

GENERAL PURCHASE TERMS AND CONDITIONS

General terms and conditions for the purchase of goods supplied to commercial corporations of the ZKL Group

I.

Introductory Provisions

1. These Terms and Conditions (hereinafter referred to as the Terms and Conditions) regulate, in accordance with the provisions of Sec. 1751 of Act 89/2012 Sb., the Civil Code (hereinafter referred to as the Civil Code), mutual rights and obligations arising in connection with or on the basis of a purchase contract (hereinafter referred to as the Contract) concluded between the Buyer and another person (hereinafter referred to as the Seller). These Terms and Conditions shall apply in cases where a relation established by an obligation arises between the Buyer and the Seller, the subject of which is the purchase of goods for the Buyer's needs. The Buyer - Customer are the companies of the ZKL Group, namely:
 - ZKL, a.s. ID: 25568353
 - ZKL Brno, a.s., ID: 25507851
 - ZKL Klášterec nad Ohří, akciová společnost, ID: 00152552
 - ZKL Bearings CZ, akciová společnost, ID: 25088637
 - ZKL Výzkum a vývoj, a.s., ID: 25558480
 - ZKL Reality, s.r.o., ID: 25507729
2. Provisions deviating from these Terms and Conditions may be agreed in the Contract. Any such agreed deviating provisions in the Contract shall prevail over the provisions of these Terms and Conditions.
3. These Terms and Conditions are part of all contractual arrangements and covenants between the Buyer and the Seller unless the individual Contract expressly provides otherwise.
4. These Terms and Conditions constitute part of the content of the Contract.
5. The Contract and the Terms and Conditions are drawn up in Czech, which shall be the governing language for their interpretation.
6. Delivery pursuant to these Terms and Conditions means delivery via a postal licence holder or via electronic mail in the form of an email message (with/without a guaranteed electronic signature), or delivery to a data box or personal delivery.
7. These Terms and Conditions are published on the website:
<https://www.zkl.cz/en/vseobecne-nakupni-podminky>

ZKL, a.s., Jedovnická 8, CZ-628 00 Brno

Telephone number: +420 544 135 120-121 | Fax: +420 544 210 360 | Company ID no.: 255 68 353 | Tax ID no.: CZ255 68 353

The company is registered in the Register of Companies kept by the Regional Court in Brno, sec. B, file 3006

www.zkl.cz

II.

Conclusion of the Contract

1. A written order of the Buyer constitutes a draft purchase contract and must be delivered to the Seller. The conclusion of the Purchase Contract shall occur upon delivery of a written order confirmed and signed by the Seller to the Buyer. The order shall be confirmed by the Seller in its entirety, without additions, reservations or other changes compared to the wording of the order sent by the Buyer, otherwise the purchase contract is not concluded.
2. Confirmation of an order that contains additions, reservations, limitations or other changes shall be deemed a rejection of the order and shall constitute a new draft contract by the Seller for the conclusion of the purchase contract. In such case, the purchase contract is concluded only if the Buyer confirms the new draft in writing and delivers it back to the Seller.
3. The Seller shall confirm and return the delivered order in writing to the Buyer within 7 calendar days from the date of its receipt or notify the Buyer that he rejects the order within this period. Confirmation and rejection of the order must be made in writing in accordance with clause 6, Article I. hereof. After the expiration in vain of the seven-day period for confirmation or rejection of the order, the Buyer is not bound by the order and it is up to the Buyer's will whether to accept it.
4. The order must contain the essential elements of a contract, which in the case of a purchase contract are: the subject matter, i.e. specification of the goods in terms of type and quantity, and the price of the goods requested. An order may be cancelled if the cancellation notice reaches the other party before it has sent its acceptance. If the order is rejected, it shall expire upon the effect of the rejection.
5. The contract is concluded at the moment when the acceptance of the order becomes effective and the contractual relationship is governed by these Terms and Conditions, which is pointed out to the Seller in the order by reference to these Terms and Conditions.
6. Silence or inaction does not mean acceptance of the order.

III.

