



General Purchasing Terms and Conditions of KAYSER FILTERTECH CZECH REPUBLIC s.r.o.

Valid as of 1. 9. 2019

1) Validity of the General Purchasing Terms and Conditions

These General Purchasing Terms and Conditions shall apply to any and all relationships between KAYSER FILTERTECH CZECH REPUBLIC s.r.o. as the customer, on one hand, and a supplier, on the other hand, arising on the basis of or in connection with a purchase order placed by KAYSER FILTERTECH CZECH REPUBLIC s.r.o., unless agreed otherwise in writing, and also in the event that the supplier applies its own delivery terms and conditions. Any commercial terms and conditions of the supplier shall not be part of the contract, even if not explicitly excluded when signing the contract.

2) Purchase Orders and Conclusion of a Contract

Purchase orders shall be binding for KAYSER FILTERTECH CZECH REPUBLIC s.r.o. only if made in writing and duly signed by KAYSER FILTERTECH CZECH REPUBLIC s.r.o. One copy of the purchase order duly signed by the authorized persons must be returned in order for the purchase order to be accepted and, thus, for the contract to be concluded.

3) Written Form and Derogating Arrangements

Any changes and amendments to these General Purchasing Terms and Conditions and to the Contract must be agreed in writing.

4) Confidentiality

The supplier shall be obliged to keep the contract and any commercial and technical information related thereto confidential and treat them as trade secrets of KAYSER FILTERTECH CZECH REPUBLIC s.r.o. The obligation of confidentiality shall apply regardless of whether or not a contract has been concluded, also for information obtained during the offering stage and upon the termination of the contract.

5) Intellectual Property

KAYSER FILTERTECH CZECH REPUBLIC s.r.o. reserves the proprietary right and intellectual property rights to any and all images, drawings, calculations, technical descriptions and other underlying materials, as well as to models, designs, matrixes, templates and tools (hereinafter referred to as the "technical documents and means of production"), which will be provided by KAYSER FILTERTECH CZECH REPUBLIC s.r.o. for the supplier's disposal. The technical documents and means of production may not be disclosed or made accessible to any third parties without an explicit previous written consent of KAYSER FILTERTECH CZECH REPUBLIC s.r.o. The same shall apply to any items made or produced with the help of these technical documents and means of production; such items may be supplied by KAYSER FILTERTECH CZECH REPUBLIC s.r.o. only. If, for any reasons whatsoever, a contract is not concluded or the commercial transaction does not take place, these technical documents and means of production must be returned to KAYSER FILTERTECH CZECH REPUBLIC s.r.o. The technical documents and means of production are intended solely for the performance of the concluded contract and, upon the termination of the contract concerned, must be automatically (without a specific request to do so) returned to KAYSER FILTERTECH CZECH REPUBLIC s.r.o. without delay. Any items, which were developed or improved by KAYSER FILTERTECH CZECH REPUBLIC s.r.o. in cooperation with the supplier, may be supplied by KAYSER FILTERTECH CZECH REPUBLIC s.r.o. only.

6) Special Delivery Terms and Conditions

In the event that any special delivery terms and conditions, technical or testing requirements, specifications or packing, labelling and dispatching instructions are attached to the purchase order, these shall form an integral part of the contract and shall be binding for both parties.

7) Performance

The place of performance shall be the registered office of KAYSER FILTERTECH CZECH REPUBLIC s.r.o., unless a different place of performance is designated by KAYSER FILTERTECH CZECH REPUBLIC s.r.o. The performance must correspond precisely to the agreed terms and conditions and must be executed within the specified period of time. KAYSER FILTERTECH CZECH REPUBLIC s.r.o. shall not be obliged to accept any partial performance that has not been agreed upon or any excessive performance.

