

General Purchasing Conditions of LPP s.r.o.

1. Initial provisions

- 1.1 These purchasing conditions (hereinafter, the "**Conditions**") relate to all the purchases of goods (hereinafter, the "**Goods**") by the company LPP s.r.o., with registered office at Pod Hájkem 406/1a, Libeň, Prague 8, ID: 48112062, entered in the Commercial Register maintained by the Municipal Court in Prague, File No. C 16309 (hereinafter, the "**Customer**") from sellers who are entrepreneurs within the meaning of Sec. 20 of the Act No. 89/2012 Coll., Civil Code (hereinafter, the "**Civil Code**") (hereinafter, the "**Supplier**"), or for services offered and provided by the Supplier (hereinafter, the "**Services**").
- 1.2 All references to legal provisions are stated in the Conditions for the purpose of eliminating doubt about the intentions of the parties. The legal provisions are applicable even without a specific reference, with the exception of the express exclusion of their application or replacement of their content with a provision in these Conditions.
- 1.3 These Conditions constitute an integral part of each framework contract and/or a contract whose subject of performance will be deliveries of the Goods or the provision of Services by the Supplier, unless the parties explicitly agree otherwise in such a contract (hereinafter jointly the "**Contract**"). These conditions relate, among others, also to any orders made by the Customer (hereinafter, the "**Order**"), or a contract established on their basis and to all relations arising from them, as well as to all offers of the Supplier (hereinafter, the "**Offer**"), or contracts established on their basis and all relations arising from them. By a procedure pursuant to these conditions, the Offer shall become an integral part of the Contract.
- 1.4 By signing each Contract concluded with the Customer or by confirming an Order, the Supplier declares that it has had the opportunity to become acquainted with these Conditions, that it accepts all the conditions of these Conditions, irrevocably and without reservations, unless something different is negotiated in the Contract. The different business conditions of the Supplier are not binding for the Customer, not even by the confirmation of the Offer or the sending of the Order, unless the contracting parties agree in the Contract on the binding character of the business conditions.
- 1.5 If the Contract expressly stipulates something else than what is stated in these Conditions, the provisions of the Contract shall prevail over the provisions of the Conditions that are in conflict with them.

2. The conclusion of the Contract

- 2.1 Only legal acts leading to the conclusion of the Contract that are made in the written form shall be binding. The written form is maintained even when the conclusion of the Contract (or any of its amendments) takes place via fax or via electronic communication.
- 2.2 The following is excluded for each Contract: a) the possibility to conclude, amend or supplement the Contract orally, tacitly or by a factual act (i.e. merely by the contracting party behaving in a certain way without there being a legal reason for it), b) the possibility to accept the Order with any amendment, reservation or derogation, c) the possibility to assign the Contract or a part thereof, as well as d) the possibility to unilaterally change or unilaterally supplement the content of the Contract. The silence, inactivity (e.g. non-raising of an objection) or omission do not in themselves give rise to legal consequences and cannot be construed as a waiver of a right, debt cancellation, consent or acceptance (e.g. of the Goods, Offer), unless something else arises from the content of a Contract already concluded.
- 2.3 The Supplier shall confirm the Order in writing no later than within ten (10) days from the delivery of the Order, unless a different period is stated in the Order for which the Order is binding. The binding character of the Order shall expire by the lapse of the period for its acceptance. If the Customer issues an Order within the validity period of the Offer that is in accordance with the conditions of the Offer, the Supplier does not have to confirm the Order and the Contract is concluded by the Order.
- 2.4 By concluding the Contract, the Supplier declares and accepts full responsibility for the existence of all preconditions for the fulfilment of its duty, which is the subject of a Contract thus established. The Supplier cannot subsequently relinquish responsibility for the quality and completeness of the performance by pointing out that the background materials submitted by the Customer are unclear or defective, or that the individual deliveries of the Goods and/or the provision of the Service, which are part of the due performance according to usual conduct in the field or are otherwise required for the performance in accordance with the Contract, are not stated individually in the background materials. If the Supplier deems the submitted background materials to be unclear, incomplete or otherwise defective, the Supplier shall be obliged to immediately notify the Customer to such shortcomings in writing. Any possible notifications by the Supplier are made immediately within the meaning of this article only when they are delivered to the Customer within seven (7) days from the delivery of the Order.

