

ARTICLE I DEFINITIONS

- a) **ABO valve** - shall mean ABO valve, s.r.o., ID No. 49609050, with its seat at Dalimilova 285/54, Chomoutov, 783 35 Olomouc, Czech Republic, registered at the Commercial Register kept by the Regional Court in Ostrava under file No. C 10719, its subsidiaries, branches and divisions in the position of a buyer of Products or ordering party of Works.
- b) **Products/Works** - shall mean any equipment, parts, materials and works specified in ABO valve's order or Contracting Party's offer.
- c) **Contracting Party** - shall mean the party who enters into a contract with ABO valve for the Products/Works on the position of a seller of the Products or a supplier of the Works.
- d) **Conditions** - shall mean the terms and conditions set out herein and any special terms attached to these terms which are agreed by both parties.
- e) **Contract** - shall mean the written agreement and all written amendments between the Contracting Party and ABO valve for the provision of Products/Works in consideration of the price (hereinafter the "**Contract Price**"). The requirement of written form shall be deemed fulfilled also by e-mail communication between the parties.
- f) Where reference is made to abbreviations described by the Incoterms standard, the parties agree to interpret those as per Incoterms 2020.

ARTICLE II CONTRACT

- a) ABO valve's written order delivered to the Contracting Party shall be deemed an offer.
- b) A Contract is concluded only when ABO valve receives an unconditional acceptance of the offer by the Contracting Party (hereinafter the "**Order Confirmation**"). Commencement of the performance of the Contract shall also be deemed unconditional acceptance of the offer. By confirming the order based on an offer, the Contracting Party accepts these Conditions.
- c) A response to the order with an addendum or a variation which does not substantially alter the terms of the offer shall not be deemed an acceptance of the offer and is considered to be a new offer. In such case, the Contract is concluded by ABO valve's acceptance of the new offer or by agreement of the parties on the entire content of the Contract.
- d) The Contract, inclusive of all annexes referred to by the Contract, and inclusive of these Conditions, form the entire agreement between the Contracting Party and ABO valve. No other document, correspondence or statement shall be part of the Contract unless specifically referred to in the Contract.
- e) The Contracting Party may not deviate from the provided drawings, datasheets, specifications or other figures included in the offer, unless agreed in writing by ABO valve.

- f) The Contracting Party is obliged to perform the Contract on its own and is not allowed to use subcontractors for the execution of substantial parts of the Contract without prior written permission by ABO valve. ABO valve is entitled to reject any subcontractor of the Contracting Party at any time and without giving reasons. In such a case, the Contracting Party cannot continue to cooperate with such subcontractor.
- g) In case of any discrepancies between these Conditions and any Contracting Party's terms, these Conditions shall take precedence.

ARTICLE III PRICE AND PAYMENT TERMS

- a) The Contract Price is fixed and includes the value of the Products/Works, all applicable taxes and fees, the cost of packaging, the cost of transportation to place of delivery in accordance with delivery terms, the cost of insurance of the subject of the Contract for the period of transportation and insurance of the Contracting Party, the cost of commissioning, and the cost of testing of the Products/Works including certificates and instruction documentation. The Contract Price of the Works shall always be the maximum price and cannot be unilaterally increased by the Contracting Party.
- b) The Contracting Party may demand payment of the Contract Price only against proper invoices issued after the Products/Works were taken over by ABO valve.
- c) The invoice maturity date shall be 60 calendar days following its receipt by ABO valve.
- d) The invoice maturity date shall be postponed if ABO valve makes any claim related to defect in the Products/Works as per Contract, including missing documentation and certificates. The due date shall start to run again from the day when ABO valve's rights arising from defective performance have been duly satisfied.
- e) The invoice must contain all the essentials of a tax and accounting document and contain reference to ABO valve's order. If the invoice does not contain all the requisites according to the Contract, or if any of the requisites are incorrect, ABO valve may return the invoice to the Contracting Party no later than 10 calendar days of its receipt for the due completion or correction or both. The due date for payment of the Contract Price shall then commence anew from the date of receipt of the amended invoice by ABO valve.
- f) The bank account referenced in the invoice must match the bank account agreed in the Contract, be in the name of the Contracting Party and will be verified prior to any payment.
- g) ABO valve shall pay all bank expenses in the Czech Republic and the Contracting Party shall pay all other bank expenses.
- h) The Contracting Party is not entitled to set off its receivable from ABO valve for the payment of the Contract Price against any receivable of ABO valve from the Contracting Party. Furthermore, the Contracting Party is not entitled to assign its claim against ABO valve for payment of the Contract Price

to another or to pledge it.