8) Payment Terms and Conditions

KAYSER FILTERTECH CZECH REPUBLIC s.r.o. specifically draws attention to the fact that, in mutual interest of the parties, it is absolutely necessary to indicate the full purchase order number in any correspondence, delivery notes, accounts, etc.; otherwise the particular documents cannot be processed swiftly. The invoices received shall be due and payable within 60 days, unless agreed otherwise in a specific purchase contract. In case of defective performance, KAYSER FILTERTECH CZECH REPUBLIC s.r.o. shall be entitled to withhold the payment until the due and proper performance. The supplier shall not be entitled to assign or pledge its receivables due from KAYSER FILTERTECH CZECH REPUBLIC s.r.o. without a previous written consent of KAYSER FILTERTECH CZECH REPUBLIC s.r.o.

9) Right of Retention and Offset

The right of KAYSER FILTERTECH CZECH REPUBLIC s.r.o. to execute the right of retention against the supplier and the right of KAYSER FILTERTECH CZECH REPUBLIC s.r.o. to offset mutual receivables and payables may not be restricted. KAYSER FILTERTECH CZECH REPUBLIC s.r.o. shall be entitled to unilaterally offset its undue receivables. In addition, KAYSER FILTERTECH CZECH REPUBLIC s.r.o. shall be entitled to offset them unilaterally against undue receivables owed to the supplier.

10) Transport Costs and Transfer of Risk

The company KAYSER FILTERTECH CZECH REPUBLIC s.r.o. reserves the right to determine the mode of transport and the method of packing. Unless otherwise agreed, it will be delivered by the DDP clause, KAYSER FILTERTECH CZECH REPUBLIC s.r.o. Vysoké Mýto in accordance with INCOTERMS 2010. INCOTERMS as amended and valid at the time of conclusion of the contract shall apply to the commercial clauses.

11) Force Majeure

Force majeure circumstances shall be deemed to constitute such circumstances, which occurred after the conclusion of the contract as a result of unforeseeable events of extraordinary nature, which could not be averted by the contracting parties; they shall include, for instance, natural disasters such as floods, earthquakes, volcanic eruptions,

tsunami, hurricanes, fire, and storms, as well as wars, civil riots and revolutions, pirate attacks, political overturns, power interventions in the form of boycotts, embargoes or other bans, and last but not least terrorist attacks, avian influenza or epidemics. The contracting party, for whom the performance of the contractual obligations became impossible, must immediately notify the other contracting party in writing upon the occurrence and termination of the aforesaid circumstances and present evidence that the circumstances affected the performance of its contractual obligations. Occurrence of defective material, delayed sub-deliveries and strikes cannot be deemed to constitute force majeure and, as such, do not give rise to any entitlement to extend the confirmed delivery period. In the event that KAYSER FILTERTECH CZECH REPUBLIC s.r.o. is hindered from accepting the performance at the agreed place by force majeure circumstances, the delay by KAYSER FILTERTECH CZECH REPUBLIC s.r.o. with the acceptance as well as any claims by the supplier for consideration or damage compensation, as the case may be, shall be excluded throughout the duration of such hindrance. For the duration of such hindrance, the supplier shall be obliged to store the goods at its own expense and risk. Should the unforeseeable circumstances last for more than 4 weeks, KAYSER FILTERTECH CZECH REPUBLIC s.r.o. shall have the right to withdraw from the contract. In such case, the supplier shall be obliged to refund the amounts paid by KAYSER FILTERTECH CZECH REPUBLIC s.r.o.

