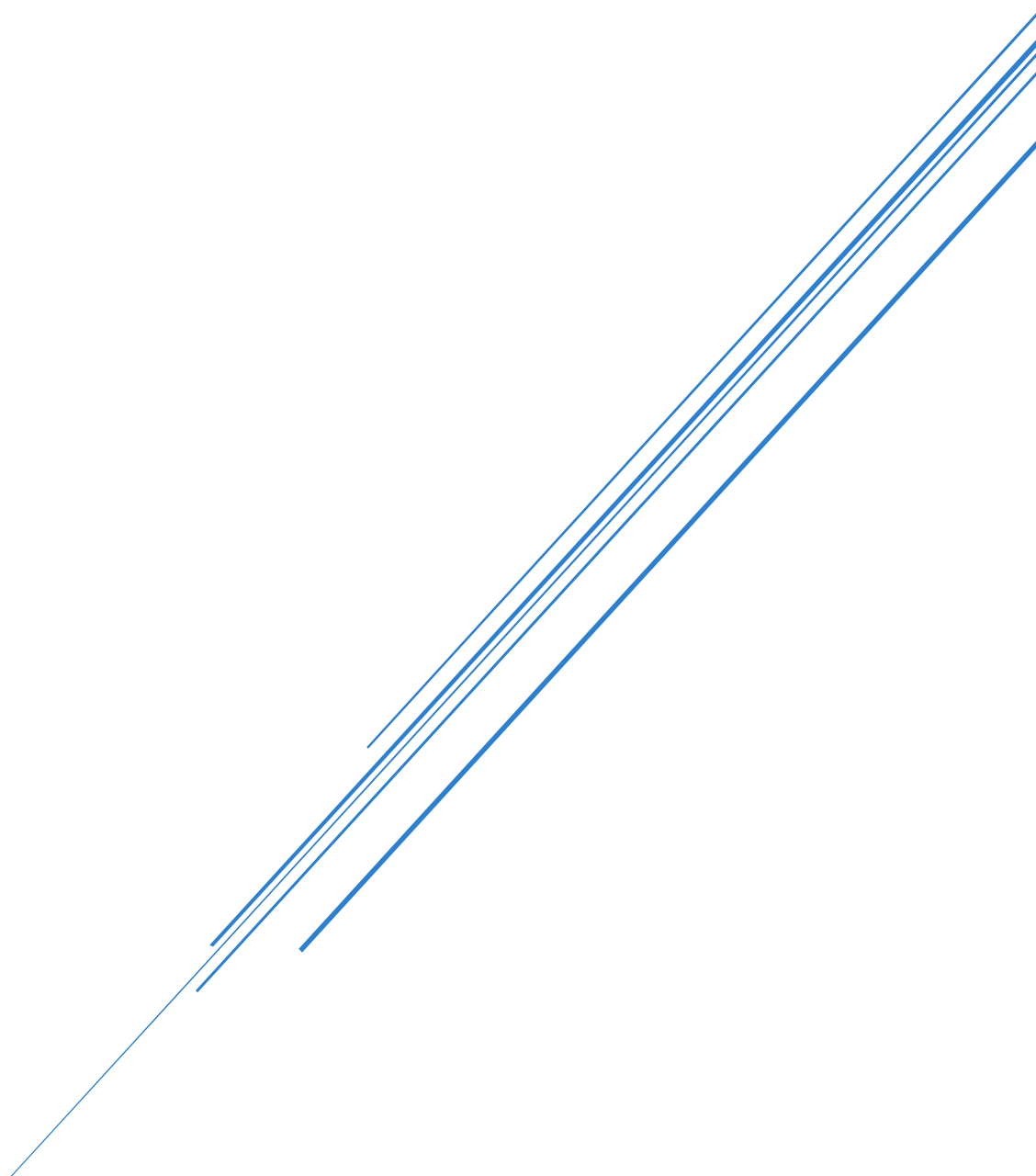


TERMS AND CONDITIONS

Terms and Conditions of Svarkon s.r.o.



