

**I. Subject of agreement** – The subject to these General Terms and Conditions (the "GTC" hereinafter) is to regulate the rights and obligations of the Contracting Parties arising from a purchase agreement, stipulating the obligation of the Seller to hand over the goods specified in detail in the purchase agreement (the "Goods" hereinafter) and to enable the Buyer to acquire the ownership of the Goods and the Buyer's obligation to accept the Goods and pay the purchase price. These GTC apply to the sale of all products from the range of the Seller, i.e. trade companies STEAITI s.r.o., ID 43873545, with the registered office at Klenčí pod Čerchovem 181, district Domažlice, certificate of incorporation administered by the Regional Court in Plzeň, Section C, File reference 22058 (the "Seller" hereinafter"). Application of any other trading conditions is excluded. These GTC govern the rights and obligations between the entrepreneurs in their business. These GTC are not applicable to consumer relations.

**II. Entering into a purchase agreement** - the Buyer is entitled to make suggestions to the Seller as to the entering into partial purchase agreements under the conditions governed by these GTC. Accordingly with the interpretation of the provision of Section 1731 et seq., Civil Code, proposal to conclude a purchase agreement means an order of the Buyer containing the requirements specified in this paragraph of the GTC and delivered to the Seller in the manner specified in this paragraph of the GTC. The proposal to conclude a purchase agreement (order) must clearly state in particular who makes it and what is being ordered; the order must contain the identification of the Buyer, the identification of the Goods, the quantity, the manner of delivery and the purchase price. The Buyer is entitled to deliver the order to the Seller in the following ways: by e-mail at the following electronic address: [steaiti@steaiti.cz](mailto:steaiti@steaiti.cz) or in writing through postal services provider to the address of the Seller's registered office: Klenčí pod Čerchovem 181, district Domažlice, or in person to the registered office of the Seller. Missing details in an order does not make a proposal to conclude a purchase agreement ineffective or invalid, as long as the Seller expresses consent in the manner under this agreement to such proposal, and any missing details are subsequently added by the Parties. Buyer's order is binding, i.e. the Buyer is not entitled to take back a proposal to conclude a purchase agreement (order). The Seller is entitled within two weeks to notify the Buyer of not accepting an order. In such a case no partial purchase agreement is entered into. In the event that the Seller fails to respond to an order within two weeks, it is true that the Seller agrees with the order and the purchase agreement has been concluded.

**III. Purchase price and payment terms** -In accordance with the provision of Section 2118, Civil Code, the Buyer is obliged to pay the purchase price agreed in the purchase agreement. Along with the purchase price, the Buyer is also required to pay the **cost of delivery of the Goods**, unless personal delivery of the Goods was agreed. The cost of the transport of the Goods is agreed in the purchase agreement. In the event that at the time of entering into the purchase agreement the cost of transporting the Goods is not known and the Buyer requires delivery of the Goods to the destination, the Buyer agrees to pay the actual costs associated with the transportation of the Goods. **In the event that the Buyer gets in default with the fulfilment of the purchase price, the Buyer is obliged, under the provision of Section 2048 et seq., Civil Code, to pay the Seller a contractual penalty of 0.05% of the outstanding amount for each even begun day of the Buyer's delay. Upon the payment of the contractual penalty the Seller's claim for damage compensation in full does not cease.** Unless stated otherwise in the purchase agreement, the purchase price is due within 30 days of the acceptance of the Goods by the Buyer. This is without prejudice to Article III par. 1 of these GTC. In case of doubt, it is considered that the invoice related to the purchase agreement was delivered to the Buyer on the third day following its submission to postal transport. **In the event that, following the conclusion of the purchase agreement, the cost of the production of the Goods increases by more than 10% compared to the original value, the Seller is entitled to demand an increase in the purchase price. In the cases under the above clause the Seller sends to the buyer, in a way described in the provision of Art. II 6 of these GTC, a notification of an increase in the purchase price. The Buyer is obliged to comment on the newly proposed purchase price within 5 days following the receipt of that notice. In the event that the Buyer fails to comment on the change in the purchase price within the time limit under the above clause, it shall apply that the Buyer agrees to the new amount of the purchase price.** The minimum value of individual Goods specified in the order must be CZK 2,000.00 VAT excluded. Otherwise a one-time surcharge of CZK 1,000.00 plus VAT may be charged to be used to cover the extra costs of handling, adjusting and sampling work, unless stated otherwise in the purchase agreement. In such a case the Buyer will be notified of an additional fee of CZK 1,000.00 and has 48 hours to cancel or change their order. In the event that the Buyer fails to respond to the notification within a 48-hour time limit, it is true that the Buyer agrees with the surcharge and the purchase price will be increased accordingly. Buyer's delay in the payment of the purchase price for a period longer than 7 days is considered a fundamental breach of the purchase agreement accordingly with the interpretation of the provision of Section 2002, Civil Code, authorising the Seller to withdraw from a partial purchase agreement. Buyer's obligation to timely payment of the purchase price is constituted based on the principle of absolute objective liability. If the Buyer fails to pay the purchase price under any partial purchase agreement, the Seller is entitled to suspend the deliveries of any Goods under any other concluded purchase agreements (orders) with the Buyer, and until the full payment of the purchase price, the payment of which was delayed by the Buyer. At its discretion, the Seller is however entitled to deliver the Goods even if the Buyer is delayed with the payment of the purchase price, in which case the Buyer is obliged to accept the Goods in accordance with these GTC and to pay the purchase price for those Goods.

