is not reached within 10 working days of the delivery of the Notification of Defects to the Supplier, the Customer shall be entitled to:
- (a) Choose another Defect Claim; or, if the Customer insists on the provision of a discount,
  - (b) Obtain an assessment of the reasonable discount from an independent expert selected by the Customer.

The expert fees shall be equally shared by the Parties, however, if the discount assessed by the expert is higher than the discount proposed by the Customer and/or lower by no more than 10%, in such a case, the costs shall be borne solely by the Supplier. The Supplier and the Customer shall cooperate with each other as necessary to ensure a swift and objective assessment of the reasonable discount. The foregoing agreed procedure shall not affect the right of the Customer to exercise any of its claims through court or arbitration.

The Supplier undertakes to reduce the Price of the applicable Performance by applying the discount assessed by the expert.

- 6.8. In the event of exercising any Defect Claim, the Customer shall be concurrently entitled to the compensation of costs and expenses incurred by the Customer in connection with asserting a Defect Claim or Defect Claims, as well as to the compensation of damage inflicted upon the Customer as a result of defects of any Performance.
- 6.9. The Customer shall not be obligated to pay the Price of the defective Performance, whether in full or in a reduced amount, and the Supplier shall not be entitled to demand the payment thereof before the delivery of a defect-free Performance or before the conclusion of an agreement on a reasonable discount. Where the relevant Contractual Relationship is terminated, the Supplier shall not be entitled to the payment of the Price for the relevant Performance.

## 7. Communication & Notices

- 7.1. The Parties shall communicate with each other either in writing to the addresses, fax numbers or e-mail addresses agreed in connection with the Contractual Relationship, by telephone, or in person via their authorized representatives. Mutual communication is also possible in other forms of electronic data exchange, e.g. communication on a data interface or EDI as agreed within the Contractual Relationship.
- 7.2. Any and all documents shall be delivered to the other Party to the address of its registered office entered in the Commercial Register as of the date of sending thereof, to the fax numbers or e-mail addresses mutually notified by the Parties in writing as fax numbers and e-mail addresses designated for delivery, unless the Parties agree otherwise in connection with the relevant Contractual Relationship. The delivery shall be deemed effected:
- In case of personal delivery or delivery via a messenger service, on the day confirmed in writing by the other Party as the date of acceptance of the delivery,
  - In case of registered mail with advice of delivery, on the date of delivery stated therein,
  - In case of fax, on the day stated on the confirmation of delivery of all pages of the transmitted document to the fax number of the other Party, and in case of e-mail communication, on the day stated in the return e-mail message confirming the delivery of the e-mail to the e-mail address of the other Party.
  - The documents may also be sent and delivered via e-mail or fax to an address or number notified by one of the Parties to the other Party in writing for the purpose of communication.
- 7.3. Any written documents having the nature of a legal act, namely documents pertaining, though indirectly, to the term, effectiveness, change or termination of the Contractual Relationship, shall be delivered in person, via a messenger service or by registered mail with advice of delivery.

## 8. Protection of Confidential Information & Personal Data

- 8.1. The Supplier shall treat Confidential Information as a trade secret, in particular, the Supplier shall maintain the confidentiality of and take any and all contractual and technical measures to prevent the abuse or disclosure of Confidential Information, and shall not disclose Confidential Information in any form (including oral) to any third party or any of its workers, employees or consultants who are not bound by an obligation of confidentiality in writing at least to the same extent as the confidentiality obligation stipulated herein.
- 8.2. The Supplier shall bind in writing according to Section 8 all employees, other workers, advisors, consultants and contractual partners, whom the Supplier, with the prior written consent of the Customer, invites to any dealings with the Customer by an obligation of confidentiality in the extent as delimited herein. The Supplier's obligations stipulated by legal regulations with respect to the handling of information designated therein as confidential shall remain unaffected thereby.
- 8.3. Should the Supplier in connection herewith or with any Contractual Relationship obtain in any way personal data or parts thereof processed by the Customer or otherwise associated with the Customer or with any persons in any relation to the Customer ("**Customer's Personal Data**"), the Supplier undertakes, in respect of such data, to fulfill or to ensure the fulfillment of all duties ensuing from the relevant legal regulations,



namely from the Personal Data Protection regulations, which the named legal regulations and, in particular, the Personal Data Protection Act require, and to obtain all required consents. The Supplier may not release itself from this obligation. When the performance of the Contractual Relationship requires the fulfillment of the reporting duties pursuant to the Personal Data Protection Act, the performance of the subject of the Contractual Relationship shall be discontinued until such duties have been duly fulfilled, whereas both Parties commit themselves to fully cooperate in order to allow the Supplier to fulfill such reporting duties.

