

BONATRANS GROUP, a.s. Commercial Terms & Conditions for Sale of Products

1 Introductory Provisions

1.1. These Commercial Terms & Conditions form an integral part of the Purchase Contracts, entered into by BONATRANS GROUP a.s. *[joint stock company]* with its registered seat at Bohumín, Revoluční 1234, Postal Code 735 94, Czech republic, IČ_[ID No]: 27438678, recorded in the Commercial Register section B inset 3173 conducted by the County Court in Ostrava, as the Seller, on the one hand, with individual Purchasers, on the other hand, the subject matter of which are the products sold by the Seller. Unless provided otherwise, the Purchase Contracts shall be governed by the Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the “**Civil Code**”).

2 Price of Products

- 2.1. The Purchaser undertakes to pay for the products the sale of which is the subject matter of the Purchase Contract the purchase price specified by the Purchase Contract.
- 2.2. If during the period from entering into the Purchase Contract up to the period of manufacture and delivery of products the costs are changed in connection with prices of input materials (and other items possibly agreed in any Purchase Contract) by more than 5% of the level, on the basis of which the price was specified on the date of entering into the contract, the Seller shall be entitled to adjust in the corresponding way the purchase price, unless agreed otherwise. The Seller is obliged to inform the Purchaser about the purchase price adjustment within a period of minimum thirty (30) days prior to the delivery of products.

3 VAT related Purchaser's Obligations

- 3.1. Delivery to Another Member-State of the European Union
- 3.1.1. If the Seller does not provide for transport of products, the Purchaser is obliged to notify the Seller, whether the products are determined for immediate transport from the Czech Republic to another member-state of the European Union (hereinafter also referred to as the “**EU**”), prior to implementation of the relevant delivery.
- 3.1.2. The Purchaser is moreover obliged to inform the Seller prior to implementation of the first delivery, whether the Purchaser has been registered to pay the value added tax (hereinafter referred to as “**VAT**”) in the EU member-state, in which it is decisive from the viewpoint of the terms of delivery.

- 3.1.3. Prior to implementation of the first delivery, the Purchaser is obliged to inform the Seller in writing of the full Purchaser's tax registration No., under which the Purchaser has been registered for VAT in such EU member-state. The Purchaser is obliged promptly to advise the Seller if this tax identification No. has been changed.
- 3.1.4. The Purchaser registered for VAT in another EU member-state is moreover obliged to inform in writing the Seller prior to implementation of the first delivery, whether the delivered products are for the Purchaser in another EU member-state subjected to VAT because of the procurement of products in another EU member-state. The Purchaser is obliged promptly to advise in writing the Seller if the content of this notice in case of other deliveries of products has been changed in any manner whatsoever.
- 3.1.5. In the event the transport is not provided by the Seller the Purchaser is obliged to substantiate that the transport is provided for by the Purchaser or a person authorized by the Purchaser and that the products were indeed transferred from the geographic area of the Czech Republic to another EU member-state. To substantiate these circumstances the Purchaser is obliged to submit some of these documents if these circumstances result from them, however, not later than within ten (10) days following the date of delivery of products by the Seller for transport, namely, the transport document (e.g. bill of lading) or any of the below mentioned documents, on the list of which the contracting parties have agreed:
- Purchaser's written statement/s that the products were transported in the Purchaser's name and on the Purchaser's account from the Czech Republic to another EU member-state, which moreover includes an unambiguous identification of products, carrier/s, transportation contract/s and places of the beginning and end of the product transport, respectively;
 - Carrier's written statement/s that the products were transported in the Purchaser's name and on the Purchaser's account from the Czech Republic to another EU member-state, which moreover include/s an unambiguous identification of products, Purchaser, transportation contract and places of the beginning and end of the product transport, respectively;
 - Transportation contract/s entered into by and between the Purchaser and the carrier/s;
 - Invoice/s issued by the carrier/s for the transport service; or
 - other document/s agreed by the Seller.

