

GENERAL BUSINESS TERMS AND CONDITIONS LICON HEAT s.r.o.

These General Business Terms and Conditions (hereinafter referred to as the "GBTC") of LICON HEAT s.r.o., Na Poříčí 1041/12, 110 00 Prague 1 - Nové Město, Czech Republic, business address: LICON HEAT s.r.o., Svárovská 699, 460 11 Liberec 11, Comp. Reg. No. 604 62 183, VAT No. CZ60462183, registered at the Municipal Court in Prague under file number C 26286 (hereinafter referred to as the "Seller") govern, in accordance with the provisions of Section 1751 (1) of Act No. 89/2012 Sb., The Civil Code (hereinafter referred to as the "Civil Code"), the mutual rights and obligations of the Contracting Parties arising from, or in connection with, the Purchase Contract (hereinafter referred to as the "Purchase Contract") entered into between the Seller and another legal entity or natural person (hereinafter referred to as the "Buyer"). The GBTC are legally binding as of 1st January 2019. Legal relationships not governed by these GBTC or the Purchase Contract are governed by the Civil Code.

By signing the Purchase Contract, the Buyer confirms that it is familiar with these GBTC, their content is known to it and it agrees with them. The GBTC are an integral part of the Purchase Contract that has been entered into. Any changes to these GBTC are only possible if the Buyer and the Seller agree in writing in the Purchase Contract, in an appendix to the Purchase Contract or in another agreement, and it is unambiguous which terms and conditions have been changed and how. In the case of doubt, the said change in these GBTC is invalid.

I. Entering into the Purchase Contract

1. The Buyer's order is a proposal to enter into the Purchase Contract. Based on the Buyer's request, the Seller will process the order confirmation by issuing the "Received Orders" document and send it to the Buyer. The Purchase Contract is entered into by the electronic delivery of the order confirmation to the Buyer.
2. The Buyer is obliged to submit all orders in written form. Written form is also considered an order made by electronic means.
3. If the Buyer orders a larger quantity of goods with subsequent re-deliveries of an unspecified time and amount, it must do so in sufficient advanced time so that the goods can be delivered in time. At the request of the Seller, the Buyer is in this case obliged to arrange a delivery plan with the Seller. If the Buyer fails to do so, the Seller will set the delivery plan. In the case of an oral or telephone order for individual deliveries of the agreed larger quantity of goods, the Seller is entitled to deliver the goods according to the oral or telephone order, but in case of doubt the previously agreed details stipulated in writing for the delivery time, amount, type and destination of individual deliveries are valid. Costs and damages arising from incorrect or incomplete information in the Buyer's order are borne by the Buyer.
4. Oral or written arrangements made prior to entering into the Purchase Contract as per the above provisions concerning the delivery of goods under the Purchase Contract, which has been entered into later, shall become null and void if they have not been included in the Purchase Contract or if they are not in accordance with these GBTC.
5. If the Buyer fails to comply with any of its contractual or statutory obligations, the Seller may insist on their compliance or may withdraw from the Purchase Contract and sell the goods to another interested party. In both cases, the Seller has the right to compensation for damages incurred in breach of the Buyer's obligation.
6. If the Buyer cancels an already confirmed "Received Order" and if the Seller incurs expenses as a result, the Buyer is obliged to pay these expenses. In the case of cancellation within 24 hours of the Seller confirming the order by sending the "Received Order" to the Buyer, the Buyer is not obliged to pay any expenses of the Seller.

II. Delivery of Goods

Rights and obligations of the Parties on the delivery of goods:

1. In the order, the Buyer specifies the place of delivery of the goods and the address of the recipient of the goods (condition for the possible payment of costs).
2. The Buyer undertakes to notify the Seller of any change in shipping arrangements without undue delay.
3. The Buyer shall ensure free and safe arrival for the means of transport and direction to the place of destination, especially if it is a building site.
4. The Buyer undertakes to make the provisions of points 1, 2 and 3 of Article II. of these GBTC explicitly part of its agreement with third parties, if it is necessary to fulfil these obligations on the part of the Seller. In the event of a

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Entered into the Commercial Register: Municipal Court in Prague, File No. C 26286

Business address

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Průmyslová zóna Sever
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breach of this obligation, the Seller's obligation to deliver the goods is terminated. In addition, the Buyer is obliged to pay the Seller the transportation costs borne by the Seller when the Seller entered into a contractual obligation to ensure the transport of the goods. This is without prejudice to the Seller's claim to compensation for any other damage incurred. If the Buyer changes the given arrangement after it has been assigned, it will bear all the costs incurred.

