

TERMS OF PURCHASE

FRONIUS ČESKÁ REPUBLIKA S.R.O. VALID FROM 01/05/2022



1. Validity

- 1.1. These General Terms of Purchase exclusively apply to our orders (contracts) and/or the procurement of goods or services. Where applicable provisions are missing, the law exclusively applies. Deviating conditions of sale and delivery of the contractor shall only be binding for us if they have been expressly confirmed in writing or via fax by us.
- 1.2. In accepting and/or executing our orders (contracts), the contractor recognizes the exclusive validity of our General Terms of Purchase.
- 1.3. These Terms of Purchase apply without restriction, including for all additional orders.

2. Tenders

- 2.1. The contractor must precisely match the volumes and quality to our request. Deviations must be clearly highlighted. If approximate volumes (e.g., 'approx.')
- 2.2. Tenders, quotations, plans, test certificates for technical devices, and all other documentation must always be generated free of charge.

3. Orders and Confirmation

- 3.1. Irrespective of possible tenders by the supplier, contracts exclusively become effective with the content of our written orders provided by fax or by e-mail. Our orders are only valid if a Fronius order number is included in them. Verbal orders, or those made by telephone, as well as additions, amendments, and deviations of any kind, shall only be binding if they have been confirmed by us in writing or by way of fax or e-mail. The order date is the date of our order. Where a verbal order is made or an order is made by telephone, the order date is that of our written confirmation.
- 3.2. The contractor must confirm our order in writing, quoting our order number, by the deadline stipulated by us, and at the latest within 2 working days from the order date. Where there are amendments within the order confirmation, a contract shall only come into effect if the supplier clearly highlights deviations from our order within the order confirmation and we explicitly confirm these deviations in writing or by way of fax or e-mail. Unconditional acceptance of the goods shall not be deemed to be approval of the deviation. However, should the order confirmation not be received in due time, the contractor shall nevertheless deliver the goods, thus the contract shall come into force taking into account our Terms of Purchase and the content of our order.
- 3.3. In accepting our order, the contractor guarantees its professional execution; in particular, each item produced must precisely correspond to the drawing to which the order is affiliated.

4. Delivery or Service Schedule

- 4.1. The delivery or service schedule begins on the order date. Where no schedule is agreed, delivery or service provision should be immediate.
- 4.2. If a delay is expected in the delivery or service, we must be immediately informed of this in writing via fax or e-mail, with the reason, as well as the anticipated duration of the delay.
- 4.3. A delivery or service more than one day prior to the agreed date is only permitted with our consent. We should not be at any disadvantage as a result of such a delivery or service; in particular, the payment and discount period (15.2) shall not begin prior to the originally agreed date.
- 4.4. We reserve the right to a postponement of the delivery or service schedule, however we shall inform the contractor of this at least three weeks prior to the agreed date in writing or via e-mail or the digital data network.

5. Delivery, Acceptance, and Insurance

- 5.1. The contractor shall provide us with the ordered goods (works) pursuant to the order at the contractor's expense and risk at a warehouse, installation site, or place of use specified by us ('DDP' according to Incoterms 2020); this shall also apply, without restriction, to dangerous goods within the meaning of the applicable Czech Law No. 111/1994 Coll., Road Transport Law. COD shipments shall not be accepted by us. The shipment must include a packing slip, and furthermore, a separate delivery note for each order number quoting the order and item number, and where applicable, a copy of the order's affiliated drawing. If as a result of violation of these obligations we are subject to disadvantages, the contractor shall take responsibility for them.
- 5.2. The delivered items must be handed over to our authorized employees at the destination. The items are accepted quantitatively upon their arrival at the destination, but are only accepted qualitatively when processed or used. Our employees are not authorized to confirm that the items are free of quality defects at the point of acceptance. Where an employee nevertheless confirms that the items have been accepted in good working order, under no circumstances does his or her confirmation imply that the items are free from quality defects.
- 5.3. The contractor shall sufficiently insure the supplied goods at its expense against damage of any kind. The contractor shall provide us with proof of this insurance, and in the event that there are insurance claims, it shall assign the insurance entitlements to us upon our request. If the contractor does not promptly provide evidence of such insurance, we reserve the right to take out said insurance at the expense of the contractor after a one-month grace period expires to no avail.
- 5.4. Products that are subject to special product regulations, such as the Czech Law No. 350/2011 Coll., Chemicals Act and the related provisions, must be categorized, packed, and labeled in accordance with the regulations.
- 5.5. When delivering technical systems and devices, our operating personnel must be trained without additional remuneration (therefore within the scope of the agreed remuneration). When delivering systems, devices, and other components that are to be installed by a third party or further processed by the contracting entity, all of the necessary installation plans (including all connections, any base design, etc.), drawings, and technical documentation must be made available to the contracting entity in Czech and also in German or in English, at the latest upon delivery and free of charge.
- 5.6. With deliveries from abroad, the labels must be in Czech and also in German or in English; the operating regulations and instructions must be produced in Czech and also in German or in English.

