

# General Business Terms and Conditions

of

## **Extruindustrie CR s.r.o.**

Company ID No.: 252 79 955  
registered office in Průmyslová 505, 582 63 Ždírec nad Doubravou  
registered in the Commercial Register at the Regional Court in Hradec Králové,  
File No. C 31817  
(hereinafter referred to as the “**Company**”)

hereby pursuant to the provision of Section 1751 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the “**Civil Code**”) issues the following General Business Terms and Conditions (hereinafter referred to as the “**Terms and Conditions**”)

### ***I. Recitals, documents of the contract***

1. These Terms and Conditions shall apply exclusively to all and any offerings, confirmation of an order, delivery and sale of our goods and services just as contractual and legal relationships.
2. The customer acknowledges the contents of these Terms and Conditions in full. The customer’s terms and conditions that differ from our Terms and Conditions shall not apply; the customer’s confirmation of drawing attention to its or other terms and conditions are not accepted. If agreements are negotiated, which differ from these Terms and Conditions, both parties must confirm this expressly and in writing.
3. These Terms and Conditions shall also apply to any other order without it being expressly re-negotiated.
4. These Terms and Conditions shall apply only to legal relationships between the Company and third parties which are businesses pursuant to the provision of Section 420 et seq. of the Civil Code. These Terms and Conditions shall apply to other third parties if expressly negotiated in an appropriate way and in the scope allowed by legislation.

### ***II. Conclusion of the contract, implementing documents and prices***

1. Our offerings are variable and non-binding. A contract for the relevant order shall be concluded the instance when the customer’s order is confirmed on our part in writing or electronically and/or the customer unconditionally accepts our offering. Each offering and its acceptance, order and confirmation must contain at least a precise definition of the type and scope of the delivery, date of performance and price.
2. In case that the order also expects samples to be submitted, a contract shall be concluded in addition to our written confirmation of the order and approval of the sample applying to this confirmation of the order by the customer.

3. Any changes, amendments or supplements to the order must be made in writing or in electronic form, and always expressly approved or confirmed by both parties.
4. The customer must submit documents and drawings necessary for production/performance free of charge and promptly (no later than the instance that the order is confirmed). The customer shall be exclusively responsible for the accuracy of these data and their fitness for the intended purpose.
5. Drawings, blueprints, dimensions, weight or other operating parameters shall be binding upon the Company only if expressly negotiated in writing or electronically. Drawings, calculations and other documents of the Company must not be published, copied or used for a different purpose than as negotiated in the contract and apply to the subject matter of the order. Unless expressly agreed otherwise, the customer shall be obliged to return all these documents to the Company after performing the order and/or upon request.
6. An integral part of the contract shall also be technical and other standards for Thermoplastic products issued by the German Association of Plastic Converters (hereinafter referred to as the "GKV", for more details see the GKV website: <https://www.gkv.de/>) always in the version that is in force and effect the instance the contract is concluded.
7. Unless expressly agreed otherwise, the INCOTERMS 2010 rules shall apply to all contracts and delivery of goods, that is the ex-works (EXW) clause, without packaging, delivery and incidental costs (for example customs duty) and excluding the statutory amount of VAT.
8. If the price of the order is negotiated depending on the weight of the goods, the final price shall be specified by the weight of the approved sample.

### **III. Orders of materials**

1. If it is agreed that the customer shall deliver materials for the order, the following shall apply:
  - (i) materials must be delivered promptly, whereas in case of delay, the customer shall be liable to the Company for any additional costs for carrying out and delivering the order, stopping production, even for any possible loss incurred to the Company due to this delay;
  - (ii) materials must be delivered in the negotiated quantity (including a quantity surcharge of a minimum of 10%), in the agreed quality and free of any defects. The Company shall be entitled to refuse the materials submitted by the customer due to their inadequate quantity and quality, whereas up until the delivery of the materials in the negotiated quantity and quality the company shall not be obliged to start producing the order, and the customer shall be liable to the Company for all and any additional costs of performing and delivering the order, stopped production and any further possible loss incurred to the Company by this delay.

### **IV. Obligations for performance, supply and acceptance, risk transfer**

1. The Company shall perform delivery of the goods (order) always in accordance with the INCOTERMS 2010 rules, according to the ex-works (EXW) clause and fulfil its contractual commitment by completion or, as the case may be, by sending notification that the goods are ready for dispatch. The goods shall be dispatched according to the customer's instructions, always at its risk and costs.