5. The delivery of goods shall mean delivery by vehicles that provide transport under contract with the Seller or the moment of acceptance by the Buyer. Unless otherwise agreed in writing, the Seller is authorised to determine the means of transport and make full use of its loading space.
6. If the goods are to be transported by the Seller, the Buyer shall ensure that the cargo can be unloaded without delay at the place of destination and that the vehicles can leave the unloading place again; it is also obliged to ensure that the person of the Buyer authorised to accept the goods is present at the place of delivery of the goods. The authorised person shall determine the unloading place, check the integrity of the goods and sign the documents accompanying the consignment. A person that directs the vehicle to the unloading place must be considered an authorised person. Breach of these obligations entitles the Seller to withdraw from the contract, in whole or in part, and to claim damages, in particular costs incurred for the carriage of goods.
7. If the transport of goods is provided by the Buyer, the Buyer undertakes to ensure that the technical equipment of the vehicle intended for the transportation of the goods is suitable for the carriage of cargo. Loading and transport of goods must be carried out by qualified persons. Acceptance of the goods for transportation will be carried out at the Seller's place during working time. If the carrier's vehicle fails to arrive at the Seller properly and in time, the Seller is not in delay with the delivery of goods and the Buyer loses the right to timely delivery. It is therefore up to the Buyer to instruct the carrier or the recipient of the goods in this respect of their duties when loading or unloading the goods.
8. If the Buyer is a businessperson, the Seller considers the legal and material conduct of the persons who declare that they are acting as the Buyer's agents (especially employees), submitting credible documents or providing testimony to be the conduct of said businessperson. If the Buyer refuses to accept the goods or otherwise fails to accept delivery of the goods or delays it, it is obliged to pay the Seller the entire charged purchase price, full carriage charge and to compensate the Seller for any damage incurred.
9. For each delivery of goods, a delivery note is issued and attached by the Seller. The Buyer is obliged to accept the delivered goods and confirm the acceptance of the goods by the signature of the authorised person on the delivery note or transport note.

III. Delivery times and conditions

1. Unless otherwise agreed between the Seller and the Buyer, the Seller shall produce the goods within the time specified in the order confirmation (hereinafter referred to as the "**Production Period**") and prepare it for transportation to the Buyer in accordance with Article II of these GBTC in the shortest time possible. In case this Production Period cannot be adhered to, the Seller is obliged to notify the Buyer in due time and to provide it with the reason for the delayed production of the goods. In case of a delay in the production of the goods, the Buyer shall stipulate in writing an adequate substitute period for the production of the goods to the Seller. After the substitute period has expired, the Buyer is entitled to withdraw in writing from the Purchase Contract. Other claims arising from withdrawal from the Purchase Contract are excluded, if the law permits so. If the Seller is not responsible for delays in the production of goods, it is entitled to produce the goods after the removal of the obstacles which prevented the production of the goods.
2. The Contracting Parties may agree in the Purchase Contract that they will, in their mutual relations, adhere to one of the delivery conditions according to INCOTERMS 2010.

IV. Force majeure

1. The Seller shall not be responsible for delays or interruptions in production and supply of goods caused by force majeure in the Seller's operation or in that of one of its suppliers. Force majeure means any unforeseeable exceptional situation or event beyond the control of the Seller that prevents it from fulfilling the obligations arising from the Purchase Contract and which was not caused by error or negligence on the part of the Seller and cannot be overcome even with the exercise of all due diligence.

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V. Purchase Price

1. The Buyer is obliged to pay the purchase price for the delivered goods according to the Seller's price list valid on the day of the order confirmation. The prices stated in the order confirmation correspond to the valid price list of the Seller. All prices are net and will be increased by the applicable legal amount of VAT if the supplies are in the Czech Republic. The shipping and insurance costs, if agreed, will be invoiced by the Buyer separately to the Seller on the invoice. If the Seller's own costs increase by more than 10% in the time after the order confirmation, especially in terms of costs of transport, energy and wages, or increases in the prices of iron, noble metals and non-ferrous metals on the London Stock Exchange with ferrous metals (LME-www.lme.co.uk), the Seller is entitled to adjust this purchase price irrespective of the price specified in the Seller's pricelist. The Seller is obliged to inform the Buyer of this adjustment of the purchase price. In this case, the Buyer is entitled to withdraw from the Purchase Contract within 24 hours of receipt of the notification of the adjustment of the purchase price by sending a written notice to the Seller, however, only for goods the production of which has not yet commenced. If the Buyer does not withdraw from the Purchase Contract within the aforementioned period, the purchase price adjustment is considered to be accepted.
2. If additional costs arise to the Seller, for example, for delays in unloading goods and deliveries outside normal working hours, these costs will be charged to the Buyer.

