

PBS Turbo s.r.o. – Purchase terms - State of the Purchase Terms as of: 09/2022

For all legal acts as part of which the company PBS Turbo s.r.o., seated in Velká Bíteš, Vlkovská 279, ZIP 595 01, ID-number: 253 21 234 (hereinafter referred to also as the „**PBST**“) acts as the customer, subscriber or the buyer, particularly in cases of purchase contracts, contract for work or a similar type of contract, the following purchase terms (hereinafter referred to also as the “**Purchase terms**“) of the company PBS Turbo s.r.o. apply. All stipulations in addition to or differing from such Purchase terms have to be previously approved in writing by PBST. By confirming the order of PBST, the business partner of the company PBST (hereinafter also referred to as the „**Supplier**“) verifies to the company PBST, that he agrees with the stipulated Purchase terms and is thereby bound by them in the full extent. Unless further stated otherwise, the term “**goods**“ likewise comprises the works and services performed by the Supplier based on a contract concluded with PBST.

1. **Orders:** Only written orders of PBST are binding. The PBST order is valid at the most 15 days of its submission to the Supplier, unless stated otherwise or unless the parties agree otherwise, if the order of PBST fails to be accepted by the Supplier within the stated period, the effectiveness of the order ceases to exist. The order of PBST is valid only in such case if it is signed by a person authorized by PBST to represent PBST in such matters. Verbal or telephone orders or agreements as well as any following amendments require a written confirmation of PBST.

2. **Order confirmation:** The order has to be confirmed in writing by the Supplier without delay, at the latest within 5 business days of its delivery to the Supplier. The Business terms of the Supplier shall not be accepted by PBST and therefore are not applicable to the legal relation between PBST and the Supplier. Order confirmation of PBST order containing any amendment or any deviation even if the conditions of the order of PBST are not materially changed is not considered to be an order confirmation. If the order confirmation from the Supplier contains any changes in the conditions of the PBST order such order confirmation is not to be considered a declination of the PBST order and a new contract proposal and the order of PBST remains valid as the contract proposal, whereas such changes in terms of the order are possible only after a written acceptance thereof by PBST.

3. **Delivery date:** The delivery dates stated within the order of PBST are binding. An earlier delivery is possible only with a previous written consent of PBST and should not impact the stipulated maturity of the price. The Supplier is not responsible for delay only in case of forces majeure, extraordinary, unforeseeable and insurmountable obstacles which arose independently of the will of the Supplier, and only providing that the Supplier proves such reasons sufficiently to PBST and that he informs PBST of such circumstances without delay. The Supplier is obligated to inform PBST immediately about all unforeseen delivery delays. In case of failure to deliver on time, PBST is entitled to, in addition to other legal claims: demand delivery and compensation of damages and lost profit caused by such delay or compensation of damages for reasons of failure to perform and may withdraw from the contract. The supplier shall bear the liability for delays caused by the subcontractors to the Supplier and third parties. PBST is entitled to return earlier or oversized deliveries or refuse to take these over, all this at the expense of the Supplier.

4. **Legal regulations:** The Supplier declares that the goods delivered by him are in compliance with legal and all other generally binding regulations and technical norms valid in the Czech Republic and EU, the place of delivery, as well as with the norms of the final destination of the goods, if this is known to the Supplier, mainly regulations pertaining to health and safety protection at work, injury prevention, protection of the environment, equipment safety etc., as well as the generally recognized technical principles. The Supplier commits to inform PBST without delay of any limitations on foreign trade pertaining to the goods subject to delivery known to the Supplier.

5. **Insurance:** PBST is obligated to pay the expenses pertaining to insurance of the goods only if PBST binds itself to it previously in writing.

6. **Documents:** The directions for storage, assembly manual and operation manual and documents required for maintenance and repairs of the delivered goods, as well as the declaration on compliance will be delivered free of charge and in Czech language at the latest with the delivery of the goods, unless otherwise specified by PBST. PBST is entitled to copy these documents and manuals, process them and forward them to its customers.

7. **Transportation and packaging:** The transportation costs are included in the purchase price of the goods. Unless stated otherwise or unless the parties agree otherwise, the goods shall be delivered with delivery parity DDP, plant PBST Velká Bíteš (INCOTERMS 2010). Upon a prior request of PBST, the Supplier is obligated to recover the packaging materials or waste from the packaging materials at his own expense.