1) GENERAL

- 1.1 These Terms and Conditions govern the sale and distribution of products of Svarkon s.r.o., with its registered office in Cibotín 9, Company ID No.: 066 14 604, registered in the Commercial Register maintained by the Regional Court in Hradec Králové, Section C, Insert 40641 hereinafter referred to as (the Seller).
- 1.2 These terms and conditions are an integral part of every purchase contract that Svarkon s.r.o. concludes.
- 1.3 Different delivery conditions or other restrictions of the supplier are not acceptable, unless Svarkon s.r.o. has agreed in writing in individual cases. Other agreements, amendments and supplementary agreements are valid only if Svarkon s.r.o. agrees to them in writing.

2) OFFER, ORDER AND PURCHASE CONTRACT

- 2.1 The supplier must exactly comply with the request in the offer.
- 2.2 Derogations must be consulted in advance and confirmed in writing.
- 2.3 The validity period of the offer is stated in each offer. After this period, the seller is not bound by this offer in any way.
- 2.4 The purchase contract is concluded at the moment when the seller confirms receipt of the order from the buyer in writing. The seller is obliged to do so no later than 14 days after the delivery of the order, otherwise it is considered that the purchase contract has not been concluded.
- 2.5 A purchase contract is not concluded if the buyer sends an order to the seller that is indefinite, it does not clearly indicate who makes the order and what specific goods or products he orders (i.e. the designation of the quality of the goods and the type of material and dimensional standard) and in what quantity he orders it.
- 2.6 The offer is made free of charge and does not impose any obligations on the applicant.
- 2.7 For orders exceeding EUR 2,000, CZK 50,000, advance invoices are automatically issued for 50% of the total price with a maturity of 10 days.
- 2.8 Orders from newly arrived companies are always paid in cash upon receipt of goods, or on an advance invoice due before the start of production. After three orders, you can switch to payment by invoice with a maturity of 14 days.
- 2.9 Any order or change to an order must be confirmed in writing by the supplier.

3) ORDER

- 3.1 For orders exceeding EUR 2,000, CZK 50,000, advance invoices are automatically issued for 50% of the total price with a maturity of 10 days.
- 3.2 Orders from newly arrived companies are always paid in cash upon receipt of goods, or on an advance invoice due before the start of production.
- 3.3 After three orders, you can switch to payment by invoice with a maturity of 14 days.
- 3.4 Only orders placed in writing are valid. Verbal orders or other arrangements by telephone or email must be confirmed in advance in writing.
- 3.5 Any order or change to an order must be confirmed in writing by the supplier.

4) PRICES

- 4.1 Negotiated prices are fixed prices, including packaging, unless expressly agreed otherwise.

5) DELIVERY CONDITIONS

- 5.1 The delivery time specified in the order is binding and begins on the day of issuing the order (payment of the advance invoice). It is necessary to adhere to the agreed delivery time.
- 5.2 As soon as the supplier can assume that he is unable to perform the contract with us, in whole or in part or on time, he must immediately inform the buyer, stating the reasons and the expected duration of the delay. If the contractor omits this message, it may cause obstacles to the delivery of the work to the buyer.
- 5.3 If the supplier fails to meet the agreed delivery time, he is liable by law.
- 5.4 If the agreed delivery time is not met, we are entitled to claim damages, withdraw from the order or, on the other hand, arrange for a replacement and enforce any price differences against the supplier, unless the supplier has already reminded us of a reasonable period of delay.

6) WARRANTY, DEFECT WARNING AND LIABILITY

- 6.1 The supplier assures us that all goods are in accordance with the received order, plans, patterns, catalogs and in materials and designs. Current state of the art – technology, environmental regulations, occupational safety and accident prevention regulations, - Equipment Safety Act, VDE regulations and comply with legal provisions, without material defects.
- 6.2 If the delivered item does not comply with these conditions, the Ordering Party may request the removal of the defect or the delivery of a new item without defects, withdrawal from the contract in accordance with the law, or a reduction in the purchase price and replacement or replacement of the item, or require expenses for the removal of the defect.
- 6.3 The supplier bears the guarantee for the quality or durability of the product. This does not apply to defects and damage caused by the delivery item: a) due to proper wear and tear b) improper handling by the customer
- 6.4 The buyer is obliged to notify the supplier of defects in the delivery immediately after discovering these defects.
- 6.5 For services such as installation, maintenance, etc. The above provisions apply.
- 6.6 If no other agreement has been concluded, the limitation period for claiming defects is 24 months after dispatch from the manufacturing plant.
- 6.7 The supplier's warranty also applies to manufacturer's warranties, parts manufactured by subcontractors.
- 6.8 In the event of a defect notification, the limitation period is extended by notification of defects and removal of defects, the limitation period begins to run again.
- 6.9 Parts subject to warranty due to the warranty remain until the replacement available to the purchaser will be replaced by the property of the supplier's company.

