

General Purchase Terms of the Company

PRECIOSA – LUSTRY, a.s.

1. Validity of the General Purchase Terms

- 1.1. These General Purchase Terms (hereinafter the “Terms”) adjust the rights and obligations between the company PRECIOSA – LUSTRY, a.s., with registered office in Nový Svět 915, 471 14 Kamenický Šenov, Business ID 00012645, registered in the Commercial Register kept at the Regional Court in Ústí nad Labem, File No. B 37 (hereinafter “PRECIOSA”) and its Suppliers, when providing contractual fulfilment to PRECIOSA.
- 1.2. These terms specify the rights and obligations of the purchase agreement and/or a Work Agreement and/or an unnamed Agreement (hereinafter the “Agreement”) and are an inseparable part thereof.
- 1.3. In the event that the content of the Agreement deviates from the content of these terms, priority shall be given to the arrangements of the Agreement.
- 1.4. Should the Supplier refer in the Agreement to their own trading terms, the Agreement shall be concluded with the content determined to such extent to which the PRECIOSA terms and the trading terms of the supplier are not at variance.

2. Orders and Conclusion of the Agreement

- 2.1. At the request of PRECIOSA, the Supplier shall issue an offer within 5 days from the delivery of the request.
- 2.2. PRECIOSA is entitled to send to the Supplier a written order which is also a proposal for concluding the agreement (hereinafter the “Order”) by email, post, or personal delivery.
- 2.3. The agreement will be concluded at the moment when PRECIOSA receives an order confirmation from the Supplier which clearly implies the Supplier’s consent to the entire contents of the Order. The Supplier shall send the order confirmation to PRECIOSA by email, post or in person.
- 2.4. The agreement is concluded if the Supplier confirms the order within 3 days from its receipt. Even a late confirmation of the order has the effects of a timely confirmation, unless PRECIOSA communicates to the Supplier, within five working days from the delivery of the order confirmation, that it considers this confirmation to be late.
- 2.5. The confirmation of the Supplier, which contains any appendices, reservations, amendments, comments concerning the order or the terms, or which contains any other deviations from their wording, even such that does not alter substantially the order or the terms, does not have the effects of the order confirmation, but is a new proposal for concluding an agreement. PRECIOSA is entitled to accept or reject such new proposals.

3. General Rights and Obligations

- 3.1. The Supplier agrees that the required fulfilment at the time of its handover to PRECIOSA shall correspond to all corresponding legal, technical, safety and hygienic regulations.
- 3.2. The Supplier declares that they are entitled to provide the fulfilment and that they have all the necessary legal, technical or safety permits for the fulfilment of the agreement.
- 3.3. When fulfilling the agreement, the Supplier undertakes to proceed with due professional care and responsibility, according to the instructions of PRECIOSA. The Supplier is obliged to inform PRECIOSA of any possible unacceptability of any instructions.
- 3.4. The Supplier undertakes to deliver to PRECIOSA only such fulfilment which is not restricted by the rights of third Parties and which does not violate them. In the event that the fulfilment suffers from legal defects, it is a substantial violation of the agreement by the Supplier and PRECIOSA is entitled to withdraw from the agreement. In the event that the fulfilment results in violating the

rights of a third Party and the third Party exercises its rights, the Supplier undertakes to take over the procedural defence of PRECIOSA or enter into the proceeding instead of PRECIOSA.

- 3.5. Together with the fulfilment, the Supplier shall provide PRECIOSA with all documents related to the handover, free handling, customs clearance and fulfilment use, in particular, the documents relating to the terms of installation, operation and maintenance of the fulfilment. When delivering the fulfilment, to which the validity of Act No. 22/1997 Coll., on Technical Requirements for Products relates, the Supplier is obliged to deliver to PRECIOSA only the fulfilment complying with the conditions of this Act and, for each delivery, they shall enclose with the fulfilment a declaration of conformity with technical requirements and instructions for use in accordance with the above-mentioned Act and implementation rules.
- 3.6. The Supplier is entitled to use third Parties for the fulfilment of the Agreement only with the previous consent of PRECIOSA, but they shall be responsible for their fulfilment, as if they provided the fulfilment themselves.

4. Fulfilment

- 4.1. The fulfilment must be delivered properly and on time. If a fulfilment date is not agreed, the Supplier will undertake to deliver the fulfilment to PRECIOSA within 15 days from the conclusion of the agreement.
- 4.2. The place of fulfilment is the headquarters of PRECIOSA, unless another place is agreed.
- 4.3. Unless agreed otherwise, the delivery of goods is governed by the delivery term DAP Nový Svět 915, Kamenický Šenov, INCOTERMS 2020.
- 4.4. PRECIOSA is not obliged to take over any non-negotiated partial or larger quantities.
- 4.5. The handover of the fulfilment shall be certified in writing by signing the document from which the fulfilment takeover is evident, such as the handover record or delivery note.
- 4.6. The Supplier assumes the risk of changing circumstances.