3. Price

- 3.1 The price shall always be fixed and constant. The parties have agreed that the price is always stipulated as the highest possible and absolute and includes all the costs related to the delivery of the Goods or the provision of Services to the Customer in accordance with the negotiated delivery conditions, especially transport, unloading, insurance, equipment, quality documentation, usual packaging, taxes (including VAT), duties, other fees for any costs related to the delivery of the Goods or the provision of Services, including all additional works and services, unless the negotiated INCOTERMS® clause stipulates otherwise or the parties have negotiated different delivery conditions.

3.2 The Supplier shall obtain at its own costs all official permits (including the payment of duties and fees) required for the delivery of the Goods or the provision of the Services according to the Contract, including, if relevant, in a foreign country if the Goods are to be imported.

4. Payment conditions

4.1 The Seller will issue and send a tax document – invoice (hereinafter, the “**Invoice**”) for all the goods delivered or Services provided. The Supplier shall simultaneously send the Customer a copy of the invoice to the e-mail address invoices@lp-praha.cz. The invoice must contain the formulations and terms used by the Customer in the Agreement, error-free data in accordance with Sec. 29 of the Act No.235/2004 Sb., on Value-Added Tax, as amended (**hereinafter, the “VAT Act”**) and the number of the Order. If the Invoice is not error-free or does not comply with all the requirements of a tax document within the meaning of the legislation of the Czech Republic, the Customer shall be entitled to return the Invoice by its due date while stating the objections against the correctness of the invoice. By returning the Invoice, the due date of the invoice shall be interrupted and after the submission of the corrected invoice, a new due date shall start running.

4.2 The deliveries of the Goods or the provision of Services in different places of performance must not be invoiced together, but a special Invoice shall be issued for each such performance.

4.3 The due date of the Invoice shall be thirty (30) days from the day of the delivery of the Invoice to the Customer provided that the delivery of the Goods or provision of the Services has been accepted and approved by the Customer. The Customer shall not provide an advance for the Goods or Services, unless stated otherwise in the Order.

4.4 In the event of incorrect, partial or defective delivery of the Goods or provision of Services, the Customer shall be entitled to withhold the payment of the total price until the due fulfilment of the Contract.

4.5 The Supplier shall be entitled to withhold or set off any of its receivables from the Customer only if the Customer expressly recognizes such a receivable or it was confirmed by a final decision of the court, or if the Supplier's claim arose as a result of a substantial breach of the Contract by the Customer. A material breach of the Contract means such a breach of a contractual duty that safeguards the legal position of the Supplier, which is guaranteed by the content and purpose of the Contract, or such a breach of the Contract that would cause the parties not to conclude the Contract had they known about it.

4.6 The Customer shall be entitled to choose the manner of paying the price. In the case of a cash-free payment of the price, the price shall be deemed as paid on the day when the corresponding amount is debited in favour of the Supplier's bank account. The duty to pay the price in time shall be fulfilled even when the Customer gives the bank an order to pay the price no later than within three (3) days before the due date. The Supplier's claims shall be barred within periods pursuant to the Civil Code.

5. Delivery conditions

5.1 The agreed delivery periods shall be binding. The Goods are delivered on time if they are delivered within the agreed period to the negotiated place of performance, unless the contracting parties agree otherwise.

5.2 The Supplier shall be obliged to inform the Customer without delay in writing or by e-mail to the address orders@lp-praha.cz that there have occurred or the Supplier has knowledge of circumstances on the basis of which the negotiated deadlines may not be met. This applies even when the Supplier is not responsible for the delay.

5.3 The Customer shall not be obliged to accept a partial delivery of the Goods or Services unless the parties have expressly agreed to do so. In the case of a partial performance, the delivery documents must contain information about the non-delivered goods or the Services and the expected date of their delivery. The Supplier shall be entitled to deliver only the ordered amount of the Goods, unless a derogation is expressly negotiated. The Customer shall be entitled to refuse to accept and return the amount of Goods delivered in excess without the necessity of prior notification of the return of the redundant Goods at the cost and risk of the Supplier and with a corresponding deduction of the price from the Invoice, if the Goods delivered in excess are billed on it.