VI. Transfer of the Risk of Damage to Goods

1. In the case of transport provided by the Seller, the risk of damage to the goods will pass to the Buyer when the Buyer accepts the goods. The same applies if the Buyer does not accept the goods, even though the Seller has allowed it to dispose of the goods.
2. If the Seller hands over to the carrier the goods for delivery to the Buyer in the place specified by the Purchase Contract, the Buyer will bear the risk of damage by the handing over of the goods to the carrier at that place, and unless a place has been agreed, by the handing over to the first carrier for delivery to the place of destination.
3. Damage to goods arising after the transfer of the risk of damage to the goods to the Buyer shall not affect the Buyer's obligation to pay the purchase price, unless the Seller caused the damage by violating its obligations.
4. In the case of transport arranged by the Buyer, the risk of damage to the goods shall pass to the Buyer at the moment of handover of the goods to the carrier for delivery to the Buyer. Damages caused by or arising during transportation or loss of quantities are not the responsibility of the Seller. This also applies to damages caused by contaminated or unsuitable vehicles or loading equipment of the Buyer or its contractual partner.

VII. Defects and Claims Arising from them, Complaints Procedure

1. The provisions of Sec. 2099 *et seq.* of the Civil Code shall apply to determine the Buyer's claims for defects of goods.
2. The Seller is liable for any defects in the goods sold at the time of its acceptance by the Buyer and for defects that occur during the warranty period. The Seller's warranty for quality and warranty period for the goods is determined by the Operating and Warranty Terms of LICON HEAT s.r.o. available at www.licon.cz. In the production of the Seller's goods, the applicable EN standards and generally binding technical regulations for the kind and type of goods were adhered to.
3. The Buyer is obliged to notify the Seller in writing of any defects covered by the Seller's warranty of quality as soon as they have been found or directly fill in the online claim form, which is available on the website www.licon.cz. The notification of the defect ("**complaint**") must include the following proofs: exact designation of the goods, type of defect, how, if applicable, the defect manifests itself, delivery note number, photographic documentation and selected claim. The Buyer is obliged to ensure keeping and separate storage of the goods until the complaint is settled. In the event that the goods have already been used, the Buyer shall allow the inspection of it at its place of use.
4. The Seller is liable for obvious and hidden defects that the goods have at the moment of transfer to the Buyer, that are found in the delivered goods during the warranty period and which were caused by breach of obligations by the Seller. The Buyer is obliged to pass the Seller's instructions for the installation and use of the goods in full to its customers. If it fails to do so and damage occurs as a result of its actions, the Seller is not responsible for any damage caused by the non-compliance with the Seller's instructions by a third party. The Buyer is obliged to inspect the goods immediately upon delivery or acceptance, and any apparent defects, in particular damage, deficiencies, missing parts or incorrect quantities of goods, if not a partial delivery, have to be confirmed by the carrier on the

transport documents. The Buyer is further obliged to notify the Seller of these defects or deficiencies in the delivery without undue delay; otherwise, its right based on the liability for defects is void. Discovered mechanical damage to goods when accepted by the carrier is settled with the carrier by the Buyer. The Buyer is obliged to notify the Seller about defects that could not be found in an immediate, consistent and conscientious check without undue delay upon their discovery. Complaints concerning exchange of products, quantity difference, incompleteness of delivery, packaging defects, incorrect invoice/delivery note data must be applied without undue delay after receipt of the goods. In the event of a complaint of a defect caused by transport to the Buyer, it is necessary to write a report on the damage in the presence of the carrier.

5. Complaint procedure:

- All claims for defects must be made in writing by the Buyer, using the online form available at www.licon.cz.
- If the Buyer does not use the online complaint form to make the complaint, it is obliged to proceed in accordance with paragraph 3 of this Article of the GBTC, and the complaint shall include all the data necessary for the identification of the goods by the Seller.

