

## General Conditions of Delivery and Payment for KESAT, a.s.

### 1. Area of application

The following conditions apply to persons, who are entrepreneurs in accordance with § 1751 of the civil code no. 89/2012 (Czech law "občanský zákoník") as well as to judicial public law persons and special public-law assets. They form the basis for all of our deliveries, services and offers in their respective current version, even in regards to future contracts with the same customers, where they may not be agreed upon again explicitly. Any differing conditions of purchase by the purchaser will not be part of the subject matter of the contract, even if he has referred to them and if we are aware of such contrary general terms and conditions for the customer by him referring to his business and purchase conditions, these are herewith explicitly rejected. These are only binding for us, if we confirm the submitted order in writing and on the basis of our customer's terms and conditions.

### 2. Offers and orders

#### 2.1

Our offers remain subject to change without notice until they have been confirmed by us in writing. Models and samples are non-binding estimates.

#### 2.2

We are entitled to accept the contractual offer of a customer within four weeks after receiving it, unless stipulated otherwise in the contractual offer. The extent of the delivery will be in accordance with our order confirmation.

#### 2.3

In order for our acceptance of the customer's contractual offer to be effective, it will require the written form, whereby email is sufficient.

#### 2.4

We are entitled to carry out partial deliveries, as far as this is reasonable for the customer. A partial delivery would be especially reasonable, if

- the partial delivery may be utilised by the customer in the context of the contractually intended use
- the partial delivery of the remaining ordered subject matter of the contract can be ensured
- the customer will not encounter additional efforts or expenses due to the partial delivery, unless we declare our willingness to meet such costs.

#### 2.5

After the expiry of the agreed time period, trial deliveries will be regarded as accepted by the customer as invoiced and under these general delivery and payment conditions unless stipulated otherwise in writing or where trial deliveries have been sent back to us within the customer's trial period.

### 3. Prices, invoices

#### 3.1

Our prices are to be regarded plus the legal value-added tax, packaging, freight and insurance (EXW). The customer (purchaser) has to carry all shipping costs, unless agreed otherwise in writing. Freight tariffs, custom fees and other costs due for the shipment, which are valid on the day of shipment, shall be decisive.

#### 3.2

Should the period between concluding the contract and the delivery be more than six months, and should our manufacturing costs increase during this time, we shall be entitled to charge the resulting increased costs to the customer.

#### 3.3

Our invoices will be issued immediately after delivery or service or in accordance with the payment plan. You will be informed of the date, the order and supplier number, and the value-added tax will be detailed separately.

#### 3.4

Should a prepaid shipment have been agreed with the purchaser, the agreed price shall only be valid if an unhindered and normal transport is possible.

Headquarters

**KESAT, a.s.**

Jiráskova 65  
586 01 Jihlava  
Czech Republic

ID: 18199071

VAT ID: CZ18199071

Registered by:

Obch.rejstřík u Kraj.obch.soudu v Brně  
oddíl B, vložka 556

Bank Account

Komerční banka Jihlava

Account No.:86 - 2759730227 / 0100

IBAN:CZ8201000000862759730227

SWIFT: KOMBCZPP

## 4. Conditions of payment

### 4.1

Unless explicitly agreed otherwise, payments of the purchase price after issuance of invoice are to be paid at net sum and as follows:

- 1/3 partial payment after receiving the order confirmation
- 1/3 after written confirmation by the supplier that the main parts are ready for shipment
- the remaining amount within a further month

### 4.2

The deduction of a trade discount requires a separate written agreement. A deduction of trade discount in a new invoice is only valid, if prior due invoices have been paid in full.

### 4.3

In the case of the agreement of a payment target, the day of delivery will be the cut-off date for its calculation as well as for the calculation of possible interest. Each delivery and service, for which we issue a separate invoice, is to be regarded as a business transaction in itself in terms of payment.

### 4.4

A payment will only be regarded as effected, if we are able to access the amount.

### 4.5

Any offsetting by the customer is only permitted as far as counterclaims have been legally established, accepted by us and are due. The customer is only permitted to withhold payments, if his counterclaim is based on the same contractual relationship.

### 4.6

We are not obliged to accept exchanges or cheques as payment. Payments with exchanges require our explicit prior agreement. Any bill of exchange charges will have to be met by the purchaser. The acceptance of exchanges does not mean an extension of the demands at hand. We do not take on any liability regarding the timely submission, protestation, notification and exchange return in case of dishonour.

