

# General sales conditions

## 1. Introduction.

The following General business terms and conditions (the „Conditions“) govern all commercial relationships between Moravia Systems a.s., ID No. 26915189 with its registered office at Vinohradská 1511/230, 10000 Prague 10, registered in the Commercial Register with the Municipal Court in Prague, section B, entry 17977, as a seller (the „Seller“) and the other party as a buyer (the „Buyer“). The Conditions are integral part of each individual purchase contract concluded between the Seller and the Buyer. In case of any discrepancies between the provisions of the Conditions and provisions of the individual purchase contract, the provisions of the contract shall prevail. All commercial relationships are governed by Czech law. In particular, Act No. 89/2012 Coll., the Civil Code („Civil Code“) shall apply to the legal relationships of the Seller and the Buyer that are not governed by these Conditions or by an individual purchase contract.

## 2. Purchase contract conclusion.

Price offers are valid for (30) days, unless the offer stipulates otherwise. The purchase contract is concluded on the basis of signing of a written purchase contract by authorised representatives of both the Seller and the Buyer („Written purchase contract“), or on the basis of a binding and irrevocable written order of the Buyer („Order“) at the moment of its written confirmation by the Seller. In the event of a conflict between the Order and the Written purchase contract, the Written purchase contract shall prevail. By sending an Order, the Buyer agrees to the exclusive use of these Conditions which will become part of the Buyer's Order. The purchase contract is also considered to be concluded at the moment when the Seller provides the Buyer with the ordered goods. If the Order is not confirmed by the Seller within 7 working days from the date of the Order's delivery, it shall be considered expired. Any additional changes to the purchase contract are only possible in writing upon agreement of both parties. The purchase contract is also concluded if the Buyer appears in person at the Seller's establishment, verbally executes the Order, accepts the ordered goods and subsequently signs the delivery note or takes over the tax document.

## 3. Prices.

Unless agreed otherwise, the purchase price shall be understood as excluding: (i) shipping costs, (ii) packing, and (iii) insurance in accordance with the INCOTERMS 2010, EX WORKS Průmyslová 1760, 696 42 Vracov. The purchase price shall be understood as a net price excluding VAT.

## 4. Packing.

Unless expressly agreed otherwise, the goods shall be packed in the usual manner to prevent damage to the goods during carriage to agreed place of destination.

## 5. Place and date of performance.

The deadline for delivery of goods is ushered in calendar days or weeks and commences at the moment of conclusion of the purchase contract. Delivery deadlines in the Buyer's Order are binding for the Seller only if these deadlines were expressly confirmed in writing by the Seller. If sending the goods by the Seller is agreed, the day of delivery shall mean the day of sending the goods to the Buyer. In a transportation of goods is agreed, the day of delivery shall mean the day of handover the goods for transportation and in the case of the Buyer's personal takeover the day of delivery shall mean the day of takeover of the goods by the Buyer in the Seller's establishment or at another agreed place. The Seller is entitled to make part-deliveries of the goods as well as to fulfil the delivery before the agreed delivery date. Unless otherwise agreed in the purchase contract, the Ex Works delivery clause from Seller's premises Průmyslová 1760, 696 42 Vracov according to INCOTERMS 2010, as amended, shall apply. The Buyer confirms takeover of the goods by signing the delivery note or tax document. If the Buyer refuses to take over the goods without justification or refuses to sign the delivery note, the Seller shall state this refusal in the delivery note and it is considered that the goods were delivered at the moment of refusal to accept the delivery or refusal to sign the delivery note by the Buyer. If the Seller delivers more goods than agreed in purchase contract and the Buyer does not immediately refuse it, the purchase contract for surplus goods shall be concluded and the Buyer is obliged to pay the purchase price for it.

## 6. Risk transfer.

By handing over the goods to the first shipping company in the Seller's warehouse, the risk of damage to the goods passes to the Buyer. This also applies if the Seller provides transportation on its own account, as agreed with the Buyer. If the goods are not dispatched, the risk of damage to the goods passes to the Buyer at the moment when the Buyer is allowed to dispose of the goods. The Seller is liable to the Buyer for damage and non-pecuniary damage that would result from the breach or failure to fulfil Seller's obligations arising from the purchase contract or statutory provisions only up to the amount of the purchase price of the goods.