6. Packaging, Labeling, and Shipping; Dispensation Declaration; Problem Substances

- 6.1. The contractor must pack, label, and ship the ordered goods (works) in a suitable manner and at its own expense and risk, regardless of the Incoterms agreed; this also applies without restriction to dangerous goods (5.1). In doing so, it must always comply with the applicable European Union and Czech regulations. If by way of an exception we were to accept the costs of packaging, the prime costs should be charged to us, and this should be separately disclosed on the invoice; also, in this event, the contractor shall bear the risk for the consequences of defective or non-compliant packaging and/or labeling. If third parties

make a claim against us due to defective or non-compliant packaging, labeling, and/or shipment of the goods (works), the contractor shall fully release us from indemnity.

- 6.2. Insofar as the contractor is involved in a nationwide system for packaging disposal in the Czech Republic (such as EKO-KOM, a.s.), the following legally binding declaration must be included both in the tender and on every delivery note and invoice: "To guarantee the taking back and recycling of packaging waste from all of the specified goods, a fee has been paid under the identification number". Additional charges or costs, such as deposits or disposal costs, are not recognized by us. Should the contractor fail to provide such a dispensation declaration, they must collect the packaging material or take it back and issue a credit for this. In the event that the contractor does not comply with this obligation, we reserve the right to employ a third party for disposal at the risk and cost of the contractor.
- 6.3. The contractor must always dispose of delivery items deemed to be 'special waste' when used for their intended purpose, or the residue from such delivery items, at its own risk and cost itself or take it back for disposal. In the event that the contractor does not fulfill this obligation, we reserve the right to employ a third party for disposal at the risk and cost of the contractor.
- 6.4. When shipping using pallets, the contractor must use its own exchangeable EUR pallets, which must be exchanged upon handover to us.
- 6.5. If wood is used in the packaging, it must comply with the currently valid Community (EU) phytosanitary regulations.
- 6.6. Regarding the packaging, the contractor must not exceed lengths of 1230 mm, widths of 850 mm, and heights of 1300 mm per package. Where this is not possible, other packages must be configured.
- 6.7. The Material Compliance Requirements apply to all deliveries to Fronius. These are summarized in the 'Fronius Material Compliance Guidelines' which can be found at <https://www.fronius.com/de/ueber-fronius/procurement> as defined product features. All products delivered to Fronius must comply with the requirements specified in the Fronius Material Compliance Guidelines at the point of contractual fulfillment. Where these guidelines are not complied with, the relevant product delivered to Fronius shall be deemed to be defective. Furthermore, the supplier undertakes to provide Fronius with the required product information free of charge for checking compliance with the legal provisions and the Fronius Material Compliance Guidelines, and to file the requested material data information (declarations) to the designated online platform in full and correctly. The supplier must furthermore check whether it has the most up-to-date Fronius Material Compliance Guidelines every 6 months, as a minimum. Where there is an amendment to the Fronius Material Compliance Guidelines, the new version will replace the previous version with immediate effect.

7. Transfer of Order

- 7.1. The order must never be transferred in whole or in part to another company for execution without our written consent.

8. Drawings, Tools, Molds, Models, etc.

- 8.1. The samples, models, drawings, sketches, tools, molds, and other aids given to the contractor for generating a tender or for executing the contracting entity's orders shall remain the property of the contracting entity. The contracting entity shall retain the copyright to such items. If the contractor is to produce items of this sort on account of the contracting entity for such purposes, it shall purchase the materials required for this on behalf of the contracting entity and shall also have them delivered; the purchase price shall be charged directly to the contracting entity by the supplier at cost (15), primarily for due advance payment. Upon payment for the materials, ownership of the items to be manufactured, even if they have not yet been produced, shall transfer to the contracting entity, who shall also have the exclusive right of use to said items.
- 8.2. Such items must be treated as confidential and must not be made accessible to third parties, or be used for other purposes, not even promotional purposes. They shall be entrusted to the contractor for use in accordance with the intended purpose only for as long as is required to fulfill the order. They shall be immediately handed over to the contracting entity upon delivery (performance) and/or retraction of the order (contract withdrawal), and otherwise upon the contracting entity's request.

