

General Terms and Conditions
Ekotechnika spol. s r.o., valid from September 1st, 2016

Article I.
Preamble

- 1.1. General Terms and Conditions (hereinafter only “GTCs“) regulate relations of delivery of goods between Ekotechnika spol. s r.o., Mokropeska 1832, 252 28 Cernosice, Czech Republic, registered at Commercial Register by the City Court of Prague, part C, insert 53570 (hereinafter only **Seller**) and the Buyer (hereinafter only **Buyer**). All deviations from GTCs must be in writing in the respective Sales Agreement (hereinafter only **Agreement**). Stipulations of the Agreement have priority to GTCs. Rights and obligations of the contractual parties not stated in the Agreement or GTCs are governed by the laws of the Czech Republic, especially by the law No. 89/2012 Civil Code (hereinafter only Civil Code).
- 1.2. The Agreement must be in writing, concluded between the Seller and the Buyer according to the GTCs, or it can be in the form of a written order by the Buyer for goods and services under the conditions and extent confirmed in writing by the Seller, including all written attachments and appendixes. Acceptance of an invoice issued by the Seller on goods and services included in the written order of the Buyer, sent or passed to the Buyer, is considered as an order confirmation. “Goods“ are all items given as units, quantity and category according to the specification, which is the part of the Agreement, or software, which is in the Agreement or in its attachments specified by name and also services, which may or may not be part of the delivery of the Goods (especially technical activities connected with the installation of delivered technology).

Article II.
Subject of Agreement

- 2.1. By concluding the Agreement, the Seller is bound to deliver the Goods or software specified in the Agreement or its attachments (hereinafter only **Goods**) or project and /or services (hereinafter only **Services**) to the Buyer and enable the Buyer to gain the proprietary rights to the Goods.
- 2.2. The Seller will deliver the Goods to the Buyer in the agreed quantity, quality and execution. It is agreed that the Goods will be delivered according to the specification stated in the order only in case of its acceptance in the Order Confirmation issued by the Seller and received by the Buyer, or in the Agreement.
- 2.3. The Goods and/or services will be delivered in functional condition and standard quality.
- 2.4. The Buyer is bound to receive the Goods and/or Services and pay the agreed price to the Seller.
- 2.5. Any incomplete information provided by the Buyer for the relevant business case as per the Agreement or missing specification, details or conditions in the order, are solely born by the Buyer.
- 2.6. All documentation to the Goods and/or Services is provided usually in English, if not mentioned otherwise in the Agreement. The documentation can be translated into another language against payment.
- 2.7. All output parameters, dimensions, weights, prices and more information stated in the catalogue sheets, on web site and further documentation of the Seller are not binding. They become binding only if it is explicitly mentioned in the Agreement.
- 2.8. All drawings and technical documentation of the Goods and/or Services, which were or will be handed over by the Seller to the Buyer before or after concluding of the Agreement, remain the exclusive ownership of the Seller.
Without the Seller’s consent, they cannot be used for manufacturing. However, they can be used for assembly, putting into operation or maintenance of the Goods.

- 2.9. Without consent of the Seller the Buyer cannot make copies, reproduce technical documentation and transfer them to a third person. The end user of the Goods and/or Services is not considered as a third person, even if different from the Buyer.
- 2.10. If acceptance tests are required by the Buyer at the producer's site while the Buyer is present, must be explicitly agreed upon in the Agreement. Otherwise these tests are not considered to be any part of the Agreement.
- 2.11. The Seller has no obligation to deliver any parts or accessories to the Goods, which were not stated in the order, unless such a part or accessories form an essential functional aggregate of the delivered Goods, i.e. without which the Goods is not functional.

Article III. Delivery period

- 3.1. The Seller is obliged to deliver the Goods and/or Services specified in the Agreement within the delivery time agreed in the Order Confirmation issued by the Seller or stated in the Agreement. Delivery period commences from the fulfillment of the following conditions:
 - signing of the Agreement
 - issuing of all permits for delivery or import of Goods at the responsibility of the Seller
 - receipt of the first down payment at the Seller's account, in case such a down payment in favour of the Seller is agreed upon (see Art.IV.), thereafter the Goods and/or Services will be delivered within the above mentioned delivery time, though not sooner than 7 days after receipt of the down payment at the Seller's account.
- 3.2. Partial and subsequent deliveries of Goods and/or Services are permitted.