2. Unless agreed otherwise, the Company shall specify the choice of container and way the goods are to be dispatched.
3. The risk of damage shall be transferred to the customer with the delivery of notification that the goods are ready for dispatch, but no later than when the goods are handed over to the haulier or carrier. Article VII of these Terms and Conditions shall apply if the Company is liable for damage during haulage. The risk of damage shall be transferred to the customer also and always at the start of delay in acceptance of the goods ready for dispatch. In which case the Company shall be entitled to demand compensation for incurred loss, particularly in the form of additional costs.
4. The Company shall be authorised to fulfil the agreed order even by fulfilling it in the form of sub-orders provided that the customer can utilise such a sub-order.
5. Performance deviating from the ordered quantity at an interval of  $\pm 10$  % shall be tolerated and shall not be deemed defective performance.
6. Unless agreed otherwise, the performance deadlines/delivery deadlines shall commence with confirmation of the order, but before delivery of all documents necessary for performing the order and producing the materials if provided by the customer by defining all details fundamental for production and crediting the specified advance payments to the Company's relevant accounts.
7. In case the customer defaults on an agreed advance payment or an advance payment required according to the rules of Article V of these Terms and Conditions, the deadline laid down by the Company for delivery of the order shall be interrupted until full payment of the advance.
8. All deadlines for performance and delivery of the goods shall always be extended by all and any period when the customer delays in fulfilling its obligations (delivery of documents and materials, necessary instructions, designation of the haulier, etc.).
9. If the deadline for performance and delivery of the goods is not specified, the Company shall not be delay until the instance of the futile expiry of the additional reasonable performance deadline as specified in the written reminder which the customer shall demonstrably deliver to the Company. In case the deadline of performance and delivery of the goods is fixed, the rules of the provision of Section 1980 of the Civil Code shall not be enforced.
10. The notification that the goods are ready for dispatch shall be considered as meeting the delivery deadline or delivery date, even if dispatch shall be impossible through no fault of the company, or shall be possible at a later date. The Company shall not be liable, even if this concerns binding deadlines and date, for late delivery and performance as a consequence of force majeure and events that shall make it considerably difficult or impossible to make the delivery (above all difficulties with the supply of energy and raw materials, accident, natural disaster, strike, lockout, official regulation, traffic congestion and other delays caused by transport during delivery, or other cases of force majeure), even if they arise at the Company's sub-contractors or their sub-contractors. These circumstances shall entitle the Company to postpone delivery or, as the case may be, performance within the deadline extended by the duration period of the obstacle and reasonable period for the start of operation, or for the Company, in the scope of part of the order not performed, to partly or fully withdraw from the contract due to the impossibility of its performance.

11. If the relevant objective obstacles last longer than two months, the customer shall be entitled, after specifying the reasonable additional deadline of a minimum of two weeks, to withdraw from the contract because of the part that has not yet been performed.
12. If, due to the above-mentioned obstacles, the delivery deadline is extended or the Company's commitment to perform ceases, the customer shall not be entitled to any claim on the grounds of defective performance, withdrawal from the contract or its termination, just as to any compensation claim for damages.
13. The Company shall be entitled to enforce a lockout as part of its performance obligations due to the above-mentioned obstacles only if it informs the customer of their existence or occurrence without unnecessary delay. Provided it is possible, the Company shall ensure that the impact of these circumstances shall not affect the customer and its order (such as the fact that the customer provides the moulds during the period of the obstacles, etc.).
14. For framework agreements that have not negotiated duration, size of batches and dates of collection, the Company shall be entitled to request the binding determination of the above information within three months after confirmation of the order at the latest. If the customer does not comply with this request within three weeks, the Company shall still be entitled to determine a two-week additional deadline and once it expires, withdraw from the contract or refuse the order and demand compensation for all damages.

## ***V. Payment terms***

1. All and any payments to the Company shall be made exclusively in EUR, unless expressly agreed otherwise.
2. All payments shall be made against an issued tax document (hereinafter the "**Invoice**"), and shall be due after they are delivered to the customer, on the due date specified in the Invoice.
3. The Invoice shall be considered duly paid the instance the full amount for which it is issued, is credited to the Company's bank account.
4. The Company shall be entitled to request advance payments for its services and goods, particularly for open orders and in cases of the previous payment terms not being met on the part of the same customer, or occurrence of circumstances reducing the credibility of the customer. The Company shall not be obliged to justify the request for advance payments.
5. The Company shall be entitled to withdraw from the contract if the customer does not pay any Invoice even within an additionally reasonable deadline. In which case the Company shall simultaneously be entitled to compensation for all loss and return of unpaid good and/or services at the customer's costs or, as the case may be, to refrain from further handling of unpaid goods (alienation or sale, etc.).
6. The customer shall, with regard to the Company, be entitled to exclusively set-off its legally acknowledged or other demonstrably indisputable receivables from the Company. Any liens may be enforced only on the basis of counterclaims arising from the same contractual relationship.