Price of Goods

1. Unless stated otherwise in the Contract, the price of the goods shall be understood to be ex-works the Seller.
2. The contractually agreed price will be modified in line with the agreed delivery terms and conditions. The price of the goods will be charged plus VAT at the applicable rate prescribed by the law.

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3. In the case of delivery to the Buyer's factory (DAP), the purchase price will include all costs associated with the goods, including packaging costs, shipment, insurance of the goods, costs relating to the obtaining of all accompanying documents for the goods, customs, storage fee, etc.
4. Payment of the purchase price shall be made by wire transfer by the Buyer only on the basis of an invoice. The Parties agree to issue and send each other tax documents (invoices) in electronic form.

IV.

Payment Terms

1. The maturity of the Seller's invoices is 60 days from the date of their issue, unless specified otherwise in the Contract. The right to invoice arises for the Seller upon completion of the delivery. The invoice will be sent to the Buyer by email within 3 working days from the date of the delivery completion.
2. In the event of delay in payment of the amount billed for the delivery of goods, the Seller is entitled to charge interest on late payment at the rate of 0.05% per day of the amount due for each day of the delay. In case of delay in payment of the invoice for the delivery of goods, the Seller is not entitled to suspend performance under the Contract or other contractual covenants.
3. The Buyer is entitled to set off any of its claims against the Seller's claims. The right of set-off does not apply to the Seller.
4. Invoices shall comply with the requirements of tax documents. In the absence of any of the requirements, the Buyer is entitled to return the invoice to the Seller for completion. In such a case, the due date shall run from the date of delivery of the new corrected invoice.

V.

Delivery Conditions, Acceptance, Packaging

1. The delivery of goods is subject to INCOTERMS 2010. Unless otherwise provided in the Contract, the Seller shall deliver the goods to the Buyer to the place designated by the Buyer at his own expense and risk.
2. In the case of delivery by a public transport service, the delivery to the Buyer is completed by handing over the goods to the Carrier.
3. The Seller shall inform the Buyer about the delivery date 3 days in advance and request information about the method of receipt and delivery date of the goods. In case of non-acceptance of the goods more than 30 days after the notice, the Seller is entitled to withdraw from the Contract. In case of failure to meet the delivery date, the Buyer is entitled to charge a contractual penalty of 0.05% of the delivery price for each day of delay of the Seller.

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4. The Buyer has the right to withdraw from the Contract if the goods fail to be delivered within 30 days of the confirmed delivery date.
5. The Seller shall pack the goods properly and prepare it for shipment under normal conditions, taking into account the need to minimize the negative impact on the environment, but to ensure to the maximum extent possible the protection of the goods during shipment.
6. Together with the goods, the Buyer will obtain a delivery note indicating exactly the contents of the shipment facilitating the acceptance of the goods, in particular: the Seller's reference number, the offer number (order - Contract), the number of the delivered item, the quantity of delivered items, the types of quantity units, the unit price, the method of shipment, or other required information agreed before the conclusion of the Contract. On the copy intended for the Seller, the specification of the person to whom the goods have been handed over will be indicated, and for the Carrier, the name of the driver, the registration number of the vehicle, and the Carrier's company particulars will be indicated.
7. If requested by the Buyer, the Seller shall hand over to the Buyer: certificate of origin, CE certificate or declaration of conformity, safety data sheets for materials, test certificates, declaration of compliance with packaging conditions in accordance with Act 477/2001 Sb., and/or other agreed documents or information (e.g. material certificate, dimension certificate, etc.)

VI.