Article IV. Price of the Goods, payment and delivery conditions

- 4.1. The agreed price (hereinafter only **Price**) does not include value added tax (hereinafter called the **VAT**). If not stipulated otherwise in the Agreement, the cost of transportation and packing is not included. In case the Buyer does not take over the Goods at the Seller's store and demands delivery of the Goods elsewhere, the cost of transportation will be calculated according to the actual cost paid to the Forwarder. The Buyer agrees to pay the VAT stipulated by the law valid on the day of invoice issuance. VAT and transport cost will be put on the invoice separately. Agreed Price is valid for rate of exchange EUR/USD/GBP (CSOB currency sale) by the date of signing of the Agreement. In case there is a change of the rate of exchange by the day of invoicing by more than 3%, the Buyer agrees that the invoiced price can be adjusted by the Seller in the same ratio as the one of both rates. The currency for which the Goods and /or Services was purchased by the Seller from the manufacturer of the Goods and/or Services will be used. The Seller has the right for the whole payment of the Price by delivery of the Goods and/or Services, or acceptance of the Goods and/or Services by the Buyer or its representative.
- 4.2. The Price does not include
 - a) acceptance test at the manufacturer's site
 - b) installation of the Goods and/or Services
 - c) translation of manuals and other documentation into Czech language
 - d) training of the operators.

If the Buyer requires any of the above mentioned activities in relation to the Goods or other activities, such activities will be charged separately. This has to be agreed upon in the Agreement or its attachment.

- 4.3. The Buyer will pay the Price of the Goods and related services as follows:
 - 50% of the Price within 14 days from the issue of the down payment invoice;

- 50% of the Price within 14 days from the issue of the final invoice, which will contain account of earlier received partial shipments. Partial shipments will be invoiced after their delivery in the amounts corresponding to the delivered quantity of the Goods.

Financial obligation of the Buyer of this business case is considered as fulfilled by receiving the respective amount at the Seller's account. The risks of money transfer and bank charges are born by the Buyer. The invoice has to include all requirements of the tax document according to VAT law and accounting regulations. Different payment conditions can be agreed in the Agreement.

- 4.4 The Buyer will take over the Goods at the storage site of the Seller after a preliminary agreement of the exact time of hand over, which will be set between 09.00 and 17.00 on working days. If the Buyer requests delivery to a different location, then the Seller will deliver the Goods by means of a forwarding company to the address given to him in writing by the Buyer. The Buyer, his representative or employee, will take over the Goods at this address and confirm the receipt of the Goods on a Bill of Lading or transport documents of the forwarding company, which delivers the Goods to the Buyer. Unloading of the Goods will be carried out by the Buyer at his cost (should a crane or other handling equipment be required).
- 4.5. The damage risk of the Goods is transferred to the Buyer in accordance with the agreed conditions according to INCOTERMS latest issue at the time of signing of the Agreement. If not agreed otherwise in writing, an INCOTERMS condition DDP Černošice – storage site of the Seller applies. The damage risk of the Goods is transferred from the Seller to the Buyer at the moment of the take over of the Goods and/or Services by the Buyer, his representative or employee. In case the Buyer requires delivery of the Goods to an address appointed by him, the risk is transferred by handing over the Goods to the first forwarder as per Art. IV. Paragraph 4.4. of these GTCs.
- 4.6. The Buyer is under obligation to take over the subject of purchase at the site of delivery and secure the take over by an appointed personnel within the usual working hours. Insignificant defects of the Goods that do not hinder its use do not form a basis for its non-acceptance.
- 4.7. Should the Buyer not take over the subject of the Agreement at the agreed time, it is considered that the fulfillment has been carried out on the third day after this delivery time, and the Seller is entitled to the payment of the Price, eventually storage cost, or other respective additional cost related to the non-acceptance of the Goods by the Buyer.
- 4.8. Proprietary rights of the sold Goods are transferred to the Buyer only after payment of the total Price, agreed upon in the Agreement and paid according to Art. IV. Paragraph 4.3. of the GTCs, including VAT. If the invoices for the delivered Goods are not paid even after 45 days after they were due, the Seller has the right to withdraw the Goods from the Buyer at the Buyer's cost. Storage cost in such a case is born by the Buyer, until the transfer of the proprietary rights to the Buyer is carried out. The Goods remain the property of the Seller, until the total Price including VAT is paid. Proprietary rights reservation has no influence on the transfer of risk according to Art. IV. Paragraph 4.5. of the GTCs.
- 4.9. The Seller has the right for payment of the total Price by delivery of the subject of the Agreement, or acceptance of the Goods by the Buyer, his employee, or a representative appointed by him, respectively.
- 4.10. The Seller has the right to issue a final invoice – tax document after delivery of the Goods and/or Services to the Buyer, or after transfer to the Forwarder, should the Buyer require delivery of the Goods at a different address than the storage site of the Seller.

