



**General business and delivery conditions
(hereinafter referred to as ALMET)
(hereinafter referred to as "GBDC")**

valid from 1 January 2020

of the company ALMET, a.s.

with registered office at Ležáky 668/3, Kukleny, 500 04 Hradec Králové

ID: 46505156 VAT: CZ46505156

registered in the Commercial Register kept by the Regional Court in Hradec Králové, Section B, File 673

The seller is a manufacturer of pistons, castings and mould casting equipment. Any deviations from the GBDC must be agreed directly in the relevant contract or stated directly in the order. Contract arrangements take precedence over the GBDC. The rights and obligations of the contracting parties not regulated in the contract or GBDC are governed by Act No. 89/2012 Coll., the Civil Code. If the buyer behaves in accordance with the order, he/she undertakes to accept these general business and delivery conditions.

1. Subject of performance of the company ALMET, a.s.

1.1. Main products

The main products are pistons for internal combustion engines and compressors.

1.2. By-products

The by-products are castings and cast moulding equipment for their production.

1.3. Services

The company provides services related to the design, development and production of pistons, design and manufacture of cast moulding equipment and heat treatment of delivered parts.

2. Establishment of the contract and essential elements of the contract

2.1. The buyer shall send a written request to the seller, which is not a binding order, specifying, in particular, the required goods, quantity and states the required delivery date. To prepare the offer, it is necessary to supply, in particular, the drawings, samples, technical specifications, technical acceptance conditions, confidentiality agreement, and transport and packaging requirements. In accordance with the request made, the seller shall send to the buyer an offer specifying whether and at what time and at what price and conditions he/she is able to deliver the goods to the buyer. The proposal is valid for the period specified in the offer.

2.2. On the basis of the seller's offer, the buyer sends an order for goods to the seller. The order for goods must contain the following, in particular:

- a) specification of ordered goods (type of product, quantity, sorting and technical data), b)
- price, payment terms,
- c) delivery date of ordered goods, way of transport and packing,

- d) destination,
 - e) VAT identification number of the buyer valid in the country of destination of the goods (ID, VAT). The orders may also have an oral form.
- 2.3. Based on the buyer's order (written or oral) received, the seller shall immediately send either a purchase contract or a written order confirmation to the buyer. The purchase contract is binding after signing by both contracting parties, also the confirmed order is binding and it is not possible to cancel or otherwise unilaterally cancel them without the written consent of the seller. The purchase contract shall be signed by the representatives of both contracting parties who are authorized to do so.
- 2.4. The following are considered to be a concluded purchase contract:
- a) the delivery of goods based on the purchase contract signed by the seller and buyer,
 - b) the delivery of goods based on the buyer's order confirmed by the seller,
 - c) the delivery of goods accepted by the buyer.
- 2.5. The purchase contract must at least include the following:
- a) the number of the purchase contract or business case,
 - b) the identification of the seller and the buyer according to the information from the Commercial Register,
 - c) the subject of purchase, its quantity,
 - d) the method and place of delivery of the subject of purchase,
 - e) the price of the subject of purchase,
 - f) the payment terms,
 - g) the obligations of the contracting parties,
 - h) the warranty period, liability for defects,
 - i) the contractual penalties, the default interest,
 - j) the duration of the contract.
- 2.6. The confirmed order must at least include the following:
- a) the identification of the seller and the buyer according to the information from the Commercial Register,
 - b) the number of the order or business case,
 - c) the number of the contract,
 - d) the subject of purchase, its quantity,
 - e) the method and place of delivery of the subject of purchase,
 - f) the price of the subject of purchase,
 - g) the payment terms,
 - h) the delivery date.
- 2.7. If the contracting parties use international interpretative rules when concluding the contract, they shall follow the international rules for the interpretation of delivery terms issued by the International Chamber of Commerce in Paris - INCOTERMS 2010.
- 2.8. The acceptance of the goods by the buyer means the acceptance of all terms and conditions of the seller valid on the date of conclusion of the purchase contract, order or the acceptance of the goods.