3.2. Export of product outside EU

3.2.1. If the transport is not provided by the Seller, the Purchaser is obliged to render to the Seller the written statement that the Purchaser has no registered seat or permanent establishment pursuant to the applicable VAT legislative or place of business in the Czech Republic, that the transport is provided by the Purchaser and that the products are transported outside the EU area, prior to implementation of the respective delivery. To substantiate the above circumstances the Purchaser is obliged to submit any of these documents if the above circumstance results from them, however, within ten (10) days following the date of delivery of the products to the Purchaser for transport, namely, the forwarding document (e.g. bill of lading) or any of the below mentioned documents, on the list of which the contracting parties have agreed:

- Purchaser's written statement/s that the products were transported in the Purchaser's name and on the Purchaser's account from the Czech Republic outside the EU area, which moreover include/s an unambiguous identification of products, carrier/s, transportation contract/s and places of the beginning and end of the product transport, respectively;
- Carrier's written statement/s that the products were transported in the Purchaser's name and on the Purchaser's account from the Czech Republic outside the EU area, which moreover include/s an unambiguous identification of product, Purchaser, transportation contract and places of the beginning and end of the product transport, respectively;
- Transportation contract/s entered into by and between the Purchaser and the carrier/s;
- Invoice/s issued by the carrier/s for the transport service;
- other document/s agreed by the Seller.

3.3. Common provisions

3.3.1. If the terms and conditions for exemption of the respective delivery from VAT in accordance with the appropriate legal regulation applicable in the Czech Republic have not been complied with, the respective rate of VAT shall be added to the purchase price, at a value in accordance with the appropriate legal regulation applicable in the Czech Republic and the Purchaser shall pay this VAT together with the purchase price.

3.3.2. If the Purchaser fails to deliver to the Seller the documents agreed above, the respective rate of VAT shall be added to the purchase price at a value in accordance with the appropriate legal regulation applicable in the Czech

Republic and the Purchaser shall pay this VAT together with the purchase price.

- 3.3.3. The Purchaser also pays to the Seller all the associated penalties which the Purchaser is obliged to pay on the grounds that the Purchaser has provided to the Seller an incorrect information pursuant to the foregoing or if the Purchaser has breached the Purchaser's obligations specified above in another way. The Purchaser is obliged to pay the penalties in question within a period of fifteen (15) days after receiving the Seller's notice asking for their payment.

4 Terms of Payment

- 4.1. The Purchaser is obliged to pay the purchase price, based on the tax document (invoice) issued by the Seller after delivery of the product, being the subject matter of the Purchase Contract, within a period of thirty (30) days following the date of issuance of the invoice, to the Seller's bank account specified in the Contract. The account can be changed only in the form of an addendum to the Contract.
- 4.2. The date of the Purchaser's compliance with the obligation to pay to the Seller the purchase price is always considered the day when the funds amounting to the purchase price have been credited to the Seller's account.

5 Delivery of and Transfer of Ownership Right to Products

- 5.1. The Seller is obliged to deliver the products, which are the subject matter of the contract, within the time specified by the Purchase Contract.
- 5.2. The Seller is obliged to deliver the products in usual packaging so that the products are not damaged during their transport. The Purchaser is obliged to inform the Seller about the damage of products during transport immediately after the products have been delivered and transferred within the area of Purchaser's disposal.
- 5.3. The Seller is considered to have complied with the Seller's obligation to deliver the products being the subject matter of the Purchase Contract upon their delivery for transport to the carrier determined by the Purchaser at the point determined by the Purchase Contract (destination). In the event the purchase price does not include any destination, the destination shall be understood the Seller's registered seat. The Purchaser is obliged to agree at its own cost and expense on the product loading and transport from the point of delivery and to notify the Seller of the carrier's name in due time.
- 5.4. The Seller is considered to have complied with the Seller's obligation to deliver the products being the subject matter of the Purchase Contract in the event the Purchase Contract has specified the Seller's duty to carry the products to a certain place in the importing country upon their delivery to the Purchaser's disposal at the agreed place

