

**General Delivery, Payment and Warranty Terms of the Cegelec a.s. Company**  
**with the registered address at Prague 4, Chodovská 3/228**  
**(hereinafter referred to as the Seller)**

**Appendix to purchase contracts, master contracts and contracts for work done**

**1. Delivery Terms**

1.1 The Seller delivers the goods to the buyer within the period agreed in the contract (purchase contract, master contract, contract for work done) or in the order.

1.2 In case the buyer is in default of the performance of his obligations arising out of the purchase contract, such as default of advance payment, the agreed time of delivery is extended by the period for which the buyer is in default.

1.3 The Seller is entitled to suspend the execution of the delivery (including suspension of the production and dispatching of goods), if the buyer is in default of the payment of the purchase price for any previous delivery, until the full payment of the purchase price (including accessions) of the previous delivery in default.

1.4 The place of delivery is the registered address of the Seller or the place of delivery agreed in the contract. The delivery is completed when the buyer is enabled to dispose of the goods in that place (at a time announced by the Seller to the buyer through an electronic mail message – e-mail) or by the handover of the goods to the first forwarding agent for the purpose of their transportation to the buyer within the extent of INCOTERMS 2010.

In such a case, the Seller dispatches the goods to the address that was agreed as the destination.

1.5 The Seller shall always enable the buyer to assert his rights arising out of the contract of transportation against the carrier, if the buyer does not have these rights based on the contract of transportation.

1.6 If requested, the Seller will communicate to the buyer the transportation number of the consignment and contact details of the contractual carrier.

1.7 The buyer is obliged to ensure the reception and unloading of the consignment at the place of handover stated in the purchase contract at the agreed time of handover. If the buyer fails to do so and his actions cause a delay and if this delay did not arise due to actions or omission on the part of the Seller, the Seller is entitled to charge the buyer all costs related to a repeated delivery of the consignment, that is, the cost of transportation, storage and handling.

1.8 The buyer or a person authorised by the buyer checks the consignment at reception in the presence of the driver (carrier) for its completeness with reference to the delivery note and state, that is, whether the consignment was damaged during the transport. In case of any detected defect, he makes a record of warranty claim in the delivery note in the presence of the driver (carrier) and, if applicable, takes photographs of the

ascertained damage. Afterwards, the buyer shall immediately inform the Seller and agree with him on further steps. Making an appropriate record in the delivery note confirmed by the driver (carrier) and taking photographs is a condition for asserting the warranty claim by the buyer with regard to the number of delivered packages (items) or the damage.

1.9 The goods are packed in a standard way on non-returnable pallets, taped and protected by plastic foil. Selected individual components are packed in cardboard boxes or in plastic foil with cardboard protection, if applicable. The packaging is meant to protect the products during transportation and it is not designed for long-term storage. It must be removed when transportation is completed. The goods can also be packed differently at the request of the buyer.

1.10 Official approvals and other authorizations by third parties necessary for the execution of the subject-matter of performance are agreed by the buyer and the Seller in the purchase contract.

## **2. Price and Payment Terms**

2.1 The purchase price of the goods is stated in the purchase contract/contract for work done and it is fixed. The purchase price includes the packaging of the goods with the exception of returnable pallets, which are not part of the product delivery. These are charged separately to the buyer. If taxes, custom duties or other fees are collected in connection with the subject of delivery under the purchase contract, they are paid by the buyer. The purchase price includes loading onto a means of transport at the registered address of the Seller.

The purchase price is stated without VAT. VAT is calculated at the rate in accordance with current tax regulations.

2.2 The invoice – tax document – represents the basis for the payment of the purchase price. In case of payment before delivery, it is the prepayment invoice.

2.3 The Seller invoices the agreed purchase price in compliance with the invoice regulation or the corresponding part of the purchase price in case of delivery in instalments and the date of taxable transaction shall be the date of delivery under clause 1. The invoice is due within 30 days from the date of issuance.

2.4 A non-cash payment is considered to be performed at the moment the respective amount of money without deductions is credited to the bank account of the Seller.

2.5 If the buyer is in delay of payment of the contractual price, the Seller is entitled to charge an interest on late payment for the period from the date the unpaid sum was due until the date it is paid at the rate of 0.05% from this sum for every day of the default.

2.6 The buyer is not entitled to retain or set off payments due to warranty claims or other counterclaims.

## **3. Validity of Contract**

3.1 The Seller is bound by his purchase contract draft for 7 days after its mailing, in the absence of a provision to the contrary in the purchase contract.

3.2 The contract is formed on the date the Seller receives a written approval of the buyer or on the date of approval of the buyer's order by the Seller.

3.3 In case the contract draft is accepted by the buyer after the period for which the Seller is bound by the draft, the contract is only formed if the Seller accepts this late acceptance in writing.

3.4 If the buyer makes changes or additions to the draft of the purchase contract, this is considered a new draft, and the formation of a purchase contract is subject to confirmation of the draft by the Seller. Additions and changes to the purchase contract/contract for work done are only valid in written form. In case the buyer requires a change to the contract (e.g. in subject-matter, volume, time etc.) after the purchase contract/contract for work done has been concluded, this request of the buyer shall be considered a draft of an addendum to the already concluded purchase contract/contract for work done. If the Seller accepts the buyer's draft of an addendum to the concluded purchase contract/contract for work done, he is entitled to unilaterally increase the agreed price by the additional cost that he incurs in connection with the buyer's request for a change in the already concluded contract and in association with the semi-finished order under this already concluded valid contract.