- 2.9. All deliveries are made on the basis of these GBDC, which are an integral part of the purchase or framework contract or the order concluded between the contracting parties.
- 2.10. If the customer requires supplying also the documents with the products (e.g. certificates, attestations, protocols) related to them, as well as other documents necessary for the use of the subject of performance, these documents must be clearly specified in the purchase contract or order. If these documents are not clearly specified, the supplier is not obliged to deliver the documents with the delivery.
- 2.11. The contract (order) number must be stated on the delivery-related documents.

3. Price and payment terms

- 3.1. The total purchase price specified in the purchase contract or in the confirmed order is determined on the basis of the EXW delivery terms according to INCOTERMS 2010, unless otherwise stated.
- 3.2. The purchase price is payable to the due date specified in the purchase contract or order, calculated from the date of issue of the invoice. The payment must be made to the seller's bank account or to the seller's cash desk at his/her registered office during the business hours. The payments can only be made at the cash desk up to the amount permitted by the Cash Restrictions Act, Act No. 254/2004 Coll.
- 3.3. The contracting parties may also negotiate other payment terms, such as advance payments. A delay in the payment of the advance payment shall be deemed a material breach of the contract. If the instalments of the purchase price are agreed, by default in payment of one of the instalments, the entire purchase price becomes payable.
- 3.4. The advance payment of the buyer can be used unilaterally by the seller to pay the payable claims of the seller against the buyer.
- 3.5. The day of payment shall be deemed to be the day on which the full amount is credited to the seller's account specified in the individual invoices or the full amount payable is received in cash.
- 3.6. The buyer is not entitled to set off credits without the written consent of the seller.
- 3.7. The retention of payments or reduction of the purchase price by the buyer in case of complaints is not allowed.
- 3.8. The agreed purchase price does not include packaging, returnable packaging, securing means of goods during transport and transport costs, unless agreed otherwise.
- 3.9. In case of receiving the payment from the buyer without specifying the variable symbol of the payment, the seller decides on the use of the payment.
- 3.10. Billing is subject to the quantity, size or weight specified by the seller.
- 3.11. In case of the buyer's delay in paying the purchase price, the seller is entitled to charge interest on late payment in the amount of 0.05% of the outstanding amount for each commenced day of delay. In this case, the seller is also entitled to charge the buyer compensatory damages due to the exchange rate losses suffered.
- 3.12. Regardless of the agreed due dates, all invoices become immediately due if the previous delivery or part of the delivery under an individual purchase contract or other buyer's obligations to the seller have not been settled within the agreed due date or the seller becomes aware of circumstances that reduce or may reduce the buyer's creditworthiness. In such a case, the seller is entitled to demand an advance payment for the existing and new deliveries or withdraw from the contract with the possibility to claim compensatory damages

from the buyer as a result of frustrating this contract. The seller is also entitled to prohibit the buyer from handling material subject to the retention of title and the buyer, by accepting these GBDC, authorizes the buyer to enter his/her premises in order to take away the goods. The goods are taken away at the expense and risk of the buyer, while the seller is entitled to charge the buyer administrative costs associated with it in a lump sum in the amount of 10% of the value of the purchased goods according to the seller's invoices. This does not affect the claim for compensatory damages.