5. Property right and Transfer of Risk of Damage

- 5.1. The ownership rights and the risk of damage to the goods, provided it is the subject of fulfilment, passes to PRECIOSA at the moment of taking over the fulfilment.

6. Price and Payment Terms

- 6.1. For proper and timely fulfilment delivery, PRECIOSA undertakes to pay to the Supplier the price given in the Order.
- 6.2. PRECIOSA shall pay the fulfilment price on the basis of an invoice submitted by the Supplier containing all the essentials stipulated by Act no. 235/2004 Coll., on Value Added Tax, as amended by regulations of later dates (hereinafter the "ZDPH"). Should the invoice not contain the stipulated essentials, or should it contain erroneous data, PRECIOSA is entitled to return the invoice to the Supplier. Until a new invoice with a new deadline is issued, PRECIOSA is not in delay with the payment of the corresponding invoice.
- 6.3. The Supplier is entitled to issue an invoice only after a record-based fulfilment takeover.
- 6.4. Unless agreed otherwise, the maturity of invoices shall be 21 days.
- 6.5. Should the Supplier become an unreliable payer in the sense of § 106a of the ZDPH, they are obliged to inform PRECIOSA immediately of it.
- 6.6. PRECIOSA is entitled to pay a part of the commitment corresponding to the sum of the Czech VAT applied by the Supplier to the account of their tax administrator. PRECIOSA is obliged to inform the Supplier of this procedure.

- 6.7. PRECIOSA is entitled to add unilaterally its collectable as well as unpaid receivables to the receivable of the Supplier with regard to PRECIOSA.
- 6.8. The Supplier is not entitled to pass on or stop its receivables with regard to PRECIOSA, unless agreed upon otherwise in writing.
- 6.9. In the event of a defective fulfilment, PRECIOSA is entitled to withhold any payment until the proper fulfilment, without becoming in delay with payment by this, even if the right for payment originated for another legal reason than the agreement for the fulfilment which is defective.

7. Responsibility for Defects, Quality Guarantee

- 7.1. The Supplier is responsible to PRECIOSA for ensuring that the fulfilment has all the agreed or usual qualities upon takeover, that it is appropriate for use for the purpose which it shall serve and that it will maintain all the agreed or usual qualities, at least for the period of the duration of the period of guarantee.
- 7.2. The Supplier takes over the guarantee for the quality of the fulfilment, which is 24 months, and which commences upon fulfilment takeover by PRECIOSA.
- 7.3. PRECIOSA shall inform the Supplier of the defects in writing (complaint). PRECIOSA will describe the defects in the complaint or state how they appear.
- 7.4. PRECIOSA is entitled to specify in the complaint how the complaint should be handled (free removal of the defect by delivering a new fulfilment without defect or by delivering the missing fulfilment, removal of the defect by repairing the fulfilment, a discount from the purchase price or withdrawal from the agreement).
- 7.5. Should PRECIOSA require delivery of a new fulfilment due to an irremovable defect, due to which it is not possible to use the fulfilment, the period of guarantee for the new fulfilment shall commence to the full extent from the moment of taking over the new fulfilment.
- 7.6. The Supplier undertakes to process a complaint in the manner determined by PRECIOSA as soon as possible, but at latest within 15 days from the delivery of the defect notification.
- 7.7. Should PRECIOSA require the rectification of a defect and the Supplier be in delay with its rectification, PRECIOSA is entitled to ensure the removal of these defects itself at its own costs or by means of third Parties. The Supplier undertakes to pay all costs arising to PRECIOSA in relation with the rectification of these defects, to PRECIOSA at the latest within 10 days from the day, when they were requested by PRECIOSA to pay them.

8. Contractual Penalties

- 8.1. Should the fulfilment not be carried out properly and in time within the stipulated deadline, the Supplier shall pay a contractual penalty to PRECIOSA of 0.1% of the price of the fulfilment for the commencement of each day of delay; up to 50% of the price of fulfilment at most.
- 8.2. Should the Supplier not resolve the complaint in time, they shall pay to PRECIOSA a contractual penalty of 0.1% of the fulfilment price for the commencement of each day of delay, up to 50% of the fulfilment price at most.
- 8.3. The payment of the contractual penalty does not affect the right of PRECIOSA as to the compensation of damages which arose to PRECIOSA in relation to the breach of the Supplier's obligation.

