



GOLDSCHMIDT

Smart Rail Solutions



GENERAL TERMS AND CONDITIONS OF SALE FORM-THERMIT, SPOL. S.R.O

CONTENT

1. General provisions	3
2. Information and properties of the Goods and Sales	3
3. Specimens.....	4
4. Conclusion of a Contract, Acceptance	4
5. Delivery, delivery period, default	5
6. Own delivery, force majeure and other obstructions	6
7. Delivery terms.....	7
8. Notification of defects, warranty, breach of duty.....	7
9. Price and payment terms	8
10. Insolvency, suspension of payments.....	10
11. Retention of title.....	11
12. Limitation of liability	12
13. Intellectual property	13
14. Protection of competition	14
15. Place of performance, legal venue	14
16. Applicable law.....	14
17. Severability.....	15
18. Final provisions	15

1. General provisions

- 1.1 These terms and conditions of sale (hereinafter referred to as the “Terms and Conditions”) apply to all delivery of goods (hereinafter referred to as “Goods”) or services offered and provided (hereinafter referred to as “Services”) by Form-Thermit, spol. s r.o., having its registered office in Brno, Gromešova 6a, Postcode 62100, ID Number: 49966758, incorporated in the Commercial Register maintained by the Regional Court in Brno, Insert No. C 13210 (hereinafter referred to as the “Supplier”) to the buyers, those being businesses in the meaning of Section 420 of Act No. 89/2012 Coll., Civil Code (hereinafter referred to as the “Civil Code”) or public corporations (hereinafter referred to as the “Customer”).
- 1.2 These Terms and Conditions are an integral part of each framework agreement and/or contract, the subject of which is delivery of Goods or provision of Services by the Supplier, unless the parties to such contract expressly agree otherwise (hereinafter referred to as the “Contract”). These Terms and Conditions apply among other to all orders made by the Customer and accepted by the Supplier (hereinafter referred to as the “Order”), respectively contract established on the basis thereof and all relations arising therefrom.

2. Information and properties of the Goods and Sales

- 2.1 Information and properties regarding our Goods and Services shall be provided by the Supplier on the basis of experience to date. Any information about the Goods or Services, e.g. illustrations, samples, drawings, contents and performance as well as other information in the Supplier’s quotations and brochures must be regarded as approximate average values, unless stated otherwise.
- 2.2 Reference to legal regulations, technical standards and technical information, descriptions and illustrations, information about delivery of the Goods or Services in the Supplier’s quotations and brochures or other advertising materials are binding only if these properties are expressly declared to be binding; otherwise these are non-binding general descriptions of the Goods or Services.
- 2.3 The Supplier provides a warranty on the said properties only if these properties are identified as guaranteed properties of the Goods or Services.
- 2.4 All of the Suppliers Goods and Services are updated on a regular basis according to state-of-the-art progress. The Supplier reserves the right to modify its Goods and Services at its equitable discretion even after the Order has been delivered. The Supplier does not guarantee the suitability of the Goods or Services for their use by the Customer, unless the Supplier and Customer agree on this in writing.
- 2.5 The Supplier reserves the right to deliver the Goods or result of Services in altered structural or manufacturing design compared to the ordered design, provided such change has no functional impact on the purpose of using the Goods or result of Services.
- 2.6 The Supplier retains all rights to illustrations, drawings, indications of weight and dimension, means of manufacturing the Goods or Services, properties, estimated costs and other documents containing information about the Goods and Services. The Customer undertakes not to disclose such documents to third parties without prior written consent from the Supplier.