- in the import country (point of import). The Purchaser is obliged in such case to accept the products in the agreed point of import and to provide for their unloading.
- 5.5. Until the instant of delivery of the products all the costs, except the costs referred to under section 5.1 above, shall be borne by the Seller.
 - 5.6. The Seller is not obliged to deliver the products in the event the Purchaser owns financial liabilities to the Seller after the due date of payment. The time of delivery shall be then extended by the time of the Purchaser's default on payment.
 - 5.7. The contracting parties are obliged mutually to confirm each other in writing the delivery and acceptance of products.
 - 5.8. The ownership right to the delivered products passes to the Purchaser only at the instant of payment of the purchase price in full. Until payment of the purchase price in full the Purchaser is not entitled to transfer the ownership right to products to any third party or to encumber the products with any third parties' rights.
 - 5.9. Risk of damage to the products passes to the Purchaser at the instant of delivery of the products for transport in accordance with section 5.3 above or at the instant of delivery of the products to the point of import in accordance with section 5.4 above.

6 Purchaser's Rights and Obligations

- 6.1. The Purchaser is obliged to obtain at its own risk and cost the import licence or another official permit, to complete all the customs formalities required for the product import and to pay the customs duty, taxes, fees and other expenses connected therewith.
- 6.2. The Purchaser is not entitled to assign any of its receivables, or part thereof, from the Purchase Contract to a third party without the prior Seller's written approval.

7 Quantity, Quality and Completion of Products

- 7.1. The products shall be delivered at the quantity, in the quality and with the completion agreed by the Purchase Contract.

8 Responsibility for Defects; Warranty

- 8.1. Defect is considered discrepancy of the delivered product with the quality or completion in accordance with section 7.1 above.
- 8.2. Unless provided otherwise, the Seller shall warrant quality of the products being the subject matter of the Purchase Contract for a period of sixty (60) months, commencing to run on the date of delivery of the product; in the case there is a date of manufacture given on the product, then on the first day of the month following the

month indicated on the product. If the products are to be used as the components of new vehicles, the above warranty period commences to run at the instant of delivery of these new vehicles to the final Purchaser, provided, however, that the warranty period expires within sixty six (66) months after the date of product delivery, at the latest. The warranty shall exclusively apply to those defects, which have resulted from the product manufacture and which could not be identified during the test carried out at the manufacturer if any.

- 8.3. Warranty on the quality of the Product surface finishing is 24 months, commencing under the same terms as the warrantee specified in clause 8.2.
- 8.4. Seller's responsibility for defects shall not arise if these defects were caused after delivery of the products in consequence of external events, that were not caused by the Seller or persons employed by the Seller to comply with its obligation, as well as in case of defects caused by the product wear and tear or its improper storage, attendance, insufficient maintenance or operation in contradiction with the technical documentation, attendance manual, guidelines of the Seller's specialists, failure to comply with safety regulations or appropriate, generally applicable legal regulations, interference with the product or its changes or repairs without the Seller's consent. The Seller shall not be responsible for the coating defect, arising due to damage of painting during manipulation, storage or operation. The warranty for quality of the primary coating may be only enforced subject to the condition that the top coating has been applied within three (3) months after delivery of the products.
- 8.5. The Purchaser is obliged to notify the Seller its claim resulting from responsibility for defects within thirty (30) days after the date, when the Purchaser has identified the defect or could have identified it with all due care and diligence.
- 8.6. If the Purchaser identifies defects of the delivered product, the Purchaser shall produce the complaint report, including as a minimum the following information:
- Purchaser's identification data (business name, address, ID No., telephone No., electronic address and contact person's last name, first name and position);
 - Specifications of products;
 - Purchase Contract No. and the date it has been entered into;
 - Place where the product is located;
 - Date of delivery;
 - Date of the defect identification;
 - Description of the defect, in particular, substantiated with the documentation; and
 - other circumstances, substantial for assessment of the complaint.
- 8.7. The Complaint Report must be sent to the Seller in the written shape, whether in person or by means of post office, courier service or electronically to the address referred to in the Purchase Contract.