4. Date of performance and place of performance

- 4.1. The delivery dates specified in the order or purchase agreement are binding. Earlier delivery is possible only with the prior written consent of both contracting parties and does not affect the agreed price payable. In case of delayed delivery, the seller undertakes to immediately notify any foreseeable delivery delays.
- 4.2. To confirm the hand-over and take-over of the goods from the seller to the buyer, a delivery note or other similar document will be issued in which the buyer or the carrier confirms the receipt of goods from the seller.
- 4.3. In case of the buyer's delay in paying the purchase price payable, or advance payments for the purchase price, the seller is not obliged to fulfil the agreed purchase contract, in particular to deliver the goods to the buyer, and the seller is also entitled to claim compensatory damages from the buyer up to the amount of all costs incurred by the seller in connection with the delivery and mediation of production of the agreed goods and all related costs, as well as lost profits. However, the seller undertakes to deliver the goods to the buyer for the amounts already paid. In case of cancellation of the confirmed order by the buyer, the seller is entitled to charge the buyer a contractual penalty in the amount of 15% of the price of goods to be manufactured and 35% of the price of already manufactured (and unfinished) goods affected by the withdrawal from the contract.
- 4.4. The seller may reasonably extend the term of performance without any claims of the buyer if, in case of advance or supplier invoices issued by the buyer resulting from the purchase contracts, the buyer is in delay with the payment, whether partial delay or the invoices are not paid at all.
- 4.5. If the buyer undertakes to ensure the transport of goods by his/her own means, he/she must do so within 5 days of receipt of the seller's notice. If the buyer does not ship the goods within 5 days, the seller has the right:
 - a) to ship the goods at the expense and risk of the buyer,
 - b) to store the goods at the expense and risk of the buyer in the warehouse of the seller or in the warehouse of any other person. In case of storage of goods, the seller is entitled to charge the buyer the storage costs of in the amount of CZK 3.00/kg of stored material daily.
- 4.6. Any additional requirements of the buyer to change the goods accepted by the seller adequately extend the agreed delivery time. The seller is entitled to the reimbursement of the costs associated with the change.
- 4.7. In case of delayed delivery or failure to deliver the goods, the seller is not liable for damage if: the delay or failure to deliver occurred due to circumstances excluding liability.
- 4.8. In no event shall the seller be liable for disputed damages, such as the loss of potential future profit, loss of order, loss of business, loss of future business, loss of production, loss of cooperation, loss or damage of image, loss of income, loss of profit, loss of capital, costs associated with the disruption of production or operation, etc.

- 4.9. The seller is not responsible for the selection of goods by the buyer for its final use. In this regard, the seller is not liable to the buyer for damage caused by the improper use of the goods.
- 4.10. The place of performance is the registered office of the seller, unless stated otherwise in the order.

5. Particulars of the documents

5.1. The delivery note or other similar legal document shall contain at least the following particulars:

- a) number of the delivery note,
- b) number of the order or purchase contract,
- c) identification of both contracting parties and their registered office in accordance with the registration in the Commercial Code,
- d) number of the contract (or contracts) of the seller for whose performance the delivery is realized,
- e) specification of the individual items of the goods or services supplied, including the relevant numerical designation (serial number, drawing number, mould number, etc.) or other distinguishing designation (including the binding information on the composition, surface treatment, etc.) and quantity,
- f) the exact address of the carrier, the forwarder who provides the transport of the subject of performance,
- g) section intended to confirm the proper receipt of the subject of performance by the buyer.

5.2. The delivery note must be prepared in two copies. One confirmed note will be kept by the buyer and the other will remain at the seller.

5.3. The invoice must contain at least the following requirements:

- a) the invoice must comply with all the requirements laid down in the relevant legislation,
- b) the invoice must always include the seller's order number (case),
- c) invoice number,
- d) identification of both contracting parties and their registered office in accordance with the registration in the Commercial Code, ID and VAT ID,
- e) number of the purchase contract, number of the order,
- f) number of the delivery note or notes,
- g) subject of the taxable delivery in accordance with the delivery note,
- h) specification of the individual items of the goods or services supplied, including the relevant numerical designation (serial number, drawing number, mould number) or other distinguishing designation (including the binding information on the composition, surface treatment treatment),
- ch) unit price for each type of invoiced item (excluding VAT), the rate of VAT,
- i) invoiced amount, excluding VAT,
- j) total VAT invoiced,
- k) total invoiced amount, including VAT,

- l) currency,
- m) the bank account number to which the invoice is to be paid,
- n) date of the chargeable event, date of the invoice and the due date.