3. Specimens

3.1 The properties of all specimens of Goods or Services are binding only if thus agreed in the Contract.

4. Conclusion of a Contract, Acceptance

- 4.1 A quotation refers to the Supplier's communication to the Customer or potential Customer regarding the option of concluding a Contract in the future (hereinafter referred to as the "Quotation"). The Quotation does not bind the Supplier to any performance. The Quotation is non-binding and merely represents the Supplier's invitation to the Customer to submit an Order if interested.
- 4.2 The Order is binding for the Supplier only when placed in writing, via fax or via electronic communication. To place an Order, it is possible to use the Supplier's specimen order form published on the website www.formthermit.cz. In the Order, the Customer is obliged to specify the Goods and/or Services (number, name, quantity), Order number, Customer specification, required delivery deadline and means of transport.
- 4.3 The Contract between the Supplier and Customer is concluded by acceptance of the Order by the Supplier in writing (hereinafter referred to as "Acceptance"). Written form is preserved even if the Contract, i.e. Acceptance (and potential amendments) are concluded via fax or via electronic communication. The Supplier has the right to accept the Order with an addendum, objection or discrepancy. In this case, the content of the Acceptance takes precedence before the provision of the Order. If the sending of the Goods or provision of Services immediately follows delivery of the Order, the expression of acceptance of the Order is replaced by the issuing of a tax document - invoice (hereinafter referred to as the "Invoice"). Silence, inaction (e.g. failure to protest) or omission of themselves do not raise legal consequences, and cannot be interpreted as waiver of a right, excusing of debt, consent or Acceptance, unless it follows otherwise from the already concluded Contract.
- 4.4 With the signing of each Contract concluded with the Supplier or sending of the Order, the Customer declares that it had the opportunity to become familiar with these Terms and Conditions, that it accepts all the conditions of these Terms and Conditions irrevocably and without objections, unless agreed otherwise in the Contract. The Customer's discrepant business terms and conditions are not binding for the Supplier, even upon sending of the Offer or sending of Acceptance, unless the parties agree on the binding nature of the Customer's business terms and conditions in the Contract.
- 4.5 If the subject of performance is defined only by type, the Supplier is entitled to choose the suitable material to use.
- 4.6 In case of delivery of the Order, the Supplier is authorised immediately to procure material for the given Contract performance and commence production of the ordered Goods or provision of Services. The Customer is not authorised to supplement, retract or change the Order after its delivery to the Supplier, unless the Supplier provides its express consent thereto.
- 4.7 The Customer is obliged to inform the Supplier in writing of special requirements for Goods or Services at latest by the date of concluding the Contract.

- 4.8 If the Customer defaults in taking over the Goods or Services or the Supplier defaults in delivering the Goods or Services for reasons attributable to the Customer, or if the Customer fails to provide the Supplier with references for transport of the Goods or Services by end of the delivery time limit, or if the Customer violates its contractual obligations, the Supplier is authorised at its own discretion to rescind the Contract or to refuse performance and demand compensation of damages (including lost profit) after the passing of an additional period of seven (7) days during which the Customer failed to eliminate the obstructions. The Supplier shall inform the Customer of the start of the additional period in writing, but without having to refer directly to this article. If the Supplier incurs additional costs, the Supplier is entitled to financial compensation of these costs equal to 10% of the price excl. VAT or the value of actual costs, depending on which amount is higher. This does not affect the Customer's right to prove that the Supplier did not incur any additional costs or lower costs.
- 4.9 If default in the delivery of Goods or provision of Services is caused by a request from the Customer or based on reasons for which the Customer is responsible, the Supplier, after the passing of the time limit or takeover of the Goods or Services, is authorised to store the Goods or result of Services for the period indicated to the Customer in writing and to request payment of the costs at a flat rate of 0.5% of the price excl. VAT per month, or the real value of such incurred costs, depending on which amount is higher. This does not affect the Supplier's other rights. The Customer is authorised to prove that the value of costs was lower. After the passing of the stipulated period for storage of Goods or Services, the Supplier is authorised to handle the Goods or result of Services at its own discretion.
- 4.10 If the Supplier delays in taking over the Goods or Services, the time limit for the Supplier to deliver the Goods or provide the Services is extended accordingly, plus the reasonable time required to prepare delivery.

