

General Terms of Purchase

1 PREAMBLE

- 1.1 These General Terms of Purchase regulating purchases of goods, the execution and acceptance of work and the receipt of services provided (hereinafter referred to as "**Terms of Purchase**" or "**TP**") govern all legal relations between **SEKO Aerospace a.s.**, IN: 25446592, with their registered office at U Nesyvky 1261/10, 150 00 Prague 5, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Entry 17258 (hereinafter referred to as the "**Client**") and the supplier (hereinafter referred to as the "**Supplier**") specified in the Client's proposal for the conclusion of a contract (hereinafter referred to as the "**Offer**" or "**Order**"), the subject matter of which is the purchase of goods by the Client, the execution of work for the Client or the receipt of services provided by the Supplier to the Client (hereinafter collectively also referred to as "**Performance**" or "**Supply**").
- 1.2 If there is a written contract and/or framework agreement between the Client and the Supplier which governs the Performance provided, then these TP shall not apply and the contractual relationship shall be governed exclusively by the provisions of the relevant contract, unless the relevant contract refers to these TP.
- 1.3 If the Supplier's terms and conditions contain provisions different from or contrary to these Terms of Purchase, these Terms of Purchase shall be binding with regard to the relationship between the Client and the Supplier, unless the Client has expressly agreed otherwise in writing in the Order.
- 1.4 If the Order contains provisions different from these General Terms of Purchase, the provisions set out in the Order shall prevail. The Supplier acknowledges and accepts that Orders may be in both written and electronic form and even without the signature of an authorised representative of the Client.

2 CONTRACT FORMATION

- 2.1 The contractual relationship is established if the Order is confirmed by the Supplier within 14 working days of its delivery to the Supplier (hereinafter referred to as the "**Contract**"). If the Order is not confirmed within the above time limit (or if the fiction set out in point 2.2 of this paragraph does not materialise), the Contract is not formed and the Client shall no longer be bound by the Order after the lapse of the above time limit.
- 2.2 If the Supplier provides the Performance (if only in part) or commences the provision of the Performance in accordance with the Order within the time limit for confirming the Order, the very fact shall be regarded as the Supplier's unconditional acceptance of the Order and formation of the Contract.
- 2.3 If the Supplier confirms the draft Contract (Order) of the Client with an amendment or a deviation (e.g. if the Supplier adds their own terms and conditions), such confirmation shall not be regarded as acceptance of the offer as defined in Section 1740(3) of the Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the "**Civil Code**") or the formation of a Contract, but rather as a new offer.
- 2.4 The Client shall have the right to revoke their Order in whole or in part without giving any reason if the

revocation of the Order reaches the Supplier within 2 business days of the Client sending the Order to the Supplier and if the Order has not yet been accepted.

- 2.5 Any modification of a Contract between the Supplier and the Client may be made only on the basis of a consensual expression of will of both parties in the form in which the Contract was concluded or in writing in documentary form.