5.4. The buyer is entitled to claim the incorrect or incomplete information in the invoice by returning the invoice within 5 days of receipt and stating the reasons without payment. In this case, the seller is obliged to correct or re-issue this invoice according to the nature of the defects. When the invoice is returned, the original due date of the invoice ceases to run; the entire period shall then run again from the date of receipt of the corrected or newly issued invoice.

5.5. The tax document will be issued within 15 days from the date of delivery of the goods to the buyer's disposition or for transport, unless stated otherwise in the individual purchase contract. In case of doubt as to the date of delivery, the invoice shall be deemed to have been received on the third day following its shipping.

6. Transport, packaging

6.1. The Seller is obliged to send the goods in such packaging that will guarantee sufficient protection against damage during the transport and in the eventual storage at the appropriate premises. If the buyer has special requirements for packaging of goods and transport, he/she must include this information directly in the purchase contract or order.

6.2. The seller of the subject of performance shall adequately provide information on the manner of handling the packaging in accordance with the provisions of Act No. 477/2001 Coll. on packaging and information on the method of disposal of old goods in accordance with the provisions of Act. No. 185/2001 Coll. on waste - regarding the assortment to which the subject of performance relates.

7. Property right and its transfer

7.1. The property right to the goods shall not be transferred to the buyer until the purchase price has been paid in full.

7.2. In case of non-payment of the purchase price in due time, the seller shall be entitled to immediately prohibit the buyer from handling the unpaid goods or any part of it, in particular to process, take and burden it with the rights of third parties until the purchase price has been paid in full, including the accessories and more costs incurred due to late payment of the purchase price by the buyer.

7.3. The buyer shall be liable to the Seller for any damage to the goods within the meaning of § 2120 of the Civil Code.

7.4. If the unpaid goods have been sold to a third party, the buyer is obliged to deliver the proceeds from the sale to the seller up to the amount of the unpaid purchase price, including the accessories and more costs incurred due to late payment of the purchase price by the buyer.

7.5. The buyer is obliged to deliver the unpaid goods at any time to the seller at his/her request.

7.6. The risk of damage to the goods passes to the buyer in accordance with the delivery terms INCOTERMS 2010 agreed in the purchase contract.

7.7. The goods are considered to be delivered by meeting the agreed delivery conditions according to INCOTERMS 2010.

8. Warranty periods, service life, liability for defects, complaints handling of delivered products and services

8.1. Unless otherwise agreed in writing in the contract, the supplier undertakes to grant a 24month warranty period on the pistons and castings from the date of commissioning of the pistons, but no longer than 36 months from the date of delivery. The seller reserves the right not to accept any claims made after this period.

The seller shall manufacture and deliver the goods according to the mutually agreed drawing documentation, technical acceptance conditions or other agreed conditions. This technical documentation, or additional requirements of the buyer, must be clearly stated in the purchase contract or order.

The buyer is obliged to deliver the complaint in writing to the seller without undue delay after finding the defect.

The complaint must be in writing (electronic form) and must include the following particulars:

- a) product identification:
- b) product name, dimensions,
- c) number of items claimed,
- d) identification of the material batch,
- e) date of the shipping inspection, usually mentioned at the bottom of the piston,
- f) number and date of issue of the delivery note or the invoice,
- g) description of the defect, including photo documentation (defect detail, general view - position of the defect with respect to the product where the defect is located, extent of the defect in the delivered quantity).

8.2 In case of a warranty claim, the seller is obliged to send a written statement on the claim within 5 days of its receipt. If the seller is unable to remove the defect of the subject of the complaint within 30 days from the date of receipt of the complaint, he/she is obliged to deliver a replacement performance, unless both parties agree otherwise.

8.3. The claimed goods must be stored in their original unaltered condition separately from other goods and must be protected against deterioration.

