



# General Terms and Conditions of Sale

## 1. INTRODUCTORY PROVISIONS

- 1.1 These General Terms and Conditions of Sale (the "**GTC**") define the rights and obligations in the sale of goods (the "**Goods**") specified in the purchase contract (the "**Contract**") and sold by the company VÍTKOVICE MACHINERY TRADE s.r.o., ID No.: 05451566, with its registered office at 1. máje 3302/102a, Moravská Ostrava, 703 00 Ostrava, Czech Republic, registered in the Commercial Register maintained by the Regional Court in Ostrava, Section C, Insert 67582 (the "**Seller**") to a third party (the "**Buyer**"; the Seller and the Buyer collectively as the "**Parties**").
- 1.2 For the purposes of these GTC, the Goods are considered to be products (including their accessories and related services) manufactured by the Seller's business partner, NOVÁ HUŤ s.r.o., ID No.: 23089032, with its registered office at Vratimovská 689/117, Kunčice, 719 00 Ostrava, Czech Republic, registered in the Commercial Register maintained by the Regional Court in Ostrava, Section C, File 99128 (the "**NH**"), specifically hot-rolled coils, sheets, strips, steel road barriers, tubes and pipes.
- 1.3 Any deviations from the GTC or amendments thereto shall be binding only if they are agreed in writing by both Parties.

## 2. CONCLUSION OF THE CONTRACT

- 2.1 The Contract must be concluded in writing (signed by authorized persons of the Parties). If the Contract is concluded in any other form, the Seller shall not be bound by the contents of such Contract. The Contract can only be amended in writing.
- 2.2 The Contract is deemed concluded when:
  - (a) the draft Contract as proposed by the Seller is signed by the Buyer and returned to the Seller, or
  - (b) the draft Contract as counter-proposed by the Buyer is signed by the Seller and returned to the Buyer.If the Seller does not receive the draft Contract signed by the Buyer [under (a) above], or if the Buyer does not receive the counter-proposal signed by the Seller [under (b) above], within 5 working days after it is sent to the other Party, such proposal/counter-proposal shall be deemed rejected.
- 2.3 Written or electronic communication (even in the form of a simple e-mail without a recognized electronic signature or other remote communication) must only be conducted with the responsible persons specified in the Contract. The Parties have agreed that these forms of communication may be used even if a written form is required in these GTC.
- 2.4 All documentation, catalogues and estimates are for informational purposes only, and, like offers made by the Seller, are not binding until the Contract is concluded, unless otherwise expressly agreed by the Parties.
- 2.5 Any amendment or deviation from the provisions of the GTC, regardless of whether it is included by the Buyer in orders or other documents, including shipping documents, is valid only upon the Seller's express written consent.
- 2.6 The GTC, along with any other specific terms and conditions of the Seller set forth in or attached to the Contract, and only such other documents expressly incorporated by reference therein, constitute the entire Contract between Buyer and Seller. Collectively, these terms shall supersede and take precedence over any conflicting terms and conditions proposed by the Buyer, as well as any verbal or written communications not expressly incorporated therein.
- 2.7 In the event of a conflict between the provisions of the Contract and these GTC, the provisions of the Contract shall prevail.
- 2.8 Should any provision of these GTC, or any part thereof, become invalid, unenforceable, or contrary to applicable law, in whole or in part, the remaining provisions shall remain valid and effective.

## 3. PURCHASE PRICE AND PAYMENT TERMS

- 3.1 The purchase price of the Goods shall be set out in the Contract. Should any modification to the specification of the Goods occur subsequent to the conclusion of the Contract, the Seller reserves the right to adjust the agreed purchase price accordingly.