5.4 The Supplier shall be entitled to deliver the Goods or provide the Services before the delivery period negotiated in the Contract. If the Supplier is to perform before the period, it shall be obliged to inform the Customer thereof in advance at least 3 business days to the e-mail address stated in art. 5.2 of these Conditions.

5.5 While sending the Goods, the Supplier shall simultaneously send to the Customer's email address stated in art. 5.2 a dispatch note or a loading list or another document containing information on the Goods or Service delivered (number and name) and the number of the Order, the contact person and the date of the Order. The Goods must be delivered with a delivery note containing the same data as the dispatch note. All the deliveries must be made to the negotiated place of delivery and must be marked as arranged in the Conditions or the Contract.

5.6 The Supplier shall be obliged to comply with the usual period for the admission of the Goods (business days from 8am to 3pm).

5.7 In the event of a delay in the delivery of the Goods or the provision of the Services, the Customer shall be entitled to exercise all of its rights, especially the right to demand compensation for damage (including lost profit) instead of the due delivery or to withdraw from the Contract, including partially, in relation to the non-supplied performance.

5.8 Attached to the Goods and Services shall be, upon the delivery at the latest, all documents, certificates and other deeds required for the normal use of the Goods and certificates confirming the quality of the Goods.

5.9 If the Supplier is in delay with the delivery of the Goods or the provision of the Services, the Supplier shall be obliged to pay the Customer a contractual penalty in the amount of 0.25 % from the value of the Goods not delivered or the

Service not provided without VAT for each day of the delay. This shall be without prejudice to other claims of the Customer, especially the right to the compensation for damage (including lost profit).

6.10 Unless decided otherwise, the place of the performance of all rights and duties arising from the Contract shall be the registered office of the Customer.

6. Other conditions of the delivery of the Goods

6.1 The Goods shall be packaged in a usual manner suitable and reliable for the transportation involved. The packaging shall be carried out carefully by the Supplier with regards to all the possible transport risks.

6.2 The risk of damage and the ownership title to the subject of performance shall be transferred to the Customer by its complete acceptance.

6.3 The Supplier shall not be entitled to assign the Contract to a third party or deliver the Goods or provide the Services via a third party (e.g. a subcontractor) without a prior written consent of the Customer.

6.4 The Services, assembly works, repairs, installations and other works provided by the Supplier within the Contract in the case of the delivery of machines, equipment and devices, must be performed in accordance with the relevant legislation and technical standards (ČSN, EN) applicable on the territory of the Czech Republic, unless a different country has been negotiated for the delivery.

6.5 The Supplier shall have no right to withhold the Goods or the provision of the Services, unless the parties agreed on such a right of the Supplier in writing in the Contract.

7. Defects, warranty, complaints

7.1 The Supplier guarantees that the Goods and the Services correspond to the Contract, legislation applicable in the place of delivery, technical standards, generally recognised rules and the current state of science and technology. The Supplier shall be liable for the quality of the Goods or Services, including their control. Unless stipulated otherwise, the Goods must be new and unused.

7.2 The rights from the Customer's defective fulfilment or the Customer's claims from a breach of a contractual duty by the Supplier shall be governed by the provisions of the Civil Code, unless they are further supplemented by these Conditions or unless these Conditions stipulate otherwise. In the event of defective fulfilment, the Customer shall be entitled at its own decision to choose either the removal of the defect or the delivery of completely new fulfilment.

7.3 With regard to the Customer's obligation to inspect the Goods upon their delivery pursuant to Sec. 2104 of the Civil Code, the Customer shall be entitled to claim an obvious defect of the Goods within five (5) days from the day of the delivery of the Goods. The Customer shall be entitled to claim a hidden defect no later than within ten (10) days from the day when it was discovered, but no later than by the lapse of the warranty period.

7.4 If the Supplier receives a notification from the Customer about the defects of the Goods or Services or an assertion of the Customer's claims from defective fulfilment, the Supplier shall be obliged to inspect this notification, for which the Customer undertakes to provide all the necessary cooperation, and to remedy the defective fulfilment no later than within thirty (30) days from the day of the delivery of the notification about the defects.

