



**GENERAL BUSINESS TERMS AND CONDITIONS**  
pursuant to the provisions of Section 1751 *et seq.* of Act No. 89/2012 Coll., the Civil Code,  
hereinafter referred to as the “Civil Code”

**Article I**  
**Basic Provisions**

- 1.1. These General Business Terms and Conditions (hereinafter referred to as "GBTC") shall constitute an integral part of each purchase contract as entered into by and between SAB - Trafo, s.r.o., with its registered office at the address Nahofánská 414, Krčín, 549 01 Nové Město nad Metují, ID No.: 49812033, registered with the Commercial Register administered by the Regional Court in Hradec Králové, Section C, File No. 4857, as the Seller (hereinafter referred to as the "Seller"), and its business partners as Buyers (each business partner hereinafter referred to as the "Purchaser"). Deviation from the GBTC shall only be permissible on the basis of a different clause in the purchase contract.
- 1.2. The contractual relationship between the Seller and the Purchaser shall be established at the moment of execution of the purchase contract.
- 1.3. By executing the purchase contract, the Seller undertakes to deliver to the Purchaser certain goods, specified in terms of type, quantity and price, and to enable the Purchaser to acquire the title to such goods.
- 1.4. By executing the purchase contract, the Purchaser undertakes to take over the goods and to pay to the Seller the agreed purchase price.
- 1.5. By executing the purchase contract, the Purchaser expresses its unconditional consent to the contents of these GBTC.
- 1.6. These GBTC shall apply to purchase contracts as entered into by and between the Seller and the Purchaser who is not a consumer.