- 3.2 All prices shall be calculated based on the measurement and weighing of the Goods at the place of dispatch. Weights shall be substantiated by weighing slips or weight certificates. Where individual weighing is not customary, the total weight of the load shall be considered. Any variances in the individual weights comprising the load shall be proportionately distributed among them.
- 3.3 Unless expressly provided otherwise in the Contract, prices are quoted as "net prices", whereby the Buyer shall be responsible for all applicable taxes, transportation charges and costs associated with loading, transport, storage insurance, handling, detention and other related expenses, subject to terms of INCOTERMS 2020 (and assumes the risk of any increase in such fees effective after the Contract's conclusion).
- 3.4 The Seller's right to invoice the purchase price arises on the date of delivery of the Goods, unless stipulated otherwise in the Contract. Tax documents compliant with all applicable legal requirements shall be issued by each Party in electronic PDF format. The Parties further agree to exchange electronic invoices exclusively via electronic mail (e-mail), without issuing any paper copies. The e-mail addresses designated for receiving and sending electronic invoices and related documents (e.g., bill of lading, etc.), including scanned copies, are specified in the header of the Contract. Each Party hereby confirms that it is equipped with a computer system capable of receiving, printing, archiving, and preserving the integrity of the electronic invoices received. The Parties are obligated to notify each other of any change to the designated e-mail address for electronic invoices at least five (5) days in advance, with the change taking effect upon confirmation through the designated communication e-mail address.
- 3.5 Payment of invoices shall be made without any deductions or offsets, in accordance with the payment terms. Should the invoice due date falls on a non-working day in the country of the receiving bank, the invoice must be paid on the next following working day.
- 3.6 In the event that bankruptcy or insolvency proceedings are initiated against the Buyer, or the Buyer is designated as an unreliable payer under applicable law, or if the Buyer's account is subject to restriction:
- (a) The Seller shall not be bound by the payment terms set forth in the Contract, and all outstanding claims shall become immediately due and payable upon the commencement of such proceedings;
  - (b) The Seller may require prepayment prior to shipment or manufacture of the Goods, or require security in the form of a bank guarantee, letter of credit or comparable similar security instrument,
  - (c) The Seller shall be entitled not to deliver any unpaid Goods until the purchase price has been fully settled or the Buyer provides sufficient security as agreed upon with the Seller.
- 3.7 The suspension of delivery of the Goods as outlined in the preceding clause of the GTC shall not be deemed a breach of the Seller's obligations (it is not a default on the part of the Seller) arising from the GTC and the Contract. The Buyer shall not be entitled to terminate the Contract or assert any claims against the Seller, including claims for damages. Upon the cessation of the circumstances leading to the suspension of delivery of the Goods, the Parties shall agree on a new delivery date to replace the original delivery date, taking into account the Seller's current manufacturing and logistics capacities. Should the Parties fail to reach an Contract on a new delivery date within ten (10) days following the settlement of all affected claims, the Contract shall be deemed terminated without further notice, and the Buyer shall be liable to reimburse the Seller for all costs incurred in relation to the performance of the Contract.
- 3.8 In the event the Buyer defaults on any payment due to the Seller, the Buyer shall be obligated to pay to the Seller contractual default interest at the rate 0,25% of the amount due for each day of delay; without prejudice to the Seller's right to claim damages and other rights of the Seller arising in connection with the payment default.
- 3.9 If the Buyer is in default of payment or performance of any other obligation, or if the Seller has doubts about the Buyer's solvency or creditworthiness, and the Buyer refuses or is unable to make an advance payment or provide a security deposit upon request, the Seller shall be entitled to terminate the Contract or withhold any part of the performance not yet rendered to the Buyer, all without the need for the Buyer's consent. As a consequence of such circumstances, all amounts payable by the Buyer shall become immediately due and payable, without the need for any further notice, and irrespective of their original due dates.
- 3.10 The Seller reserves the right to apply any of the Buyer's payments towards the settlement of the Buyer's outstanding liabilities and/or to discharge overdue invoices, including interest for late payment and other associated costs, in the following order: (i) other costs, (ii) default interest, (iii) principal (invoiced amounts). Even

in the event of a dispute, the Buyer shall not be entitled to withhold payments or to set off any payments. Moreover, in the event of a payment delay, the Buyer shall not be entitled take any action that may affect the condition of the Goods, including their sale or processing.

3.11 All bank fees, with the exception of the Seller's bank fees, shall be borne by the Buyer.

3.12 Supplied Goods shall remain Seller's property until fulfillment by Customer of its payment obligations arising in connection with the delivery of the Goods.

#### **4. DELIVERY AND SHIPMENT OF GOODS – TRANSFER OF RISK – VAT**

4.1 The method and date of delivery of the Goods is determined by the agreement in the Contract (in particular by applying the INCOTERMS 2020 rules).