3 DELIVERY TERMS

- 3.1 The Supplier shall deliver the Supplies to the Client at such a quality standard and in such design and packaging as specified in the Contract. If there is no sufficient specification of the required product in the Client's Order and there is no agreement between the parties regarding the specification of the Supply (including, for example, by way of mutual email communication), the Supplier is required to request the Client's cooperation to eliminate the flaws in the specification of the Supply and to provide the Client with a reasonable period of time to comment; if the Client fails to comment within the time limit provided, the Supplier shall deliver the Supply in the usual design and packaging and at the highest (first-class) quality standard that can be achieved with the exercise of professional care; the time limit for performance of the Supply set out in the Contract shall remain unchanged in such a case.
- 3.2 The Supplier is required to transmit to the Buyer, no later than upon transmission of the Supplies, among other things, the certificates required in the Contract and the declaration of conformity or declaration of properties within the meaning of Act No. 22/1997 Coll., on technical requirements for products, as amended, and other laws, in accordance with the technical specification valid on the date of placing the product on the market or the machinery in operation. For Supplies subject to the requirement under Article 31 of European Regulation No. 1907/2006 (REACH), the Supplier shall deliver a safety data sheet to the Client no later than with the delivery of the Supply; without the documents referred to in this paragraph, the Supply cannot be considered as properly executed. The parties agree that a breach of the obligations under this paragraph of the TP shall constitute a material breach of the Contract.
- 3.3 Unless expressly stipulated otherwise herein, the delivery term is DDP (Delivered Duty Paid according to INCOTERMS 2020). The Supplier shall therefore provide, and pay the costs of, packaging, transport, insurance and any customs fees and management of the Delivery, provided that the place of performance shall be the Client's premises at 5. května 2940, 440 01, Louny, Czech Republic or any other place of performance in the Czech Republic as specified in the Order or the Contract.
- 3.4 The Supplier is required to deliver the product to the Client on the date agreed in the Contract, provided that this obligation shall be deemed to be fulfilled at the moment of certificated delivery at the place of performance specified in the Contract or specified in clause 3.3 of these TP; unless otherwise agreed, the Supplier is obliged to notify the delivery of the Supply no later than 2 working days prior to the date of scheduled delivery of the Supply and to ensure delivery of the Supply on that working day between 6:00 a.m. and 4:00 p.m.
- 3.5 The Supplier shall not be entitled to delegate to a third party (hereinafter referred to as "**Subcontractor**") the performance of partial activities under the Contract or the Supply as a whole without the prior written consent of the Client. For these purposes, the Supplier shall provide the Client with the identification of one or more Subcontractors and the extent to which the Subcontractors are to participate in the Supply. In the event of consent to such delegation to a Subcontractor, the Supplier shall be responsible for the the Subcontractor's activities as if they were performing the activities themselves and shall also be responsible for making the Subcontractor aware of the Client's binding contractual requirements.
- 3.6 The Supplier shall procure the subject of the Supply (product/service/process) from the original manufacturers or providers, or, in the case of distribution, only from authorized sources.
- 3.7 The Client, as well as the customer and the regulatory or supervisory body, shall be allowed to access the relevant areas and documents related to the ordered material or service at all levels of the supply chain.

- 3.8 The Client is entitled, but not obliged, to accept the Supply even if not made in a proper or timely manner. A Supply not performed in a proper manner means, in particular, a Supply in other than specified quantity, quality, workmanship, packaging, containing legal or factual defects and/or not containing all of agreed and/or statutory documents that are usual or necessary for proper use of the Supply. A Supply not provided in a proper manner is subject to written confirmation by the Client. Any logistical costs for the Supply not approved in advance by the Client shall be borne by the Supplier.
- 3.9 The risk of damage to the Supplies and the ownership right in the Supplies shall pass to the Client at the moment of the certificated acceptance of the Supply.
- 3.10 If the subject of the Supply is only manufactured after the acceptance of the Order by the Client (i.e. after the formation of the Contract), the Supplier shall enable the Customer to inspect the progress of the preparation, production or manufacture of the Supply at the Client's request without delay, even repeatedly, in which the Supplier undertakes to provide assistance.
- 3.11 If the Supplier is late in the proper performance of the Supply or part thereof, the Client shall be entitled to a contractual penalty equivalent to 0.5% of the total contractual price of the entire Supply under the Contract for each day of delay until proper completion of the Supply, and the Supplier undertakes to pay the contractual penalty; the Client's acceptance of a Supply that has not been made in a proper and timely manner shall be without prejudice to the Client's right to claim the contractual penalty on top of any defect liability claims they may have.