**IV. Delivery, transfer of risk** - Within a reasonable time or within the period stipulated in the purchase agreement, the Seller shall hand over the ordered Goods to the Buyer and allow the Buyer to acquire the title to them. The ordered Goods shall be delivered to the Buyer by the Seller to the destination chosen by the Buyer at the time of entering into the purchase agreement, i.e. in an order, accordingly with the provision of Art. II hereof which is, in case of personal acceptance, at the Seller's registered office at: Klenčí pod Čerchovem 181, district Domažlice, or by means of a transport service provider specified by the Buyer in the territory of the European Union. The mode of transportation to the place of destination shall be selected by the Seller. Unless agreed otherwise, the Seller shall notify the Buyer of the mode of transportation within a reasonable time before the expiry of the delivery period agreed in a confirmed order (purchase agreement), by e-mail or via phone. The Seller is entitled to deliver the Goods at any time before the expiry of the agreed delivery time and the Seller is obliged to accept the Goods. The Buyer is obliged to accept the Goods, inspect and check them properly and pay the purchase price in accordance with the provision of Art. III hereof. In the event that the Buyer fails to accept the Goods within the meaning of the provision of Section 2159 par. 2, Civil Code, the Seller becomes eligible to be paid for the storage of those Goods an amount of CZK 500.00 for each even begun day of such storage. Buyer's delay in accepting the Goods for longer than 10 days is considered a fundamental breach of the agreement within the interpretation of the provision of Section 2002, Civil Code, entitling the Seller to withdraw from the agreement.

In the event that the Goods cannot be delivered to the Buyer for any reason and surrender and transfer the ownership right to it, the Seller shall notify the buyer of that whilst it applies that unless the Buyer manifests its will to renew the concluded purchase agreement (order) within 14 days following the receipt of that notice as concerns the subject of performance (i.e. unless the Buyer manifests the will to purchase other goods), the purchase agreement (order) shall lapse without further claims. If the purchase agreement lapses for the reasons stated in the above clause, the Contracting Parties are obliged to return whatever has been performed under the purchase agreement with the Buyer acknowledging and expressly agreeing to be returned to the purchase price without any aperturances. According to the provision of Section 2898, Civil Code, it is true that the Seller shall be held liable for any damage caused in a direct causal connection with the fulfilment of the obligations under this Agreement or a breach of its contractual or statutory obligations up to the amount of the purchase price of the Goods ordered. The Seller shall deliver the Goods in a quantity specified in the order with a permissible tolerance of + - 3%.

**V. Withdrawal from agreement** – The purchase agreement may only be withdrawn from for an exhaustive list of reasons stated by the law, or for the reasons set out in these GTC.