4.2 Unless otherwise expressly agreed in writing in the Contract, the risk of damage to the Goods shall pass to the Buyer at the NH plant at Vratimovská 689/117, Kunčice, 719 00 Ostrava, prior to loading. In the case of the application of INCOTERMS 2020, the risk of damage passes in accordance with the INCOTERMS 2020 clause stipulated in the Contract.

4.3 The Buyer undertakes to accept delivery of the Goods within the time frame specified in the Contract and/or as outlined in the Seller's e-mail request of the Seller or the request of an authorized representative of the Seller (the "Invitation"). In the event that the Buyer fails to accept delivery of the Goods within the specified period, the following shall apply:

- a) on the expiry of the last day of such period, the Goods shall be deemed delivered (if the Contract contains a delivery clause in accordance with INCOTERMS 2020, then such term shall be replaced by the EXW clause), and the Seller shall arrange for the Goods to be deposited in a suitable manner at the Buyer's risk and expense; upon such deposit, the risk of damage, accidental loss, or destruction of the Goods shall pass to the Buyer.
- b) The Buyer shall pay the Seller a storage fee of EUR 2 (excluding VAT) per ton of Goods for each calendar day of storage.
- c) The Seller shall be entitled to issue a tax document to the Buyer for the purchase price including VAT regardless of the payment terms specified in the Contract.

The above provisions are without prejudice to the Seller's right to compensation for any damages incurred (including but not limited to costs arising from the cancellation of original transportation, storage fees, and other related expenses).

4.4 The failure of the Buyer to accept the Goods within thirty (30) days following the expiration of the period specified in the Contract and/or the Invitation shall constitute a material breach of the Contract by the Buyer. In such event, the Seller shall be entitled to terminate the Contract and shall have the right to sell the Goods at the Buyer's expense, in a manner deemed appropriate by the Seller. As agreed by the Parties, the sale to a person authorized to dispose of waste shall also be deemed to be an appropriate method. In the event of an intended sale, the Seller shall give the Buyer an alternative period of time to take delivery of the Goods, which shall not be less than ten (10) days.

4.5 Unless otherwise expressly stipulated in the Contract, the Goods shall be shipped to the destination specified therein. The Seller shall have sole discretion to determine the delivery route, mode of transport, forwarder, and carrier. The Buyer shall be obligated to provide the Seller with all required information necessary for the shipment of the Goods, including (a) instructions for the labelling of the Goods, (b) import permits, documents required to obtain or secure necessary governmental authorizations, and any other documentation required for the shipment of the Goods, and (c) Buyer's confirmation that a letter of credit has been duly opened or that an contract for the opening of such a letter of credit has been concluded, where required by the Seller, within a timeframe reasonably sufficient to allow the Seller to arrange for transportation. In the event the Seller does not receive the aforementioned instructions, documents, or confirmations in the required scope, or if, in the Seller's reasonable judgment, such documents or instructions would lead to disproportionate costs or undue delays in the performance of the Contract, the Seller shall be entitled to postpone the shipment date and/or terminate the relevant Contract. The Seller's other claims and remedies shall remain unaffected.

- 4.6 Delay in delivery of more than 30 days shall entitle the Buyer to withdraw from the Contract only in respect of the Goods whose delivery is delayed by the Seller. The Buyer shall be entitled to claim damages arising from a delivery delay only if (i) the Seller has been notified in writing at the commencement of the contractual relationship of the potential for damages, including the loss of profit caused by the delay, and (ii) a detailed breakdown of the components of such damages has been provided.
- 4.7 In the event of a manufacturing delay, the Seller shall be entitled, at its sole discretion, to fulfill the Buyer's order in multiple consecutive partial deliveries rather than as a single consignment. The Goods shall be deemed to have been delivered if the weight/dimensional variation of the Goods delivered corresponds to the weight/dimensional tolerance specified in the Contract.
- 4.8 In the event the selling of Goods is exempt from value-added tax (VAT) due to trade within the European Union or the place of delivery, and where the Buyer has accepted the Goods in whole or in part at its own risk and expense under applicable delivery terms (e.g., EXW, FOB, FCA), the Seller shall be obligated to apply for tax exemption only upon the Buyer's provision of sufficient evidence of transport to the country of destination (shipping document: CMR, bill of lading B/L, CIM, export declaration, etc.):
- (a) At the Seller's request, the Buyer shall submit to the Seller the following documentation within ten (10) working days of receiving the Seller's request:
- A copy of the invoice for the delivered Goods, dated and signed legibly (including the name and surname of the signatory) confirming receipt of the at the address specified in the invoice, in the composition and quantity as defined in the delivery specification and as stated in the invoice; and
  - A copy of the delivery note or shipping document, accompanied by confirmation of receipt of the Goods.
- (b) Failure to comply with the deadline specified in point (a) shall entitle the Seller to impose a contractual penalty of EUR 100 (one hundred euros) for each day of delay. Fine, however, such penalty shall not exceed an amount equivalent to the VAT payable on the relevant supply, expressed in euros.
- (c) The Buyer shall be obligated to notify the Seller immediately, and no later than within one (1) to three (3) days, of:
- Any change to the Buyer's VAT identification number applicable to the EU transactions; and
  - Any change in the Buyer's company's name or registered address.