9. Non-Disclosure of Data and Trade Secrets

- 9.1. On behalf of itself and all persons it employs, the contractor undertakes to maintain the non-disclosure of all data and trade secrets made known to it or to said persons concerning the conclusion and execution of this contractual relationship. To fulfill its contractual responsibilities, obligations, and other tasks, it may only involve persons who it has verifiably and expressly subjected to the obligation of non-disclosure of this data and trade secrets prior to the undertaking of their task. Press releases or other communications in conjunction with the order may only be disclosed after approval by the contracting entity.
- 9.2. The non-disclosure obligation for all data and trade secrets, and its imposition, shall continue to apply without restriction after termination of the contractual relationship. It shall also apply to the data and trade secrets which are entrusted or otherwise made accessible to the contractor or the persons indicated in 9.1 due to initial contractual negotiations, even if said negotiations should not lead to the completion of a contract.
- 9.3. For this order, the contracting entity consents to the transfer of data from this transaction to third parties, insofar as is required for the execution of the contract. This consent is deemed to be granted upon acceptance of the order and shall end upon fulfillment of the contract. Simultaneously the contractor consents to the transfer of data from this transaction to companies that are affiliated with the contracting entity.

10. Property Rights

- 10.1. The agreed price covers the acquisition of intellectual property rights, in particular patents, insofar as such acquisition is necessary for our free usage, for partial or complete renewal, or for resale of the delivered item.
- 10.2. Where licenses are necessary, the contractor shall acquire them. We may use the contractor's inventions free of charge when executing our order.
- 10.3. The contractor shall release us from indemnity if third-party property rights are violated in connection with the ordered goods or services.

11. Default, Withdrawal, and Contractual Penalty

- 11.1. Upon the default of a delivery or service, or upon a delivery or service contrary to contract, we reserve the right, irrespective of all additional claims, to either withdraw from the contract or to insist upon fulfillment of the contract. The same rights apply to us if an application by the contractor to initiate insolvency proceedings is rejected in the absence of cost-covering assets, or if creditors file for insolvency.
- 11.2. Where there is a delivery or service default or where a delivery or service is contrary to contract, we are furthermore entitled to demand, alongside the fulfillment of the contract, a contractual penalty of at most 10% of the total order sum, or alongside delayed fulfillment, a contractual penalty of 1% of the total order sum up to a maximum of 10% for each week (or part thereof) of delay. We reserve the right to demand the contractual penalty and also damages exceeding its amount irrespective of the amount of the order sum and also in the