6. Claims for defective goods:

- If the Seller finds that the complaint is justified, the Buyer is eligible to:
- demand a discount from the purchase price even in case of repairable defects,
- require the removal of defects by repair, if the defects are repairable,
- require the removal of defects by supplying replacement goods for defective goods if the defects are irreparable or in the case of the supply of missing goods,
- require repayment of the purchase price if the defects are irreparable.
- The choice between the claims referred to in points (a) and (b) of this paragraph 6 lies with the Seller.
- By supplying a replacement product in good condition or by refunding the purchase price, the ownership right to the goods passes to the Seller if it previously passed on to the Buyer.
- If the Seller does not recognise the Buyer's claim of defective goods, the Buyer is obliged to pay the Seller the costs arising as a result of the complaint procedure.

7. The Buyer's claims for defects and compensation for damage caused by product defect shall be subject to a limitation period.

VIII. Payment Terms and Conditions

1. Unless otherwise agreed between the Seller and Buyer, invoices issued by the Seller shall be due within 14 days of delivery to the Buyer. Any security for a debt on the part of the Buyer or a third party does not change the content of the obligation, especially its maturity. The Seller is not obliged to preferentially use the security and is entitled to insist on proper payment of the Buyer's obligation.
2. Failure to pay a financial obligation by the set or agreed due date will result in a delayed payment. In this case, the Seller is entitled to charge the Buyer interest for late payment of 0.05% for each day of delay in performance of the financial obligation. If the Buyer's obligation is to be paid in instalments, the delay in the payment of one instalment will require immediate payment of the entire obligation (loss of benefit of instalments). Furthermore, the Seller is entitled to deny the entire or residual performance of the contract and require the Buyer to provide it with compensation for damages caused by breach of the Purchase Contract.
3. The Buyer has the right to unilateral offsetting only if it is a counterclaim acknowledged by the Seller in writing or legally granted counterclaims. The Buyer is not permitted to exercise any right of lien to property owned by the Seller that it has been holding from earlier or other transactions under normal business relationships with the Seller or third parties.
4. The Seller may at any time require the Buyer to secure its receivables and offset mutual claims. If the required security is denied, the Seller is entitled to withdraw from the Purchase Contract.
5. In the event of non-compliance with the payment terms under these GBTC or the Purchase Contract, or in circumstances that according to the exclusive consideration of the Seller reduce the Buyer's creditworthiness, the Seller is entitled to require payment in advance of all deliveries of goods. In the event of the Buyer's delay in payment of a financial obligation by more than 30 days, the Seller is entitled to withdraw from the Purchase Contract. If it becomes clear from the Buyer's conduct that the Buyer is not fulfilling its obligations under the Purchase Contract (in particular the obligation to accept the goods and the obligation to pay the purchase price) after the Purchase Contract has been entered into, the Seller may also refuse to execute the Purchase Contract until it is provided or sufficiently

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secured with the Buyer's payment, all at the expense of the Buyer. The Seller may set a time limit of 10 calendar days for the Buyer to provide additional payment. After the expiration of the time limit, the Seller is entitled to withdraw from the Purchase Contract and claim damages for failure to fulfil the contractual obligations on the part of the Buyer. In these cases, the Buyer is obliged to allow the authorised employees of the Seller access to the premises of the individual Buyer's plants where the goods have already been delivered, for the purpose of loading and transportation of the goods.

6. If the payment is insufficient to cover all the Seller's claims against the Buyer, the Seller shall determine which claims and which accessions are covered by this payment.
7. In the event of the Buyer's delay in paying financial obligations by more than 30 days, the Seller will wait with handling the next order of the Buyer until the date of payment of all overdue invoices by the Buyer. During this time, the Seller is not in default of fulfilling its obligations towards the Buyer.
8. If the Seller has the right to withdraw from this Purchase Contract that complies with the Purchase Contract, all the rights and obligations of the Parties under the Purchase Contract shall cease through the withdrawal from the Purchase Contract. However, the withdrawal from the Purchase Contract does not affect the claim for damages arising from the breach of the Purchase Contract. Withdrawal from the Purchase Contract has no effect on securing the obligations under the Purchase Contract. Also, the provisions regarding contractual penalties, interest on late payments, information protection and provisions relating to those rights and obligations the nature of which indicates they should persist after the withdrawal (in particular the obligation for the Buyer to provide cash performance for the performance provided by the Seller before the effective date of the withdrawal) are not affected.
9. Withdrawal from the Purchase Contract must be made in writing to the address of the Contracting Party to which it is intended. If the consignment is not delivered or handed over to the other Contracting Party at that address, or if the consignment is not collected during the storage period and a holder of a postal licence returns the consignment, the successful delivery, with all legal consequences, shall be deemed to be the third day from the date of the proven dispatch of the consignment.