## **5. INSPECTION OF THE GOODS, LIABILITY – CLAIMS**

- 5.1 All deliveries of the Goods shall be subject to standard dimensional and weight tolerances (as set out in the Contract). Upon receipt of the Goods, the Buyer shall inspect them to verify conformity with the Contract in terms of weight, length, and width and shall notify the Seller of any apparent defects or damage, including but not limited to surface defects or packaging defects. The Goods shall be deemed accepted without defect unless the Buyer notifies the Seller in writing of any objections no later than ten (10) working days following delivery and, in any case, prior to any processing or alteration of the Goods. The Seller shall not be liable for any defects, deficiencies, or non-conformities that could have been identified through a reasonable inspection conducted at the time of delivery.
- 5.2 If the Goods are ordered without surface protection, such as oiling or passivation, and/or supplied in bulk, the Seller shall bear no responsibility for surface scratches, dirt, or dust on the Goods' outer surfaces and edges, nor for the appearance of rust arising from improper handling or storage by the Buyer.
- 5.3 The Seller guarantees that the Goods shall conform to the specifications set forth in the Contract. The Buyer shall provide the Seller with all information necessary to: (a) facilitate the proper drafting and execution of the Contract; and (b) inform the Seller of the intended processing and/or end use of the Goods. The Buyer further acknowledges that the Seller's obligation to perform in accordance with the Contract shall be deemed fulfilled if the Goods meet the specified requirements at the time of delivery.
- 5.4 Any technical advice provided by the Seller and/or NH, whether prior to and/or during the use of the Goods, and whether conveyed verbally, written or by way of trial, is given in good faith but without any warranty on the part of Seller. Such advice, including recommendations from the Seller, does not absolve the Buyer of its responsibility

to independently test and verify the suitability of the delivered Goods for the intended processing or use. All use and processing of the Goods shall be undertaken exclusively at the Buyer's own risk.

- 5.5 Defects undetectable upon delivery must be notified by the Buyer to the Seller immediately upon their discovery, but not later than 6 months after the moment of delivery, in the form of a registered letter with a delivery note (the Buyer is obliged to carefully inspect the Goods during this period).
- 5.6 The notification of defects and faults has to be supported with documents proving the claim justification.
- 5.7 In any case, the Buyer (i) shall be obliged to fulfil its obligation to avert or mitigate damages; and (ii) remain obligated to settle all unpaid invoices, without any right to withhold payment. If the Seller deems the Goods to be defective, then the Seller shall, at the Seller's sole option, either replace the Goods or provide a reduction in the purchase price. The Seller shall not be liable for any loss of profit, processing costs, loss of production, loss of revenue and/or any other consequential or special loss or damage directly or indirectly sustained by Customer or by any other person whatsoever. The Seller's liability shall be strictly limited to actual damages caused by its gross negligence or willful misconduct, provided that the Buyer duly proves such conduct. In all cases, the Seller's liability shall not exceed 100% of the invoiced value of the defective or damaged Goods, or the Goods in connection with which the damages arose, whether due to delivery or non-delivery.
- 5.8 If the Buyer does not process the Goods in full immediately upon receipt from the Seller, the Buyer undertakes to store the Goods in a manner that ensures their protection against weather conditions and prevents damage by deformation.
- 5.9 In the event of a complaint regarding the Goods, the Buyer shall permit the Seller and/or NH, upon request, to inspect the condition of the claimed Goods at the location where they are stored. Failure to allow such inspection shall result in the expiration of the Buyer's rights arising from defective performance of the Goods.
- 5.10 In resolving any complaints, the Seller shall cooperate with NH. NH, based on the Seller's authorization, may act on behalf of the Seller in relation to the Buyer.

