

GENERAL TERMS AND CONDITIONS OF SALE

The Parties

1. These General Terms and Conditions (hereinafter the “GTC”) provide for the contractual relationships in the supply of products, services or any other supplies by Compo Tech PLUS, spol. s r. o., Id. No. 635 07 412, a company with its registered office at 342 01 Sušice, Nová 1316 to the business partner - the “Buyer”, entered into pursuant to Act No. 89/2012 Coll., the Czech Civil Code, and are binding for every business contact with the CompoTech.
2. In these GTC, the term “CompoTech” means Compo Tech PLUS, spol. s r. o. and “Buyer” means the customer named on the invoice for the goods being sold. Together known collectively as the “Parties”

Applicability

3. These GTC define and specify in detail the rights and obligations of CompoTech and the Buyer and their up-to-date wording is an integral part of the purchase agreement; they are valid and effective from 01.10.2020 and replace any and all previous general terms and conditions.
4. Any other conditions may be agreed only through a written mutually confirmed contract or written agreement. Any derogating written arrangements of the Parties shall prevail over the provisions of these GTC; otherwise these GTC shall apply to the full extent.

Delivery Date

5. The exact date of delivery of goods shall always be determined in an individual contract and on the basis of agreement of the Parties. For the purposes of these GTC, it is expressly stipulated that a contract shall be deemed concluded also upon confirmation of an order without reservation; the contract is concluded at the time when CompoTech confirms the order.

Payment

6. The Buyer shall be obliged to pay the purchase price for the delivered products (goods) on the basis of a tax document/invoice within the maturity period specified in the tax document. The purchase price is paid upon crediting of the payment into CompoTech’s account.
7. To ensure proper identification of the payment by CompoTech, the Buyer shall be obliged, in making a payment by wire transfer, to indicate accurately all the data required for the payment by CompoTech. The Buyer is particularly obliged to specify the number of the invoice - tax receipt by which the purchase price of the goods was charged.
8. In case of delay with payment of the purchase price for a delivered product (goods), CompoTech shall be entitled to request that the Buyer pay a

contractual penalty of 0.016% of the purchase price of the goods for each day of delay.

9. In case of the Buyer's delay with payment of any tax documents/invoices or other pecuniary liabilities towards CompoTech, CompoTech reserves the right to suspend deliveries of other products to the Buyer until due payment of all outstanding tax documents/invoices or liabilities which have become payable.

Ownership

10. CompoTech and the Buyer have expressly agreed that until payment of goods in full:
 - (a) the goods covered by the contract shall remain the ownership of CompoTech and the Buyer shall therefore acquire ownership of the goods only upon payment of the purchase price into the CompoTech account. However, the risk of damage to the goods shall pass to the Buyer upon acceptance of the goods from CompoTech or, if the Buyer fails to accept the goods from CompoTech in time, the risk of damage shall pass to the Buyer at the time when CompoTech allows him to dispose of the goods. If, based on agreement of the parties, CompoTech is obliged to deliver the goods to a carrier at a certain location for transportation of the goods to the Buyer, the risk of damage to the goods shall pass to the Buyer upon its handing over to the carrier at the specified location. If the parties have agreed that CompoTech is obliged to dispatch goods but CompoTech is not obliged to hand over the goods at a specified location, the risk of damage shall pass to the Buyer upon handing over of the goods to the first carrier for transportation to the place of destination. The term 'carrier' means, without limitation, a legal or natural person carrying out business in the area of transportation of goods and logistics.
 - (b) CompoTech may at any time withdraw delivered goods from the Buyer's possession if the purchase price has not been not paid by the Buyer to CompoTech within the maturity period; the Buyer shall be obliged to provide CompoTech with co-operation in the withdrawal of the delivered goods, in particular to allow CompoTech's free access to premises, buildings and land where the goods are stored. Furthermore, the Buyer shall be obliged to take care of delivered goods of which he has not yet acquired ownership in such a way as to prevent devaluation, damage, loss, destruction, theft or any other decrease in the value of the goods.
 - (c) if the Buyer fails to pay the purchase price of the delivered goods in the sense of subparagraph (a) of this Article of the GTC, the Buyer shall be entitled, in carrying out its business, on the basis of the written consent of CompoTech, to sell the goods on the account of CompoTech to a third person (a client of the Buyer); however, no guarantees, conditions or representations provided or made by the Buyer or any third party shall be binding upon CompoTech and the Buyer shall hold CompoTech harmless in respect of them towards any third persons who are in contractual relationships with the Buyer. Thus, this paragraph provides for the only exception where the Buyer is entitled to dispose of the delivered goods and sell them to a third person, notwithstanding the fact that the purchase price for the delivered goods has not yet been paid and the buyer has therefore

not yet become the owner of the relevant goods. If such a sale is the case, the Buyer shall have a fiduciary obligation towards CompoTech to provide it with an account for the proceeds from the sale; however, the Buyer may retain any proceeds in excess of the due amount under the present contract or any other contract on sale between them, and CompoTech shall further be entitled to collect the Buyer's price directly from the Buyer's customer up to the outstanding amount; if CompoTech uses this right, it shall provide the Buyer with an account for the aforementioned proceeds in excess of the outstanding amount, after deduction of the costs incurred by CompoTech in connection with such collection.