4 PRICE OF THE SUPPLY AND PAYMENT TERMS

- 4.1 Unless expressly agreed otherwise, the price of the Supply specified in the Contract shall already include any and all the costs of the Supplier related to the Supply (including any license fee and costs of elimination of any defects in the Supply) and shall be determined as the maximum and fixed price.
- 4.2 The price of the Supply shall be paid against an invoice which shall contain the details in accordance with Section 435 of the Civil Code and Section 29 of the Act No. 235/2004 on Value Added Tax, as amended (hereinafter referred to as the "**Invoice**"). The value added tax shall be added in the amount according to the legal regulations in force and effect on the date of taxable supply, if applicable to the price of the Supply.
- 4.3 The Supplier shall issue an Invoice with a payment term of at least 30 days from the date of delivery to the Client. If the due date of the Invoice falls on a day which is not a business day, the Client shall not be in default if they pay the owed amount on the nearest following business day.
- 4.4 The Invoice shall always be accompanied (in addition to other invoice attachments agreed in the Contract) by a mutually signed handover report for the Supply and, if the Client has made a claim for defects in the Supply, also by a defect removal report or other document evidencing settlement of the defect claim (e.g. agreement to provide a discount, etc.). The Supplier shall be entitled to issue the Invoice at the earliest on the date on which the Supplier has accepted the defect-free Supply or on the date on which the defect claims raised by the Supplier at the time of acceptance have been settled.
- 4.5 After receipt of the Invoice, the Client shall have 7 days to assess whether the invoice is flawless and whether it contains all the essentials of a fiscal receipt within the meaning of Czech legislation and to return it, if necessary, even repeatedly if the Invoice is not flawless or if it does not contain all the essentials of a fiscal receipt within the meaning of applicable Czech legislation. When the Invoice is returned, its payment term and period for assessment of its correctness shall be suspended and recommence upon delivery of a corrected Invoice.
- 4.6 The Supplier is not entitled to receive an advance payment for the price of the Supply, unless expressly agreed to in the Contract. Unless otherwise agreed to by the Parties, the price for the Supply shall be always settled in a single payment after delivery of the complete Supply as per the respective Contract.
- 4.7 The Supplier is not entitled to assign, pledge or unilaterally set off any claim or other right arising from or

related to the Contract without the prior written consent of the Client.

5 WARRANTY AND LIABILITY FOR DEFECTS

- 5.1 The Client is required to inspect the Supply without undue delay after receipt thereof, and in any event within 30 days of receipt of the Supply.
- 5.2 The Client shall notify the Supplier of any defects in the Supplies found during the inspection of the Supplies within 10 working days of discovery.
- 5.3 The Client shall notify the Supplier of any hidden defects in the Supplies within 10 business days of discovery and in any event within two years of the date of acceptance of the Supply.
- 5.4 If the Supplier provides a guarantee (for the quality) of the Supply, its content is defined in the Contract or in the Supplier's declaration of guarantee.
- 5.5 If the Client raises a defect liability claim, the Supplier is required to arrange a free inspection of the defective Performance at the place where the defective Performance is located; if it is necessary to transport the claimed part of the Supply to the Supplier in order to remove the defects found, the Supplier shall arrange such transport. If the claim proves to be unjustified, the Supplier shall be entitled to demand from the Client the payment of the necessary costs associated with the inspection and transportation of the claimed part of the Supply.
- 5.6 In the event of defects in the Supply that constitute a material breach of the Contract, the Client shall have the right to choose one of the defect liability claims within the meaning of Section 2106(1) of the Civil Code; if the Buyer fails to do so even within 10 days of the Supplier's written notice of the possibility to choose a defect liability claim, the Supplier shall have the right to make the choice. In the event of any doubt about whether the defect constitutes a material breach of the Contract, the material breach of the Contract shall be any defect that does not allow the use of a part of the Supply without (whether minor) restriction or, in the case of incorporation of a part of the Supply into another product or service, even if slightly decreasing the value of the final product or service.
- 5.7 If the Client chooses to have the defect removed by repair or delivery of a defect-free part or whole of the Supply, then if the defect has not been removed within the mutually agreed time limit for removing the defect, the Client shall have the right to withdraw from the Contract or apply a reasonable discount on the price of the Supply.
- 5.8 Removal of the defect by any of the methods shall be without prejudice to the Client's right to claim damages for any harm sustained as a result of the defect Supply and reimbursement for any costs incurred by the Client in connection with claiming the defects.

6 USE OF SOFTWARE AND OTHER COPYRIGHTED WORKS

- 6.1 If the Supplier's Performance includes the creation of a copyrighted work (e.g. software), the Supplier shall grant to the Client the right to use the copyrighted work (hereinafter also referred to as the "**Licence**"), both in its entirety and in its individual parts. The Licence is granted as an exclusive licence, allowing the use of the copyrighted work in any known manner, in an unlimited quantitative and territorial scope and for the period limited only by the duration of the proprietary copyright in the copyrighted work. The Supplier agrees to refrain from using the copyrighted work to the extent the Licence has been granted to the Client. The Client is under no obligation to use the Licence. The Licence is transferable and the Client is entitled to grant a sub-licence to a third party also to assign the Licence to a third party; all without the need for any further consent from the Supplier. The Client is not required to inform the Supplier that it has assigned the Licence, nor disclose the assignee. The Client may modify the copyrighted work in any way at their sole discretion and otherwise interfere with it or combine it with other works, including through a third party. The Client is also entitled to make the copyrighted work available to the public in its original or modified form under their own name and label. If the

copyrighted work is software, the Client shall acquire a Licence to the machine and source code thereof, and the Supplier shall provide the Client with the documented source code for such software.