Article V. Force Majeure

- 5.1. Both sides are entitled to suspend fulfillment of its obligations for a period the circumstances prevail preventing responsibility (further **Force Majeure**). Force Majeure is an obstacle which occurred independently on the will of the liable party and hinders the party to fulfill its obligations, if it is beyond reason to assume, that the liable party would deflect or overcome this obstacle and further by

the time of signing the Agreement would anticipate the obstacle. Examples of Force Majeure are in particular: strike, epidemic, fire, natural disaster, mobilization, war, uprising, confiscation of goods, embargo, ban of currency transfer, terrorist attack etc.

- 5.2. Force Majeure excludes the rights of contractual penalty against the party affected by Force Majeure.
- 5.3. The party referring to Force Majeure must report this occurrence immediately in writing to the other party, and carry out all possible measures to reduce the consequences of non-fulfillment of the contractual obligations.

Article VI. Responsibility for defects, warranty conditions

- 6.1. The Goods are considered defective if it does not have the qualities agreed upon in the Agreement. Warranty period is set for 12 months from the date of delivery of the Goods to the Buyer, or from the date of its hand over to the Forwarder (should the Buyer require delivery of the Goods to a different location, than the address of the storage site of the Seller). The Buyer is entitled, within the warranty, to make a claim for elimination of the defect by repair of the subject of purchase or supply of a new subject of purchase. The decision which option of defect elimination will be used, is to be made by the Seller. Both parties agreed that other entitlements of the Buyer according to § 2106 of the Civil Code are not relevant and the Buyer explicitly relinquishes them.
- 6.2. The Warranty does not apply to components that are not subject of purchase, agreed delivery or part of the ordered fulfillment according to the Agreement.
- 6.3. The Buyer is obliged to pay the Price regardless of the existence of possible defects of the Goods and/or Services.
- 6.4. The Buyer is obliged to report all defects of the Goods in writing without unnecessary delay, within five working days at the latest, after they have been discovered, otherwise his right regarding defects will cease to exist. The Buyer must immediately notify the Seller about all defects of the Goods which may cause damage, followed by a written confirmation. The written notice of defect must include the defect's description.
- 6.5. After receipt of defect report the Seller is obliged without any delay and at his cost to repair such defects. Defective parts of the Goods and/or Services, which were replaced, remain property of the Seller.
- 6.6. The repaired parts of the Goods are under a 3 months warranty and under the same warranty conditions as for the original Goods. For other parts of the Goods, the warranty period will be extended only for the period for which parts had to be out of operation due to repair. If the parties do not agree otherwise, the warranty period terminates always after 12 months at the latest, and so either from the date of delivery of the Goods and/or Services to the Buyer, or handing over to the Forwarder, depending in which way the Buyer is supposed to accept the Goods.
- 6.7. The warranty does not apply to common operational wear and tear of the Goods during its normal operation, further to defects caused by unprofessional activity or incorrect use by the Buyer or third person, and to defects where it is impossible to prove that they resulted from use of defective material, design or incomplete manufacturing, especially defects originating in incorrect maintenance, not adhering to the manuals, overload or excessive strain, use of incorrect operational devices, atmospheric electricity, chemical or electrolytic influence and all other causes without the Seller's fault.
- 6.8. The warranty does not apply to defects and shortcomings caused by wrong installation of the Goods, non-corresponding documentation, incorrect assembly or unqualified putting into operation or operation exceeding permissible values.

