



# General Trading Conditions of Sale

entered into as defined in Section 1751 subpar. 1 of Act No. 89/2012 Coll., Civil Code, as amended  
(the "Civil Code" hereinafter)

of trading companies

## **Parker Hannifin Sales CEE s.r.o.**

with the registered office at: Poděbradská 1005, 289 12 Sadská, Czech Republic

Company Registration Number (CRN): 261 63 454

recorded in the Commercial Register kept at the Municipal Court in Prague, Section C, Insert 75925,

(the above named trading company referred to as "Parker", and these General Trading Conditions of Sale of Parker further referred to as the "GTC")

### **1. Sphere of Action**

1.1 The present GTC adjust mutual rights and obligations resulting from any and all purchase agreements entered into by and between Parker as the seller on one side, and a third person as the buyer on the other side (the "Partner" hereinafter), including general purchase agreements and purchase subcontracts concluded on the basis of these GTC, the subject of which is sale (delivery) of any products ("Commodity") including software related to the Commodity, whether embedded or separately downloaded ("Software"), and provision of services ("Services") by Parker to Partner (the "Contracts" hereinafter). All rights and obligations of Parker and Partner from Contracts that are not explicitly and/or otherwise adjusted in relevant Contract, shall be governed by the present GTC to the extent to which relevant affairs are not treated even by the present GTC, by the general legal regulations within the scope of powers of these. Parker objects to any contrary or additional terms or conditions of Partner or any other document or other communication issued by Partner, whether issued by paper-based transactions or via facsimile or other forms of electronic data interchange (EDI) or electronic commerce.

### **2. Terms of Sale of Commodity**

#### **2.1 General terms**

2.1.1 Parker's quotes always state the validity period of a specific order. Acceptance of quotes and all orders becomes effective only upon the written confirmation by Parker. Order numbers of Commodities always apply to the most recent release of information materials of Parker (catalogue, prospects) which contain technical specifications. Changes to technical specifications by Parker are reserved. Promotion and information materials, unless explicitly marked as mandatory, are approximate and have indicative value only.

2.1.2 Drawings, illustrations, measures, weights or other technical data are binding only if agreed so explicitly in written. Upon Parker's request, or if an order is not implemented, all drawings and materials must be immediately returned to Parker.

2.1.3 Should the property relations or solvency of Partner change in a substantial manner after the entering into

Contract to such extent that the claim of Parker for fulfilment is jeopardized by Partner, or should Parker after the entering into Contract learn about impaired property relations of Partner, Parker is entitled to refuse the Contract fulfilment until Partner satisfies or sufficiently secures its obligations towards Parker, without Parker being obliged to compensate to Partner occurred damage, as the case may be.

#### **2.2 Prices and payment terms**

2.2.1 The purchase prices of Commodity are stated primarily in the quote of Parker. The Partner's attention is drawn particularly to Parker's right to change the prices stated in the quote up until the Commodity is delivered and the price is confirmed in writing by Parker as binding. In particular, in case of changes in market conditions, such as changes in exchange rates, energy and labour costs and raw material prices, including but not limited to steel, brass, rubber, copper, magnetics and aluminium, prices may be subject to a price increase or surcharge prior to delivery. The Partner shall be notified in writing prior to the change. Unless stated otherwise in Contract, the prices do not include packaging, postal charges, freight, other shipping and handling expenses, insurance, customs duties, value added tax ("VAT"), charges, tariffs or levies and any related interest, penalty, fine or other amount which will be payable by the Partner in addition to the prices in respect of Commodity or Contracts, as the case may be, and which shall be shown as a separate line item on the invoice or invoiced separately. The rate of VAT valid at the time shall be shown separately in the invoice.

2.2.2 Parker is authorized to request advance payments from Partner to cover the purchase price of Commodity at any amount up to 100% of the purchase price of Commodity, or invoice already performed sub-fulfillments.