8. **Warranty:** Without regard to other effective legal stipulations, the following applies:

The Supplier warrants that if the goods or any part thereof become defective or shall exhibit a defect during the warranty period, it will be either replaced by a new one, which shall be transported to a place, specified by PBST at the expense of the Supplier, or will be repaired by the Supplier at the expense of the Supplier, according to the choice of PBST. The same applies in case that the delivered equipment does not correspond with the technical requirements or does not possess the characteristics and requirements specified by PBST. All expenses connected thereto will be borne by the Supplier. The warranty period is 24 months and commences on the date of the first use of the goods or on the first day the goods are put in operation. Without regard to the previous sentence, the warranty period shall elapse at the latest 36 months after the delivery of the goods. The warranty period of construction works and buildings is 5 years from the day of takeover of thereof by PBST. If the Supplier fails to remove the defects in an adequate period, PBST is entitled to withdraw from the contract in full or in part and demand compensation of damages. If the Supplier fails to remove the defects in a reasonable time provided by PBST, PBST is entitled to remove the defects on its own or have them removed by a third party, all of this at the expense and risk of the Supplier. The limitation of time for setting up claims arising from the defects and the warranty period are interrupted by a notification of defect to the Supplier until such time when the Supplier removes the defects of the Goods. The above stated warranty conditions likewise apply to any substitute deliveries and repaired defects; that means that the periods stated here shall again apply following the removal of the defects.

9. **Payments:** If PBST is, based on the agreement with the Supplier, obligated to pay for not yet delivered goods or services, the Supplier shall establish prior to the payment a sufficient bank guarantee in favor of PBST.

10. **Assignment and Set-off:** The Supplier is entitled to assign the claims against PBST and obligations towards PBST only upon a previous written consent of PBST. The Supplier is not entitled to set off any claims of the Supplier against the claims of PBST toward the Supplier without a previous written consent of PBST.

11. **Stipulation of the ownership right:** The Supplier may use the stipulation of the ownership right only under the condition that it was previously expressly agreed between PBST and the Supplier in writing.

12. **Maintaining confidentiality:** The Supplier is obligated to consider all private business and technical information, which he learns during the course of the contractual relationship with PBST, a trade secret. Drawings, models, forms, accessories and products, templates, matrices and similar objects and data of PBST may neither be made accessible nor otherwise made available to third parties without prior written consent of the PBST. Any reproduction and sharing of such items may be done by the Supplier only upon receiving a previous written consent of PBST and within the scope of rules on the intellectual property rights. The Supplier is obligated to return such provided items without delay upon the fulfillment of the obligation to PBST or, if agreed by the contractual parties, maintain the possession for the production of further orders. The same applies in compliance with the principle mutatis mutandis for products manufactured by the Supplier according to our specifications. Such conditions apply also to the subcontractors of the Supplier and the Supplier is obligated to bind its subcontractors in the same extent. Without a prior written consent of PBST, the Supplier is not entitled to impart to any third parties information regarding the origination, conditions and content of the contractual relationship between the Supplier and PBST and the commercial cooperation of the Supplier and PBST.

13. **Rights of Third parties:** The Supplier will compensate PBST all damages resulting from actions of the Supplier, which breach the ownership rights of third parties or the intellectual property rights and industrial property rights of third parties in connection to the goods or his delivery and use by PBST.

14. **Abrogation of the contract:** PBST is entitled to abrogate the contract at anytime. In case that PBST abrogates the contract, the potential compensation paid by PBST to the Supplier shall not exceed the part of the agreed price to which the Supplier is entitled to for the performance provided to PBST up to the day of the contract abrogation, at the most up to the total amount stipulated for the goods according to a particular abrogated contract. In case of withdrawal from a contract or in case of abrogation from thereof, the claim of PBST for compensation of damages against the Supplier in thereby not impacted.

15. **Withdrawal from the contract, the effectiveness of the contract:** PBST is entitled due to a material breach of the contract by the Supplier and/or for other serious reasons to withdraw from the contract in full extent or partially or request the suspension of the effectiveness of the contract to a later date without the Supplier being entitled to any further claims. Serious reasons mean mainly strike, lockout, epidemic or other such similar events, insolvency of the Supplier or entry of the Supplier into liquidation.

16. **Declaration of the Supplier:** The Supplier is aware that the goods are intended for production mainly in the field of mechanical engineering and therefore it is necessary to deliver the goods to PBST duly and on time according to the stipulated terms and in the best workmanship quality while adhering to all legal and technical norms of the Czech Republic and EU as well as of the place of the final destination, otherwise PBST may be subject to extensive damages and profit loss. The Supplier duly notes that delay in the delivery of the goods or the delivery of defective goods may cause a suspension or limitation of the production in the PBST plant and therefore cause extensive damages. The Supplier takes over responsibility for all damages or profit loss incurred in connection to his obligation to deliver the goods duly and timely to PBST. The Supplier shall assume full responsibility for the quality of the goods as required in the technical specification and the relevant PBST Quality directives and requirements, which the Supplier was made aware of.

17. **Decisive law, jurisdiction, place of performance:** The Czech law is the decisive law. The use of the stipulations of the „United Nations Convention on Contracts for the International Sale of Goods is excluded. The place of performance is Velká Bíteš; if the order states another place of destination, this place shall be considered to be the place of performance. All disputes arising from the legal relationships between PBST and the Supplier and in connection thereto shall be decided with final validity by the Arbitration court attached the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic according to its Rules and Guidelines by three arbitrators appointed by the Chief of the Arbitration court. The place of the proceeding is Brno.