## 7. Payment conditions and transition of ownership.

If an advance payment or cash payment at the cash desk of the Seller is not agreed, the Buyer is obliged to pay the amount ushered in the tax document in full at the due date according to this document (the usual maturity is 21 days unless the purchase contract provides otherwise). The Seller shall issue a tax document with the specified due date (the „Invoice“) upon delivery of the goods to the Buyer. In the event of a doubt, the Buyer shall be considered to have received the Invoice on the 3rd day after delivery of the goods. In the case of cash on delivery, the date of taxable supply is the day of delivery of the goods to the shipping company – the delivery note together with the Invoice shall be included in the consignment. The Seller shall be entitled to use any payment of the Buyer to pay any of the Buyer's previously due obligations to the Seller, even if the Buyer determines which of its obligations to the Seller is to be fulfilled. In the event of Buyer's insolvency, all Seller's claims against the Buyer become payable on the day the Seller becomes aware of the insolvency. In this case, the Seller is entitled to request the immediate return of any unpaid goods. If the Buyer is in default of payment of any Seller's claims due to the worsened Buyer's economic condition or for any other reason, the Seller may withhold outstanding goods from all purchase contracts concluded with the Buyer until full repayment of all Buyer's due obligations, in which case the Seller is not in delay with delivery of the goods. The Buyer acquires ownership rights after the full purchase price has been paid. The Buyer undertakes to refrain from any disposition with the goods that could damage the goods until the Buyer acquires ownership rights to the goods. The Buyer may not dispose, pledge or otherwise encumber the goods with the ownership rights of third parties for the duration of the reservation on the ownership. In the event of Buyer's delay in payment of the Invoice, the Seller may call upon the Buyer to return the goods and the Buyer undertakes to ensure that the goods are returned to the Seller. The Buyer's obligation to pay contractual penalty, default interest or damages, as well as other costs associated with the removal of goods and withdrawal from the contract are not affected.

## 8. Liability for defects and warranty.

The Seller is obliged to deliver the goods in the quality and design required by the Buyer in the purchase contract. If the purchase contract does not specify requirements of the Buyer, the goods must be of quality and of other characteristics of goods determined by technical standards, eventually characteristics common to the type of goods concerned. The Seller provides the Buyer with quality warranty of 12 months from the date of handing over the goods. Upon delivery, the Buyer is obliged to examine the goods as soon as possible. If the Buyer finds a defect in the goods, he is obliged to notify the Seller of the defect in writing within 7 days from the day of delivery of the goods. The Seller removes a recognized defect found by the Buyer free of charge and without undue delay by delivering the missing goods, repairing the delivered goods or delivering replacement goods for defective goods, at the Seller's option. These measures are exclusive measures in case of any claims from defects and the Buyer does not have any other rights from defective performance according to Civil Code. The Seller shall be only liable for defects that existed at the time of handover and shall not be liable for defects that occur to the Buyer as a result of wear and tear caused during operation, as a result by improper or excessive use or use of inappropriate equipment or defects that occur after delivery due to mechanic, chemical or thermal effects. The Buyer is obliged to file a claim for defective performance with the Seller in writing form with a detailed description of the defect and a photo documentation of the defect within the specified period. The document shall be sent via e-mail to: reklamace@moraviasystems.cz. If the Buyer notifies the Seller of defects of the goods and no defects are found for which the Seller would be responsible, the Buyer shall pay costs incurred as a result of the unjustified claim.

### **9. Force Majeure.**

The Seller shall not be liable for failure to fulfil its obligation to deliver goods if it is caused by an obstacle that occurred independently of Seller's will and prevented it from fulfilling its obligation, unless the Seller could have reasonably assumed that such an obstacle would occur („Force Majeure“). Force Majeure shall mean, in particular, an accident or other damage to the Seller's or its suppliers' production and storage facilities, fires, floods, storms or other natural disasters, wars, uprisings, revolts, civil unrest, strikes or decisions or normative acts of public authorities, restrictions, prohibitions or other interventions of the state, state administration or self-government. The Seller shall notify the Buyer of the existence of Force Majeure without undue delay. The same applies even if the above circumstances occurred to the Seller's subcontractors.

### **10. General Limitation of Liability.**

The Seller is obliged to compensate the Buyer for the damage caused by the defect of the goods for which the Seller is liable, and only up to the extent of the actual damage and up to the value of the goods whose defect caused the damage.

### **11. Contractual penalty and default interest.**

If the Seller is delayed with the delivery of the goods, it is obliged to pay the Buyer a contractual penalty of 0.05% of the price of undelivered goods for each commenced day of delay, based on the Buyer's request made within 10 days from delivery or from the moment of exercising the right to withdrawal from the contract, otherwise the right to contractual penalty expires. The total amount of this contractual penalty shall not exceed 5% of the price of the goods whose delivery has been delayed. The Seller is entitled to charge a contractual penalty if the Buyer is delayed in taking over the goods whereas the amount of the contractual penalty shall be 1% of the price of the goods not taken over for each commenced day of the Buyer's delay. If the Buyer is delayed for more than 14 days, the Seller is entitled to withdraw from the purchase contract. Withdrawal from the contract shall not affect the Seller's right to payment of the contractual penalty pursuant to this paragraph. If the Buyer is in default with payment of the purchase price, the Buyer undertakes to pay the contractual default interest of 0.05% of the outstanding principal amount for each commenced day of the delay from the due date of the obligation until the date of the payment.