2.2.3 Partner is obliged to pay to Parker the purchase price of Commodity based on an invoice issued by Parker. The maturity day of all invoices issued by the Parker is agreed to 30 days from the date of their issue, unless agreed otherwise. Any complaints on issued invoices have to be lodged by Partner at Parker in written, latest within five (5) days following the day when the invoice is delivered to Partner,

stating and demonstrating the reasons why the issued invoice is incorrect. Parker has the right to partial settlements.

2.2.4 Partner is not authorized to retain or offset payments without the prior written approval of Parker.

2.2.5 If instalments are agreed for the coverage of the purchase price of Commodity, Partner and Parker have agreed that should Partner be delayed in payment of even a single instalment of the purchase price, the total debt (the outstanding purchase price of Commodity) shall become due instantly without any further notice, and Partner is obliged to pay it to Parker latest within ten (10) days from the maturity date.

2.2.6 Parker is authorized to first include the payment of Partner in already due payables against Partner, regardless of the reason for the Partner's payment, in the following order: costs incurred in connection with fulfilment, contractual penalties, interests on late payment, payable security.

2.2.7 Should Partner be delayed with the payment of the purchase price of Commodity, Partner is obliged to pay a contractual penalty to Parker in the amount of 0.05% daily of the outstanding amount, for each even begun day of the delay. The above provision does not affect the Parker's right for damage compensation in full extent.

2.2.8 Should Partner be delayed in the payment of any due instalments to Parker, Parker is also authorized to suspend the deliveries (including the deliveries based on already confirmed orders) until all due instalments of Partner are paid to Parker.

2.3 Performance terms, delivery of commodity

2.3.1 Unless otherwise agreed upon between the parties, the applicable delivery term shall be CPT Incoterms® 2020, with the place of delivery (transfer of risk) and the agreed named place of destination of the Commodity further specified under Section 2.4.

2.3.2 The prerequisite of timely performance on the part of Parker is the due fulfilment of Partner's obligations, particularly Partner must provide Parker with all materials, parts, data, permits a paid advance, provided that these were stated.

2.3.3 Should Partner be delayed in taking the Commodity over, Parker is authorized without any further notice, to store the ordered Commodity in their warehouse, or at another location at the expense of Partner. Parker is authorized to charge Partner the costs incurred by the delay in taking the Commodities over, especially - but not limited to - the costs of storage.

2.3.4 If the subject of delivery is supplies of seals, sub-deliveries and sub-fulfilments shall also be admissible to the extent reasonable. Admissible are also quantity deviations of +/- 10%.

2.4 Ownership right, transfer of risk of damage to Commodity

2.4.1 Delivered Commodity remains in the property of Parker unless Partner meets all obligations, particularly the obligation to pay the purchase price of the Commodity in full. Application of Section 2133 of the Civil Code shall be excluded.

2.4.2 The Commodity which the retention of title applies to, must not become the subject of pledge, or of another way of liability provision.

2.4.3 If a third person enforces any rights to the Commodity which the Parker's retention of title applies to, Partner shall be obliged to notify that third person that it is the ownership of Parker. At the same time, Partner shall notify Parker immediately of this fact. Partner shall borne potentially costs and damages.

2.4.4 Should Partner breach any Contract, Parker is authorized to take the Commodity which the retention of title applies to from Partner, at the Partner's expenses, or request assignment of Partner's claims for release of the Commodity towards a third person. Retention or take-back of Commodity which the Parker's retention of title applies to cannot be considered as withdrawal from Contract.

2.4.5 Unless otherwise agreed upon between the parties, Parker bears the risk of loss or damage until the Commodity is delivered to the first carrier at Parker's ("Ship From") facility. Carriage of Commodity shall be arranged by Parker to the named place of destination ("Ship To") and the freight cost and other shipping and handling expenses as referenced in Section 2.2.1 shall be shown as a separate line item on the invoice or invoiced separately in addition to the price of the Commodity. Both "Ship From" and "Ship To" locations are referenced on, amongst others, the order acknowledgement issued by Parker.