5. Delivery, delivery period, default

- 5.1 Binding delivery dates and time limits must be agreed in writing. The Supplier shall make every endeavour to meet delivery dates and time limits that are not agreed as binding.
- 5.2 The delivery time limits begin with the Customer's receipt of Acceptance, but not before all details about the performance are clarified and the Customer has fulfilled all the other requirements. This shall also apply to delivery dates. If the Customer requests modification of Contract performance after delivery of the Order to the Supplier and the Supplier accepts the change, a new delivery time limit shall begin as of the acceptance of such Contract change by the Supplier.
- 5.3 The Supplier fulfils its obligation by delivering the Goods or providing the Service. Delivery of the Goods or provision of the Services must be ensured before the delivery time limit expires. Delivery refers to the moment when the Customer is notified that the Goods or result of Services is ready for takeover, or the day when the Goods or result of Services were handed over to the first carrier (the moment of this handover of the Goods or result of Services to the first carrier for transport to the Customer constitutes the takeover of performance by the Customer) or when the Service was provided at the agreed location. The Supplier is authorised to provide partial performance. The Customer has the right to refuse partial performance only if the Supplier does not delivery a substantial part of the Goods or

Services on time, unless agreed otherwise.

- 5.4 The Customer is obliged to observe the usual time for shipping Goods (Monday to Thursday 7:00 to 14:00, Friday 7:00 to 13:00).
- 5.5 In the case of the Supplier's default in delivering the Goods or providing the Service, the Customer is obliged to give the Supplier an adequate additional time limit. If the Supplier fails to deliver the Goods or provide the Service even after this additional time limit expires, the Customer is authorised to rescind the Contract. The Customer is authorised to ask the Supplier to compensate damages for non-performance of the Contract only up to the value of foreseeable damage, and only if the Supplier failed to deliver the Goods deliberately or due to gross neglect. The Supplier's liability for damages pursuant to this article is limited to 50% of the incurred damage.
- 5.6 If the Supplier defaults in delivering the Goods or providing the Services, the Supplier is obliged to pay the Customer a contractual penalty equal to 0.05% of the value of the undelivered Goods or unprovided Services excl. VAT for every day of delay, up to the sum of 2% of the value of undelivered Goods or unprovided Services excl. VAT.
- 5.7 The Supplier is authorised to detain delivery of the Goods or provision of Services and is not in default during such period when the Customer is in default of fulfilling its obligations to the Supplier. This also concerns the Customer's other obligations from other Contracts.
- 5.8 The Supplier is not obliged to send the Goods or result of Services until the Customer ensures transport for the Goods or results of Services. However, the Supplier is authorised to ensure the transport of Goods or result of Services only if this is stated in the Acceptance or in the Contract. Even in this case, the Goods or results of Services are transported at the Customer's risk.

6. Own delivery, force majeure and other obstructions

- 6.1 If the Supplier does not receive a delivery or service from its subcontractors for reasons for which the Supplier is not responsible, or such delivery or services are defective, or if cases of force majeure occur, the Supplier shall notify the Customer in writing about the given obstruction. In such case, the Supplier is authorised to postpone the delivery of Goods or provision of Services for the duration of the obstruction, or to rescind in whole or in part that part of the Contract not yet fulfilled, provided the occurrence of such obstacle was reported to the Customer, and the Supplier has not assumed the risk of non-fulfilment due to such obstacle. Cases of force majeure are strikes, lock-outs, civil unrest, official intervention, power outages, shortages of raw materials, transport bottlenecks through no fault of our own, production obstructions or other obstructions at the Supplier's company e.g. fire, water and damage to machinery and any other unforeseeable and insurmountable obstructions that are beyond the Supplier's control or were not caused by its negligence.
- 6.2 If a binding delivery date or delivery time limit for the Goods or Services is agreed, and this delivery date or delivery time limit is exceeded due to the obstructions under Art. 6.1, the Customer shall be authorised after a reasonable extension of time has elapsed in vain to rescind that part of the Contract not yet fulfilled, if the Customer cannot objectively expect the prompt fulfilment of the Contract.

However, the Customer has no other claims in this case (e.g. claim to compensation of damages).