8.4. Until the claim is settled by the seller, it must not be used, sold, processed, altered or otherwise modified. If the claimed goods or part of it is transferred to a third party after the complaint has been notified to the seller, the buyer's claims for liability for defects are automatically terminated.

8.5. If the complaint is acknowledged and the defective pieces remain with the customer and the seller does not require their delivery back, the customer must discard such pieces and document their disposal to prevent their further use in production as flawless.

8.6. The buyer is obliged to allow the seller to inspect the defective goods for the purpose of settling the claim.

8.7. The complaint will not be accepted if defective goods are not properly stored and is damaged due to improper storage and handling.

8.8. In case of defective goods, the buyer is obliged to take all necessary measures to prevent or mitigate the damages.

8.9. The seller's responsibility for defects covered by the quality guarantee does not arise if the defects were not caused by the seller.

8.10. Within the claims for defective goods, the buyer is entitled:

- a) to require the removal of defects by supplying replacement goods for defective goods or to deliver the missing goods; or
- b) to require the removal of defects by repairing the goods if the defects are repairable; or
- c) to require a reasonable discount on the purchase price; or
- d) to require a refund of the purchase amount - credit note.

8.11. Cast moulding equipment owned by the customer

The service life of the cast moulding equipment is given by its complexity and design and is stated in the offer, purchase contract or order. The usual service life is 20,000 manufactured pieces or 10 years, whichever comes first. The costs of routine maintenance of the cast moulding equipment are covered by the seller. The costs of production of new parts of the cast moulding equipment are paid by mutual agreement with the owner of the cast moulding equipment.

The warranty period starts on the day when the cast moulding equipment is put into operation at the company ALMET, a.s., or on the day of its delivery to the customer.

8.12. The warranty period for the services provided is governed by the relevant Civil Code as of the date of conclusion of the purchase contract or confirmed orders.

9. Force majeure

9.1. If the delivery of goods is delayed, directly or indirectly, for reasons beyond the seller's control, such as war, threat of war, rebellion, sabotage, fire, storm, flood, explosion, natural disaster, government regulation or European Union restriction, strike, complete or partial destruction of the seller's plant or production line, supplier deliveries, change of customs regulations, import and export quotas, export or import prohibition or any other cause beyond the seller's control and capable of preventing him/her from performing the obligation, the delivery period shall be extended accordingly. If, for the above-mentioned reasons, the delivery is delayed or the delivery is not fulfilled at all, neither contracting party shall be obliged to compensate the other contracting party for damages incurred, including lost profits.

10. Withdrawal from the contract

10.1. Each contracting party is entitled to withdraw from the contract or order at any time upon written notice, if:

- a) the other contracting party repeatedly violates the contractual provisions; or
- b) the other contracting party has breached the contract or the GBDC substantially. A significant breach of contract by the buyer means the breach of payment terms by more than 30 calendar days,
- c) failing to remove the agreed quantity of goods within the agreed due dates, in which case the buyer is obliged to reimburse the seller for all costs incurred by the manufacture of the goods,
- d) if this is stated in the purchase or framework contract.

10.2. Withdrawal from the contract or order becomes valid and effective on the day of delivery of its written copy to the other contracting party.