- 8.8. In the event the Seller is responsible for the defect complained of, the Seller is obliged within a period of fourteen (14) days after delivery of the Complaint Report also to inform the Purchaser of the proposal how to resolve the complaint, i.e. the way of its rectification. For the purpose of verification of the defect, the Seller is entitled to inspect the product on the site, where the product is located, within the above period. In the event the defect cannot be verified during this period, especially, because of that an expert's account is necessary or the product is located outside the geographic area of the Czech Republic or the Slovak Republic, the Seller is obliged to tell to the Purchaser these circumstances and to mention the expected time required for assessment of the complaint.
- 8.9. In the event the defect is of such nature that the product cannot be used for the agreed or usual purpose or in consequence of which the time of utilization of such product has been reduced, the Seller is obliged to replace the faulty product with the faultless one. Prior to this replacement the Seller is entitled to ask for retesting of the quality of the product in question in the Purchaser's presence. In the event the product retesting has substantiated that the product is defective and its defects have indeed arisen during its manufacture, the Seller shall be conclusively obliged to replace the faulty product with the faultless one. In the event the Seller and the Purchaser are unable to reach an agreement on the retesting results, the dispute of the contracting parties shall be settled by the expert determined in the Purchase Contract or based on the agreement of the contracting parties. In the event this expert account has determined that the Seller is responsible for the product defects, the Seller is obliged to replace this faulty product with the faultless one and shall bear the cost of the expert account. In the opposite case the cost of the expert account shall be borne by the Purchaser.

9 Liability

- 9.1. The Parties have agreed that the Seller shall not be liable to the Purchaser for any consequential and/or indirect damages (harm). As consequential and indirect damages shall be deemed especially a loss of profit, loss of income, losses due to the interruption or stoppage of production and downtime, loss of business opportunities, indemnity for damages and contractual sanctions paid to the Purchaser's customers and other clients, impaired reputation, the costs of extending or securing new financing or other similar losses.
- 9.2. The Seller's overall liability for damages shall be limited to 5% of the purchase price of the Products the sale of which is the subject of the Purchase Contract per claim, and in total to 10% of the purchase price. Any contractual penalties or sanctions imposed for the same violation shall be offset from the indemnity for damages. The

limitation of liability set forth in this provisions shall always have precedence before any other provision of the Purchase Contract or of other document which is in contradiction with the provision of this clause 9.2 of these Commercial Terms & Conditions.

10 Withdrawal from the Contract

10.1. The Seller is entitled to withdraw from the contract if the:

- Purchaser defaults on payment of the purchase price for the delivered product for a period of more than thirty (30) calendar days;
- Purchaser fails to comply with its obligations pursuant to section 5.3 or 5.4 above without legitimate reason;
- Purchaser breaches the agreed reservation of ownership due to that the Purchaser has transferred the product to a third party prior to payment of the purchase price in full;
- Purchaser goes bankrupt, becomes insolvent or such condition is imminent;
- Purchaser repeatedly breaches the provisions of these Commercial Terms & Conditions or Purchase Contract. The repeated breach shall be understood the condition, when the Commercial Terms & Conditions or Purchase Contract have been already breached and the Purchaser has been notified of this faulty condition or if the faulty condition has not been rectified even after the notice sent by the other contracting party and the specification of a reasonable period.

10.2. Purchaser is entitled to withdraw from the Contract in the event the:

- Seller is late with delivery of the products more than sixty (60) days; and
- Seller repeatedly breaches other provisions of these Commercial Terms & Conditions or Purchase Contract. The repeated breach shall be understood the condition, when the Commercial Terms & Conditions or Purchase Contract have been already breached and the Seller has been notified of this faulty condition or if the faulty condition has not been rectified even after the notice sent by the other contracting party and the specification of a reasonable period.