2.5 Liability for defects of Commodity, warranty

2.5.1 Adequate wear of the Commodity relating to usual use, cannot be considered as defects of Commodity.

2.5.2 Should Partner fail to adhere to the assembly, operating or maintenance instructions, should Partner implement modifications on the Commodity, exchange components or use materials that are not in compliance with the original specifications, Partner shall only claim defects on the Commodity if it proves that a particular defect was not caused by the aforementioned procedures but had existed yet before the performed actions of Partner – provided that other requirements are met that establish the liability of Parker for the concerned defects of the Commodity.

2.5.3 Parker warrants that the Commodity supplied by Parker is free from defects in material or workmanship. With regard to Services, Parker warrants only that the Services shall be performed in accordance with generally accepted practices and using the degree of care and skill that is ordinarily exercised and customary in the field to which the Services pertain. Software is only warranted to perform in accordance with applicable specifications provided by Parker to Partner. Parker disclaims all other warranties, express and implied, including but not limited to design, merchantability and fitness for a particular purpose. Parker does not warrant that the software is error-free or fault-free or fault-tolerant, or that Partner's use thereof will be secure or uninterrupted. Partner agrees and acknowledges that the software shall not be used in connection with hazardous or high risk activities or environments such as, but not limited to, the operation of nuclear facilities, aerospace systems, air traffic control, life support, or medical applications. Parker retains ownership of all software supplied to Partner hereunder and in no event shall Partner obtain any greater right in and to the software other than a right in the nature of a license limited to the use

thereof and subject to compliance with any other terms provided with the software. .

2.5.4 Unless agreed otherwise in the Contract, Parker provides Partner this warranty for a period of twelve (12) months after delivery of the Commodity or of six (6) months after performance of the Services. The warranty with regard to the Software expires ninety (90) days from the date of delivery or, when downloaded by the Partner or end-user, from the date of the initial download. The warranty term for restored Commodities and repairs of Commodity is only provided by Parker to Partner if Parker provides Partner with a warranty for the Commodity to which the concerned restored Commodities or repair relates to; and in such case it is limited to three (3) months, and begin on the day when the concerned Commodity is replaced or - more precisely - on the day when relevant repair is performed, but shall not end before the initial warranty period.

2.5.5 Partner is obliged to claim any defects of the Commodity with Parker in writing within the warranty period.

2.5.6 Parker shall remedy defects of the Commodity by removing defects according to its discretion, i.e. reworking or repairing the Commodity, or supplying new Commodities. If defects of fulfilment are not removed by new Commodities or rework, Partner is authorized to request reduction of the purchase price, alternatively withdraw from Contract.

2.5.7 Replaced Commodities shall be transferred to the ownership of Parker, without the Partner's right to any reimbursement, and must be sent back to Parker upon request.

2.5.8 Potential remedy procedure shall take place at Parker's named facility.

2.5.9 Should Partner be delayed in the payment of the purchase price of Commodity, Parker is not obliged to remove defects of Commodity claimed by Partner that Parker is liable for, unless Partner fulfils its payment obligations towards Parker. Partner is not authorized, even in case of justified complaints, to suspend the payment of the price of Commodity or another due payment towards Parker for the above reason.

2.5.10 The Partner, through its own analysis and testing, is solely responsible for making the final selection of the system and Commodity and assuring that all performance, endurance, maintenance, safety and warning requirements of the application of the Commodity are met. The Partner must analyze all aspects of the application and follow applicable industry standards, specifications and other technical information provided with the Commodity. If Parker provides Commodity options based upon data or specifications provided by the Partner, the Partner is responsible for determining that such data and specifications are suitable and sufficient for all applications and reasonably foreseeable uses of the Commodities. In the event the Partner is not the end-user, Partner will ensure such end-user complies with this clause.