9. Confidentiality

- 9.1. For the purpose of ensuring the protection of classified information of PRECIOSA available to the Supplier, the Supplier undertakes to prevent unauthorized use, circulation or publication of classified information of PRECIOSA, to withhold this classified information from any third Party and not to use this classified information in any way for themselves nor for anyone else.

- 9.2. As PRECIOSA classified information is considered any information made accessible to the Supplier by PRECIOSA in any way which is not available to the general public. Its character has no influence on the confidentiality of information. Classified information is any information without specification of its character, i.e. economic, commercial, manufacturing or technical. The Supplier takes into account that classified information also represents trade confidentiality of PRECIOSA.
- 9.3. Should access be enabled to the Supplier to the premises of PRECIOSA, the Supplier undertakes not to make any visual record in the PRECIOSA premises without prior consent of PRECIOSA. In this respect, they also undertake not to take into the PRECIOSA premises any equipment for making visual records (photo and film cameras and mobile phones with this function).
- 9.4. Violating the commitment of confidentiality or the commitment of making visual records and taking the equipment for making a visual record, establishes the right of PRECIOSA to require from the Supplier the payment of a contractual penalty of 100,000 CZK (in words: one hundred thousand Czech crowns). The payment of a contractual penalty does not affect the right for the compensation of damage to the extent exceeding the contractual penalty.

10. Licence

- 10.1. Should the Supplier create a copyright work when fulfilling the agreement in the sense of § 2 of Act no. 121/2000 Coll, the Copyright, as amended by regulations of later dates, or if the fulfilment is the subject of protection of any other copyright (hereinafter the "Work"), the Supplier shall provide PRECIOSA with the licence to exercise the right to make use of the Work (hereinafter the "Licence") in the original or processed or otherwise altered version in all the methods of use known at the time of concluding the agreement. The Licence is provided to PRECIOSA by the Supplier as exclusive, unlimited by amount, place, time or purpose. PRECIOSA is not obliged to use the Licence. PRECIOSA is entitled to provide a sub-licence partly or fully to a third Party. The remuneration for the provision of a Licence and sub-licence is part of the fulfilment price. PRECIOSA is entitled to omit, alter or otherwise modify the name of Work, alter or otherwise modify the Work, connect it with another work or make it a part of a complete work. PRECIOSA is not obliged to provide the creator of the Work any copy of the Work at its own cost.

11. Termination and Withdrawal from the Agreement

- 11.1. PRECIOSA is entitled to terminate the agreement for repeated fulfilment without giving a reason. The termination period is 2 months and commences as of the first day of the month following the delivery of the termination to the Supplier.
- 11.2. PRECIOSA is entitled to withdraw from the agreement in the following cases:
 - a) commencement of insolvency proceedings of the Supplier;
 - b) the Supplier entered into bankruptcy;
 - c) the Supplier did not comply with the subject of the agreement properly and in time;
 - d) the Supplier did not process a complaint by the deadline for processing a complaint;
 - e) the Supplier provides or promises to provide a bribe or any other unlawful advantage to a PRECIOSA employee directly or indirectly.

12. Governing Law, Arbitration Supplement

- 12.1. All agreements concluded between the Supplier and PRECIOSA are to be governed by the law of the Czech Republic. The Contractual Parties undertake to endeavour to reach an amicable settlement of disputes which may arise from this relationship. If an amicable settlement cannot be reached, all the disputes resulting from the agreements concluded between the Supplier and PRECIOSA and in relation therewith shall be finally settled by the Arbitration Court attached to the Czech Chamber of Commerce and to the Czech Agricultural Chamber according to its rules by one Arbitrator appointed by the chairman of the Arbitration Court.

13. Amendment of Terms

- 13.1. The Parties declare that the contractual relationship has the character of a common commercial agreement, commits the Parties to repeated fulfilments of the same type with reference to these terms and a sensible need of later amendment to these terms results from this contractual relationship. PRECIOSA is entitled to carry out the amendments of these terms to a reasonable extent. PRECIOSA is obliged to inform the Supplier of any amendment to these terms and send them a new wording by e-mail and/or publish the new wording at <http://kooperace.preciosa.com/cs/ke-stazeni.html>. The Supplier is entitled to reject such a wording of terms and terminate the contractual relationship for this reason within the termination period of 6 months, which commences as of the first day of the month following the delivery of the termination.

14. Effectiveness

- 14.1. These General Purchase Terms come into effect as of 1 January 2020.