### 4.7

Cash payments have a relieving affect towards us, as far as they are being made to persons, who have been granted a written encashment authorisation.

### 4.8

Should the payment deadline be exceeded, we shall be entitled to charge delay interest in the amount of 8% above the respective basic interest rate as well as possible provisions and costs without further warnings from the time of the demand due date, whilst we reserve the right to enforce further damages caused by the delay. Should a payment in instalments have been agreed, and should the customer be fully or partially in arrears in terms of two instalments, the whole remaining amount shall be due for payment immediately and shall be subject to a delay interest rate.

### 4.9

Should the customer's payment due date worsen between the contract conclusion and the fulfilment of the service ordered from us, or should we learn at a later point, that there are objective doubts in regards to the customer's financial solvency, we are entitled to request a payment or securities before the agreed payment dates, to hold back any deliveries or services due, or to withdraw from the contract.

## 5. Delivery

### 5.1

For any delivery due dates or delivery dates, which have not been explicitly stipulated in the order confirmation, the purchaser may stipulate an appropriate deadline for delivery two weeks after the process. Such a grace period notification is to be carried out in writing. We will only default after its expiry. Delivery deadlines do not start in any case before the purchaser has fulfilled his own collaboration and pre-payment obligations.

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**5.2**

The delivery or service time is calculated after a final clarification of all technical and business processing details for the delivery or service contract. Should the customer's collaboration be required, it will not start before the provision of all documents, authorisations and permissions to be obtained by him.

**5.3**

In the case of changes or enhancements of the scope of the delivery or service, the delivery and service times shall be adjusted accordingly. This also applies to cases of force majeure, such as operational interruptions, transport delays, measures in regards to work disputes, and especially strikes and lock-outs (reservation of own delivery) and for any other performance hindrances for which we are not responsible. As far as it concerns a permanent hindrance, and should this event last for more than two months, we reserve the right to withdraw from the contract in full or in part. In this case, the purchaser will not be obligated to carry out any (partial) return services and will receive back any pre-payments he may have made already. He shall not be entitled to any claims for compensation as a result of this.

**5.4**

Should we be behind in terms of our deliveries and services for reasons, for which we are responsible, the customer has the right to withdraw from the contract after the unsuccessful expiry of a grace period of four weeks, which would have been set by him. Our obligation to pay compensation in this case will be limited to the compensation for any damage, which may have been caused directly by the exceeding of the deadline, and for which we are responsible. The delay damage to be compensated by us is limited to 0.5% of the value of the late (partial) delivery for each completed week, but for 5% of the value of the delayed (partial) delivery at the most.

**5.5**

We are permitted to carry out partial deliveries and partial services at any point, unless for cases where this would not be in the interest of the purchaser from an objective point of view.

**6. Risk assumption****6.1**

The risk is transferred to the customer as soon as the contractual subject matter is ready for shipment and when we have notified him of the readiness for shipment in writing or verbally, but at the latest, when the contractual subject matter has left our warehouse for delivery to the customer.

**6.2**

The risk for each individual delivery shall be transferred to the customer as soon as we have notified him in writing of the readiness for shipment. The risk for services shall be transferred to the customer upon their acceptance or before acceptance in the case of having put it into use already. The transfer of the risk shall also be carried out for partial deliveries, or we have taken on additional services, such as the shipment costs or delivery and installation.

**6.3**

Insurance for transport damage will only be taken out upon customer's request.

**7. Reservation of proprietary rights****7.1**

The delivered contractual subject matter shall remain our property (conditional goods) until complete payment has been received for all existing or future demands stemming from the business relationship with the customer. In the case of a running invoice, the reserved property shall be a security for the payment balance request.

**7.2**

In the case of the customer breaching his duties, and especially in regards to a delay in payment, we shall be entitled to a withdrawal and return after the unsuccessful expiry of an appropriate deadline set for the customer to perform, and the customer shall be liable for the return of the goods or services, even in the absence of a withdrawal from the contract. In that case, the return shall only take place in order to secure our demands, and the customer shall be obliged to meet these requirements. After returning the delivered goods, we shall be entitled to utilise them and the proceeds of sale shall be offset towards the customer's obligation minus any incurred costs of sale.

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**7.3**

The customer is obligated to notify us immediately in regards to access by third parties (for example executions) to our reserved goods or to any demands transferred to us as well as any other detriments. He is furthermore obligated to make all information and documents available to us upon request in the context of representing our interests. Should we suffer a loss of rights due to access by third parties, the customer shall furthermore be obligated to compensate the damage, including all prosecution costs we may incur.