**Article II**  
**Order and Delivery Conditions**

- 2.1. The Purchaser shall be obliged to send orders to the Seller by email or through a postal license holder or, as the case may be, by telephone or in person.
- 2.2. Each order shall contain the following minimum requisites in terms of its content:
  - the requisites set forth in Section 435 of the Civil Code (i.e. business name, registered office, identification number, tax identification number and details of registration in the Commercial Register, including the file number).
  - contact details
  - precise specification of the goods being ordered
  - required quantity of the goods being ordered
  - place of delivery of the goods
  - requested delivery date of the goods
- 2.3. On the basis of the order thus delivered, the Seller shall send a draft purchase contract to the Purchaser's contacts as specified in the order by electronic mail or through the postal licence holder. The delivery date shall be determined by the Seller in the draft purchase contract depending on its capacity. The delivery date specified in the purchase contract shall commence as of the execution date of the purchase contract or as of the date of satisfaction of the Purchaser's obligation to pay a reasonable advance (see Article III, Section 3.2. for more details). The price of the goods and the delivery dates specified in the draft purchase contract shall be binding for the Seller for 30 days from the dispatch date of the draft purchase contract to the Purchaser.
- 2.4. The Purchaser shall be obliged to confirm the draft purchase contract in writing within two (2) business days following its dispatch date. Should the Purchaser confirm the draft contract at a later date, the proposed delivery date shall be postponed by the same number of business days by which the confirmation of the draft contract was postponed.
- 2.5. Should the Purchaser fail to confirm the draft purchase contract within two (2) business days from its dispatch date, the Seller shall not be bound by such draft contract.
- 2.6. The purchase contract shall be concluded at the moment that the Purchaser expresses its full and unconditional acceptance of the contents of the draft purchase contract sent to the contacts stated in the draft purchase contract by email or through a postal license holder. This shall not apply if the situation contemplated in Article II, Section 2.5. occurs.
- 2.7. Acceptance of a draft purchase contract containing amendments, objections, limitations or other changes shall constitute rejection of the draft contract and shall be deemed a new draft contract. However, a response defining the content of the draft purchase contract in different words, unless the response implies a change in the content of the draft contract, shall constitute acceptance of such draft contract.
- 2.8. Any amendments to the original printed text of the purchase contract, notes, deletions, and changes to the text, whether made by hand or typed, shall only apply if they are signed by the Seller at the place where they were made. Signing of any such amendment, insertion or deletion in the text of the purchase contract must be done in such way as to exclude any doubts that the additional amendment to the original text of the purchase contract was made based on the agreement of both contractual parties.
- 2.9. The application of the provisions of Sections 1740(3) and 1751(2) of the Civil Code shall be precluded, which set forth that a contract is concluded even if the manifestation of the parties' will is not in absolute accord.
- 2.10. The contractual parties agree that providing partial performance shall be permissible.
- 2.11. The Seller shall be authorised to deliver the goods and the Purchaser shall be obliged to accept the goods before the agreed delivery period.
- 2.12. The Purchaser shall be authorised to change the place of delivery by virtue of a written notice delivered to the Seller no later than five (5) days before the elapsing of the agreed delivery period. In such case, the Seller shall be obliged to deliver the goods to the newly designated place of performance. The Purchaser shall be obliged to reimburse the Seller for any and all costs associated with the change of the place of delivery of the goods.
- 2.13. The Purchaser shall be obliged to provide to the Seller all cooperation necessary to meet the agreed delivery date.
- 2.14. The goods shall be delivered in the usual packaging or, as the case may be, in packaging specified by the technical standards for the type of goods and for the agreed transport conditions so as to prevent damage during transport to the agreed destination. Unless otherwise specified in the contract, the packaging, method of packaging, and transportation shall be determined by the Seller. The Seller shall be obliged to mark in the business invoice all returnable packaging (e.g. euro pallets), to specify therein the number of pallets, and to explicitly state that they are returnable packaging. Packaging shall be either included in the price of the product, or their price per item shall be specified. Packaging shall always be paid by the Purchaser, unless owned thereby.
- 2.15. Transportation costs shall always be borne by the Purchaser, unless agreed otherwise. Such costs shall be invoiced together with the goods.
- 2.16. The Purchaser shall provide for the acceptance of the goods through its own technical means and at its own expense.
- 2.17. The Purchaser shall be obliged to take over the delivered goods upon the Seller's call or, as the case may be, upon the call of the forwarder designated by the Seller, and to confirm acceptance thereof in writing on the delivery note or, as the case may be, on the international transportation note. The Seller shall be obliged to indicate in the delivery note the number of the corresponding purchase contract. The Purchaser shall be authorised to request one written counterpart of the delivery note.
- 2.18. The Purchaser shall be obliged to accept the goods, provided that they are flawless or that they only have minor defects which do not prevent the duly use of the goods for the purpose for which they are intended. If, upon delivery of the goods, defects are found that prevent their duly use, the Purchaser shall be authorised to reject acceptance of such goods.
- 2.19. The goods shall be delivered:



- a) on the date on which the Purchaser actually takes the goods over, or
- b) on the date on which the Seller allows the Purchaser to take the goods over in accordance with this contract and the Purchaser fails to take the goods over in breach of the contract.
- 2.20. Should the goods be deemed to have been delivered pursuant to Article II, Section 2.19.(b), the Purchaser shall be obliged to pay to the Seller contractual penalty at one (1) % of the total purchase price for each day that the goods remain effectively within the Seller's sphere of influence due to the Purchaser's failure to actually take such goods over. This shall in no way limit the Seller's right to claim indemnification for damages. The Purchaser shall also be obliged to pay to the Seller the costs of storage of the goods.
- 2.21. The delivery period may be reasonably extended, in particular in the event of unforeseeable and insurmountable obstacles (e.g. power outages or raw material supply failures, transport failures, strikes, lockouts, official procedures, Covid-19, etc.) arising independently of the Seller's will, which affect the completion or delivery of the goods. This shall also apply if such circumstances have affected a subcontractor of the Seller. The Seller shall notify the Purchaser of the beginning and end of the duration of such obstacles without undue delay after becoming aware of their existence. The delivery period shall be extended by the duration of such obstacles. The Seller undertakes to do everything possible to deliver the goods to the Purchaser as soon as possible.