## 6. PACKAGING

- 6.1 Unless expressly agreed otherwise in the Contract, the Buyer shall bear responsibility for supplying the necessary packaging materials required for transport, protective equipment, and for ensuring that the Goods are properly attached and secured during transport, in compliance with the applicable provisions of INCOTERMS 2020.
- 6.2 Should the Buyer fail to fulfill its obligations imposed on him, thereby causing the Seller to assume liability for any risk of damage to the Goods, the Buyer shall indemnify and hold the Seller harmless from any such liability. Furthermore, the Buyer shall not be entitled to seek reimbursement from the Seller for any costs associated with the destruction, recycling, or storage of the Goods.
- 6.3 Where marking of the Goods is required, it shall be performed in accordance with the standards established and implemented by NH and/or the Seller, unless the Buyer specifies alternate marking requirements that have been expressly accepted by the Seller.
- 6.4 If the Goods are delivered to the Buyer in a packaged form, the following terms shall apply:
  - (i) The Goods are packaged in industrial-grade packaging that complies with the requirements set forth in Sections 3 and 4 of Act No. 477/2001 Coll., on Packaging, as amended (the "**Packaging Act**"),
  - (ii) The manufacturer, NH, has entered into an Contract with the authorized packaging entity, EKO-KOM a.s., to ensure compliance with the obligations related to the take-back and recovery of packaging waste, as required under Sections 10 and 12 of the Packaging Act.
  - (iii) The packaging is manufactured in accordance with harmonized Czech technical standards and details regarding "*Compliance with the legal conditions for packaging placed on the market*", including information on recycling and the reuse of packaging, are available on the manufacturer's website (NH).
- 6.5 The Buyer shall return all packaging and means of transport (the "**packaging**" identified as returnable in the commercial documentation to NH at the Ostrava-Bartovice station within thirty-five (35) days from the date the Goods were dispatched to the Buyer. Failure to return the packaging within this period will result in the Seller invoicing the Buyer for the acquisition value of the unreturned packaging, with the taxable supply date being the last day of the agreed return period. Compensation for wear and tear of the packaging will be charged in the

amount of EUR 200. In the event of a delay in the return of packaging, the Seller reserves the right to suspend further shipments until the packaging is returned. The Buyer shall not return packaging owned by third parties to NH. The costs associated with the transport of packaging shall be borne by the sender. The Buyer is required to notify the Seller of the return of packaging immediately upon dispatch by sending an email to [obchod@vm-trade.cz](mailto:obchod@vm-trade.cz). Such notification shall include the following details: (i) the Buyer's name, (ii) the recipient of the Goods (sender of the packaging), (iii) the dispatch station (in the case of transport by rail), (iv) the number of transport units, and (v) the number and identification labels of the packages as per the manufacturer's specifications.

## 7. FORCE MAJEURE

- 7.1 The Seller shall not be held liable for any delay or reduction in performance related to the manufacturing, transport, or delivery of Goods under these GTC, where such delay or reduction in performance is wholly or partly caused by force majeure. Force majeure events include, but are not limited to, wars (declared or undeclared), strikes, labor disputes, accidents, fires, floods, transport delays, material shortages, equipment failures, conditions affecting steel mills or rolling mills, changes in legal regulations, orders from governmental or regulatory authorities, or other circumstances beyond the Seller's reasonable control. Additionally, the Seller shall not be liable if its performance becomes impracticable due to the occurrence of an unforeseeable event, the non-occurrence of which was a fundamental assumption of the proposal of the Contract.
- 7.2 In any such case, the Seller shall have the right to fulfill its obligations within a reasonable extension of time and to allocate its performance among its customers in accordance with principles of fairness and equity.
- 7.3 This provision shall also apply *mutatis mutandis* to the Buyer. Any Party affected by a force majeure event must notify the other Party in writing within three (3) days of the occurrence of such an event.