11 Protection of Industrial Right

11.1. All the information provided by the Seller to the Purchaser shall be considered confidential, the business secret and the Seller's intellectual ownership.

11.2. The Seller owns or exercises all rights to intellectual property, existing or created in connection with all data, documents, drawing documentation or information which have been or will be made available to the Seller by the Purchaser (hereafter referred to only as "**Documentation**") concerning this Contract, and the Purchaser shall neither acquire nor be entitled to exercise any rights to this intellectual property, irrespective of whether already existing at the time of the signing of this Contract or intellectual property that will be created in the future. For the purposes of this clause, the rights to intellectual property shall include copyrights and similar rights including

the rights to software, rights to patents, trademarks, rights to industrial or utility designs (registered as well as unregistered), the rights to commercial names and other titles, rights to know-how and all other information, rights to the names of domains, goodwill and good reputation, and all other rights and forms of protection of any nature whatsoever, concerning the above specified rights or the rights having a similar meaning anywhere in the world, and any rights acquired from licences or from the consent to exercise the above specified intellectual property rights.

- 11.3. The Purchaser especially does not have the right to copy, reproduce, make additions to or modify the Documentation or any of its parts, disclose it to any third party or to use it for purposes other than the ones specified in this Contract. This also means that the Purchaser does not have the right to have made for themselves or for any other entity any of the Products based on the Documentation or any of its parts, by any other manufacturer. The Documentation (in particular but not limited to, drawing documentation) must be, after the termination of the rights and obligations from this Contract, returned to the Seller.
- 11.4. The Purchaser assures the Seller that, if the Purchaser makes available to the Seller any information, document or drawing documentation of a third party (or other intellectual property rights which this third party is entitled to exercise), this third party will transfer the ownership right to these intellectual property rights or grant a licence to these intellectual property rights to the Purchaser, sufficient for the Seller to perform the Contract. The Purchaser declares and guaranties to the Seller that receiving, possessing or making use of any information, document or drawing documentation does not and shall not violate any rights of third parties. The Purchaser undertakes to indemnify the Seller for any damages that the Seller will suffer due to a claim made against the Seller by a third party on account of a violation of this third party's intellectual property rights.

12 Contractual Penalty

- 12.1. In the event the Purchaser had defaulted on payment of the purchase price, the Purchaser is obliged to pay to the Seller the contractual penalty equal to 0.05% of the due amount per day, up to 15% of the purchase price specified by the Purchase Contract.
- 12.2. In the event the Purchaser has breached the Purchaser's duty in accordance with sections 5.3 or 5.4 above, the Purchaser is obliged to pay to the Seller the contractual penalty at a value of 20% of the purchase price of the not accepted products.
- 12.3. In the event the Purchaser has breached the Purchaser's duty in accordance with section 5.8 above, the Purchaser is obliged to pay to the Seller the contractual penalty at a value of 20% of the purchase price of the product in question.

- 12.4. In the event the Seller has been late in compliance with the Seller's duty to deliver the products in accordance with the Purchase Contract, the Seller is obliged to pay to the Purchaser the contractual penalty equal to 0.05% of the purchase price per day, with the delivery of which the Seller is late, up to the maximum of 5% of the purchase price of the Products with the delivery to the Purchaser of which the Seller is in delay.
- 12.5. In the event of the Purchaser's failure to comply with the obligation specified by Article 11 above, the Purchaser is obliged to pay to the Seller the contractual penalty at a value of EUR 100,000 per case.
- 12.6. In the event of failure to comply with other obligation/s specified by the Purchase Contract or these Commercial Terms and Obligations, either contracting party is obliged to pay the contractual penalty at a value of EUR 350 per case.
- 12.7. Upon payment of the contractual penalty by the Purchaser the claim to payment of damages in full shall not be affected thereby.