Article VII.

Penalties, withdrawal from the Agreement and other provisions

- 7.1. Delay of delivery of the Goods and/or Services by the Seller entitles the Buyer to apply contractual penalties only in case the Buyer has notified the Seller of this occurrence in advance in writing. Penalty will commence from the date this notification was received by the Seller. The Contractual Penalty will come into force by the date the notice has been sent to the Seller.
Contractual Penalty is set to 0,05% of the Price without VAT for each day of delay. Total amount of all Contractual Penalties is limited to 7% of the total Price of the Goods and/or Services depending to what part of the shipment it refers. In case of delay of partial delivery, the Contractual Penalty is calculated from the price of the delayed partial shipment. Contractual Penalty is payable based on penalty invoice issued by the Buyer within 30 days, though not before delivery of the Goods and/or Services.
- 7.2. Delay of payment by the Buyer entitles the Seller to apply contractual penalty of 0,1% of the due amount for each day of the delay. Delay of payment by the Buyer based on the Agreement or any other financial liability between the parties, entitles the Seller to suspend the delivery (hand over) according to the Agreement, until full payment of the Price. Delivery period will be extended by the time of delayed payment. This agreement regarding penalty, does not affect the entitlement of the Seller to damage compensation arising from breach of contractual obligations by the Buyer.
- 7.3. Total responsibility of the Seller for all damages including contractual penalties and further entitlements of the Buyer arising from breach of one or more contractual obligations by the Seller based on the Agreement and responsibility for the delivered Goods and/or Services according to the Agreement is limited by maximum amount of 15% of the total Price of the Goods and/or Services (without VAT) and will not exceed the total responsibility of the manufacturer of the Goods.
- 7.4. The Buyer is entitled to withdraw or cancel the Agreement or order confirmation, after a preceding written consent by the Seller, after compensation payment of 0,25 x Price of the Goods and/or Services, and after payment of all proven cost of the Seller for partially manufactured deliveries. This applies even in case the Seller has already made a partial delivery. In case of down payment from the Buyer, this down payment will be used for calculation of the compensation.
- 7.5. The Buyer and the Seller are entitled to withdraw from the Agreement in case of substantial breach of the Agreement by one of the parties. Substantial breach of the Agreement is considered a delay of delivery of the subject of purchase by the Seller by more than 90 days, even after sending of a written notification by the Buyer and the delay of payment by the Buyer more than 90 days. The Seller is entitled to withdraw from the Agreement also in case the other party is the subject of insolvency proceeding.
- 7.6. Withdrawal from the Agreement is effective by the day of delivery of the notification to the other party. The Agreement will cease to exist from the very beginning and the parties are obliged to return all that has been so far fulfilled based on the Agreement.
- 7.7. In case the Buyer withdraws from the Agreement, he is obliged to compensate proven cost of the Seller, resulting from the Agreement, until the time of withdrawal by the Buyer, i.e. especially the cost related to providing of the Goods by the Seller to the Buyer.
By withdrawal from the Agreement, the rights of the Seller, arising from the Agreement until the time of withdrawal, remain intact.
- 7.8. In case the Seller withdraws from the Agreement, the Buyer is obliged to compensate proven cost to the Seller resulting from the Agreement until the time of withdrawal by the Seller and also resulting from activities related to the Goods and/or Services, especially cost of procurement, storage or transport of the Goods and partially manufactured sub-supplies. By withdrawal from the Agreement, the rights of the Seller regarding fulfillments of the Agreement remain intact.
- 7.9. The Buyer declares that he is acquainted with the specific quality of the delivered Goods (especially regarding specific sampling, measuring and evaluating equipment for scientific use) and accompanying innovator methods and services and that some of the delivered equipment can be only scientific prototypes or narrowly specialized products, and accepts the obligation to respect this fact

when negotiating with the Seller and his suppliers, i.e. producers of the Goods. This fact will be considered in favour of the Seller also regarding form of solution in case of complaint (e.g. delivery time, eventual alternative solutions, atypical solutions of claims, etc.)