Defects and Quality Guarantee

1. The goods shall comply with all technical requirements, technical and safety standards for the relevant type of goods. The goods and the components used in their manufacture shall be new, unused, undamaged and made of good quality material. If the goods are supplied on the basis of samples, designs or drawings, they must correspond completely to these samples or drawings. The goods are required to give a consistently standard performance in accordance with the characteristics and quality specified in the Purchase Contract and be fully fit for the purpose for which they are supplied.
2. The Seller declares and undertakes that before confirming the Purchase Contract, the Seller has verified and affirmed to be able to pack and deliver the goods properly and on time in accordance with all contractual and legal requirements (norms, guidelines, standards). The goods must not be encumbered by legal defects. The Seller shall notify the Buyer of the country of origin of the goods within a period not later than the proper delivery of the goods. In the event of a breach of this provision or in the event of a false notification of the country of origin, the Buyer is entitled to a contractual penalty of CZK 5,000 for each case of breach.
3. The Seller provides a guarantee for the quality of the goods for the duration specified in the Purchase Contract. If the length of the guarantee is not specified

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in the Contract, the guarantee period is 24 months and starts from the date of delivery. By guaranteeing the quality of the goods, the Seller undertakes that the goods will be fit for use for the usual purpose in accordance with their intended use for a certain period of time.

4. Defects in the goods shall be claimed by the Buyer in writing and the complaint shall include a description of the defect as it manifests itself, an explicit identification of the order or delivery under which the claimed goods were delivered and other relevant facts. The time limit for processing a complaint is 30 days. An accepted claim is settled by issuing an 8D report.
5. The choice of claims under the liability for defects in the goods, including complaint claims, as well as the choice of the method by which the defects are to be eliminated, belongs exclusively to the Buyer.
6. In case of delivery of defective goods, the Buyer has the right to charge the Seller a contractual penalty of 20% of the price of the defective delivery (defective goods). The Buyer shall also be entitled to a contractual penalty in the above amount if the complaint is not settled within 30 days.

VII.

Other Provisions

1. The Buyer is entitled to withdraw from the Contract in accordance with the provisions of the Civil Code and also before the due delivery of the goods without giving any reason, provided that in this case the Buyer shall reimburse the Seller for the costs reasonably incurred in fulfilling the Purchase Contract, up to the amount of the purchase price specified in the cancelled Purchase Contract as maximum. Withdrawal from the Contract terminates the Contract.
2. However, withdrawal or termination of the Contract in any other way shall not cause the following to expire:
 - claims for damages for breach of the Contract
 - claims for contractual penalties
 - claims arising from liability for defects
 - Provisions in respect of the choice of law and settlements of disputes

VIII.

Industrial Property Rights

1. The Seller undertakes to ensure that no provisions of the Purchase Contract unjustifiably infringe the intellectual or industrial property rights of third parties enjoying legal protection. The Seller hereby expressly declares that it is fully entitled to dispose of the industrial and intellectual property rights to the goods and undertakes to ensure the proper and undisturbed use of the goods by the Buyer or the Buyer's customers.

IX.

Liability for Damages

1. The Parties agree that for the purpose of determining the extent of damages resulting from the Seller's breach of the Purchase Contract, the Seller shall be liable for all damages caused to the Buyer, the Buyer's customers or other persons in connection with the Seller's breach of its obligations under the Purchase Contract.

X.

Settlement of Disputes

1. Contractual relations established by the Contract are governed by the Czech law. Facts not regulated by the Contract or these Terms and Conditions are governed in particular by the Civil Code.
2. The Parties have agreed on the international jurisdiction of Czech courts, where the Parties to the Contract expressly stipulate that the local competent court to settle disputes will be the Municipal / Regional Court in Brno.

XI.

Final Provisions

1. Unless otherwise stated in the Purchase Contract, the limitation period for both parties is 4 years.
2. The Buyer shall publish the individual versions of these Terms and Conditions on its website, indicating their version and date of publication. Reference to the current published version of the Purchase Terms and Conditions shall be deemed sufficient, clear and certain for the relevant current version of these Terms and Conditions to be applied to the contractual relationship in question.
3. The Buyer is entitled to make changes to the Terms and Conditions on its website at any time. New contracts will always be governed by the current version of the Purchase Terms and Conditions. The new wording of the Purchase Terms and Conditions will be applied to previously concluded contracts if both parties agree to it in writing.
4. This version of the Terms and Conditions is effective from 1.1.2022

Ing. Jiří Prášil, CSc.
General Director of ZKL, a.s.