## 2.6 2.6. Other provisions

2.6.1 Besides the reasons stated in Civil Code, Parker is authorized to withdraw from Contract without any further notice especially if Partner is delayed in the payment of the purchase price of Commodity or any due part of it, and such delay exceeds thirty (30) days.

2.6.2 Indemnification, pursuant to the Contract, shall be governed by legal regulations provided that Parker agreed explicitly with Partner that the right of Partner to damages or – more precisely – the amount of damages on the part of Parker is limited to the maximum amount that equals to the purchase price of Commodity which the subject damages relate to. The limitation stated in the above clause shall not apply to the Partner's right for damages caused by Parker in cases stated in Section 2898 of Civil Code.

2.6.3 The Partner further undertakes to fully comply with rules stated in Parker Global Code of Conduct as published on [www.parker.com](http://www.parker.com).

## 3. Final and Mutual Provisions

### 3.1 Force Majeure

3.1.1 Force Majeure shall include without limitation: accidents, strikes or and labour disputes, acts of government or government agency, acts of nature, epidemics, pandemics or other serious widespread illness(es), public health emergency/ies, delays or failures in delivery from carriers or suppliers, shortages of materials, or any other cause beyond Parker's reasonable control.

3.1.2 Parker shall not be considered to be in delay and be held liable for a delay in performance that was caused by Force Majeure which has affected Parker, its suppliers and/or its carriers.

3.1.3 A Force Majeure event does not include lack of staff or production materials or sources, breach of contractual provisions by third parties hired by Partner or Parker, financial difficulties of Partner or Parker, or incapability of Partner or Parker to provide for necessary legal or administrative permits or authorizations associated with the Commodity to be delivered. Should the production be disabled due to Force Majeure, Parker shall be exempted of their obligation to perform, and shall be authorized to withdraw from Contract.

3.1.4 Force Majeure exempt an entity that is affected by a Force Majeure event (i.e. Parker or Partner based on the circumstances), for the period and to the extent of the Force Majeure event, to perform contractual obligations. The party to Contract that is affected by a Force Majeure event, shall notify the other party, if the circumstances allow so, and adapt the performance of their obligations to changed conditions accordingly with their best awareness and will.

3.1.5 Partner shall not be entitled to order cancelation following its issuance of a unilateral production stop not initiated by government decision. The Partner shall only be entitled to withdraw from the contract where the agreed delivery time exceeds the duration of a force majeure event by more than 10 weeks. Before that, the Partner is only permitted to withdraw, if Parker has informed the Partner in writing that it is not able to make the delivery.

3.2 Compliance, indemnification, some consequences of withdrawal from Contract

3.2.1 Partner agrees to comply with all applicable laws, regulations, and industry and professional standards of care, including, but not limited to, those of the country or countries in which Partner may operate or in which the Commodities may be used, including without limitation any applicable anti-corruption laws and U.S. and E.U. export control and sanctions laws ("Export Laws"). Partner agrees to indemnify, defend, and hold harmless Parker from the consequences of

any violation of such provisions by Partner, its employees or agents. Partner acknowledges that it is familiar with the applicable anti-corruption laws and Export Laws, and certifies that Partner will adhere to the requirements thereof and not take any action that may cause Parker to be in violation of any such law or requirement. In particular, Partner represents and agrees that Partner will not make any payment or give anything of value, directly or indirectly, to anyone - including, without limitation, any governmental official, any foreign political party or official thereof, any candidate for foreign political office, or any commercial entity or person - for the purpose of influencing such entity or person to purchase Commodities or otherwise benefit the business of Parker. Partner further represents and agrees that it will not receive, use, service, transfer or ship any Commodity from Parker in a manner or for a purpose that violates Export Laws or causes Parker to be in violation of Export Laws.

3.2.2 Upon entering into Contract, Partner agrees that Parker is authorized to process and save all data they receive in association with the Contract performance, in order to keep a database of business partners, accordingly with legal regulations.