- (d) if the Buyer includes delivered and yet unpaid goods from CompoTech in other products (by adding his own or other parties' goods) or uses them as material for other products (whether adding other goods or not), the ownership of such products or any other products involved in the inclusion or use shall be deemed *ipso facto* transferred to CompoTech and the Buyer, as its depositor, shall duly deposit them for CompoTech free of charge; in case of the inclusion or use as contemplated in this subparagraph, the provisions of Art. 10 (b) to (c) above shall apply to other products *mutatis mutandis*.

Specification

11. If the goods are supplied on the basis of the Buyer's order according to a technical specification required by the Buyer, the Buyer shall be obliged to deliver such full specification to CompoTech within a reasonable period so as to enable CompoTech to duly deliver the goods.

Conditions and Warranties

12. (a) The Seller shall be responsible for defects present in the goods at the transfer of the risk of damage to the Buyer, even if they manifest later, and for later occurring defects caused by the Seller's breach of its obligation. For these defects, the Buyer shall have the rights from defective performance as stipulated in the Civil Code, i.e. the right to the defect recovery by receiving a new defect-free item, or receiving the missing item, or receiving a repaired item, or receiving a reasonable discount on the purchase price, or the right to withdraw from the purchase contract.
- (b) If the Buyer happens to be the consumer, he/she shall be entitled to exercise the rights under letter (a), granted by the liability for defects that occur in the delivered goods within twenty-four months from receipt.

Unless CompoTech accepts an express written warranty for a product, there is no explicit or implicit warranty in terms of quality, life or wear of the supplied goods or warranty for fitness of the goods for a particular purpose or for use under any specific conditions notwithstanding whether CompoTech is aware or has been advised of such purpose or conditions. The specification of a purpose in the contract or an order serves for information purposes only.

Defective Goods

13. The Buyer shall be obliged to inspect delivered goods immediately or immediately provide for their inspection depending on the circumstances after their acceptance. The Buyer shall be obliged to notify CompoTech of any defects to the goods in writing without unnecessary delay after acceptance of the products. A written notification of ascertained defects must contain a detailed specification of the claimed defects to the goods and their manifestation as well as specification and documentation of justifiability of the claiming of defects by the Buyer.
14. If, on the basis of a notification of ascertained defects which was duly documented and justified, CompoTech acknowledges justifiability of the raised claim, the Buyer shall be entitled to elimination of the defects preferentially by repair the goods or delivery of missing non-delivered goods.

Claims Following from Damage, Incomplete Delivery or Loss

15. Any claims following from damage during transportation, incomplete delivery or loss of goods shall not be acknowledged unless, in case of damage in transportation or incomplete delivery, the relevant carrier and CompoTech are each separately given a written notification of this fact within three (3) days of acceptance of the goods and a subsequent written claim within ten (10) days of acceptance of the goods and, in case of loss of the goods, the relevant carrier and CompoTech are each given a written notification and a full written claim within seven (7) days of the date of dispatch of the goods. If the relevant carrier accepts the goods without inspection, the “without inspection” note must be made in the carrier’s delivery log.

Refusal to Deliver Goods

16. CompoTech shall be entitled to deny the delivery of goods if the Buyer is delayed with performance of any contractual obligations owed by him vis-à-vis CompoTech or if the Buyer breaches the contract or any obligation owed by him vis-à-vis CompoTech or if the Buyer has entered into liquidation, insolvency proceedings have been initiated or distraintment or enforcement of a decision ordered against the Buyer or there is a justified concern that the performance of obligations by the Buyer (including those which are not yet payable) is seriously threatened in any manner whatsoever. In all these cases, CompoTech shall not be deemed to be delayed with delivery of the goods.

Returning of Goods

17. No goods shall be accepted as returned without the prior written authorisation from CompoTech and/or relevant legal grounds unless specified otherwise in these Terms and Conditions. All goods accepted as returned on the basis of CompoTech’s consent shall be subject to a handling fee which shall be applied by CompoTech as a percentage of the amount invoiced for the relevant goods based on the CompoTech’s up-to-date price list. If CompoTech produces or purchases goods specially based on the Buyer’s specification, it reserves the right to refuse the Buyer the right to return the goods.
18. In case of returning delivered goods, the Buyer shall be obliged to hand over the goods to CompoTech in the condition in which they were delivered to him and in the original packaging.