- 7.10. The Buyer also declares that the subject of purchase according to this Agreement will be always operated exclusively in compliance with the user´s manual supplied by the Seller and will respect all generally binding regulations and technical standards.
- 7.11. All changes from the side of the Buyer, arising in the course production of the Goods or partially rendered services, can be taken into consideration by the Seller only under precondition that the Buyer will compensate all additional cost resulting from these changes and will accept corresponding extension of the delivery time. These changes must be in the form of a written attachment to the Agreement, while other form is not permitted. Contractual parties have agreed that a modification of the offer by its addressee is not a proposal for conclusion of an Agreement and does not establish consequences defined by the law.
- 7.2. Contractual parties have agreed, in accordance to article 630, paragraph 1 of the Civil Code, on extension of limitation period of whatever rights and obligations arising from this Agreement, and all entitlements from this Agreement, to 5 years. Cited period commences either by hand over of the Goods to the first forwarder or to the representative of the Buyer.

Article VIII. Final provisions

- 8.1. Rights and obligations of the contractual parties, not regulated in this Agreement, are guided by the laws of the Czech Republic, especially by the law No.89/2012 Civil Code.
- 8.2. All stipulations regarding the subject of the Agreement, made before its conclusion, become invalid by the day of conclusion of the Agreement by both parties. In case of dispute regarding meaning of the text of the order issued before conclusion of this Agreement and meaning of the text of the Agreement, the text of the Agreement takes precedence over such text.
- 8.3. None of the contractual parties is entitled, without an expressive preceding written consent of the other party, to cede its rights and obligations from this Agreement to a third person or execute a one-sided inclusion. Stipulation of the previous sentence is invalid in case of transfer of receivables of the Seller towards the Buyer to a third person and/or for one-sided inclusion of entitlements of the Seller according to this Agreement towards the Buyer.
- 8.4. Contractual parties undertake to resolve eventual disputes arising from the Agreement, discrepancies in explanations of some Articles, or discrepancies in concluding attachments, in a peaceful way and through mutual negotiations. In case that a settlement is not possible, all disputes arising from the Agreement including the disputes regarding its conclusion and validity are to be settled by a respective Court of Law of the Czech Republic.
- 8.5. Stipulations of the Agreement will be considered as independent and separate agreements and invalidity or non-enforcement of some of them must not influence validity and enforcement of the remaining stipulations of the Agreement. Both sides express their wish, that in case a respective Court of Law establishes invalidity or non-enforcement of some of the stipulations, then this Court of Law has rendered disputed stipulation in the way enabling its validity and enforcement based on faculty of law, and preserve in the maximum extent original content of agreed stipulation.
- 8.6. In case of change of commercial name, seat, legal form, statutory representation or even manner of negotiation for the contractual party, bank account and number, the party which the change is related to, will notify the other contractual party about this change without delay and in writing. In case of non-compliance to this obligation by the Buyer, the eventually non-delivered mail sent by the Seller will be considered as delivered on the third day from the date of mailing.
- 8.7. All changes and additions to the concluded Agreement must be executed in the form of numbered attachments.

- 8.8 It is considered that mailing by means of the post services was received on the third working day after it has been sent. If it was sent to an address in another state, then on the fifteenth working day after shipment. Contractual parties undertake to use for electronic communication those e-mail addresses, exchanged in writing during the communication regarding the Agreement.
- 8.9. Above mentioned e-mail communication will be considered by the contractual parties as binding, although it must not be in contradiction with the concluded Agreement, otherwise it is, in the section contradicting the mentioned documents, considered as irrelevant.
- 8.10. Statutory representative, or by him authorised person of the Seller, based on a Power of Attorney, is entitled to conclude, change or sign the Agreement.
- 8.11. For the Buyer, the person authorized to conclude, change or sign the Agreement is either the statutory representative of the Buyer, or the Buyer, if the Buyer is a private entrepreneur.

At Černošice, dated 1.9.2016

Arnošt Mráz
Statutory Representative of Ekotechnika spol. s r.o.