IX. Transfer of Ownership Rights to the Goods

1. The Buyer acquires ownership right to the goods by full payment of the purchase price, unless otherwise agreed between the Seller and the Buyer. However, if the Buyer pays the full purchase price before the date of delivery of the goods, the Buyer acquires ownership right to the goods as of the date of payment of the purchase price to the Seller.
2. Reservation of property rights under the preceding paragraph means that the Seller remains the owner of the goods until the purchase price is paid and it has the right to protect its property. The Buyer undertakes to inform the Seller in time and in writing of any substantial deterioration in its financial situation, in particular the commencement of insolvency proceedings, the entry into liquidation, the threat of bankruptcy or the bankruptcy, or if there are other circumstances that are the reason for the opening of insolvency proceedings. In the event of any such substantial deterioration of the Buyer's financial situation, the Seller is entitled, under the preceding sentence, to withdraw from the Purchase Contract without notice from the Buyer. By withdrawing from the Purchase Contract or by commencing liquidation or filing a motion to initiate the insolvency proceedings, whichever is the earlier, the Buyer's right to sell the Seller's goods ceases and the Seller is entitled to recover the goods covered by the reservation of ownership from the Buyer, even in the case that the purchase price due date has not yet passed. If the Buyer does not deliver the goods in question, it is obliged to allow the authorised employees of the Seller access to the premises of the individual Buyer's plants in which the goods are located for the purpose of loading and transportation of the goods.

X. Information on Processing of Personal Data

1. The Seller as a controller of personal data within the meaning of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27th April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (hereinafter referred to as the "GDPR") will process personal data obtained from the Buyer and its representatives as part of negotiations on the entering into and performance of the Purchase Contract in accordance with the rules set forth in the GDPR and in accordance with these terms and conditions.
2. The subject of processing personal data by the Seller is the personal data of the Buyer, its representatives, employees, co-workers or members of the Buyer's statutory bodies (hereinafter referred to as the "Buyer's

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employees"), in particular: (i) identification data (in particular name and surname, position), and (ii) contact details (in particular e-mail address and telephone number); (iii) data to the extent necessary for the delivery of goods, insurance or payment of the purchase price under the Purchase Contract.

3. Personal data of the Buyer's employees will be processed by the Seller to the extent necessary for the fulfilment of its obligations under the Purchase Contract, the exercise of its rights, the fulfilment of legal obligations and the related business communication with the Buyer. The Seller may also process personal contact details of the Buyer's employees for the purpose of sending business offers, newsletters and similar business communications. The Seller will process the personal data of the Buyer's employees for the duration of the business relationship and for a period corresponding to the specified processing purposes in accordance with the Seller's record and document destruction procedures.
4. In connection with the processing of personal data of the Buyer's employees under the Purchase Contract, the Seller declares that it will (i) process personal data in accordance with the GDPR requirements; (ii) enable the Buyer's employees to exercise their rights under the GDPR; (iii) ensure the confidentiality of persons processing personal data; and (iii) delete all personal data of the Buyer's employees after cessation of the processing purposes under these conditions.
5. The Buyer undertakes to: (i) inform the Buyer's employees about the processing of their personal data by the Seller in connection with the entering into and performance of the Purchase Contract in accordance with these GBTC, including their related rights as data subjects under the GDPR and the opportunity to become acquainted with the principles of processing the personal data available on the Seller's website; (ii) inform the Seller in the event of a change of the Buyer's employees or their personal information communicated to the Seller; and (iii) ensure the consent of the Buyer's employees to use their work contact details in order to send business communications to the Buyer and inform them of the right to withdraw this consent at any time.

XI. Final Provisions, Choice of Law and Court

1. The legal relationships between the Contracting Parties are governed by Czech law. For all claims arising from a contractual relationship and the related claims arising from non-contractual relationships, the Czech courts have jurisdiction in accordance with the relevant procedural rules.
2. Any invalidity of any provision of these GBTC shall not affect the validity of the other provisions.
3. These GBTC are valid and effective from 1st January 2019 and are published on [www](http://www.licon.cz)

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