- 8.4. The Supplier concurrently undertakes to ensure, especially when, in connection with the performance of the subject of the Contractual Relationship, the Supplier's employees in charge or consultants and/or other persons collaborating with the Supplier come into contact with the Customer's Personal Data, that the Customer's Personal Data are not exposed to unauthorized or accidental access, change, destruction or loss, unauthorized transmission, unauthorized use or processing and/or to use other than in compliance with any and all applicable legal regulations and namely the Personal Data Protection Regulations. The Supplier shall be fully liable for any potential violation of this obligation with respect to the Customer's Personal Data on the part of any persons.
- 8.5. For each individual violation of the obligations set out herein, the Supplier shall pay to the Customer a contractual fine amounting to 10% of the Price of the Performance, in connection with which the Supplier has obtained the Confidential Information or the Customer's Personal Data to which the breach relates. Where such violation involves multiple Performances, the contractual fine shall be calculated from the total sum of the Prices of the affected Performances.
- 8.6. The Supplier shall ensure that Confidential Information is kept confidential throughout the term of any Contractual Relationship with the Customer and thereafter until the expiry of a period of 5 years from the termination thereof. The Customer shall have the right to request the Supplier to document the sufficiency of the measures adopted for the purpose of maintaining the secrecy of Confidential Information and protecting the Customer's Personal Data.
- 8.7. In the event of termination of any Contractual Relationship, the provisions on the protection of Confidential Information and the Customer's Personal Data hereunder shall not be affected thereby, unless explicitly agreed otherwise by the Parties.

#### 9. Compensation for Damage

- 9.1. The Parties shall be liable for inflicted damage in accordance with the applicable legal regulations, these GTCP and the terms and conditions of the relevant Contractual Relationship. The Parties commit themselves to exert maximum effort in order to avoid any damage and to minimize the extent thereof.
- 9.2. The Customer shall not be liable for damage inflicted in consequence of demonstrably materially incorrect or otherwise erroneous instruction received from the Supplier, namely to the extent permitted by the applicable legal regulations. To the extent permitted by the applicable legal regulations, the Customer shall not be liable towards the Supplier for any indirect, accidental and consequential damage, loss of contracts, data, operating time or loss of use of any equipment or process or for the non-achievement of presumed results of business operations and the non-fulfillment of business plans. The amount of compensation of any damage inflicted by the Customer upon the Supplier in connection with any Contractual Relationship shall be limited in each case to a maximum amount equal to the Price of the Performance under the Contractual Relationship, in relation to which the damage was incurred.
- 9.3. The Customer shall not be liable for any delay on its part resulting from the Supplier's default in the fulfillment of its obligations.
- 9.4. The Supplier shall be obligated and hereby undertakes on its own account to defend, indemnify and compensate any loss with regard to any claim arising within an investigation, filing, defense, or securing of any claim, directly or indirectly concerning or ensuing from any injury to health (including death) occurring in the course of work carried out by the Supplier on the premises of the Customer, with the exception of cases when such injury (including death) is caused solely and directly by the Customer.

#### 10. Circumstances Excluding Liability – Force Majeure

- 10.1. None of the Parties shall be liable for any default in the fulfillment of their obligations caused by circumstances excluding liability (force majeure).
- 10.2. Each Party undertakes to notify the other Party without undue delay of any circumstances excluding liability that inhibit the due fulfillment of its obligations under the Contractual Relationship. The Parties commit themselves to exert maximum effort in order to overcome circumstances excluding liability.

#### 11. Sanctions

- 11.1. In the event of default in the payment of any pecuniary amount, the Party in default shall pay to the other Party a delay charge of 0.025% of the amount due for each day of such delay.
- 11.2. The existence of the entitlement to the payment of contractual fines, their clearance or settlement shall not affect the entitlement of the Customer to demand from the Supplier the compensation of damage inflicted as a result of a breach subject to a contractual fine, including damage exceeding the amount of such contractual fine.