7. Delivery terms

- 7.1 Unless stipulated otherwise in the Contract, the EXW INCOTERMS® applies, without insurance of the Goods or Services at the Customer's risk and expense.
- 7.2 The Supplier has the right to select the means of transport and route. However, the Supplier shall take into account the Customer's wishes as concerns the route and type of transport, if it is to ensure transport of the Goods or result of Services. Additional costs, even in consequence of a provision that transport is included in the price, are borne by the Customer. If delivery of the Goods provision of Services is delayed due to the Customer's conduct or request, the Supplier is authorised to store the Goods or result of Services at the Customer's expense and risk. In this case, the Supplier's notice on readiness of the Goods or result of Services for shipping is considered to be the moment of delivery of the Goods or provision of Services.
- 7.3 The risk of damage shall pass to the Customer at the moment of handover of the Goods or result of Services to the Customer, first carrier or cargo forwarder, or other party entrusted with shipping, but at latest the moment when the Goods or result of Services leave the Supplier's plant, but at least when the Goods or result of Services leaves branch or warehouse of the Supplier.
- 7.4 In the event of default in delivering the Goods or Services for reasons of applied withholding right by the Supplier due to the Customer's default in payment of the price, even in part, or for other reasons attributable to the Customer, the risk of damage shall pass to the Customer at the moment when the Customer is informed of the readiness of the Goods or result of Services for delivery.

8. Notification of defects, warranty, breach of duty

- 8.1 The Customer is obliged to inspect the Goods or result of Services immediately upon their takeover, in particular to inspect them in terms of type, quantity and completeness of delivery.
- 8.2 The Customer must inform the Supplier of obvious defects at latest within twelve (12) days from taking over the Goods or Services. Written notice of defects must contain a detailed description of the defect and how it is manifested. The notice of defect that fails to comply with requirements of time and form, does not raise legal consequences or the Supplier's obligation to remove the defects in performance. If the Goods or Services are delivered by a carrier arranged by the Supplier, the Customer must also inform the carrier of the defects in performance, who will record the identified defects in the delivery note. This does not affect the obligation to report the defects pursuant to the first and second sentences of this article.
- 8.3 The Customer must report hidden defects to the Supplier in writing immediately after their identification, but at latest before expiry of the warranty period. In this case, written notice of defects must contain a detailed description of the defect and how it is manifested. The notice of defect that fails to comply with requirements of time and form does not raise legal consequences or the Supplier's obligation to remove the defects in performance.

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GENERAL TERMS & CONDITIONS OF SALE
FORM-THERMIT, SPOL. S. R. O

- 8.4 During handling, processing, combining or mixing of the Goods or result of Services with other goods, the Goods or result of Services shall be considered approved without objection by the Customer. This applies even if the Goods or result of Services are forwarded from the destination.
- 8.5 Defective Goods must be left in the original packaging, so that the Supplier can duly check the rightfulness of the claim, unless the Supplier expressly waives this right by written notice (form is preserved even if sent via fax or electronic communication), and the Customer shall ensure that the defects Goods or results of Services are stored separately from the Customer's other goods or products.
- 8.6 The Customer must report in writing any other violation of the Contract and give the Supplier an adequate period, no less than thirty (30) days, for remedy before applying any other rights.
- 8.7 If the defect in performance is proven, it will be remedied at the Supplier's discretion by repair or replacement at the Supplier's expense. If the defect in performance is not removed even after second repair or replacement of the Goods or result of Services, the Customer has the right to demand a discount on the price or to rescind the Contract. Costs for removal of defects in performance, incurred by the Customer, or costs for verification of the Customer's claim which proved to be unauthorised or unjustified, are borne by the Customer.
- 8.8 In the case of application of rights from defective performance by the Customer, the Customer does not have the right to request retention of part of the price for Goods or Services.
- 8.9 Wear of Goods resulting from use is not considered to be a defect in the Goods. The Supplier is not liable for defects if these are caused by use of the products, which were delivered to it by the Customer for the purpose of use, if the Supplier despite due care could not identify the unsuitability of these products, or if the Supplier informed the Customer of this fact and the Customer insisted on their continued use.
- 8.10 Minor, immaterial defects do not result in deferral of the Customer's obligation to take over the performance and pay the price.
- 8.11 The Supplier's liability for defects does not arise in particular if these defects were caused after passing of the risk of damage from external events, which could not be averted, or in consequence of inexpert handling or handling of the subject of performance contrary to the instructions for use, installation and maintenance, or other documentation provided to the Customer with the Goods or result of Services, or otherwise in consequence of the Customer's conduct contrary to usual care.
- 8.12 The Customer is not entitled to compensation of costs related to applying the rights from defective performance, which were incurred as a result of the Customer's conduct, e.g. due to relocation of the Goods or result of services to a place other than the destination.