- i) In the case of a reasonable concern that ABO valve could become a tax guarantor of the Contracting Party (e.g. the Contracting Party will be identified as so called "unreliable payer" according to VAT Act), ABO valve is entitled to withhold a part of the Contract Price corresponding to possible guarantee liability and transfer such amount under its discretion to the tax authorities.

ARTICLE IV DISPATCH / PACKAGING / DELIVERY

- a) Unless agreed in the Contract otherwise, the Contracting Party shall deliver/hand-over the Products/Works (if relevant due to the character of the Works) to ABO valve at its factory in Olomouc, Czech Republic, in accordance with INCOTERMS rule DAP, on the date and in the agreed quantity and quality as per Contract.
- b) The packaging of the Products must be of a suitable nature in order to, in the case of proper handling, rule out any damage being incurred during loading, transportation and unloading. The packaging shall not contain any harmful substances and must conform to §3 and §4 of Act No. 477/2001 Coll., on Packaging, as amended.
- c) Unless anything to the contrary has been agreed, the delivery is to be effected using standardized, exchangeable and reusable forms of packaging and loading aids such as Euro pallets or Euro mesh boxes according to UIC leaflet 435-2. The Products are to be secured on/in the loading aid in such a way that they are safeguarded against damage and sliding around.
- d) Inasmuch as the dimensions of the Products to be dispatched should rule out the economically viable deployment of standardized, exchangeable and reusable forms of packaging, the Products may also be dispatched in non-standardized packaging, boxes or cartons or other suitable forms of packaging. ABO valve must be informed in advance about non-standard packaging.
- e) The Contracting Party shall be required to package all Products to be dispatched sorted and in single-product-type batches. Should re-packaging be required because the Products have not been packaged in single-product-type batches, the Contracting Party shall be required to bear the costs incurred as a result hereof.
- f) The Contracting Party shall observe ABO valve's Packaging and Labelling instructions (contents, introduction, labelling of the goods, details indicated on delivery notes/package lists, barcode specification). The packaging or loading aids used are to be furnished with the material number, material short text, order number and order position of the material they contain. A delivery note is to be enclosed with every delivery, which is to be affixed to every loading aid. This must include the following details at the very least: delivery note number, delivery note date, order number and order position or delivery plan, material number, quantity delivered.
- g) In the case of the Products with limited storage properties, the Contracting party shall be obliged to

indicate the expiry date and, in the case of the Products subject to special storage and/or disposal regulations, the relevant information in a clearly visible position on both the Products themselves and the packaging as well as in all order confirmations and delivery notes. In order to facilitate the control of the quantities, the content quantity is to be indicated on all repackaging and on every dispatch unit.

- h) The Contracting Party shall notify ABO valve without undue delay about any circumstances that could cause delay in the delivery/hand-over of the Products/Works.
- i) ABO valve may refuse partial delivery/hand-over of the Products/Works.
- j) The take-over of a quantity of the Products/Works in excess of the quantity agreed in the Contract shall not be deemed as conclusion of a contract for excessive quantity of the Products/Works.
- k) Contracting Party's delay in delivery/hand-over of the Products/Works for longer than 30 calendar days shall be considered as fundamental breach of the Contract and ABO valve may withdraw from the Contract in such case.
- l) The Contracting Party shall pay to ABO valve a contractual penalty amounting to 0.05 % of the Contract Price of not delivered/handed-over Products/Works per each day of delay in delivery/hand-over. The Contracting Party shall also indemnify ABO valve for any damage incurred by the delay in an amount exceeding the contractual penalty.
- m) The Contracting Party acknowledges that the Products/Works may be part of large technological units and, therefore, any delay in delivery or delivery of defective Products/Works may cause damage significantly exceeding the Contract Price.
- n) The Contracting Party shall deliver/hand-over the Products/Works together with all documentation as agreed in the Contract and all documentation required by the applicable legislation and technical standards for proper and safe use, including operating and installation instructions, including instructions for storage, use and maintenance, and including testing certificates with results, material certificates, certificates of origin, passports, declaration of conformity and similar. The Contracting Party shall deliver all documentation in Czech or English language.
- o) The risk of damage relating to the Products and the title (ownership right) to the Products shall pass to ABO valve upon delivery of the Products. The Products are considered delivered at the moment of written acceptance of the Products by ABO valve.
- p) ABO valve shall not incur any costs for the disposal of transport packaging. The Contracting Party undertakes to collect the packaging necessary for the transport from the delivery address or place of receipt specified by ABO valve without delay at its own cost and risk and to dispose of the same in an orderly fashion. If the Contracting Party fails to collect the packaging, the disposal cost will be for their account.
- q) The risk of damage relating to the Works shall pass to ABO valve upon hand-over of the Works based on

hand-over protocol and the title (ownership right) shall pass to ABO valve upon completion of the Works.