## ***VI. Reservation of the right of ownership***

1. The reservation of the right of ownership shall apply to all and any goods deliveries in the meaning of the provision of Section 2132 of the Civil Code. The customer shall become the owner of the goods only upon full payment of the purchase price (if part of the payment is made the reservation of the right of ownership right shall apply to the corresponding part of said delivery of goods).
2. Until the reservation of the right of ownership is fulfilled, the following rules shall apply in relation to the unpaid goods owned by the Company:
  - (i) if the customer does not process the unpaid goods, he shall not become their owner in the meaning of the provision of Section 1074 et seq. of the Civil Code, since these Terms and Conditions exclude enforcement of these rules, and such goods shall remain the exclusive property of the Company;
  - (ii) if the unpaid goods become mixed in the meaning of the provisions of Section 1078 et seq. of the Civil Code, these legal rules shall regulate and supplement these Terms and Conditions so the resulting mixed item shall be co-owned by all the owners concerned, and their co-ownership shares shall be determined according to the ratio of the values of the items originally in their ownership with regard to the value of the resulting mixed item;
  - (iii) the customer shall be entitled to alienate the unpaid goods in ordinary business transactions and any dispositions, the transfer or encumbrance of unpaid goods by right in rem or contract law in particular shall not be admissible;
  - (iv) if the customer further alienates the unpaid goods in a permitted way, through the legal effects of this further alienation, all and any receivables and claims of the customer from the acquirer of the unpaid goods shall be assigned simultaneously and without further notice to the Company, up to the full amount of the unpaid purchase price. If the Company so requests, the customer shall be obliged to confirm this assignment in writing and release to the Company all papers and further documents applying to the assigned claims and receivables.
3. The customer shall be obliged to inform each third party that acquires the unpaid goods of the existence of the reservation of the right of ownership and draw attention to all and any authorisations of the Company related thereto. The customer shall fully guarantee the Company for fulfilling all and any claims of the Company with regard to the third party on the grounds of enforcement of the reservation of the right of ownership.
4. If the Company enforces the reservation of the right of ownership by calling on the customer to release the unpaid goods, the Company shall be subsequently entitled to assign by direct sale these goods or their auction for a price corresponding to the original purchase price of these goods. The proceeds from this sale or auction shall be preferentially used to satisfy the claims of the Company from the customer.
5. If the customer breaches any rule applying to the reservation of the right of ownership and/or if the Company shall enforce its rights to the reservation of the right of ownership due to the customer defaulting on its payment of the purchase price of the goods, the Company shall be entitled to demand from the customer compensation for all and any loss incurred by it, particularly material damages and loss of profit.

## ***VII. Liability and guarantees***

1. The Company guarantees specialised production, in compliance with the guidelines issued by the German Association of Plastic Converters (GKV) and also according to

the relevant generally recognised and valid rules of technology and according to DIN Standards.

2. The following permitted deviations and irregularities shall apply to products and goods that shall not represent defective performance and the customer shall not establish any claims arising from defective performance:
  - (i) data on “Shore A” hardness may show deviation with tolerance  $\pm 3$  in thermoplastics and  $\pm 5$  in elastomers;
  - (ii) permissible tolerance range is  $\pm 3$  mm;
  - (iii) for plastics and products in which there is no guarantee of even colour resistance.
3. The Company cannot technically ensure that in bulk orders and mass produced parts, all individual parts shall precisely correspond to the assigned parameters, technical norms and standards. If the specified criteria, norms, regulations and standards shall be maintained at least in 95% of the total volume of delivered goods (parts), it shall be deemed that the delivery as a whole was produced and delivered duly, and shall exclude all and any claims of the customer arising from defective performance and compensation of any loss.
4. The customer shall be obliged to immediately check the delivered goods and carefully verify whether they show any defects or other irregularities. The customer shall be obliged to report all and any detected defects and irregularities to the Company without unnecessary delay in writing and lodge a complaint. If visible defects are not duly enforced with the Company within 14 days at the latest after acceptance of the goods, all and any of the customer’s claims arising from defective performance shall lapse. Defects that could not be detected even during careful inspection within this deadline shall have to be enforced with the Company in writing immediately after their detection.
5. Justified defects of goods enforced duly and promptly shall be rectified by the Company according to the following rules (that is, in the scope in which, apart from these Terms and Conditions, exclusion rules do not hold up that regulate claims arising from defective performance according to the Civil Code and other legislation):
  - (i) the Company, at its own discretion, shall provide the customer with the delivery of new defect-free goods or repair of defective goods;
  - (ii) minor defects (minor deviations from the agreed quality, superficial negative effect of applicability) shall not establish the customer’s claim to delivery of new items even additional performance;
  - (iii) the Company may also provide the customer with a reasonable discount of the purchase price;
  - (iv) if expressly agreed or specified by these Terms and Conditions, the customer may withdraw from the contract.
6. The customer shall be entitled to a discount of the purchase price or to withdraw from the contract if the Company does not offer it substitute performance (delivery of new goods or repair of the goods), the goods show an irremovable defect or the customer sets the Company a reasonable deadline to provide substitute performance with futile expiry. The additional deadline must be set down in writing and a description of the defects of the good provided. If the customer does not expressly refuse substitute

performance, the Company shall be authorised after futile expiry of the additional deadline to repair the defective goods.