9. Price and payment terms

- 9.1 The prices of Goods and Services do not include costs for packaging, transport, delivery or storage, customs duty, fees or taxes (including value added tax) which are paid by the Customer.

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**GENERAL TERMS & CONDITIONS OF SALE
FORM-THERMIT, SPOL. S. R. O**

- 9.2 The price shall be paid based on Invoices, or pro forma or partial Invoices.
- 9.3 Services which are provided by the Supplier and are not included in the Offer shall be billed based on the Supplier's valid price lists, unless agreed otherwise.
- 9.4 The Supplier is authorised unilaterally and reasonably to increase the price in the case of an unforeseen increase in costs for material, production costs, taxes, payroll costs, and costs for energy and environmental protection, provided that more than two (2) months have passed between the moment of concluding the Contract until the moment of delivery. An increase for the aforementioned purposes may be precluded if the increase of the aforementioned costs is balanced by the reduction of other aforementioned costs.
- 9.5 If the Supplier exceptionally bears the costs for transport, the Customer is obliged to pay the Supplier the additional costs arising from the increase of transport rates after the Contract was concluded.
- 9.6 The Supplier's invoices are due within fourteen (14) days from the issue date of the Invoice. The Supplier is authorised to request an advance on the price before delivering the Goods or Services. Potential discounts are counted from the net price excl. VAT and other costs and can be applied only if all of the Customer's contractual obligations have been met and if this has been agreed in the Contract. The right to a discount is not enforceable.
- 9.7 In the event of the Customer's default in paying the price, the Customer is obliged to pay the Supplier a contractual penalty equal to 0.05% of the owed amount for every day of default. Moreover, if the Customer is in default in paying the price, the Supplier is authorised to suspend all further deliveries of Goods or provision of Services, including deliveries of Goods or provision of Services from other contractual relations between the Customer and Supplier, until the Customer fulfils all of its payment obligations including payment of the contractual penalty and interest on arrears. The Supplier is authorised to withhold the Goods or suspend Service provision also if the Customer is in default in paying the price based on a different Contract with the Supplier.
- 9.8 The price is paid on the day when the respective amount is credit to the Supplier's bank account.
- 9.9 If the Customer is in default in paying the price or information comes to light that the Customer's solvency may justifiably be in question, even if such fact already existed when the Contract was concluded but was not publicly known or was withheld from the Supplier by the Customer, the Supplier is authorised regardless of any other rights to rescind further cooperation on additional performance under the Contract, or to demand an advance on the price for any further performance based on the delivered Order or Contract, which have not been performed yet.
- 9.10 The Supplier may stipulate a credit limit for the Customer for delivered Goods and Services at its own discretion. The credit limit stipulates the maximum value of issued unpaid Invoices to the Customer, within which the Customer may order, and offtake Goods or Services based on an Invoice. If the credit limit is exceeded, the Supplier is authorised to suspend the delivery of Goods and Services to the Customer, and is not in default of delivery until such a time when the value of the Supplier's receivables from the Customer declines to below the credit limit; if the Supplier does not do so, the Customer is obliged to pay for Goods and Services in cash upon delivery based on an invoice or based on an issued pro forma Invoice via wire transfer before delivery of the Goods or Services (advance for the full value

of goods, including future VAT). All unpaid Invoices issued by the Supplier to the Customer are included in the credit limit (Invoices within maturity and Invoices past maturity). The Supplier reserves the right to refuse to deliver Goods and Services to the Customer even if the credit limit has not yet been exceeded, if the Customer has unpaid Invoices past maturity for any financial amount. There is no legal claim to the provision of a credit limit.

9.11 If the Supplier accommodates the Customer's request to defer the maturity date, the Supplier is again entitled to a contractual penalty equal to 0.05% of the owed amount for every day of delay, and interest on arrears if the Customer does not pay the price or part thereof even by the extended maturity date. This does not affect the Supplier's claim to a contractual penalty and interest on arrears for the period from the Customer's default in paying the price or part thereof by the original fulfilment time limit until the moment of delivery of the Customer's request to extend the maturity date.