### Article III

#### Purchase Price. Terms of Payment

- 3.1. The price of the goods shall be charged as agreed in the purchase contract. Unless stated otherwise, the prices of the products shall be in CZK and shall be exclusive of value added tax.
- 3.2. The Seller shall be authorised to require from the Purchaser a reasonable advance for the payment of the agreed purchase price. The advance paid shall be reflected in the final settlement of the purchase price. The Seller shall not be obliged to deliver the goods until the Purchaser has paid the advance for the agreed purchase price and satisfied all its other financial obligations towards the Seller, regardless of its reason.
- 3.3. The Seller undertakes to invoice to the Purchaser the agreed purchase price of the goods at the earliest on the date which constitutes the delivery date of the goods pursuant to the provisions of Article II, Section 2.19, by issuing an invoice containing all the requisites required by the applicable laws.
- 3.4. The Seller shall be authorised to specify in the invoice the maturity period for the price of each suborder, while such maturity period shall not be less than 14 days from the invoice issue date. This shall be without prejudice to the right to agree on the maturity period by virtue of a special provision in the purchase contract; such provision shall prevail over these GBTC.
- 3.5. The purchase price shall be paid at the moment that the charged amount is credited into the Seller's bank account.
- 3.6. Should a customer provide its VAT registration information from the country of delivery, it shall be obliged to register for taxation in the given country. Should no such VAT information be provided, the goods shall be billed including VAT.
- 3.7. Should the Purchaser be in delay with the payment of the purchase price of the goods, the Purchaser shall be obliged to pay to the Seller, in addition to the outstanding amount, default interest at 0.05% of the outstanding amount for each day of such delay.
- 3.8. Should the Purchaser be in delay with the payment of the purchase price of the goods for more than three days from the maturity date, the Purchaser shall be obliged to pay to the Seller, in addition to the outstanding amount and default interest, contractual penalty at 0.1 % of the total purchase price of the goods affected by such delay. This shall in no way affect the Seller's right to claim indemnification for damages.
- 3.9. In the event of the Purchaser's delay with the payment of the already billed purchase price of the goods, the Seller shall be authorised to suspend performance of further orders of the Purchaser for the delivery of other goods from the Seller's offer, without thus being considered to be in delay with such performance.
- 3.10. Should the Purchaser be in delay with the payment of the purchase price of the goods for more than three days, the Seller shall also be authorised to rescind the purchase contract by virtue of a written rescission notice addressed to the Purchaser. This shall be without prejudice to the Seller's right to claim default interest, contractual penalty and indemnification for incurred damages.
- 3.11. The Seller's right to the agreed purchase price shall also be established if the Purchaser fails to take over the goods within the delivery period. This shall also apply if the Seller arranges for the transport of the goods to the place of delivery designated by the Purchaser and the Purchaser fails to create conditions for the acceptance of the goods.
- 3.12. Should the Purchaser be in default with the acceptance of the goods, the Purchaser shall be obliged to pay to the Seller the storage costs thereof.
- 3.13. Should the Purchaser be in delay with the acceptance of the goods for more than thirty (30) days, the Purchaser shall be obliged to pay to the Seller contractual penalty at fifty (50) % of the price of the goods and the Seller shall have the right to rescind the purchase contract.
- 3.14. In the event the delay with the delivery of the goods or part thereof exceeds 15 days and such delay is demonstrably caused by fault of the Seller, the Purchaser shall have the right to claim from the Seller contractual penalty at 0.05% of the value of the delivery or part thereof with which the Seller is in default for each day of such delay, but not more than 2% of the value of the delivery or part thereof with which the Seller is in default, from the 16th day of such delay.
- 3.15. The Seller agrees to notify the Purchaser in writing of any changes in its bank details and account number no later than five (5) days from the date such changes occur. Should the Seller breach this obligation, the other party shall not be liable for the failure to credit the relevant amount into the Seller's new account if it proves that it has transferred the amount to the Seller's account known to it at the time of the transfer of such relevant amount. In such case, the date of satisfaction of such monetary obligation shall be the date on which the amount is transferred from the Purchaser's account.