18. **Dangerous goods:** In case of deliveries of dangerous products, the Supplier shall be fully responsible for the observance of the pertinent legal regulations, such as labeling, packaging, printed forms etc.

19. **Supply Chain Security:** Supplier has to take care that the business premises and the loading and shipping areas where goods for PBST is produced, stored, prepared, loaded and transported, are protected against unauthorized interference within a safe and secure supply chain, and that all employed staff is reliable.

20. **Environment:** The Supplier is obligated to fulfill the requirements of legal and other norms pertaining to the environmental protection. The Supplier also obligates himself to cooperate with PBST in fulfilling the requirements imposed by the norm EN ISO 14001 as amended.

21. **REACH:** The Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH for short) stipulates an obligation to register, notify and inform and imposes substance restrictions and bans. Supplier is obliged to know the currently valid version of this Regulation, and when discharging its obligations under the contract to comply with it in due time, as far as applicable. A. If the Supplier is located within the EEA, the relevant obligations under the REACH Regulation shall apply in full. In particular, PBST refers to the obligation to provide information on SVHC substances in articles (Article 33, Candidate List for authorization under REACH), a ban on substances subject to authorization according to Annex XIV REACH in PBST's products and compliance with substance restrictions (Article 67, Annex XVII REACH). B. If the Supplier is located outside the EEA, the obligation to provide information on SVHC substances in articles (Article 33, Candidate List for authorization under REACH), a ban on substances subject to authorization according to Annex XIV REACH in PBST's products and compliance with substance restrictions (Article 67, Annex XVII REACH) still apply for this Supplier. If a substance or mixture is delivered within the area of application of REACH, the Supplier assumes responsibility for all related obligations and costs. For substances and mixtures in accordance with Article 31 of the REACH Regulation, safety data sheets conforming to REACH Annex II must be delivered for the first time in an official language of the recipient country with the order confirmation and immediately and unsolicited with every change to a safety data sheet stating our order number as well as the relevant position number. For substances and mixtures for which Article 31 REACH does not demand a safety data sheet, an information sheet in accordance with Article 32 REACH in an official language of the recipient country must be included, which is based on the structure of the safety data sheet conforming to REACH Annex II. The Supplier will communicate information on candidate substances in articles according to REACH Article 33 also via the mailbox mentioned in the following sentence. The Supplier is obliged to send the relevant information to the mailbox: pbst_purchase@pbsturbo.eu. Supplier shall declare such substances no later than the date of first delivery of products. Should changes to PBST products arise as a result of REACH requirements, nor as a result of above mentioned REACH lists changes relating to supplied substances and articles, Supplier shall inform PBST immediately. The Supplier is obliged to send a corresponding declaration for the supplied substances and products upon request.

22. **RoHS:** Should the Supplier deliver legally permissible electrical and electronic equipment, which is, however, subject to statutorily imposed substance restrictions and/ or information requirements according to RoHS (Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011), the Supplier shall declare such substances no later than the date of first delivery of el. equipment. Supplier is obliged to send a corresponding declaration for the supplied el. equipment upon request. The Supplier is obliged to send the relevant information to the mailbox: pbst_purchase@pbsturbo.eu. Should changes to PBST products arise as a result of change of RoHS requirements, or change of list of hazardous substances, relating to supplied el. equipment, the Supplier shall inform PBST immediately.

23. **OHSP:** The Supplier, as well as his employees or other authorized persons of the Supplier, are obliged to observe, in all premises of PBST, the regulations concerning Occupational Safety and Health and Fire Safety arising from act no. 262/2006 Coll., labor code, as amended, as well as other relevant regulations valid in the individual work stations in PBST, including internal regulations of PBST, and are obliged to use the respective personal protective equipment for work. The Supplier is obligated to inform PBST in writing of any risks in the field of OHSP and measures adopted for the protection against these risks, related to the performance of work and the workplace in the premises of PBST, and cooperate in securing occupational health and safety protection for all employees at the workplace.

24. **Code of Conduct:** Supplier is likewise obligated to obey the Code of Conduct MAN with which the Supplier was familiarized. The Code of Conduct MAN is available on web pages of PBST (www.pbst.eu) and the Supplier commits himself to follow it and pledges to ensure its observance by his subcontractors. PBST is entitled to carry out, and if PBST so requests, the Supplier must agree to undergo, a Compliance Audit in case of a substantiated and reasonable suspicion. If the Supplier or one of his employees/representatives violates the above-mentioned provision, PBST shall be entitled to terminate the agreement immediately and without notice.

We emphasize that PBS Turbo s.r.o. has implemented the quality management system according to EN ISO 9001 and a system of environmental management according to EN ISO 14001.