7.5 The Supplier shall provide the Customer with a quality warranty in the length of twenty-four (24) months from the time of the complete delivery of the Goods / complete provision of the Service to the Customer at the place of delivery, unless legislation or the manufacturer stipulate a longer period. The warranty period shall be automatically extended by the period starting by the occurrence of the defect and ending by the date of the restoration of the subject of performance into a defect-free condition. In the event of a substitute performance or removal of defect, a separate new warranty period shall run for these substitute or replaced parts of the performance.

7.6 If the Supplier breaches the duty to remove the defect/s of performance (by removing the defect or delivering a substitute performance according to the Customer's choice) within the stipulated period, unless the Customer stipulates a longer period, the Customer shall be entitled to withdraw from the Contract or to remove the defect itself or via a third party, and demand from the Supplier the reimbursement of the costs thus incurred. If the Customer is pressed for time (e.g. due to special urgency, threat to industrial safety or the risk of excessive losses), the Customer can proceed pursuant to the first sentence of this article, without first having to ask the Supplier for the removal of the defect or the delivery of a substitute performance. In such a case, however, the Customer shall be obliged to notify the Supplier of this, ideally in advance. In the event of the Supplier's delay in removing the defects of the Goods or the Services, the Supplier shall be obliged to pay the Customer a contractual penalty in the amount of 0.25 % of the value of the defective Goods or Service for each day of the delay.

7.7 All the costs of the inspection, removal of defective performance, substitute delivery or repair (i.e. costs of material, personnel, assembly, disassembly, transport, decommissioning of the product, etc.) shall be borne by the Supplier.

7.8 The Supplier shall be responsible for any damage caused by the Goods or the Services and/or the use of the Goods or Services to the Customer or also any third parties as a result of using the Goods or the Services by the Customer and the breach of any right of third parties provided that the Supplier is responsible for the damage.

8. Confidentiality, protection of intellectual property (know-how)

8.1 All business or technical information and data of any kind to which the Customer disclose to the Supplier, including information that can be inferred from objects, deeds or data provided to the Supplier and including any other knowledge and experience (hereinafter jointly, the "Information") must be protected by the Supplier as confidential in relation to third parties until the time when they become publicly accessible. At the Supplier's own establishment,

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the Information can only be provided to such persons who are involved in performing the Contract and who must also be committed in writing to maintaining confidentiality on the Information. This confidentiality duty shall remain applicable even after the termination of the Contract. Notwithstanding the above, the Information shall remain in the exclusive ownership of the Customer.

- 8.2 The information must not be copied or used commercially without a prior written consent of the Customer, with the exception of the delivery of Goods to the Customer or the provision of Services for the Customer.
- 8.3 The Customer reserves all rights to the information and rights (including intellectual property rights and rights to industrial property such as patents, utility models, trademarks, etc.). If these have been provided to the Customer by a third party, the above-mentioned reservation of rights and the confidentiality duty shall also be used in favour of this third party.
- 8.4 The Goods manufactured or Services provided in accordance with the documents processed by the Customer or on the basis of the Customer's instructions and specifications must not be used by the Supplier nor further offered or submitted to third parties, unless such information is generally known.
- 8.5 The Supplier must pay due attention to the selection of any third party and it shall commit it to maintaining all legislation and regulations related to the performance under the Contract, especially against corruption, money laundering and anti-monopoly conduct, and to the compliance with legislation against unfair competition or distortion of competition.
- 8.6 Models, drawings, samples, stamps, tools, templates and/or other technical aids and documents provided to the Supplier or manufactured by the Supplier in accordance with the Customer's specification shall not be sold, pledged or otherwise provided to third parties or otherwise used for third parties, unless the Customer gives its prior written consent. The same applies to any Goods manufactured using these means. Such objects may only be delivered to the Customer, unless the Customer confirms that it agrees to another use. The drawings and models remain unalienable material or immaterial property of the Customer and after the performance of the Contract must be returned to the Customer without the Customer having to ask the Supplier to do so. The Supplier shall be responsible for any breach of the above.
- 8.7 The Supplier will exert all effort to make sure that the Goods or Services supplied by it do not breach the rights of third parties to intellectual property in the European Union or in any other country in which it manufactures the Goods or has them manufactured, or in a country to which the Goods are to be delivered or in which the Services are to be provided, or in a country in which the Goods are to be used.
- 8.8 If a third party claims a breach of its right to intellectual property towards the Customer, the Supplier shall be obliged to make sure that the Customer is relieved of these claims, unless the reason for the breach of the intellectual property of third parties rests outside the sphere of control and operation of the Supplier.
- 8.9 The Supplier's duty to compensate the Customer for damage relates to all costs that will necessarily arise for the Customer as a result of or in relation to the assertion of a third party's claim towards the Customer, and also especially the costs of legal defence or expert opinions that the Customer incurred in relation to such a claim of the third party and its aversion.