**7.4**

Before the complete fulfilment of all demands stemming from this business relationship, the purchaser may use our reserved goods in the context of proper business operations, unless a prohibition of assignment has been or will be agreed in regards to the third party demands transferred to us in advance in figure 7.7. An execution and transfer by way of security is not permitted until then and the on-sale or re-purchase as part of normal business operations is only permitted under the condition, that the re-purchaser receives payment from his customer and forwards it to us immediately. Possible intervention costs are to be met by the purchaser.

**7.5**

Any possible handling and processing of the reserved goods will be carried out with us as manufacturers, but without obligating us. Handled and processed goods shall be regarded as reserved goods. In the case of handling and processing, connecting and mixing the reserved goods with other property by the purchaser, which belong to the purchaser or third parties, we are entitled to co-ownership in the proportion of the invoice value of the reserved goods at the time of the delivery/service to the value of the other processed or mixed goods. Our co-ownership is to be seen as a reservation of goods.

**7.6**

Should our reserved goods be linked with other objects, and should the object belonging to the purchaser or a third party be regarded as the main object in accordance with the civil code ("občanský zákoník"), it is agreed at this point that a co-ownership at the proportion of the invoice value of the reserved goods to the value of the main objects shall be transferred to us and that the supplier has to store the object for us at no cost, so that we do not incur any expenditure. This co-ownership is to be seen as a reservation of goods.

**7.7**

Should the purchaser sell the delivered goods as agreed, he agrees to transfer his demands against his clients with all ancillary rights stemming from the sale to us at this point as a means of security. We accept this transfer. The customer is entitled and obligated upon our request to disclose the demand transfer for our invoice and to request a direct payment to us from his clients. Our right to disclose this demand ourselves as well as to collect it remains unaffected by this.

**7.8**

In the case of registering insolvency proceedings in respect of the client's assets, he is to separate our reserved goods or the transferred demands immediately, and has to present a detailed list on this, whilst stating the reason for the demand and the extent, as well as contact details for the liable demand parties.

**7.9**

Should the value of the securities owed to us exceed our demands secured therewith as a whole by more than 15%, we are obligated to release parts of the securities upon the customer's request and at our discretion.

**7.10**

The customer is to insure the reserved goods against theft, breakage, fire, water and other damages at his own expense.

**8. Guarantee****8.1**

The customer has to check the delivered goods immediately after their arrival at the stipulated destination, even if models or samples have been sent in advance. The accuracy requirements of the customer check regarding possible quantitative and qualitative deviations are to be based on correct business procedures. Should our goods be delivered in boxes, cartons or other containers, spot-checks are to be carried out. The delivery / service will be taken as accepted, if a notice of defect for obvious defects is not received by us within ten days after the receipt of the goods at the stipulated destination or within ten days after discovering a defect, if the defect could not be recognised during the check, in writing or via email containing a precise description and images of the defect.

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## 8.2

All warranty claims by the purchaser expire within one year, calculated from the legal expiry start date, unless explicitly agreed otherwise. This does not apply if we concealed the defect maliciously as well as in the case of obligatory liability for compensation in accordance with figure 8.8.

## 8.3

In cases of defects, which have been notified in a timely manner, we are to be given an opportunity to establish the defect as well as to sort, fix and re-deliver, unless in cases, where this would be unacceptable to the customer. If we choose rectification, this will be carried out for the customer at no cost for all those parts, which have a defect caused by material or processing faults or by a faulty service, for which we are evidentially responsible and prior to transferring the risk. Replaced goods shall become our property. Only in urgent cases with a risk to operational security or in order to prevent disproportionately significant damage, in which case we are to be notified immediately, the purchaser does have the right to remove the defect himself or by third parties and to request compensation for the necessary expenditure from us.

## 8.4

We do not accept liability for damages and additional costs which are linked to changes, unsuitable or inappropriate use, faulty installation or operation by the purchaser or third parties, faulty or negligent handling or processing, natural wear and tear, improper maintenance, unsuitable operational tools as well as chemical, electro-chemical and electric influences, as far as we do not have a shared responsibility.

## 8.5

Should the purchaser or a third party carry out an inappropriate rectification, we are not liable for the resulting consequences. The same applies to changes to the delivered objects without our prior written authorisation.