9.12 The Customer is not authorised unilaterally to offset any of its receivables from the Supplier.

10. Insolvency, suspension of payments

10.1 Should:

- i) the court decides on default or similar status of the Customer; or
- ii) the Customer files an insolvency petition (or similar petition according to laws other than Czech law) for its person;
- iii) the insolvency petition (or similar petition according to laws other than Czech law) against the given party is rejected due to lack of assets in the meaning of Czech Act No. 182/2006 Coll., Insolvency Act, as amended (hereinafter referred to as the "Insolvency Act") or comparable foreign regulations;
- iv) an insolvency trustee (or similar trustee according to laws other than Czech law) is appointed to the Customer; or
- v) a decision on liquidation of the Contractor, whether mandatory or voluntary, is adopted;
- vi) the Customer is in default in the meaning of the Insolvency Act or similar law;
- vii) any payments of the Customer are suspended due to the commencement of insolvency proceedings, or
- viii) another similar situation occurs (e.g. the Customer is aware of the risk of occurrence of the facts under points (i) through (vii) above and conceals this from the Supplier, the Supplier is authorised to rescind the Contract or to deliver the Goods or provide the Services only upon full payment of the price and related costs, regardless of the prior provisions of the Contract. If the Goods were already delivered or Services provided, the price becomes due immediately in the cases specified in the first sentences of this article. The Supplier is also entitled to withhold the Goods or suspend the provision of Services in the aforementioned cases, until payment of

the price in full.

- 10.2 If the Customer stops paying the price or the circumstance specified in Art. 10.1 occurs, the Customer is obliged to stop selling, processing, combining or mixing the Goods or results of Services. In this case, the Customer must immediately store and label the Goods or results of Services which are subject to the retention of title separately from the other items, and the part of the price corresponding to the delivered Goods or result of Services must be stored separately from the other financial resources of the Customer.

11. Retention of title

- 11.1 The title to the Goods or result of Services is passed to the Customer on the date of handover of the Goods or result of Services, under the condition that the full price has been paid by then; otherwise upon full payment of the price.
- 11.2 The Customer must adequately insure the Goods or result of Services which are subject to retention of title, especially against fire and theft. Claims from insurance arising from damage to the Goods or results of Services must be assigned in favour of the Supplier at the value of the Goods or result of Services.
- 11.3 The Customer is also authorised to resell or process the delivered Goods or result of Services within regular business activity. However, the Customer is not authorised to handle the Goods or result of Services otherwise, in particular to pledge or establish other rights to them, which would in any way limit or preclude the Supplier's title. If the Goods or result of Services are not paid immediately by the third party as the buyer after their resale, the Customer may resell the given Goods or result of Services only with the retention of title. The Customer's right to resell the Goods or result of Services does not apply a priori in cases when the Customer suspends price payments. This also applies if any of the aforementioned circumstances arise at the parent company.
- 11.4 The Customer is obliged to assign to the Supplier all receivables, including securities and auxiliary rights arising for it vis-à-vis third parties or the end use of the Goods and result of Services. The Customer must not conclude any agreement with its customers which would in any way preclude, limit or disrupt the Supplier's rights assigned to it by the Customer. Furthermore, the Customer is not authorised to pledge or otherwise encumber potential receivables for payment of the purchase price to third parties, if the Supplier is the owner or co-owner of the Goods or result of Services pursuant to this article. If the Goods or result of Services are sold with additional products or services of the Customer, it applies that the Customer's receivable for payment of this entire delivery is assigned to the Supplier, unless the price for these additional products and service of the Customer can be distinguished from the Customer's tax document.
- 11.5 The Customer is authorised to recover claims assigned to the Supplier until the waiver of such claims by the Supplier or until the revocation of such authorisation by the Supplier; such revocation is permitted at any time. At the Supplier's request, the Customer is obliged to provide the information and documents required regarding the recovery of assigned receivables. The Customer is also obliged to inform its debtors about the assignment of receivables to the Supplier, unless the Supplier does so.