#### 12. Validity and Effect

- 12.1. These GTCP shall become valid and effective on December 1, 2018 and shall apply to all Contractual Relationships established after this date.
- 12.2. The Contractual Relationship shall become valid and effective upon the date of Establishment of the Contractual Relationship, unless agreed otherwise by the Parties in a particular case.
- 12.3. In addition to the grounds for termination conditioned by generally binding legal regulations (namely the Civil Code) and/or incorporated herein and unless agreed otherwise by the Parties in a particular case, the Contractual Relationship may be terminated prematurely:
- By a written agreement of the Parties, which, as a rule, also includes the settlement of mutual liabilities and receivables;
  - By terminating the Contractual Relationship by a written notice of rescission
    - In the event of a material or immaterial breach of the obligations arising from the Contractual Relationship;
    - In the event of an immaterial breach of obligations, the Contractual Relationship may only be terminated by rescission if the Party in breach, despite being notified in writing by the entitled Party, fails to remedy such a breach within a reasonable

period granted by the entitled Party in its written notice to the other Party for the remedy of the same, or if the other Party breaches any of its obligations under a particular Contractual Relationship at least for the second time;

- By written notice of termination of the Contractual Relationship by rescission, the grounds being the initiation of insolvency proceedings with respect to the Supplier or the Customer as the debtor, or the award of a decision on the dissolution and liquidation of the Supplier or the Customer, or the entry of the Supplier or the Customer into liquidation;
 

The rescission shall be effective as of the date of delivery of the written notice of termination, unless a later date is specified therein.
- 12.4. A material breach of the Supplier's obligations arising from the Contractual Relationship shall namely include:
- Default in the fulfillment of non-pecuniary liabilities exceeding seven (7) calendar days and any default in the fulfillment of pecuniary liabilities exceeding sixty (60) days;
  - Breach of any of the Supplier's obligations stipulated in Article 5 hereof;
  - Breach of any of the Supplier's obligations laid down in Article 6 hereof, of which the Customer has notified the Supplier at least once in writing and which, in spite of such notice, the Supplier has failed to remedy.
  - Breach of any of the Supplier's obligations stipulated in Article 8 hereof.

#### 13. Concluding Provisions

- 13.1. The Supplier shall not have the right to transfer or assign the rights or obligations arising from the Contractual Relationship without the prior written consent of the Customer. The Customer shall have the right, without the Supplier's consent, to transfer or assign any rights or obligations arising from the Contractual Relationship to any entity within the Customer's Group.
- 13.2. The Supplier shall grant its consent to the Customer to set off any of its due and non-due claims from the Supplier against any due and non-due claims of the Debtor. Whereas the Customer V shall notify the Supplier of any such set-off of mutual claims.
- 13.3. The Supplier shall undertake not to assign, without the prior consent of the Customer, any of its rights arising from the Contractual Relationship or herefrom (including any pecuniary receivables from the Customer) to a third party and not to encumber such rights by a lien or other right in favor of third parties, at all times subject to the sanction of the invalidity of such legal act.
- 13.4. Where the reason for such invalidity only relates to a certain provision of the Contractual Relationship or these GTCP, only that particular provision shall be invalid, unless it is clear from the nature or the content of such provision or the circumstances under which it was agreed or stipulated that it cannot be separated from the other content and the other provisions of the Contractual Relationship or these GTCP.
- 13.5. All counterparts of a contract, agreement, accepted order of the Customer or any other deed establishing the Contractual Relationship shall be equally valid as originals. In the event of any discrepancy among the individual language versions, the Czech version shall prevail. If any contract, agreement, accepted order of the Customer or any other deed establishing the Contractual Relationship are not written in the Czech language, the wording in English shall prevail, and where no English version exists, the language version indicated by the Parties to the particular Contractual Relationship as governing shall prevail.
- 13.6. These GTCP are executed in Czech, Slovak, Italian and English. In the event of any discrepancy among these language versions, the Czech version shall prevail.
- 13.7. These GTCP invalidate all previous versions of KMV's GTCP valid for purchase, especially GTCP valid and effective from May 1, 2017.
- 13.8. These GTCP are binding for the Customer and the Supplier as an integral part of the Contractual Relationship. By entering into a Contractual Relationship, the Supplier accedes to these GTCP.
- 13.9. Parties have explicitly agreed, that regulations of Section 1740(3), Section 1799 and Section 1800 of the Commercial Code are not applicable to Purchase Agreement and the resulting rights and obligations. The Supplier shall proclaim and confirm that they shall neither feel nor consider themselves to be the weaker contractual party in comparison with the Customer, that they had the opportunity to acquaint themselves with this text, shall understand its contents and shall intend to be bound by it and that all agreement provisions were properly discussed with the Customer.
- 13.10. Neither Regulations of Section 1793 of the Civil Code (disproportional cutting) nor Section 1796 (usury) of the Civil Code shall apply to the Contractual Relationship between the Supplier and the Customer, which contains these GTCP, regarding the Supplier who shall act within their entrepreneurial activity or profession practice.
- 13.11. These GTCP are available on the website [www.kmv.cz](http://www.kmv.cz) and they are valid as of the date of their publication on December 1, 2018. If any amendments are made to these GTCP, the new full wording along with the date of validity and effect thereof shall be published on the same website.