## 8.6

If we are to deliver in accordance with drawings, specifications, models, etc. provided by the client, he would carry the risk for the suitability of the intended purpose. Otherwise, the quality of the goods will be based explicitly on the agreed technical specifications. The date of risk transfer shall be decisive in terms of the contractual condition of the goods.

## 8.7

The customer is only entitled to a rescission of the contract (transformation) or a reduction of payment (reduction), if a rectification or supplementary performance has not been possible in individual cases, if it has been culpably omitted despite a written request by the customer whilst setting an appropriate deadline or if supplementary performance attempts have failed repeatedly.

## 8.8

In regards to claims to compensation by the purchaser, irrespective of the cause in law, i.e. delay, faulty delivery / service, breaches of duty as part of a contractual obligation or duties regarding contractual negotiations, intentional or grossly negligence: the liability for simple negligence is excluded, unless significant contractual obligations have been breached, whose fulfilment make the proper execution of the contract possible in the first place, or whose adherence should be expected by the purchaser on a regular basis. In this case we shall only be liable for the typical damage foreseeable at the time of concluding the contract. A personal liability of our legal representatives, assistants and employees for damage caused by them due to simple negligence is excluded.

## 8.9

The limitation of liability does not apply to cases, where there is a liability for faults in delivered goods for cases of personal and material damage to privately used objects in accordance with the product liability law. It also does not apply in cases of damage to life, body or health or in the case of faults with characteristics, which were explicitly assured in writing, if and as far as the assurance had intended to insure the customer against damage, which has not been caused by the delivered goods themselves.

## 8.10

The duty of replacement is furthermore excluded, as far as the purchaser has restricted the liability towards his clients effectively by them. In regards to the liability restrictions assigned to him to a legally valid extent, the customer is to seek agreement with his customers as well.

## 8.11

As far as our liability has been excluded or restricted, this also applies to the personal liability of our employees, workers, colleagues, representatives or assistants.

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## 9. Liability for defective titles, the purchaser's right of withdrawal

### 9.1

In cases where the utilisation of the delivered object leads to a breach of commercial property rights or proprietary rights, we are only obligated to obtain the principal right of further use for the purchaser or to modify the delivered object in a way, which is acceptable to the customer, so that the breach of the proprietary rights no longer exists. We will furthermore release the purchaser from undisputed or legally established claims by the proprietary rights holders. This does not apply, if we have produced the delivered objects in accordance with drawings, models or other similar descriptions or statements supplied by the customer, and where we therefore did not know that proprietary rights could be breached as a result. As far as our liability is excluded to this extent, the customer is to release us from third party claims.

### 9.2

We do not accept liability for the maintenance, repair and other services of the customer's used objects. Should such exist based on obligatory legal stipulations, it shall be restricted to one year from carrying out the measures.

### 9.3

Should the scope of service include software, we will only accept liability for the software handed over being free from reproducible faults in cases of a contractually agreed use, but not that the software corresponds with the purchaser's specific requirements.

### 9.4

The customer may withdraw from the contract, if it is conclusively impossible for us to ensure the agreed delivery and service before transferring the risks. This right of withdrawal does also apply to the customer, if the execution of part of the delivery becomes impossible to such an extent, that a loss of the customer's interests exists. Should he accept the partial delivery, the return service may be amended accordingly.

### 9.5

Should the impossibility of the service occur during an acceptance delay period by the customer, or at his responsibility, he shall continue to be obliged to provide a return service.

## 10. Choice of law, place of jurisdiction, place of execution

### 10.1

The relationship between us and the purchaser is subject to the law of the Czech Republic. The United Nations convention on contracts for the international sale of goods (CISG), as well as other, and also future bi-lateral or international agreements shall not apply after their integration into Czech law.

### 10.2

Unless explicitly agreed otherwise, the place of execution for the obligations stemming from the business relationship for both sides shall be Jihlava (the city of Jihlava, Czech Republic). This applies especially in regards to payment obligations.

### 10.3

The place of jurisdiction for all disputes stemming from the business relationship between the contractual parties shall be Jihlava, Czech Republic. We are, however, also entitled to sue the customer at his general place of jurisdiction.

## 11. Partial invalidity

### 11.1

Should a stipulation of these general terms and conditions be or become invalid, also in the context of other agreements, the validity of all other stipulations or agreements shall not be affected. Invalid stipulations are to be replaced by such, which are as close as possible to the economically intended regulatory purpose. If a timely replacement does not take place, legal regulations shall apply instead of the invalid clause.

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