- 11.6 In the event of violation of contractual obligations by the Customer, the Supplier is authorised to rescind the Contract. In this case, the Supplier is authorised to request the returning of all Goods or result of Services. The Customer is obliged to hand over the Goods or result of Services to the Supplier in such case. At any time during working hours, the Supplier may access the Customer's business premises designated for storage of the Goods.
- 11.7 If the Customer defaults in the payment of any debts vis-à-vis the Supplier, the Supplier is authorised to demand the surrender of Goods or result of Services to which its ownership right pursuant to this article pertains, without this having the character of rescinding the Contract.
- 11.8 If the Goods or result of Services are processed or inseparably bound with other products, the Supplier acquires co-ownership title to such products at the ratio of the value of Goods or result of Services to the value of the product. If the Goods or result of Services are combined with other movable products into a single product, which is considered to be the primary product, the Customer must ensure the Supplier's co-ownership title to this product in the same ratio. The Customer is obliged at any time at the Supplier's request to provide information about the Supplier's co-ownership title.

12. Limitation of liability

- 12.1 The Supplier is not liable, except in the case defined in the conditions below, for any damage caused to the Customer in performing the Contract. In particular, the Supplier is not liable for damage caused by violating contractual obligations or resulting from offences. This does not apply in cases when the preclusion or limitation of liability for damages is prohibited by law.

The Supplier is liable exclusively:

- For intentional violation of the contractual obligations or violation of the contractual obligations due to gross negligence;
- For material violation of the contractual obligations or impossibility of performance due to the Supplier's malice;
- For harm caused to the natural rights of any person;
- If the Supplier has accepted a quality warranty on the Goods or Services or their functionality or performance;
- For claims on the grounds of liability for product defects pursuant to Section 2939 et seq. of the Civil Code.

- 12.2 In other cases, the Supplier is liable for damages applied against it in connection to violation of contractual obligations due to gross negligence or deliberate conduct. In this case the Supplier is liable only for foreseeable damages.

- 12.3 The Supplier's liability for indirect damages (e.g. lost profit) and related losses is excluded, unless the Supplier severely violates the material contractual obligations deliberately or through gross negligence. Material contractual obligations refer to those obligations which protect the Customer's

legal position, which are a condition for conclusion of the Contract, as well as those obligations which are conditional for due performance of the Contract, on the fulfilment of which the Customer relies when concluding the Contract.

- 12.4 The Supplier's liability is limited to the value of insurance coverage of the Supplier's employees, with the exception of deliberate conduct, detriment to a person's natural rights, or other cases stipulated by the Civil Code. At the Customer's request, the Supplier shall provide the Customer with a copy of the respective insurance policy. In the event of termination of insurance or if the maximum cover is exceeded, the Supplier shall compensate damages, in which case its liability is limited to CZK 500,000, with the exception of deliberate conduct, detriment to a person's natural rights, or other cases stipulated by the Civil Code. Any other liability of the Supplier is precluded.
- 12.5 The exclusion and limitation of liability pursuant to Art. 12.1. to 12.4 also applies to the Supplier's employees, its representatives, agents or subcontractors.
- 12.6 The Customer's claims to compensation of damage must be applied vis-à-vis the Supplier within twelve (12) months from occurrence of damage, otherwise they expire. This does not apply to cases of damage through malice or gross negligence of the Supplier.

13. Intellectual property

- 13.1 Should a third party apply a claim from infringement on its intellectual property rights arising from delivery of the Goods or provision of Services by the Supplier, the Supplier shall proceed during the warranty period as follows:
- The Supplier shall first attempt to ensure, at its own expense, a right of use to the intellectual property, so that the third-party rights to intellectual property are not infringed upon, or to change those parts of the performance which are subject to third-party intellectual property rights. If the Supplier does not ensure user right to the subjects of intellectual property, the Customer is authorised to apply its claim towards the Supplier, but only in accordance with these Terms and Conditions.
 - However, the Customer is only entitled to those claims arising from third-party rights which it applies immediately vis-à-vis the Supplier. The Customer is not authorised to conclude any settlement agreement with or acknowledgement of debt or right vis-à-vis such third parties. If the Customer stops using the Goods or result of the Services in order to minimise potential damages, it is also obliged to inform the third party applying the claim from infringement on intellectual property rights that the termination of use does not constitute an acknowledgement of debt or third party rights. If action is brought against the Customer on the grounds of infringement on third party intellectual property rights due to use of the Goods or result of the Services, the Customer is obliged to inform the Supplier of this fact in writing and allow it to become a party to the given proceedings. The Customer is obliged to inform the Supplier of any actions undertaken in the given proceedings. The Customer must not take any steps towards disrupting or worsening the Supplier's position as a party to the given proceedings.
- 13.2 The Customer is not entitled to any claims from infringement on third party intellectual property