ARTICLE V QUALITY AND WARRANTY

- a) The Contracting Party shall deliver/hand-over the Products/Works duly conforming to the specifications and requirements of the Contract, whereof the Products/Works shall be new, unused and free of any defects.
- b) The Contracting Party guarantees that the Products/Works supplied will be free from defects in design, materials and workmanship for a period of twenty-four months from installation or commissioning, or thirty-six months from shipment from the Contracting Party's factory, whichever event occurs earlier (hereinafter the "**Warranty Period**").
- c) If the Contracting Party was aware of a specific purpose or conditions, for which the Products/Works are intended, such as Medium, Pressure or Temperature, or any other conditions, then the Contracting Party guarantees fitness for purpose of the supplied Products/Works.
- d) In the event of occurrence of any defect during the guarantee period ABO valve shall issue a notice of claim (hereinafter the "**Notice of Claim**") to the Contracting Party without undue delay after becoming aware of the defects.
- e) The Contracting Party shall respond to ABO valve's Notice of Claim within 5 calendar days. If the Contracting Party fails to react within the above period, ABO valve's guarantee claim shall be deemed as accepted.
- f) The claim may be resolved at ABO valve's discretion by either:
 - Repair of the Product/Works by the Contracting Party at ABO valve's or Contracting Party's premises (or elsewhere if relevant due to the character of the Works).
 - Repair of the Product/Works by ABO valve at the cost of the Contracting Party.
 - Delivery of replacement Products/Works.
 - Delivery of missing parts of the Products/Works and demand the elimination of legal defects.
 - Reasonable discount from the Contract Price.
 - Return of the Product/Works to the Contracting Party against return of the Contract Price.
 - Withdrawal from the Contract.
- All additional costs are for the Contracting Party's account.
- g) In the event of a repair request, the Contracting Party shall commence repair no later than 48 hours after ABO valve's request. Inspection of the defect and its assessment by the Contracting Party shall not be deemed as commencement of repair. The Contracting Party shall remove the defect within the period agreed with ABO valve. If the Products/Works

is under warranty and is not repaired within the above timeframe, ABO valve is entitled to withdraw from the Contract.

- h) The warranty period for repaired Products/Works starts anew after ABO valve takes over the repaired Products/Works.
- i) In order to guarantee the procurement of spare parts, the Contracting Party undertakes to ensure the delivery of those materials and components necessary for this until a period of 10 years has expired since the ending of series productions and/or ending of the business relationship. Should the Contracting Party recognize during this period that it shall no longer be able to do this, it shall be required to inform ABO valve of the end of its supply capability without delay and to take all measures necessary to open up the possibility of procurement from third parties, in particular by way of imparting the necessary production know how.

ARTICLE VI INSPECTION

- a) ABO valve, or its appointed representative (hereinafter the "**Inspector**"), may, at any time and with prior notice to the Contracting Party, inspect completion of the Products/Works in order to verify its status.
- b) Without any additional cost, the Contracting Party shall allow ABO valve, or its Inspector, entry to its premises and provide all assistance necessary for inspection of the Products/Works. If the Products/Works are manufactured/completed outside the Contracting Party's premises, the Contracting party shall ensure for ABO valve unhindered access to all premises where the Products/Works are manufactured/completed.
- c) Products which ABO valve requires to be inspected as indicated in Contract may not be shipped from Contracting party premises without a clean inspection certificate.

ARTICLE VII TERMINATION AND SUSPENSION

- a) ABO valve may withdraw from the Contract or its part at any time before take-over of the Products/Works without a cause. In such an event, ABO valve shall compensate the Contracting Party for all proven costs incurred during the period of implementation of the Contract until ABO valve's withdrawal, but no more than the Contract Price of the Products/Works that are the subject of the withdrawal.
- b) ABO valve may, at any time, by serving written notice to the Contracting party, suspend the Contracting party's performance of the Contract for a maximum of 90 calendar days. The date of the Products/Works delivery shall then be accordingly postponed for the period of suspension unless the parties agree otherwise. ABO valve is not required to pay the Contracting Party any storage or other costs incurred on the latter pursuant to suspension of the Contract.
- c) The Contracting Party cannot unilaterally withdraw from the Contract.