### **12. E-mail correspondence.**

The requirement for a written form under these Conditions is also maintained when using an electronic communication, i.e. in the form of email. In the case of email correspondence, the message will be sent to the e-mail contact address of the relevant person on the Buyer's side or the relevant person on the Seller's side. The Seller and the Buyer shall also inform each other which persons are authorized to act in contractual and technical matters and their contact details. The recipient of an email message is obliged to confirm the proper delivery of the message including its attachments as soon as the message is received. If the addressee does not confirm receipt of the message, the e-mail message shall be considered to have been received on the 2nd day following its sending. Any technical problems with receiving the email message will be borne by the addressee of the message. In such case, the email message is considered delivered on the 2nd day following its sending. The Buyer undertakes to immediately notify the Seller of any changes concerning his business authorization, tax obligations (in particular the change of VAT number and tax administrator), his bank connection and insolvency.

### **13. Buyer's cooperation.**

The Buyer shall provide the Seller without undue delay, no later than 5 working days from the Seller's request, with the necessary cooperation leading to the proper and timely delivery of the goods, particularly in order to clarify the technical specifications, agree on documentation, conduct inspections and acceptances, hand over and take over the goods. If the Buyer is delayed with the provision of cooperation, the Seller shall be entitled to interrupt the sale process, including the purchase of goods/materials, and shall notify the Buyer in writing. The deadline for delivery of the goods is extended by the time of the Buyer's delay and by the time of interruption of the sales process.

### **14. Withdrawal from the purchase contract.**

The Buyer is entitled to withdraw from the purchase contract if the Seller is in delay with the delivery of the goods for more than 3 months. In such a case, the Buyer is obliged to call upon the Buyer in writing to fulfil the delivery within a reasonable additional period which must not be less than 30 days, and only after its futile expiry, is entitled to withdraw from the purchase contract. The Seller has the right to withdraw from the purchase contract in the event of a material breach of the purchase contract especially if the Buyer has been delayed with payment of the

purchase price for more than 60 days. The Seller is entitled to withdraw from the purchase contract or to require additional security of the Buyer's pecuniary obligations in case of initiation of insolvency proceedings against the Buyer or commencement of enforcement, execution or similar proceeding against the Buyer. The Seller is also entitled to withdraw from the purchase contract if the Buyer did not provide an advance payment for the purchase price within the agreed term. Withdrawal from the purchase contract does not affect the right to payment of contractual penalties, damages and other provisions of the purchase contract, which, according to the expressed will of the parties or due to their nature, should continue even after termination of the purchase contract.

### **15. Security and personal data protection.**

Technical documents, drawings, samples are confidential and remain the property of the Seller together with all industrial or copyright rights. The Buyer may use them only with the Seller's consent. The Seller shall keep all information obtained about the Buyer in accordance with Act no. 110/2019 Coll., on the processing of personal data, as amended and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of in connection with the processing of personal data and on the free movement of such data and on the repeal of Directive 95/46/EC, and other legislation of the Czech Republic.

### **16. Other provisions.**

Only the Seller is entitled to assign and transfer any or all of its right and obligations under these Conditions to any of its related parties. If any individual provisions of these Conditions or the purchase contract are or become invalid or unenforceable in whole or in part, it shall not affect the validity of the remaining provisions or the remainder of such provisions. The contracting parties undertake to replace invalid or ineffective provisions of these Conditions or the purchase contract with another effective provisions which by its content and meaning correspond best to the content and meaning of the original provisions and intentions of the contracting parties on the day of conclusion of the purchase contract. The Seller reserves the right to unilaterally amend or supplement these Conditions, especially in connection with any change of related legal standards or the manner of trading. The Seller shall announce the amendment, change, or effectiveness of the Conditions in an appropriate manner.

### **17. Prevention of bribery and corruption.**

The Buyer shall proceed in accordance with the following and shall ensure that all his executives, employees and commercial agents: a) do not provide bribes to anyone; b) do not accept bribes from anyone; c) do not propose, solicit, offer, arrange or otherwise handle any bribes; d) do not ensure or use any other person for any of the conduct referred to in points a) to c); e) will always comply with the Anti-Corruption and bribery policy of the KKCG Group (available on request), as amended on an ongoing basis; f) will always comply with all applicable laws and regulations as well as legislation and regulations relating to the prevention of corruption and bribery, in particular the Bribery Act 2010 (United Kingdom) and The Foreign Corrupt Practices Act 1977 (United States of America); g) maintain in place such procedures for preventing corruption and bribery that prevent any bribery or corruption and/or influenced trading which might arise in connection with the purchase contract; and h) notify the KKCG Group promptly if there is any suspicion or fear of bribery in connection with the business of the KKCG Group or if they become aware of any such conduct. Such notification can be made by email to [compliance@kkcg.com](mailto:compliance@kkcg.com).