11. Choice of law, confidentiality and others

- 11.1. The contract to which these GBDC relate is governed by Czech law, in particular by the relevant provisions of Act No. 89/2012 Coll., as later amended.
- 11.2. The contracting parties are obliged to ensure that when modifying the contractual relations or in the mutual performance, everything that could lead to disputes is removed.
- 11.3. Each contracting party shall notify the other contracting party immediately in writing of any change in the data in the trade certificate, in the Commercial Register or other registration, or in the fact that an insolvency petition or bankruptcy petition has been filed, a petition for lack of assets or a petition for settlement have been rejected.
- 11.4. The contracting parties have agreed that all their disputes arising out of or in connection with this contractual relationship shall be settled in accordance with the court determined according to the substantive and local jurisdiction by the Code of Civil Procedure (Act No. 99/1963 Coll., as amended), or the law that would replace it.
- 11.5. These GBDC are always applied, unless the contracting parties have agreed otherwise. In accordance with § 1752 of the Act. No. 89/2012 Coll., as later amended, the company ALMET, a.s. is authorized to amend these GBDC if there is a reasonable need. The amendment of the GBDC is notified the other contracting party in writing at least 14 days before the effective date of the amendment. The other contracting party is entitled to reject the change of the GBDC within 7 days, while in case of rejection the original GBDC shall remain in force.
- 11.6. All correspondence between the contracting parties shall be in Czech, English or Russian languages.
- 11.7. Electronic copies confirmed by the sender sent by e-mail have the validity of the original. The buyer is obliged to send the confirmed copy back to the seller's e-mail address mentioned in the purchase contract.
- 11.8. The Seller considers any information stated in the purchase contract and any information or documents obtained in connection with the purchase contract to be business secrets, i.e. they are confidential.
- 11.9. Drawings, models, moulds, fixtures and accessories, templates, matrices and similar items and materials must not be made available or otherwise provided to third parties without the prior written consent of the owner. Any reproduction and distribution of these items is also prohibited without the prior written consent of the owner. The Seller is obliged to return the items so provided after the fulfilment of the obligation to the buyer without delay or, if agreed by the contracting parties, retain them for further processing of orders.
- 11.10. These conditions also apply to subcontractors. The seller is obliged to bind his/her subcontractors to the same extent.

12. GDPR arrangements - data protection and processing

- 12.1. When providing goods and services, we process data for both customers and suppliers. Some data may be considered to be personal data. In relation to this processing, the customer or the supplier are "the administrators of personal data" (within the meaning of the EU Directive No. 95/46/EC on the protection of personal data and also within the meaning of the Act No. 101/2000 Coll. on the protection of personal data and amendment and supplementing of certain laws) and the company ALMET will act as "the administrator of personal data".
- 12.2. The customer and the supplier hereby expressly authorize the company ALMET to process and use all data collected on the basis of concluded contracts and orders. It also includes the personal data of the customer and supplier, such as business name, contact person, address,

telephone, fax and e-mail address. Furthermore, both the customer and the supplier agree that the company ALMET shall process the data obtained for the own use of the company ALMET.

- 12.3. By signing the purchase contract or the order, the customer confirms that he/she has read and understood the GBDC and agrees that the stipulated conditions in the current wording from the company ALMET are binding on him/her.

13. Others

- 13.1. Partial deliveries are allowed. The tolerance of delivered quantity of goods is +/- 10%. The buyer pays for the quantity actually delivered.
- 13.2. At the seller's request, the buyer shall provide the seller with documentation relating to the delivery of the goods (e.g. transport document containing the destination of the goods with the carrier's name and signature, confirmation of the buyer that he/she has transported the goods to the destination), including the confirmation of receipt of the goods issued by the person who received the goods on behalf of the buyer. If the buyer breaches this obligation, he/she is obliged to indemnify the seller for the penalties imposed on the seller by the tax authorities as a result of a breach of the buyer's obligation set out in this article.
- 13.3. In case of events that cannot be foreseen at the time of the conclusion of the purchase contract and that cause the seller to obstruct his/her performance of his/her contractual obligations, the seller is entitled to postpone the period of performance by the period during which this obstruction lasted.
- 13.4. In all cases of non-liability, the seller is entitled to withdraw from the contract without claiming damages to the buyer.
- 13.5. If any provision of these GBDC is invalid or becomes invalid, this shall not affect the validity of the other provisions. The contracting parties undertake to replace the invalid provision with a valid provision that is as close as possible to the economic purpose of the invalid provision. If the GBDC have a loophole that would require an amendment, the contracting parties shall remove that loophole by a supplementary provision, taking into account the economic purpose of the contract.
- 13.6. The rights and obligations of the buyer are not transferable to third parties without the written consent of the seller.