### Article IV

#### Passing of Risk of Damage to Goods. Acquisition of Title

- 4.1. In the contractual relationship established pursuant to Article I hereof, the risk of damage to the goods shall pass to the Purchaser on the delivery date of the goods (Article II, Section 2.19). The delivery date of the goods shall be deemed to be the taxable supplies date.
- 4.2. Damage to the goods that occurred after the passing of the risk of damage to the Purchaser shall not affect the Purchaser's obligation to pay the purchase price, unless the damage occurred as a result of breach of an obligation of the Seller.
- 4.3. Title to the goods shall pass to the Purchaser on the date that the Purchaser pays the full purchase price of the goods including VAT, exchange rate differences, related default interest and contractual penalties due to the Purchaser under the purchase contract. Such goods shall thus remain the property of the Seller until the satisfaction in full of all financial obligations of the Purchaser in relation to the Seller.
- 4.4. For the term of the Seller's ownership, the Purchaser shall be obliged to:
- maintain the goods in due condition and to carry out necessary repairs and maintenance,
  - not pledge or misappropriate the goods or allow their use by a third party without the Seller's prior written consent,
  - inform the Seller without undue delay of any seizure or other third party measures taken against its property, including the application of a third party retention right to the goods, and remove such measures at its own expense.
  - if the Purchaser is in delay with the performance of any obligation towards the Seller during the Seller's ownership of the goods and the Seller calls upon the Purchaser,
    - a) the Purchaser may not use the goods or parts thereof, and/or
    - b) the Purchaser shall be obliged to deliver the goods or part thereof to the Seller in order to secure the Seller's receivables.
- 4.5. By executing the purchase contract, the Purchaser shall assume the risk of change of circumstances pursuant to the provisions of Section 1765(2) of the Civil Code.

### Article V

#### Liability for Defects in Goods

- 5.1. The Seller shall not automatically provide a contractual warranty for the quality of the goods supplied thereby.





- 5.2. Should the Seller fail to deliver the goods of the variety, quantity or quality corresponding to the Purchaser's requirements according to the order, the goods shall be deemed defective.
- 5.3. The Purchaser shall be obliged to check the completeness and integrity of the goods upon receipt. Obvious defects that can be detected during delivery and acceptance shall be recorded by the Purchaser in the presence of the driver (forwarder) in the carriage document (or other document of carriage or delivery note). Making such record and its confirmation by the driver (forwarder) shall be the condition for claiming defects in the delivery in terms of the number of delivered packages (pieces) or, as the case may be, damage during transportation. Later claims due to obvious defects shall not be taken into account.
- 5.4. With other defects, the Purchaser shall be authorised to exercise the rights from defective performance without undue delay after their finding by virtue of a written notice to the Seller's address. Such notice shall contain the description of such defect.
- 5.5. The goods being reclaimed must be stored separately until the claim is settled, and any disposing with such goods that could render it difficult or impossible to verify the claimed defects shall be impermissible without the prior written consent of the Seller. Breach of this obligation shall result in the termination of the rights under liability for defects.
- 5.6. The Seller reserves the right to inspect the condition of the claimed goods directly at the place of storage.
- 5.7. Should the complaint be justified and should the defect found constitute material breach of contract by the Seller, the Seller shall be authorised to first remove the defect at its discretion either by supplying replacement goods for the defective goods, or by supplying the missing goods or removing the defect by repairing the goods or replacing the component parts of the goods, doing so within a reasonable period of time from the notice of defect (defect complaint). Only should the Seller fail to remedy the defect within a reasonable period of time from the notice of defect by any of the above-specified methods or combinations thereof, the Purchaser shall be authorised to assert other claims arising from the applicable legal rules and regulations, such as
- reasonable discount on the purchase price
  - rescission of contract.
- The Purchaser may not change the choice made without the written consent of the Seller.
- 5.8. Should the Purchaser fail to make choice of claim in its written defect complaint, the Seller shall be authorised to determine the method of settling such defect complaint.
- 5.9. In the event of delivery of new goods, the Purchaser shall return to the Seller the goods originally delivered at the Seller's expense.
- 5.10. Should the claim be justified and should the defect found represent immaterial breach of contract by the Seller, for remediable defects, the Purchaser shall be authorised to claim only remediation of the defect by repair.
- 5.11. The Seller shall not be responsible for defects in the goods:
- in the event of changes or modifications to the goods made without the Seller's previous consent,
  - in the event of use, storage or maintenance of the goods in violation of the operating instructions and the purchase contract,
  - arising from usual wear and tear,
  - resulting from faulty or excessive straining,
  - caused by third parties.
- 5.12. The Purchaser shall not have the right to rescind the contract if the Purchaser fails to report the defect in the goods in a timely manner.
- 5.13. The Seller undertakes to provide to the Purchaser, upon request, a written protocol of the complaint proceedings.