**VI. Rights from defects** - The legal relations founded by the purchase agreement are governed by the provisions of Section 2099 et seq., Civil Code. Defect is also regarded as the fulfilment of other things. Defect includes also defects in the documents required for the use of items. The Goods must be of a quality as required by the Buyer expressed in a validly concluded purchase agreement, otherwise by a relevant technical standard (DIN 40680 m) or, more precisely, a property usual in a respective type of goods. The Contracting Parties may agree in the purchase agreement deviations from the usual quality with limited and unlimited duration and reflect that deviation from the standard quality in the pricing arrangement. **The Buyer is entitled to exercise rights from defects only when a defect (or multiple defects and in any manner) appears to more than 2% of the total volume of the delivered Goods. The total volume of the delivered Goods is calculated from the total quantity of the Goods delivered under a sub-agreement (order). In order to calculate two per cents, in each case the number of items shall be rounded to whole numbers upward.** Legal relations between the Seller and the Buyer are fully governed by the provisions of Section 2111 and Section 2112, Civil Code. The Buyer is obliged to notify of any defects and deliver such notification in a way specified in the provision of Art. II par. 3 of these GTC with that being the only way deemed for the notification to have been delivered effectively and producing legal consequences. **The Buyer shall notify the Seller of a defect without undue delay after he could discover it in a timely inspection and adequate care. The Buyer is obliged to notify the Seller of obvious defects at the time of accepting the Goods at the latest. If the Goods are received at a place other than the seat of the Seller, the Buyer must report obvious defects to the carrier who delivered the Goods to the Buyer, otherwise it loses the claims from obvious defects in the Goods. Hidden defects shall be reported without undue delay after the Buyer is able to discover them under diligent care, but no later than one month after an item has been handed over.** The Seller shall not be held liable for any defects occurred in the Goods, as long as those were caused by any use of the claimed item contrary to the usual use of that item or by any wilful or intentional and negligent interference with the integrity of that item or intervention affecting the integrity of the item, whether caused by the Buyer or other owner of the item, and further for those defects that occur on the Goods where the risk of damage has already passed to the Buyer. Upon proper notification of a defect, the Buyer is obliged, upon the call of the Seller, to pass the Goods to the Seller in order to assess the nature and extent of the notified defect within a time limit specified by the Seller and not later than within one month of the defect notification, unless the Parties agree otherwise. Should the deadline stated under the above clause not be maintained, the Buyer loses all the rights arising from the liability for defects. The Seller always has the right to assess a defect by itself. In the event that the Buyer frustrates that right (e.g. by removing the defect), it loses all rights from defective performance. The method of removing a defect is to be determined by Seller by the nature of the defect. The Parties further agree that the Seller is obliged to remove a properly notified defect within a reasonable time limit that reflects the nature of the defect.

**Regardless of whether defective performance is irrelevant or material breach of the agreement, the Buyer has always the right to eliminate the defect solely by repairing the item. The buyer is eligible for a discount on the purchase price, as well as other claims from defective performance, only if a defect is irremovable. Whether a defect is removable or irremovable shall be decided by the Seller. When in doubt, an independent expert shall determine the nature of a relevant defect. Upon the arrangements contained in this paragraph the Parties deviate from the adjustment of the provisions of Section 2106 and 2107, Civil Code. In the event that there are 2% or less defective products in the total volume of the supplied Goods, such fact is not deemed a defect whilst it applies that the subject of the performance as a whole is flawless and delivered in accordance with the purchase agreement**

**VII. Confidentiality of information** – The Parties are required to keep the content of purchase sub-agreements, as well as any and all information provided as confidential on the basis of or in connection with that within the interpretation of Section 504, Civil Code (hereinafter referred to as the "Confidential Information"), that information being a trade secret. Confidential Information may not be used or disclosed without the prior written consent of the other Party other than for bona fide purposes related to this agreement. Exceptions that do not require the prior written consent of the other Party:

- are the directors, employees and affiliates of the Parties throughout the period when the same Party requires that the named entities treat the Confidential Information as confidential;
- are persons professionally engaged by the Party throughout the period during which the same Party requires that the named entities treat the Confidential Information as confidential;
- is such information that is required by any government department or agency and/or regulatory authority which has jurisdiction over the given Party;
- is the information that is required by the applicable regulations of the Czech Republic, judicial and administrative decisions, rules and restrictions of any regulated market;
- is such Confidential Information that is and/or legally becomes public otherwise than due to a breach of this Agreement. In the event that Buyer breaches the confidentiality obligation pursuant to the provision of Art. VII of these GTC, the Buyer is obliged to pay the Seller a penalty in the amount of CZK 300,000. Upon the payment of the contractual penalty the Seller's claim for damage compensation in full does not lapse.

**VIII. Force majeure** - Both Parties are entitled to suspend the fulfilment of any of their obligations under the Agreement during the time when circumstances excluding their liability occur (hereinafter referred to as the "Force Majeure"). Force Majeure is considered an obstacle which occurred independently of the will of the liable Party, preventing that Party from fulfilling its obligations. The following shall be in particular considered a Force Majeure event: strike, epidemic, natural disaster, confiscation of goods, power failure, damage to the means of production, terrorist attack etc.