- 6.2 The above also applies to all technical solutions, concepts, know-how, procedures or data processing methods, analytical tools, working documentation, diagrams, schematics and concepts, provided that they are developed by the Supplier in the course of providing the Performance and they do not have the nature of a copyrighted work.
- 6.3 If, as part of the Performance, the Supplier provides the Client with a copyrighted work which is not created as part of the Performance and for which the Supplier grants or arranges for the grant of a Licence as part of the Performance (e.g. standard software not created exclusively for the Client), then the terms of the Licence covering the relevant standard software shall apply and the Licence granted shall be non-exclusive.
- 6.4 The price for the granting of the Licence under this Article by the Supplier is already fully included in the price of the Performance, which includes the copyrighted work.

7 COPYRIGHT, INTELLECTUAL PROPERTY RIGHTS AND RIGHT OF OWNERSHIP

- 7.1 The Supplier is required to ensure that the Client (including where the Performance is resold) has the right to use the delivered Performance (in particular goods or works) to which copyright, intellectual property rights or trademark rights are attached, as well as to provide it, for a consideration or free of charge, in accordance with the relevant laws to third parties and that no claims are made against them by third parties on the grounds of infringement of copyright, industrial rights, trademark rights or other rights.
- 7.2 The Supplier is responsible for ensuring the condition described in the previous paragraph is met. If a third party asserts any claim against the Client on account of infringement of copyright, intellectual property or other rights, the Supplier shall be obliged to remedy the situation and reimburse the Client for the damage sustained at their own expense and risk.
- 7.3 The Client shall promptly inform the Supplier in writing of any claims asserted by a third party pursuant to the preceding paragraph and make it possible for the Supplier to take all necessary legal, technical or other defensive measures. The Supplier shall keep the Client continuously informed of the status of the procedure and the measures taken.
- 7.4 Any items or documentation made available by the Client to the Supplier on the basis of the handover report for the fulfilment of the Agreement shall remain the property of the Client and the Supplier shall return such items or documentation immediately after the fulfilment of the Agreement by the Client.

8 WITHDRAWAL FROM THE CONTRACT AND DAMAGES

- 8.1 The Client is entitled to withdraw from the Contract without giving reasons at least 72 hours before the agreed date of the Supply. If the Client withdraws from the Contract in accordance with the preceding paragraph, the Client shall reimburse the Supplier for any loss incurred by the latter in connection with the Client's withdrawal from the Contract, in particular the Client shall reimburse the Supplier for lost profits in the amount that the Supplier would have earned had the Supply been effected.
- 8.2 If expressly stipulated in the Contract, these TP, or if there is a substantial breach of the Contract, the party concerned shall have the right to withdraw from the Contract as of the date on which the notice of withdrawal is delivered to the other party and claim damages for any harm caused thereby.
- 8.3 A breach of the Contract is material in particular in the following cases:
- (a) failure to deliver documents in accordance with point 3.2;
 - (b) a material defect in the Supply subject to the conditions set out in point 5.7