9. Termination of the Contract

- 9.1 Each party shall be entitled to withdraw from the Contract with immediate effect for a substantial reason. A substantial reason for withdrawal shall mean in particular:
 - if one of the parties breaches the Contract and fails to provide remedy despite the due written notification after the lapse of the additional reasonable period; or
 - (i) the court decides on the bankruptcy or a similar condition of the Supplier; or (ii) the Supplier submits an insolvency application (or a similar application pursuant to other than Czech legislation); (iii) the insolvency application (or a similar application pursuant to other than Czech legislation) for the person in question is rejected for lack of property within the meaning of the Czech Act No. 182/2006 Coll., Insolvency Act, as amended ("Insolvency Act") or comparable foreign regulations; (iv) an insolvency administrator of the Supplier is appointed (or a similar administrator pursuant to other than Czech legislation); or (v) a resolution is adopted on mandatory or voluntary liquidation of the Contractor; (vi) the Supplier goes bankrupt within the Insolvency Act or a similar act; or (vii) another similar situation occurs (e.g. the Supplier is aware of the risk of the occurrence of facts stated under items (i) to (vi) above and the Supplier keeps this secret from the Customer; or
 - the Supplier goes into liquidation.
- 9.2 If the Contract is concluded for repeated performance (i.e. for more than one Order), then both the Customer and the Supplier shall be entitled to terminate the Contract unilaterally in writing without stating the reason or for any reason; the termination period shall be one (1) month and shall start running on the first day of the month following the month in which the notice of termination was delivered.
- 9.3 The withdrawal and the notice of termination must be made in writing.
- 9.4 The withdrawal from the Contract shall not affect the right to the compensation for any damage to the Customer, including non-material damage.
- 9.5 The Supplier shall not be entitled to withhold the Goods or the provision of Services, unless the parties have agreed on such a right in writing in the Contract.

10. Applicable law, court competence

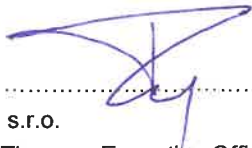
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- 10.1 These Conditions and the Contract shall be governed by the law of the Czech Republic with the exclusion of international private law, including the UN Convention on Contracts for the International Sale of Goods (CISG).
- 10.2 The competent courts for settling disputes arising from the Contract shall be the general courts of the Czech Republic.

11 Final provisions

- 11.1 The Customer may change these General Delivery Conditions in an appropriate scope. The change of the Conditions shall be effective from the time of their publication on the Customer's website (www.lp-praha.cz), unless stipulated otherwise therein.
- 11.2 The business usages and business practices between the contracting parties to the purchase contract based on the provisions of Sec. 558 of the Act No. 89/2012, Civil Code as amended, shall not be taken into account. The provisions of Sec. 1744 of the Act No. 89/2012 Coll., Civil Code, as amended shall not be taken into account as well.
- 11.3 Any change to the Contract within the meaning of these Conditions must be made in writing. A written form shall also mean documents duly executed and signed in the pdf format delivered to the relevant email addresses.
- 11.4 In accordance with Sec. 1801 of the Civil Code, the parties expressly exclude its provisions of Sec. 1799 and Sec. 1800.
- 11.5 For the conclusion of the Contract and its changes, the application is excluded of the provision of Sec. 1740 para 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.
- 11.6 The Supplier assumes the risk of a change of circumstances within the meaning of Sec. 1765 of the Civil Code.
- 11.7 These Conditions entered into force and became effective on 25th of August 2020.

In Prague on 25th of August 2020



LPP s.r.o.

Jan Thomas, Executive Officer

LPP s.r.o.

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