3.2.3 Without detriment to any other right or legal remedy resulting for Parker from Contract, order or legal regulations, Partner shall reimburse and protect Parker from damages, claims, losses, liability and expenses, including fees for attorney services, that directly or indirectly result from any breach and/or failure to meet Partner's statement, warranties or obligations defined in Contract, legal regulations or orders.

3.2.4 Withdrawal from Contract does not affect the Parker's right or claim for damages or contractual penalty against Partner.

3.3 Assignment of rights and acceptance of obligations, severability clause, inclusion

3.3.1 Without the previous written consent of Parker, Partner is not allowed to assign and/or transfer any of their rights or obligations from Contract, or any parts of these, to any third person. The provision of the above clause shall apply to the case of suspension of any liabilities of Partner towards Parker.

3.3.2 If any of the provision of the present GTC or Contract becomes invalid or ineffective, the remaining provisions of the present GTC or Contract shall remain unaffected. Such invalid or ineffective provisions shall be replaced with such admissible provisions that are agreed upon the will of Parker and Partner as being as close as possible to the original ones.

3.3.3 Without the prior written consent of Parker, Partner is not authorized to include unilaterally any of their receivables of Parker in any payable of Parker against Partner.

3.4 Liquidation and insolvency of Partner

3.4.1 If an insolvency procedure is initiated against Partner, and/or Partner enters into liquidation, Parker is authorized to withdraw from Contract, and/or suspend the fulfilment of their obligations from Contract, until Partner duly fulfils all of their obligations from Contract, without Parker being obliged to reimburse Partner for any potentially suffered damages.

3.5 Changes and supplements to Contract

3.5.1 Any changes hereof and supplements to Contract shall only have written form of numbered supplements to Contract. The requirements of written form shall be deemed

satisfied also by a report in form of a fax or demonstrably delivered electronic mail.

3.6 Locally competent court and governing law

3.6.1 All disputes arising from the Contract and/or in connection with it shall be finally decided with the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic according to its Rules by three arbitrators.

3.6.2 3.6.2. Any contractual relations between Parker and Partner shall be governed by the legal order of the Czech Republic. Application of the United Nations Convention of 11.4.1980, i.e. the (Vienna) UN Convention on Contracts for the International Sale of Goods is excluded to the full extent.

3.7 Final provisions

3.7.1 Parker reserves the right to change the present GTC, the change may relate to regulation of any and all rights and obligations resulting or connected with the Contracts. Any change to the present GTC shall be notified to Partner by Parker in written latest thirty (30) days before such change becomes effective. If Partner does not agree with the proposed change, and if no agreement is reached, any of the parties to Contract is authorized to withdraw Contract with a one (1) month termination notice if this is feasible considering the nature of relevant Contract. If Contract is not terminated due to changes to the present GTC within a fortnight term following the notice of such change, Partner shall be considered to agree to such change.

3.7.2 Any and all rights of Parker arising out of the Contract shall be statute-barred the latest after a period of 10 years commencing on a day a right might be claimed at firstly.

3.7.3 Application of Section 1764, last sentence and the whole Section 1765 and 1766 of the Civil Code shall be excluded.

3.7.4 For avoidance of any doubts, application of Section 1799 and 1800 of the Civil Code shall be excluded. Any and all arrangements within contractual relation established by the Contract correspond with business customs and principle of fair business practice.

3.7.5 Should the present GTC be controversial to the wording of Contract or order, the provision contained in Contract or in order shall take precedence.

3.7.6 If the present GTC are used together with the English version, the Czech version shall take precedence in case any discrepancies occur in the interpretation, or in case any differences occur between the individual language versions.

3.7.7 The present GTC come into force and become effective on 02.2022.

3.7.8 Partner hereby expressly accepts any and all provisions of the present GTC.

**Parker Hannifin Sales CEE s.r.o.**