- event that we accept a late delivery or service.
- 11.3. We are also entitled to the contractual penalty if no fault can be attributed to the contractor for the exceedance of the delivery or service schedule. If the default can be attributed to force majeure or circumstances within the contracting entity's sphere of risk (e.g., its delayed cooperation), the contractor shall remain obliged to pay the contractual penalty. However, should the contractor report such circumstances without undue delay and prove them upon the contracting entity's request, the delivery and service schedule or the delivery and service date shall be extended by the duration of the effect of these circumstances; the agreed contractual penalty will then ensure, except in cases of unreasonableness, that the extended schedule or the extended date is met. Force majeure does not include lawful strikes or cases where materials, components, or finished goods are scrapped.
- 11.4. The preceding regulation regarding the contractual penalties for delayed fulfillment is also applicable without restriction to contractual penalties that have been agreed for other reasons (e.g., to guarantee particular features).
- 11.5. We reserve the right to withdraw from the contract, at the latest two months prior to the agreed delivery or service date (prior to the end of the agreed delivery or service schedule) in respect of those delivery or service items or those parts of such items that can no longer be used as a result of technical changes, changes to the bills of materials, changes to the forecast planning, or as a result of other comparable causes; in this case the contractor shall not be entitled to claim damages.
- ## 12. Transfer of Risk
- 12.1. In all cases, the risk shall not transfer to us until the contractor has handed over the delivery (service) to our authorized employees (5.2), the delivery (service) has been checked by them at the destination, and has been accepted and deemed in order, and the contractor has duly fulfilled all additional obligations, such as the provision of the required test certificates, descriptions, operating and use instructions, copies of the drawings affiliated with the order, and all other necessary documentation, as well as the assembly, commissioning, training, and all other provisions required in individual cases.
- ## 13. Warranty and Guarantee
- 13.1. The deliveries and services provided by the contractor must always comply with the general and specific standards applicable in the Czech Republic, e.g., for the protection of employees, environmental protection, and for the area of safety technology, as well as the generally recognized technology rules, and the quality stipulated by the contracting entity, even if the contractor has not been notified of the purpose of use. The specification regarding the carriage of dangerous goods and regarding hazardous waste, as well as special storage and operating specifications, and the requirements stipulated in the Fronius Material Compliance Guidelines (available at <https://www.fronius.com/de/ueber-fronius/procurement>) must be observed in detail; in this respect, the contractor has a duty of care and to provide information to the contracting entity.
- 13.2. The warranty period is two years irrespective of longer legal or contractual terms. This period shall not begin prior to the quantitative handover (5.2), but at the latest after three years from the transfer of risk (12).
- 13.3. It remains at our discretion whether we request a correction, replacement of the item, a price reduction or, provided it is not a minor defect, redhibition. If we request a correction, the contractor must immediately remedy the defect during the warranty period at its risk and expense. Upon our request, the contractor must immediately exchange defective parts of the delivery or service at its risk and expense for parts that are free from defects. In cases of urgency we are also entitled to remedy the defects ourselves upon notifying the contractor without a grace period at the contractor's expense, or to allow a third party to remedy it without this affecting our claims due to these defects. If there is imminent danger, we can proceed as above without notifying the contractor. If a grace period is to be set or observed, a period of 14 days shall be deemed appropriate.
- 13.4. The contractor expressly guarantees freedom from defects during the warranty period.
- 13.5. Payments shall not constitute a waiver of warranty claims.
- ## 14. Compensation for Damages and Product Liability
- 14.1. We are entitled to compensation claims and rights of recourse including all claims in accordance with the Czech Civil Code in their entirety. It remains at our discretion whether we initially request rectification or exchange of the item due to the defect in the delivery or service, or immediate monetary compensation (reduction of purchase price). In the event that we request rectification, the contractor must immediately remedy the defect at its risk and expense. Upon our request, the contractor must immediately exchange defective parts of the delivery or service at its risk and expense for items that are free from defects. The contractor bears the burden of proving that it is not at fault for each type of damage for the entire duration of the limitation period. Liability exclusions or limitations of liability, as well as the obligation to impose them, shall not be agreed at our expense. The contractor shall also be liable for the culpability of its suppliers, as it is for its own culpability.
- 14.2. If third parties make a claim against us as a result of defective materials within the meaning of the product liability regulations, the contractor shall release us from indemnity.
- 14.3. The contractor undertakes to provide us with a complete, but easy to understand set of operating instructions in Czech and also in German or in English language, to store all necessary documentation, to closely monitor products, and furthermore, if necessary, to recall defective goods at its expense, to immediately supply the manufacturing documentation, and to provide every reasonable support, as well as naming the producer or importer within 14 days.
- 14.4. If sub-suppliers are commissioned, the contractor is liable for ensuring the deliveries are performed subject to the conditions agreed with us. The contractor is liable for the conduct of its sub-suppliers to the same degree as for its own conduct.
- ## 15. Price and Payment Conditions; Offsetting
- 15.1. All prices are fixed prices and net prices. The prices apply in accordance with Point 5., free delivery to installation or delivery site (Incoterms 2020 – 'DDP').