- d) ABO valve is entitled to withdraw from the Contract without compensation in case of:
- decision on the entry of the Contracting Party into liquidation, or
 - filing a petition for the commencement of insolvency proceedings in which a decision is to be made on the insolvency of the Contracting Party, or
 - declaring the insolvency of the Contracting Party, or
 - that the Contracting Party does not deliver/complete the subject of the Contract even 30 days after the agreed delivery/hand-over date, or
 - repeated violation of health and safety rules, or
 - other material breach of the Contracting Party's obligations.

Withdrawal does not affect the right to demand a contractual penalty or damages in full. In the event of withdrawal from the Contract for Works, the Contracting Party is obliged to hand-over the completed part of the Work to ABO valve without undue delay, but no later than within 10 days from the date of delivery of the withdrawal to the Contracting Party.

ARTICLE VIII LIABILITY

- a) The Contracting party shall be liable for damages and any direct, indirect or consequential loss including, but not limited to loss of profit, loss of use, loss of production or loss of opportunity suffered by ABO valve, arising in connection with the supply of the Products/Works according to the Contract.
- b) The Contracting Party shall be liable for any costs, charges, or damage arising from errors or omissions in any drawings, designs, certificates, software and other information issued to ABO valve. The Contracting Party is responsible for the accuracy and reliability of all designs, drawings, information and other details or materials supplied by the Contracting Party to ABO valve.
- c) The Contracting Party shall not be liable for any damage, injury, errors or omissions caused by ABO valve, or ABO valve's sub-contractor's personnel, unless those were under the Contracting Party's supervision.
- d) The Contracting Party shall be insured under standard market conditions for liability for all damages incurred in connection with its activities in fulfilling the subject of the Contract, for indemnity for each individual insured event in the amount of at least three times the value of the Contract, and shall maintain this insurance in force until the expiration of Warranty period of the subject of the Contract to ABO valve. The insurance certificate shall be provided upon ABO valve's written request.

ARTICLE IX CONFIDENTIALITY AND COMPLIANCE

- a) The parties shall handle any information and material that has been provided, communicated or otherwise made known to any party in connection with the Contract as strictly confidential. The Contracting Party shall especially maintain confidentiality of all facts concerning ABO valve, its employees and customers, the technical and organizational facts of ABO valve or its customers, business relations and balance sheet situation of ABO valve and its customers, as well as the orders performed by ABO valve, the manner, scope and content of these orders, trade secrets, and undertakes not to disclose such facts and information to third parties and / or not to use them for its own benefit or for the benefit of third parties. If any party breaches confidentiality, it shall indemnify the other party for damage incurred by the breach. This obligation of the parties shall remain in effect even after termination of the Contract.
- b) The Contracting Party shall comply with all applicable laws, regulations and ordinances, and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Contract.
- c) The Contracting Party must not pay, offer or promise to pay, directly or indirectly, anything of value for to any representative of ABO valve, or any third party representative, for purposes of influencing an official decision or seeking influence in regards to the Contract.
- d) Personal data, which will be handed over between the parties during the implementation of the Contract, will be processed in accordance to applicable statutory regulation and especially in accordance to Regulation (EU) 2016/679 of the European Parliament and Council of 27 April 2016 on the protection of natural persons with regards to the processing of personal data and on the free movement of such data.

ARTICLE X FINAL PROVISIONS

- a) The Contracting Party is not entitled to assign any receivables arising out of or in connection with the Contract without prior written consent of ABO valve.
- b) The construction, validity and performance of the Contract shall be governed by the laws of the Czech Republic. The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded.
- c) All disputes arising out of or in connection with the Contract shall be finally settled by the courts in the Czech Republic, specifically by the general court in the place of ABO valve's registered seat.
- d) If any provision of these Conditions is held by any competent authority to be invalid in whole or in part, the validity of the other provisions hereof and the remainder of the provision in question shall not be affected. In the event of such occurrence, the parties shall, in so far as it is legally permitted, agree on the

replacement of the relevant provision with a valid one achieving the same or a similar purpose.

- e) Any provision of the Contract that by its nature should apply after any termination or expiration of the Contract, including (but not limited to) the following provisions: compliance, confidentiality and governing law shall survive any such termination or expiration.
- f) These Conditions or the Contract may only be amended or modified in writing and needs to be signed by an authorized representative of both parties.
- g) The provisions of these Conditions shall apply on the contractual relationship of the parties unless in conflict with any of the provisions of the Contract.