- 6.10 In urgent cases or in the event of a failure of the supplier to remove defects, the customer can repair the defects at his own expense, he must inform the supplier of this fact.
- 6.11 The supplier's warranty obligation is not affected by the customer's acceptance of deliveries and services.
- 6.12 The Supplier submits claims to the Client under the Manufacturer's Liability as well as under the Product Liability Act, in respect of the Supplier or whose Supplier has caused liability for the cause of the Product.
- 6.13 After all, the supplier is liable in accordance with the statutory provisions.

7) EXAMS

- 7.1 If tests are required for the item to be supplied, the supplier bears the costs of testing the personnel.
- 7.2 The supplier is ready for the test for the client at least one week in advance by a binding date of the meeting. It becomes an integral part of the delivery for this date.

8) DRAWINGS

- 8.1 Drawings, models, patterns, etc., remain our property and are not requested for return after the completion of the work, unless otherwise agreed.
- 8.2 Please keep all documents provided in the course of business activities, we reserve our proprietary and copyright rights.
- 8.3 These documents may not be used by third parties without prior written permission.

9) TRANSPORT

- 9.1 The supplier will prepare a detailed dispatch notice for each shipment on the day of shipment. The notification will be separate from the goods and invoices.
- 9.2 The delivery must be accompanied by a delivery note.
- 9.3 The supplier has the right to choose the cheapest and most suitable shipping options for the customer.
- 9.4 In all delivery notes, packing lists, bills of lading, invoices and on the outer packaging etc., the prescribed order code and details of the place of unloading.
- 9.5 In principle, the supplier is supposed to label dangerous products according to national/international regulations.
- 9.6 Accompanying documents must also be according to the hazard class, further information stipulated by the relevant transport regulations.
- 9.7 The supplier is responsible for damages and bears the costs incurred by the supplier due to non-compliance with these regulations. It is also responsible for subcontractors' compliance with these shipping instructions.

10) VIOLATION OF THE LICENSE

- 10.1 The Supplier is responsible for ensuring that the supply and use of the Patent System, the license or the property rights of third parties are not misused in any way.
- 10.2 Any license fees are paid by the supplier.

- 10.3 In the event of infringement of the property rights of third parties, legal claims are made against the supplier.

11) ADVERTISING MATERIALS

- 11.1 It is allowed only with the written consent of the customer, about the existing business relationship with the customer in the information and promotional materials.

12) SECRETS

- 12.1 The supplier and the customer are obliged to provide all technical information regarding the delivered item and the item of the customer the products supplied are strictly confidential and secret. In each case of a breach of this confidentiality obligation, the party responsible for the damage shall have a contractual penalty of 15% of the relevant order amount against the other party.

13) ORIGIN OF GOODS

- 13.1 The goods delivered must meet the conditions of origin of preferential agreements, unless explicitly stated otherwise in the order confirmation.

14) INVOICES, ADVANCE INVOICES

- 14.1 In the event of non-compliance with the due date of the issued invoice, any further order will not be accepted and the purchase contract will not be concluded. Orders already in progress will also be suspended until overdue invoices are paid in full.
- 14.2 In the event of non-compliance with the due date of the issued advance invoice, it is considered that the contract is cancelled from the beginning.

15) PAYMENT

Payment is made after 14 days with a deduction of 3% of the total price of the order, or after 30 days without penalty, calculated in any case from the date of receipt of the goods and all related documents. Payment deadlines run from the date of receipt of the invoice at the earliest. Determining the correctness of the delivery affects the payment of invoices.

16) FINES

If the agreed delivery time is not met, we are entitled to claim compensation for damage in full, up to 100% of the total agreed price of the order, to withdraw from the order or, on the other hand, to arrange for a replacement and to recover any price and time differences against the supplier, up to 100%, if the supplier has not already reminded us of a reasonable period of delay.