

# General terms and conditions (hereinafter "GTC")

modifying obligatory relations between STEATIT, Ltd. Company, CRN: 43873545 (hereinafter "seller") and its customers (hereinafter "purchaser")

## I. Opening provision

1. These General Terms and Conditions of STEATIT, Ltd. Company (hereinafter also referred to as "GTC") shall apply to the sale of all products (hereinafter also referred to as "goods") of STEATIT, Ltd. Company, CRN 43873545, with domicile Klenčí pod Čerchovem 181, Municipal District of Domažlice, recorded in the Register of Companies, administered by the District Court in Pilsen, section C, insert 22058 (hereinafter referred to also as "seller") and shall apply unless otherwise disputed by the purchaser by the time to the purchase contract is concluded or unless both of the parties have agreed, in writing, otherwise.
2. All deliveries, including future deliveries, shall be exclusively rendered on the basis of these General Terms and Conditions. This shall automatically exclude the application of the purchaser's purchasing conditions, unless explicitly accepted by the seller.
3. The purchase contract also includes business practices established between the parties, unless in violation with the content of the purchase contract or these GTC.
4. Any revisions or supplements to the purchase contract shall, under sanction of abrogation, be made out in written form and consented to by both parties.

## II. Closure of the purchase contract and its content

1. The purchaser's order, upon dispatch to the seller, shall become binding. The seller shall return a written Order confirmation back to the purchaser. The Order confirmation shall be considered to constitute a proper and validly closed purchase contract; further verification on part of the purchaser shall not be required.
2. The contents of the Order confirmation must contain a specification of the goods in terms of type and quantity, inclusive individual prices, terms of delivery, net purchaser price, and payment conditions. The contents of the Order confirmation must match the purchaser's order at least in terms of specification of goods, type, quantity, and individual unit purchase price.

## III. Delivery of goods and transfer of risk of damage to goods

1. Unless agreed otherwise, the seller shall inform the purchaser of the manner of transport in a reasonable time before the agreed term of delivery has elapsed in the Order confirmation (purchase contract).
2. The seller obligated to send the goods in such packaging that provides the goods during transport against damage until its delivery to the purchaser.
3. The purchaser is obligated, upon delivery, to take receipt of the goods, to properly inspect it, and to reimburse its negotiated purchase price.
4. The risk of damage to the object is transferred upon the purchaser upon delivery of the seller to the purchaser or, in accordance with the purchase contract, when the seller delivers the goods to the first carrier.
5. The goods shall be considered delivered on the day of delivery of the goods and signature of the authorized representative of the seller on the delivery note.
6. The method of transport and carrier shall be selected by the seller, unless agreed otherwise.

## IV. Delivery

1. Variations between the quantity of goods delivered and the quantity of goods ordered must not exceed 5%. Only actually delivered goods may be reimbursed and invoiced.
2. The quality of the delivery must meet the seller's demands as express in the valid, concluded purchase contract, otherwise according to the respective technical standard or common properties in the respective type of goods, resp. The parties may agree to variations in the purchase contract from regular quality with limited or unlimited validity and any variation from the standard quality may be reflected in the pricing.
3. If the purchaser files a return claim for defective goods (return), the purchaser is obligated, in each such case, to provide such return at the seller's location or at the first recipient of the goods providing that the goods are delivered by means of a different contracting partner of the seller. Expenses associated with the return shall be borne by the purchaser.

## V. Modifications of delivery conditions in the event of purchaser's previous delay

1. If the purchaser is late in payment of the purchase price of the previous delivery, performed on the basis of any previous purchase contract concluded between the seller and the purchaser in the past (hereinafter "former delay of the purchaser"), this purchase contract shall be modified in the sense that the seller shall be obligated to provide the

goods to the purchaser based on this purchase contract insofar as the purchaser meets his/her obligations following from the previous order.

2. The seller, however, shall have the right in the event of former delay of the purchaser, to deliver the goods on the basis of this purchase contract at his/her discretion, and the purchaser shall be obligated in such a case to accept receipt of the goods.

## VI. Purchase price, its payment, purchaser's delay with payment of the purchase price

1. The price, designated by the purchase contract, is fixed and final. The price negotiation is considered to be an essential condition, absent which the purchase contract shall cease to become valid.
2. The value of goods of individual type must amount to a minimum of 3,000. - CZK, absent VAT. Otherwise, a one-time surcharge of 1,000. - CZK shall be charged including VAT, which serves to cover additional expenses for handling, adjustment, and sampling of the work.
3. If, upon confirming the order, the price or any other costs are increased by more than 10% compared to the original value, the seller shall be authorized to increase the negotiated price, accordingly, upon agreement of the purchaser.
4. Unless specified otherwise in the purchase contract, the purchase price shall be payable within 30 days from receipt of the goods by the purchaser. This shall not affect point III. 4 of these GTC. In the event of misgivings, the tax document relating to the purchase contract shall be assumed to have been delivered on the third day following its delivery.
5. Should the purchaser be in delay of payment of the purchase price of the delivery performed on the basis of this contract, the purchaser is obligated to pay a contractual penalty in the amount of 0.05% of the purchase price per day. This contractual penalty is payable monthly, within 10 days of receiving such appeal from the seller, delivered to the purchaser.

## VI. Confidentiality of information

1. The purchaser hereby obligates to treat information received by the seller in connection with the fulfilment of the purchase contract, including the purchase contract itself, as confidential information.
2. The seller has the right to demand a contractual penalty in the amount of 500,000. - CZK if the purchaser breaches this information confidentiality obligation. This contractual penalty is payable within 10 days of receiving such appeal from the seller, delivered to the purchaser.

## VII. Force majeure

1. Both parties are entitled to suspend fulfilment of their obligations, following from the contract for such time as circumstances eliminating their liability persist (hereinafter "force majeure"). A force majeure is considered to be any obstacle that arose independently on the will of the obligating party and prevents it in meeting its obligation. An example of force majeure includes, in particular: a strike, epidemic, natural disaster, seizure of goods, electrical black-out, terrorist attack, etc.
2. A force majeure hereby exempts the right to apply contractual penalties against the party affected by a force majeure.
3. Should a force majeure continue for a period exceeding one month, then both of the parties shall be entitled to withdraw from the contract.

## VIII. Resolution of disputes

1. Any disputes arising from the contract, including disputes connected with its conclusion and validity, unless a conciliatory agreement is reached, shall be decided factually and locally by the respective municipal district court of the seller.

## IX. Closing provisions

1. Unless otherwise negotiated in this General Terms and Conditions, the legal relations arising from the legal relationship between the purchaser and seller shall be governed by Czech law, and in particular, the Commercial Code.
2. The seller shall have the right to claim damages upon the purchaser, incurred by a breach of obligations, to which a contractual penalty is connected according to the contract or these conditions in an amount exceeding the contractual penalty.
3. By signing the purchase contract, the purchaser confirms his/her consent to these General Terms and Conditions, with which he/she has become familiarized.
4. Any potential invalidity of any parts of these GTC shall not affect the validity and effect of remaining provisions of these GTC or the validity and effect of these GTC as a whole.
5. These General Terms and Conditions of STEATIT, Ltd. shall come into effect on 26.08.2011. STEATIT, Ltd. Company reserves the right to amend these GTC. Any amendment shall be properly publicized on the company's web pages and shall relate to accepted orders until such time as they are publicized and such changes come into effect.