Withdrawal from Contract

19. (a) The Parties may withdraw from the contract in cases stipulated by law, the contract and these GTCs.
- (b) The Buyer who is also the consumer shall have the right to withdraw from the purchase contract within fourteen days from the date of receiving the goods. The withdrawal from the purchase contract must be in writing and must have all the requisites of a legal action, but the Buyer shall not be obliged to state the reason for withdrawal from the contract. If the Buyer exercises the right to withdraw from the purchase contract, the period for withdrawal shall be considered to be respected if the Buyer sends a withdrawal notice to the Seller during this period. Withdrawal revokes the purchase contract from the beginning and the parties shall be obliged to return the performances provided to each other, i.e.:
- The Seller shall return the paid purchase price to the Buyer including delivery costs received from the Buyer under the contract, and the costs associated with returning the goods in the same way, no later than fourteen days after withdrawal from the contract; and
 - The Buyer shall return the delivered goods to the Seller in the condition in which he/she received it, taking into account normal wear and tear, no later than fourteen days after withdrawal from the contract.

If the Buyer has chosen other than the cheapest delivery method for the goods offered by the Seller, the Seller shall reimburse the Buyer the cost of the goods delivery in the amount corresponding to the cheapest offered goods delivery method.

If the Buyer withdraws from the purchase contract, the Seller shall not be obliged to return the funds received to the Buyer before the Buyer hands over the goods or proves that he/she has sent the goods to the Seller.

Exemption from Liability

20. The Buyer shall exempt CompoTech from liability for all indemnification, penalties, costs and expenses which CompoTech may be liable to pay as a consequence of work performed in accordance with the Buyer's specification, including breach of any patent deed or registered industrial design.

Choice of Law

21. Contracts, and all legal relationships and entitlements following from them, shall be subject to the laws of the Czech Republic, where the substantive and locally competent court shall have jurisdiction.

Licence and Availability of Goods

22. CompoTech accepts contracts and orders provided that it is able to obtain the licences necessary for purchasing or using the required raw material or tools or other goods (hereinafter jointly and individually as 'goods') and provided that CompoTech is able to obtain such goods. Copyright, as well as other

intellectual property rights, continue to belong to the relevant parties as the right holders and are not prejudiced by this contractual relationship.

Price Variation

23. Any price indicated by CompoTech or contained in an order or contract is only preliminary and is subject to the following conditions:

(1) The following conditions apply to all orders and contracts:

(a) In case of orders or contracts for any parts thereof accepted for delivery within six months of the date of acceptance of the order or contract, the price shall not differ for any reason whatsoever except when CompoTech is unable to obtain the goods contained in the given order or contract with a fixed amount; in that case, the price shall differ based on the amount for which CompoTech is able to purchase the respective goods.

(b) In case of orders or contracts or any part thereof received for delivery later than six months from the date of acceptance of the order or contract, the price shall be subject to a variation which may occur by the date of shipment of the goods and by the date of every additional shipment as a result of increased costs for CompoTech, including costs of the goods.

(c) The price shall differ as a result of the imposition of any tax, charge or other financial obligation of a similar nature (except for tax on the profits of CompoTech or payments such as reimbursable advances).

(2) If CompoTech obtains goods from a supplier outside the Czech Republic, the price of all orders or contracts or any part thereof shall differ as a result of all exchange rate fluctuations in the currency of the country in which CompoTech purchases such goods.

(3) In addition, a charge for the costs of packaging, packaging materials, insurance and delivery of the goods to the place of destination shall be charged for each shipment. The amount of the aforementioned charge shall correspond to the amount applicable on the date of shipment.

(4) The provisions of paragraphs 1 to 3 shall not apply if the Buyer is the consumer. In such a case the Buyer shall be obliged to pay CompoTech the price specified in the confirmed purchase order (purchase agreement).

Acceptance of quotation

24. The acceptance of a quotation drawn up by CompoTech cannot be regarded as conclusion of a binding contract until CompoTech confirms in writing the order which arose through such acceptance.

Information for the consumer

25. If the Buyer is the consumer, then CompoTech shall inform the Buyer that in the event of a consumer dispute the Buyer is entitled to contact the Czech Trade Inspection Authority (ČOI in Czech), at www.coi.cz, which is the relevant body arranging out-of-court settlements of consumer disputes (so-called ADR).

The purpose of out-of-court settlement of consumer disputes is to reach an amicable resolution of the dispute and agreement of the parties.