## 8. OTHER ARRANGEMENTS

- 8.1 Notwithstanding any other provision of these GTC and/or the Contract, the Parties agree that the Buyer shall not be entitled to recover any damage and/or lost profits and/or discount in the event of Seller's default and/or non-performance of the Contract in the following circumstances:
- (i) The manufacturing activities of NH are interrupted and/or terminated for any reason; or
  - (ii) As part of insolvency proceedings of NH, the NH plant, or any part thereof, is sold in any form;
  - (iii) NH terminates its cooperation with the Seller.
- Any suspension of the delivery of Goods arising from the events specified in points (i) - (iii) above shall not constitute a breach of the Seller's obligations under the GTC or the Contract. The Buyer shall have no right to assert any claims (including claims for damages), against the Seller in such cases. In the occurrence of any of the situations described under points (i) - (ii), the Seller shall be entitled to withdraw from the Contract.
- 8.2 Withdrawal from the Contract must be made by written notice, duly delivered by the withdrawing Party to the other Party. Such withdrawal shall become effective on the date on which the notice of withdrawal is received by the relevant Party.
- 8.3 In the event that the Seller withdraws from the Contract for the reason specified in Article 8.1 above, and if the Buyer has paid a prepayment (deposit) to the Seller prior to the manufacturing of the Goods, the Seller shall refund the prepayment to the Buyer within five (5) working days from the receipt of the withdrawal pursuant to Article 8.2 above.
- 8.4 The Parties agree that, in accordance with Section 1765(2) of the Civil Code, the Buyer assumes the risk of any changes in circumstances that may occur after the conclusion of the Contract.

## 9. CONFIDENTIALITY

The Buyer undertakes to maintain strict confidentiality regarding all information disclosed during the course of cooperation, particularly any confidential information, including but not limited to pricing information, the disclosure of which to third parties could cause damage to the Seller. The confidentiality obligation shall continue even after the termination governed by these GTC and shall remain in effect for as long as a breach of confidentiality may cause harm to the Seller.





## 10. TRADE SANCTIONS

- 10.1 The Buyer represents and warrants that it will comply with all applicable laws relating to trade sanctions. The Buyer is obligated to ensure that, under or in connection with the Contract:
- no goods, services, or technologies (in any form, whether through sale, lease, processing, or otherwise) are provided in violation of such legislation;
  - Goods, services, or technologies are not directly or indirectly intended for, nor can they otherwise be designated for, (i) any country subject to sanctions in connection with such goods, services, or technologies, or the purpose of their use, or (ii) any sector in which they would be used or otherwise in breach of applicable sanctions legislation;
  - no person or entity listed on official sanction lists under applicable trade sanction legislations participates in the performance of the Contract, nor may such person or entity derive any benefit from the Contract.
- 10.2 The Buyer further represents and warrants that it shall not divert the Goods to destinations outside the European Union, except for those expressly specified in the Contract. Any diversion to another destination outside the European Union is permissible only with the prior written consent of the Seller. Should the Buyer become aware of any possible diversion outside the European Union, it shall promptly inform the Seller.
- 10.3 The Seller shall have the right to withdraw from the Contract (without notice and without any liability to the Buyer) if the Buyer breaches the provisions of Article 10.1 and/or Article 10.2. Such withdrawal shall not prejudice the Seller's right to claim compensation for any damages incurred as a result of such breach.
- 10.4 The Buyer is obligated to incorporate the representations and warranties set forth in this Article 10 into all subsequent contracts relating to the transfer or disposition of the Goods, including in contracts with legal successors.

## 11. FINAL PROVISIONS

- 11.1 These GTCs are available in both Czech and English versions. In the event of any dispute, the Czech version shall prevail.
- 11.2 These GTC shall be governed by, and construed in accordance with, the laws of the Czech Republic.
- 11.3 All disputes arising under the Contract and these GTC shall be resolved exclusively by the courts of the Czech Republic with jurisdiction based on the Seller's registered office. The United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly and entirely excluded.

In Ostrava, .....2025

**VÍTKOVICE MACHINERY TRADE s.r.o.**