- 15.2. We are entitled to a deduction of 3% for payment within 30 days, including payment of each and every partial invoice. Invoice amounts otherwise fall due for payment within 60 days. The payment periods are calculated from the day of receipt of the relevant invoice, which must be compliant with our conditions (above all 16), subject to our rights according to 4.3; however if the risk (12) transfers to us at a later date, the payment periods are calculated from the day of the transfer of risk. The payment periods shall also only come into effect if the contractual deliveries and services have been provided free from defects. Invoices that do not comply with our conditions do not trigger the commencement of the payment periods. Payments shall not constitute a waiver of any claim for compensation due to defects and damages.
- 15.3. The contractor has based the agreed prices on a sound cost calculation, thus price increases should not be expected on follow-up orders. The positive results of the savings potential gained from the collaboration will be taken into consideration accordingly in pricing for follow-up orders.
- 15.4. We reserve the right to offset the contractor's claims at any time with claims of any kind that we have against the contractor. Solely the prices agreed by the parties in the contract are billable. There are no collateral agreements. We reserve the right to readily assign all of our claims to any company within the FRONIUS Group.
- 15.5. If the contractor is a working group, when placing the order it must make a bank account known to which all payments for this order will be made with discharging effect.
- 15.6. We are entitled to pay by bank transfer, check, or against three months' acceptance, at our discretion. The payment period is deemed to be met if the owed amount has been value-dated to the account specified by the supplier when due.
- 15.7. If payments are not made on time, default interest shall be charged for the outstanding amount from the end of the payment period pursuant to Section 1970 of the Civil Code. Possible claims for damages shall be excluded insofar as no gross negligence is proven.
- ## 16. Invoicing – Notice of Assignment
- 16.1. Invoices are always to be submitted citing the order number. Invoices for goods deliveries should also list the shipping method; invoices for work services should also include copies of the confirmed pay slips or time sheets.
- 16.2. For intra-Community acquisition, the contractor from another EU Member State need not add sales tax to the invoice, however it must cite its VAT identification number (VAT ID) and that of FRONIUS Česká republika s.r.o. (VAT ID CZ15887022).
- 16.3. The contractor is liable for complying with the applicable fiscal obligations, failing which it shall release us from indemnity. The contractor is not entitled to assign or pledge claims against FRONIUS Česká republika s.r.o. in whole or in part.
- ## 17. Applicable Law, Place of Jurisdiction, Arbitration Clause
- 17.1. Applicable law is the law of the country in which FRONIUS is based (Czech law in the case of FRONIUS Česká republika s.r.o.) and the applicable customs and practices at the place of fulfillment, to the exclusion of conflict of law provisions and the UN Convention on Contracts for the International Sale of Goods.
- 17.2. For orders by other companies of the FRONIUS Group, it is hereby agreed that the applicable law is the law of the country in which the relevant company of the FRONIUS Group is based as well as the respective applicable customs and practices at the place of fulfillment, to the exclusion of conflict of law provisions and the UN Convention on Contracts for the International Sale of Goods.
- 17.3. The local competent court of Český Krumlov has sole jurisdiction for legal disputes arising from or in conjunction with this contract, including disputes regarding its validity, infringement, termination or invalidity, unless the law stipulates a different exclusive jurisdiction.
- 17.4. FRONIUS and all companies of the FRONIUS Group are however entitled to institute legal disputes against the contractor, including disputes regarding the validity, infringement, termination, or invalidity of this contract at a court at another (legal) place of jurisdiction.
- 17.5. FRONIUS and all companies of the FRONIUS Group are furthermore also entitled to institute legal disputes against the contractor, including disputes regarding its validity, infringement, termination, or invalidity, in accordance with the rules of arbitration of the court of arbitration of the Economic Chamber and Agricultural Chamber of the Czech Republic, to be ruled by one or three arbitrators appointed pursuant to these rules, whereby the rules regarding the accelerated procedure are to be applied. The language utilized in the arbitration proceedings is Czech. The place of arbitration is Prague.
- 17.6. The existence of disputes shall not form a reason for the contractor to suspend or even stop its contractual performance.
- ## 18. Certifications / Code of Conduct
- 18.1. The contractor is aware that we have certifications pursuant to ISO 14001, OHSAS 18001, and ISO 9001, thus the contractor itself and its suppliers undertake to act in agreement with these certifications in all tasks concerning the execution of the contract and to comply with all applicable legal provisions. The contractor will implement corresponding management systems, where possible.
- 18.2. The contractor undertakes to comply with the Fronius Code of Conduct (www.fronius.com) and to comply with modern slavery regulations and human rights regulations, which are defined by various countries (e.g., Germany, EU, Great Britain, Australia, etc.), including, where applicable, support with audits.
- ## 19. Final Provisions
- 19.1. All communication to FRONIUS Česká republika s.r.o. must be sent in writing by e-mail.
- 19.2. All business correspondence should be exclusively transacted with our Procurement Department.
- 19.3. Our order number must always be cited (or it must be ensured that it has been cited) on the paperwork intended for us, such as waybills, freight car adhesive labels, railroad crates, postal package mail, dispatch notes, delivery notes, packing slips, invoices, notices of amendment, etc., and in all correspondence; where this obligation is disregarded and it results in disadvantages, the contractor shall be responsible.
- 19.4. The contractor must always use the Czech and also in German or in English languages in all written communication, in particular for labels, products descriptions, operating regulations and instructions, etc.
- 19.5. Regarding the collaboration, the contractor may only advertise the business relationship after obtaining written consent from the contracting entity. This consent may be withdrawn at any time without the provision of reasons and will result in the immediate deletion/omission of further use (for advertising purposes, reference lists, press releases, etc.) without a claim to reimbursement.
- ## Registered Office – Management
- FRONIUS Česká republika s.r.o., České Budějovice (CZE)
- ID no. 15887022, entered into the Commercial Register kept by the District Court in Český Budějovice under reference number C 3553, VAT ID: CZ15887022