7. The customer shall be entitled to claim compensation for loss only if loss occurs as a consequence of the breach of obligations on the part of the Company through gross negligence or intentionally.
8. Any further claims made by the customer against the Company, irrespective of their legal reason, shall be excluded. This exclusion shall also apply to all and any bodies of the Company and its members, employees, sub-contractors, representatives, assistants and other parties through which the Company fulfils its commitments.
9. The Company shall be liable for the functionality and suitability of the subject matter of the delivery as a component of the Company's construction parts only in the event of the expressly written assurance or arrangement which the Company made in favour of the customer based on its prior request and after prior mutual consultation.
10. Claims on the grounds of defective goods shall lapse within a deadline of one year as of receipt or acceptance of the goods (if necessary).
11. The following rules shall apply to the Company's obligation to compensate losses as laid down by these Terms and Conditions:
  - (i) the Company's liability to compensate losses shall be limited only to foreseeable damages. In this respect claims for loss of profit, expended material costs, claims of third parties to damage compensation and claims to other direct and subsequent damage may not be demanded from the Company, unless the Company undertakes to settle these customer's claims through express guarantee of the quality properties of goods;
  - (ii) in case of the Company's liability for simple negligence, its obligation to compensation for damage to health and property shall be limited to 20,000,000 CZK (or up to the amount of the Company's insurance cover negotiated at the given moment).
12. Limitation and exclusion of the Company's liability for loss compensation shall not apply to cases of the Company's fraudulent activity, even in cases when the Company expressly and in writing guarantees the quality claims of the delivered goods.

### ***VIII. Intellectual property rights***

1. The customer shall be obliged to ensure that there is no third party copyright on deliveries and performance stated in the order, or that it is authorised to dispose of these rights and, with respect to the Company, it guarantees that by processing the order it shall not breach any third party intellectual property right. In the event of breach of this obligation, the customer shall be obliged, without unnecessary delay, to ensure that it shall settle all and any third party claims of breach of these rights.
2. The Company is and shall continue to be the exclusive author and owner of all and any intellectual property to all and any offerings and orders, as well as all and any of its material and immaterial inputs (particularly, but not exclusively to all and any drawings, blueprints, moulds, construction designs, technical and technological procedures, etc.) /hereinafter referred to as the "**Inputs**".
3. The customer shall only have limited authorisation to dispose of the Inputs for the purpose of proper and regular use of the order. The customer shall not be authorised to

publish or access any part of the Inputs in any way, just as it shall not be authorised to hand over or transfer them, without the Company's prior, express and written consent.

4. In the event that as part of the order the Company shall produce for the customer a mould of the goods (hereinafter referred to as the "Mould"), the following rules shall apply:
  - (i) The Mould shall represent an Input, and all and any intellectual property rights to the Mould shall remain in the exclusive ownership of the Company;
  - (ii) The Company guarantees the lifetime of the Mould for a period of 10 years of its use or for the production of goods in the volume of 500,000 metres in length (depending on which of these circumstances occurs first).

### **IX. Final provisions**

1. These Terms and Conditions, just as all and any contractual and legal relationships arising and established on their basis or in connection therewith, shall be governed by the Czech rule of law.
2. All and any disputes arising from legal and contractual relationships governed by these Terms and Conditions or in connection therewith, shall be resolved by Czech courts, that is by the court of local jurisdiction relevant to the Company (in case of proceedings against the Company), or by the court of local jurisdiction of the Company's choice (in case of the enforcement of claims of the Company against third parties).
3. If any of the provisions of these Terms and Conditions shall be or become unlawful, invalid or unenforceable, this shall not affect the validity and enforceability of the other provisions of these Terms and Conditions.
4. These Terms and Conditions shall come into force and effect on the day they are issued. For third parties these Terms and Conditions shall come into effect the instance they are published on the Company's website ([www.extruindustrie.cz](http://www.extruindustrie.cz)).
5. These Terms and Conditions usually form part of the Company's offer to conclude an order, are presented to customers as part of pre-contractual negotiations leading to the conclusion of an order and/or contract, and last but not least are always available on the Company's website.
6. The Company reserves the right to continuously change, amend and supplement these Terms and Conditions, whereas each such change shall come into force and effect the instance of its publication or notification.

Ždírec nad Doubravou, 25 March 2020

Extruindustrie CR s.r.o.

Patrik Machnik

Managing Director