3.5 Electronic communication of the Seller and the buyer is considered binding between them, even without a recognized electronic signature.

#### **4. Withdrawal from Contract**

4.1 The contract is terminated upon the withdrawal of one of the parties to the contract. The right to withdraw may arise on the basis of a provision of the purchase contract/contract for work done or by statute.

4.2 Withdrawal from contract must be executed in writing and must be provably delivered to the other party to the contract. The purchase contract is terminated by the delivery of a valid written notice of withdrawal.

4.3 The Seller is entitled to unilaterally withdraw from the purchase contract in case insolvency proceedings are opened against the buyer or the buyer decides to commence liquidation.

4.4 Failure to comply with the time of delivery stated in the purchase contract is considered to be an immaterial breach of the contract and does not create the right to withdraw from the contract.

4.5 The Seller is also entitled to unilaterally withdraw from the contract in case the goods are not collected by the buyer at a later time set by the Seller. In this case, the buyer is obliged to pay the Seller a contractual fine at the amount of the purchase price of the uncollected goods without VAT increased by the cost of handling and storage as calculated by the Seller.

4.6 If the parties agree that one of them can discharge the obligation by paying a cancellation fee, the obligation is discharged by the payment of the cancellation fee. However, a party which has already received the performance or part of performance of the other party or performed to the other party does not have the right to discharge the obligation by paying a cancellation fee.

#### **5. Warranty and Warranty Claims Terms**

Warranty and warranty claims terms are set in a separate document "Warranty and Warranty Claims Terms of Cegelec a.s." and they form a component part of the contract.

#### **6. Technical Information**

Information such as patterns, images, drawings, information about dimensions and weight handed over by the Seller before the conclusion of the purchase contract are only authoritative in case they are expressly marked as binding. The Seller reserves the title and copyright to all technical, design, service, assembly, price and marketing materials of the Seller as well as to the test and measurement records executed with regard to these materials. These documents may only be copied with the approval of the Seller.

Production drawings, aerodynamic, thermodynamic and technical calculations are only submitted after a mutual agreement. Any and all technical documentation that is handed over serves exclusively for service and maintenance purposes and cannot be copied and sold to third persons without the approval of the Seller.

The Seller reserves the right to sell his products to end consumers with reference to his business cases and for this reason automatically provides all dispatched orders with assembly guides, instructions or related materials in a printed form.

The Seller provides Declaration of Compliance and Certificate of Quality, if requested.

#### **7. Prohibition of Further Export**

The buyer undertakes not to export or sell goods delivered by the Seller on the basis of the purchase contract/contract for work done outside the territory of the Czech Republic, whether by himself or through third persons, without a previous written approval of the Seller. In case of breach of this stipulation, the buyer is obliged to pay to the Seller a penalty in the amount of CZK 1,000,000 or pay damages, with damage including, but not limited to, any payments the Seller was obliged to make to his foreign partners for the breach of their exclusivity at the given territory.

#### **8. Title to Goods**

The buyer acquires the title to goods by a full payment of the agreed purchase price. In case the buyer has financial obligations to the Seller arising out of previous contracts, the transfer of the title to goods under this purchase contract/contract for work done is also subject to payment of all previous financial obligations.

#### **9. Liability for Damage**

The Seller is liable for any damage only within the extent that was agreed in the respective purchase contract/contract for work done in compliance with the Civil Code.

#### **10. Vis Major**

In case of vis major, the Seller is entitled to a unilateral withdrawal from the concluded purchase contract/contract for work done, unless he agrees with the buyer in the form of an addendum to the purchase contract/contract for work done on an alternative delivery, which is close to the delivery under the concluded purchase contract/contract for work done in its time of delivery and technical solution. Vis major is understood as a fire, natural disasters, wars, strikes, acts of public authorities or other events that occur after the conclusion of the contract and that cannot be prevented by the Seller or by a supplier of the Seller. The Seller is obliged to promptly notify the buyer about the occurrence of such event.

#### **11. Arbitration Clause**

All disputes arising out of or in connection with this contract that cannot be settled by negotiations between the parties are to be finally settled by a court of the Czech Republic having local jurisdiction.

#### **12. General Provisions**

These general commercial, delivery and warranty terms are the component part of every purchase or master contract or contract for work done concluded by the Cegelec a.s. company as the Seller, even in case such a contract is not concluded in a written form, i.e. was created for example by a confirmation of the buyer's order. Provisions of a purchase contract or individually agreed general

commercial, delivery and warranty terms which are at variance with the wording of these terms take precedence over these terms. By the conclusion of a purchase contract, any previous arrangements related to its subject-matter cease to be legally effective.

Any purchase terms of the buyer or client ordering a work that differ from these delivery terms are not binding for the Seller even in case they are not explicitly rejected by the Seller.

The rights and obligations arising out of the purchase contract and these terms may only be transferred or assigned to third persons by the buyer after a previous written approval of the Seller.

### **13. Final Provisions**

These general commercial, delivery and warranty terms are valid from 1 January 2015 and apply to all deliveries of goods executed on the basis of an order of a buyer submitted to the Seller from 1 January 2015. Matters that are not explicitly governed by a master contract, purchase contract or another contract or by these terms are governed by the applicable provisions of the Civil Code, as amended (New Civil Code, i.e. Act No. 89/2012 Coll.).

#### **Appendix:**

Warranty and Warranty Claims Terms of Cegelec a.s.