rights vis-à-vis the Supplier, if the given infringement was caused by the Customer. Furthermore, the Customer is not entitled to these claims vis-à-vis the Supplier, if the infringement of third party intellectual property rights is caused based on the Customer instructions and the Supplier could not foresee it, or if the Goods or result of Services was modified by the Customer or used with products not delivered by the Supplier.

14. Protection of competition

14.1 The Supplier applies a “zero tolerance policy” as far as corruption and further violation of the law is concerned.

14.2 The Customer guarantees to the Supplier that in performing its obligations:

- it shall act in accordance with all the valid legal regulations and decrees, in particular the legal regulations adopted to counter money laundering, anti-monopoly regulations, and the provisions of legal regulations concerning unfair competition and distortion of competition. The same applies to the Supplier’s employees and assistants;
- it shall not pay any financial amounts or provide other benefits, which include financial benefits for the recipient or holder of a public office;
- it must act in accordance with the Supplier’s Code of Ethics for business partners (which the Supplier shall provide at request).

14.3 The Customer must devote adequate care to selecting any third parties, and bind them to observe all the legal regulations and decrees pertaining to the performance under the Contract, in particular those countering corruption, money laundering and anti-trust conduct, and to observe the laws against unfair competition or distortion of competition.

15. Place of performance, legal venue

15.1 The place of performance of all rights and obligations from the Contract is the Supplier’s registered office.

15.2 The competent court for resolving disputes from the Contract is the general court of the Supplier. However, the Supplier has the right to bring action against the Customer before another court, which has jurisdiction pursuant to the legal regulations valid at the venue of the given court. The foregoing does not affect the exclusive court jurisdiction stipulated by legal regulations.

16. Applicable law

These Terms and Conditions are governed by the laws of the Czech Republic with exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

17. Severability

Should any provision of these Terms and Conditions become ineffective or unenforceable, or ostensible, the other provisions of these Terms and Conditions shall remain valid. Under such circumstances, the parties shall replace such ineffective, unenforceable or ostensible provision with a provision that best corresponds to the economic purpose of the ineffective, unenforceable or ostensible provision.

18. Final provisions

- 18.1 These Terms and Conditions replace all prior versions and the Supplier is authorised at any time to change or supplement them, in particular during changes in legislation or changes in its business activity. The Supplier's current and previously effective Terms and Conditions are posted on the website at www.formthermit.cz.
- 18.2 The Supplier will inform the Customer in writing about changes in the Terms and Conditions. The Customer expresses its consent to the new Terms and Conditions wither in writing, whereas confirmation via fax or e-mail will suffice, or by accepting the Quotation or sending the Order to the Supplier.
- 18.3 In accordance with Section 630 of the Civil Code, the extension of the statute of limitations for all rights established under the Contract to five (5) years from the moment when this limitation period begins is agreed; extension of the statute of limitations applies also to rights arising from rescinding this Contract.
- 18.4 If confirmation of the Order from the Supplier includes a clause stipulated in the INCOTERMS® (EXW, CRF, etc.), the INCOTERMS® as last amended shall apply to the respective clause unless otherwise stated in the Confirmation.
- 18.5 In accordance with Section 1801 of the Civil Code, the parties expressly preclude the application of Sections 1799 and 1800 thereof.
- 18.6 The application of Section 1740(3) of the Civil Code, which stipulates that a specific contract is concluded even if the parties have not reached a full consensus on the expression of will regarding its content, is precluded for the conclusion of the Contract and amendments thereto.
- 18.7 These Terms and Conditions came into validity and effect on 1st January 2026.

Note

In accordance with the provisions of Act No. 101/2000 Coll., on personal data protection and the amendment of certain laws, as amended, the Supplier draws attention to the fact that it uses data processing equipment and that it stores the data received in the course of the business relationship with the Customer; nevertheless, these data are used exclusively in connection to the Contract and are not disclosed to third parties.