- (c) the Supplier is more than 10 days late with the Supply or if it is evident from all the circumstances that the Supplier will not perform its obligation to deliver the Supply to the Client properly and on time or with a delay of less than 10 days;
 - (d) the Client is late paying the Supplier's mature Invoice and the Client does not discharge the debt within 5 days of receipt of a written payment request.
- 8.4 The Client has the right to withdraw from the Contract if:
- (a) the court decides that the Supplier is bankrupt;
 - (b) the Supplier has petitioned for bankruptcy in their own name;
 - (c) the insolvency petition against the Supplier will be rejected for lack of assets within the meaning of Act No. 182/2006 Coll., on bankruptcy and methods of its resolution, as amended;
 - (d) a receiver has been appointed for the Supplier;
 - (e) a resolution is about to be passed to liquidate the Supplier, be it compulsory or voluntary liquidation;
- 8.5 Withdrawal from the Contract cancels the obligations arising from the Contract from the outset. However, neither withdrawal nor any other form of termination of this Contract shall cause the expiration of:
- (a) rights to damages as a result of the breach of the Contract,
 - (b) claims for payment of default interest and contractual penalties arising from breach of the Contract;
 - (c) the arrangements concerning the duty of confidentiality and protection of trade secrets;
 - (d) the arrangements concerning the governing law and dispute settlement.
- 8.6 The injured party shall be entitled to damages resulting from the breach of the Contract in full (including non-pecuniary damages) in an amount exceeding the contractual penalty resulting from the Contract or these TP.

9 FINAL PROVISIONS

- 9.1 The contractual relationships shall be governed by the Czech law, in particular, by the Civil Code.
- 9.2 The current version of the TP is available for consultation on the Client's website at www.sekogroup.com/podminky.cz (in English at www.sekogroup.com/conditions.pdf).
- 9.3 The Client shall have the right to amend or supplement the wording of these TP to the extent appropriate. The Client shall notify the Supplier of the effective date of the new TP and send the new TP to the Supplier well in advance of the effective date and in any way at least 14 days in advance. Unless the Supplier expresses their disagreement with the new TP in writing no later than on the date of the anticipated entry into force of the new TP, the Supplier agrees to the new TP and the new TP shall take effect vis-a-vis the Supplier on the date of its entry into force. If the Supplier does not agree to the new TP, the Supplier shall be entitled to terminate all Contracts of which the TP are a part by delivering the aforementioned disagreement subject to a one-month notice period starting from the delivery of the expression of disagreement to the Client. This provision is without prejudice to rights and obligations arising prior to the entry into force of the new TP.
- 9.4 All information the Supplier becomes aware of and all documents obtained from the Client in connection with the Contract shall be considered confidential and the Client's trade secrets and the Supplier shall keep such information or documents confidential and shall not disclose such information or documents to any third party or the public, even after termination of the contractual relationship with the Supplier.

A breach of this obligation shall not include cases where the information is disclosed as part of fulfilling their legal obligation, or where the information is disclosed to persons who by law have the obligation to keep it confidential. In the event of a breach of this provision, the Supplier is obliged and undertakes to pay the Client a contractual penalty of CZK 200,000 for each individual breach.

- 9.5 The provision of Section 1799 of the Civil Code on the ineffectiveness of clauses in contracts of adhesion, referring to the terms and conditions stated outside the actual text of the contract and Section 1800 of the Civil Code on the ineffectiveness of clauses that can only be read with special difficulties, incomprehensible clauses, especially disadvantageous or deviating from clauses common to the contractual relationship established by the Contract, shall not apply.
- 9.6 The Supplier assumes the risk of change of circumstances as defined in Section 1765 of the Civil Code.
- 9.7 By entering into the Contract, the Supplier waives their right to claim the termination of the Contract by a court pursuant to Section 2000 of the Civil Code.
- 9.8 Potential disputes between the Parties arising from this Contract or in connection hereto shall be ruled by the courts of the Czech Republic pursuant to procedural rules of the Czech Republic. The District Court for Prague 5 should always have the jurisdiction for settlement eventual disputes, and the Municipal Court of Prague for disputes decided in the first instance by the Regional Court.
- 9.9 The Supplier hereby confirms that they are familiar with the following important and potentially “surprising” arrangements as contained in these TP, they understand those arrangements and expressly agree to them:
- (a) the contractual penalty agreed in case of a breach of the duty to complete the Supply in a proper manner (point 3.11);
 - (b) the possibility to change the TP by a notice sent by the Client to the Supplier (point 9.3);
 - (c) The arrangement concerning the contractual penalty in case of a breach of the duty of confidentiality (point 9.4).
- 9.10 These TP come into force and take effect on 1 September 2023 and will cease to apply upon the entry into force of new TP with a later issue date.

In Prague on 16 August 2023

SEKO Aerospace a.s.

Tomáš Sedláček

Member of the Board