12) Liability for Defects and Warranty

Unless agreed otherwise with respect to the liability for defects, the supplier shall assume liability for defects in its performance pursuant to statutory regulations. The supplier shall provide warranty for the quality of performance supplied. The warranty period shall be 24 months after the date of performance, unless agreed otherwise. For complete facilities, the warranty period shall commence from the date when the last component of the entire facility has been delivered. Where the supplier carries out the assembly, the warranty period shall commence from the date of commissioning of the entire facility. Remedy of defects shall consist either in the repair of the defects or in the replacement of defective components. If, despite the invitation to do so, the supplier fails to remedy the defects properly or in time, KAYSER FILTERTECH CZECH REPUBLIC s.r.o. shall be entitled to remedy these defects or have them remedied at the expense of the supplier, without prejudice to the rights of KAYSER FILTERTECH CZECH REPUBLIC s.r.o. arising from the liability for defects and from the warranty. If this is not possible, KAYSER FILTERTECH CZECH REPUBLIC s.r.o. shall be entitled to withdraw from the contract. Minor defects or defects, the remedy of which cannot bear any delay, can be remedied by KAYSER FILTERTECH CZECH REPUBLIC s.r.o. itself, and the supplier shall reimburse the actual costs incurred by KAYSER FILTERTECH CZECH REPUBLIC s.r.o. in this connection. In case of replacement or repair of a component, the warranty period shall be extended for the period necessary for such replacement or repair.

13) Contractual Fine and Damage Compensation

In case of a failure to perform properly within the agreed period of time, the supplier shall pay to KAYSER FILTERTECH CZECH REPUBLIC s.r.o. a contractual fine amounting to 0.5% of the price for the entire performance for each and every day commenced after the conclusion of the contract between the supplier and KAYSER FILTERTECH CZECH REPUBLIC s.r.o. KAYSER FILTERTECH CZECH REPUBLIC s.r.o. shall be entitled to offset the claim for the payment of the contractual fine against the supplier's claim for the payment of the price for the performance. The payment of the contractual fine and interest on late payment shall be without prejudice to the right of KAYSER FILTERTECH CZECH REPUBLIC s.r.o. to claim compensation for any additional excessive damage. The obligation to pay the contractual fine shall survive the termination of the contract. The supplier hereby acknowledges that the deliveries of goods and services under the contracts between the supplier and KAYSER FILTERTECH CZECH REPUBLIC s.r.o. form part of performance to be provided under contracts between KAYSER FILTERTECH CZECH REPUBLIC s.r.o. and third parties, and that a violation of obligations by the supplier may result in an obligation for KAYSER FILTERTECH CZECH REPUBLIC s.r.o. to pay a contractual fine and compensation of excessive damage to such third party. The supplier shall be obliged to reimburse KAYSER FILTERTECH CZECH REPUBLIC s.r.o. for such damage in full.

14) Applicable Law and Court Jurisdiction

The contract as well as any legal relations arising from the violation thereof shall be governed by the law of the Czech Republic. The application of private international law as well as of the Convention for Contracts for International Sale of Goods shall be excluded. The competent court of the Czech Republic, in whose district the registered office of KAYSER FILTERTECH CZECH REPUBLIC s.r.o. is located, shall have the jurisdiction for any and all disputes arising from or in connection with the contract.

15) Severability Clause

Should any provision of these General Purchasing Terms and Conditions and other relevant arrangements be or become invalid, this shall not affect the validity of the contract as a whole. The contracting parties undertake to replace the invalid provision with a valid one that corresponds the best to the economic purpose of the initial invalid provision. The same shall apply in case of any loophole in the regulation of rights and duties of the contracting parties.

16) Termination

ECOTEX® shall be entitled to terminate the contract effective immediately or to withdraw from the contract in the following cases:

- The supplier has suspended the payments;
- Insolvency or similar proceedings have been initiated with respect to the supplier;
- The supplier entered into liquidation;
- The supplier suspended the performance of any of its activities, without which the purpose of the contract cannot be achieved;
- The supplier did not perform the subject-matter of the contract properly and in time.

16) The Main Principles of the Ethical Code of Suppliers

The supply system plays a fundamental role in improving the overall structural competitiveness of the KAYSER group. To secure constantly the highest level in meeting customer needs, the group chooses suppliers in an appropriate and objective manner, based on quality, innovation, costs and services that they are able to offer, and also on the basis of their approach to social and environmental issues and to the values stated in the Code. It is expected that all management staff and other employees of KAYSER group shall establish and keep a stable and transparent cooperation with the suppliers.