13 Deliveries of components and material provided by the Purchaser

- 13.1. If it has been agreed that the Purchaser is to deliver to the Seller for the manufacture of the Products which are the subject of the Purchase Contract certain components and/or material, the Purchaser shall deliver the agreed-upon components and material for fitting into the Products to the Seller to Seller's address in the agreed-upon execution and quantities, not later than in the below specified number of days before the scheduled shipping date of the Products the sale of which is the subject of the Purchase Contract to the Purchaser, alternatively before the agreed-upon date of the acceptance of the Products at the Seller's premises.

Component/material	Delivery before shipping date (days)
Brake disc, wheel damping ring (wheelset finished product)	72
Drive including parts thereof (gearbox, electric motor, clutch, star, cog)	62
Bearing systems including parts thereof, lubricants	55
Brake disc for fitting on wheelset axles (wheelset finished product)	55
Brake disc, wheel damping ring (wheel final product)	50
Stands, crates and other packaging material	45

- 13.2. The Purchaser shall deliver the agreed-upon components and material in the specified quality and compliant with the required standards, and if no such standards exist, then in the quality necessary for achieving the specified quality of the Products which are the subject of the Purchase Contract.

- 13.3. Before delivering the components/material to the Seller, the Seller shall send a delivery note and a certificate of quality (3.1 or 3.2 according to EN 10204) for these Products by e-mail to addresses delivery.notes@ghh-bonatrans.com and quality.certificate@ghh-bonatrans.com, respectively, or present both documents together with the components/material by some other means. The delivery note must contain the Seller's internal contract number.
- 13.4. Should the Purchaser deliver the components or material late, or should their quality fail to meet the requirements of clause 13.2 of these Terms & Conditions (including a missing certificate of quality), or if the components or material are not delivered in the agreed-upon execution and quantity, the Seller will have the right to extend the contract lead time (i.e. the manufacture and delivery of the Products) to the next free date as per the Seller's production capacities and schedules. In such case the Seller shall not be held liable for the resultant delay in the delivery of the Products to the Purchaser. This shall not prejudice the Seller's right to be indemnified for any damages suffered as the result.
- 13.5. If the quality of the delivered components/material fails to meet the requirements of clause 13.2 of these Terms & Conditions (including a missing certificate of quality), their execution fails to meet the agreed-upon execution, or if the Products are for some other reason unusable for being fitted into the Products which are the subject of the Purchase Contract, the Seller will have the right to file a complaint to the Purchaser. The Purchaser shall rectify the situation forthwith at Purchaser's own expense. The Seller shall not be held liable for any delay caused by these shortcomings.

14 Governing Law; Settlement of Disputes

- 14.1. The Purchase Contract and the rights and obligations arising from it shall be governed by the law of the Czech Republic, namely, the Civil Code. Neither the conflict rules, nor the provisions of the international law shall apply.
- 14.2. The parties are obliged to resolve the disputes arising from the Purchase Contract on a preferential basis by means of an agreement. If the parties are unable to reach such agreement, all the disputes arising from the Purchase Contract or connected with the contract breach, cancellation or termination shall be conclusively settled by the Arbitration Court of the Economic Chamber of Austria (Viennese Rules) by three arbitrators, appointed in accordance with its Rules of Order. All the negotiations and hearings, including the documentation referred to in these hearings, shall be in English.

15 Closing Provisions

- 15.1. The Purchase Contract and these Commercial Terms & Conditions may be only modified in writing. Electronic communications (i.e. email, facsimile message) shall not be considered the written form.
- 15.2. If any provision of the Purchase Contract has been considered by the court invalid, ineffective or unenforceable, such provision shall not affect validity and effectiveness of the remaining provisions and the contracting parties have agreed promptly to initiate their mutual negotiation for the purpose of modification of this provision so that it becomes valid, effective and enforceable and, at the same time, the closest possible to the original provision relating to the issue in question.
- 15.3. In the event of any discrepancies the provisions of the Purchase Contract shall prevail over these Commercial Terms & Conditions.