#### Article VI Confidentiality of Information

- 6.1. Any and all information that the contractual parties have provided to each other in connection with the contractual relationship pursuant to Article I or that they may provide to each other during the course of the contractual relationship shall constitute confidential information pursuant to the provisions of Section 1730 of the Civil Code. The contractual parties shall not disclose any information provided in connection with this contract to any third party or use it contrary to its purpose for their own needs.
- 6.2. The Purchaser acknowledges that the information contained in the Seller's offer, in the purchase contract and hereinbelow shall constitute the subject of the Seller's business secrets, and the Purchaser shall be obliged to – and at the same time, by concluding the purchase contract, it undertakes to – keep confidential all of its contents and not disclose such information to a third party, except for the obligation to provide assistance to public authorities in their exercise of control and their other powers. This obligation shall survive the termination of the contractual relationship established by the purchase contract. Should the Purchaser breach this obligation, it shall be obliged to pay to the Seller contractual penalty of CZK 50,000.00 for each individual case of demonstrable breach of obligation. This shall in no way affect the Seller's right to claim indemnification for damages.
- 6.3. Manufacturing documentation, drawings, calculations and other technical documentation relating to the goods, if they are handed over to the Purchaser by the Seller, shall be the exclusive property of the Seller, and as such shall be subject to protection under copyright law or, as the case may be, industrial law or, as the case may be, other branches of law ensuring protection of intellectual property. The documentation referred to in the foregoing sentence may neither be made available to third parties without the previous written consent of the Seller nor be misused by the Purchaser in any manner.

#### Article VII Final Provisions

- 7.1. The terms and conditions agreed in the purchase contract shall prevail over the applicable provisions of these GBTC.
- 7.2. The Seller's liability for damage in the event of breach of an obligation arising from a purchase contract shall be limited by the purchase price amount. The Purchaser's right to claim lost profits shall be precluded.
- 7.3. The Purchaser shall only be authorised to assign the rights arising from the purchase contract or the purchase contract proper in writing and subject to the previous written consent of the Seller under the penalty of nullity. This expressly applies also to any assignment of the Purchaser's receivables from the Seller.
- 7.4. Should any provision of these GBTC become or prove invalid or ineffective, the remaining provisions of these GBTC shall remain valid and effective.
- 7.5. The individual provisions of the purchase contract shall be severable, meaning that the ineffectiveness or invalidity of any one of them shall not render invalid or ineffective the purchase contract as a whole.
- 7.6. All matters not expressly regulated by these GBTC and the purchase contract and relationships arising therefrom shall be governed by the laws of the Czech Republic. In all cases not resolved by these GBTC or the provisions contained in the purchase contract, the relevant provisions of the Civil Code or, as the case may be, other valid legal rules and regulations of the Czech Republic shall apply.
- 7.7. Both parties shall attempt to reach an amicable agreement regarding all issues that may arise from the concluded purchase contract. The District Court in Náchod shall have the jurisdiction to resolve any disputes.
- 7.8. These GBTC shall be valid as of 01.01.2024.