

## **General Business Terms of TECHO, a.s. for purchases of production materials, consumables and other Merchandise**

### **I. Validity of General Business Terms**

1. All relations between TECHO, a.s. ("TECHO") and the Supplier are regulated by these General Business Terms for purchases of production materials, consumables and other Merchandise ("GBT"), unless the parties agree otherwise in writing.
2. Legal relations established by contracts between TECHO and the Supplier are governed by Czech law, in particular Act No. 89/2012 Coll., Civil Code, as amended ("CC").

### **II. Contracting and ordering**

1. Contracts (orders and their acceptance) for purchases of production materials, consumables and other Merchandise (collectively "Merchandise") must be in writing. For the purposes of these GBT an order in writing is an email message.
2. An order is accepted and a contract is concluded at the moment when TECHO issues and the Supplier confirms it in the manner in which it was delivered to the Supplier. No contract may be concluded on the basis of acceptance of a proposal or other offer for the conclusion of a contract with an irregularity even if the irregularity is one that does not change fundamentally the original terms of the order.
3. A written order for the Merchandise contains:
  - a. Specification of supplied the Merchandise;
  - b. Delivery date;
  - c. Place of delivery;
  - d. Total price and payment method;
  - e. Terms of payment;
  - f. Order number and date of its issue;
  - g. Transport method;
  - h. Reference to these GBT;
  - i. Specific terms of TECHO, if any.
4. The Supplier will confirm a received order without undue delay within 10 days after its delivery, as a rule by an email message. If the Supplier does not confirm an order received from TECHO by this deadline, TECHO reserves the right to cancel the order.
5. In the event of any reservations regarding an order, the Supplier is obliged to contact TECHO and agree with it any necessary changes. Following this, TECHO will issue, if necessary, a new/modified order which the Supplier will confirm in the manner and by the deadlines specified above.
6. To dispel any doubt TECHO and the Supplier agree that every offer can be modified in writing in the manner the offer was made. An order can be cancelled in the same manner.

### **III. Delivery of Merchandise**

1. The Supplier is responsible for due delivery of the Merchandise according to the order and is obliged to deliver it to TECHO by a deadline set in an individual order. TECHO is obliged to accept the Merchandise at the place of delivery specified in the order.
2. On receipt of the Merchandise TECHO may check the quality and quantity according to the order.
3. TECHO may refuse the Merchandise if it finds that the Merchandise is faulty, damaged, and is not in keeping with the quality or quantity stated in the order.

4. The moment when production material is delivered according to the order to the address in the binding order.
5. TECHO acquires ownership of the supplied Merchandise on written confirmation of acceptance of the Merchandise by signing a delivery note.
6. Risk of damage to the Merchandise passes to TECHO on due delivery of the Merchandise by the Supplier and written confirmation of its acceptance by TECHO.

**IV. Terms of payment**

1. VAT will be added to the total price of the Merchandise in each order at the rate specified in the applicable regulations.
2. The agreed price of a supply of the Merchandise according to an individual order is final unless the parties agree otherwise.
3. Payments will be made by bank transfer to an account specified in each order.
4. The Supplier will issue to TECHO for duly delivered Merchandise a tax invoice due 60 days after its issue unless the parties agree otherwise for an individual transaction. Maturity of the price of the Merchandise (60 days) begins to run from the moment of acceptance of the Merchandise by TECHO.
5. Invoices are delivered to TECHO by post, email, fax, or carrier, together with a consignment.
6. The day when a financial obligation is met in the case of a cashless transfer is the day when the amount is credited to the Supplier's account.
7. In the event of defective performance TECHO may withhold any payment if entitlement to it was established for another legal reason until its due performance.

**V. Confidentiality**

1. The Supplier undertakes to treat all technical and economic information it has obtained in connection with the business association with TECHO as a trade secret.
2. The Supplier may only refer to the business association with TECHO in its advertising if TECHO approves this in advance and in writing.
3. The parties undertake to keep confidential all material facts acquired during their activities resulting from the business association, in particular facts that constitute trade secrets and confidential information.
4. Trade secrets are all facts of commercial nature related to the parties' activities which have actual or at least potential value, are not normally available in business circles, are to be kept secret according to the volition of a party, and their secrecy is guaranteed in an appropriate manner.
5. The parties define confidential information as written documents and data handed over in connection with their business association.
6. TECHO and the Supplier note that all information which they obtain in the fulfilment of their mutual business obligations and in connection with them is confidential information unless it is a trade secret.
7. The parties are obliged to inform about the confidentiality duty all their employees as well as subcontractors and their employees, if any, who will have access to confidential information or to the other party's establishment.
8. A breach of trade secrets and confidential information is a course of action by which one party communicates to another person without authorization, makes accessible, uses for itself or for another person trade secrets or confidential information obtained during its activities from the other party if this runs contrary to the other party's interests, and does so without its permission.

9. A breach of TECHO's trade secrets and confidential information is the Supplier's course of action if the Supplier misuses in any manner project documentation, production documentation, drawings or other documents and materials supplied by TECHO for the purpose of executing an order. After completion of a delivery of the Merchandise the Supplier is obliged to return the documentation in question to TECHO. For any breach of the obligation to use supplied documentation solely to execute an order or the obligation to return it to TECHO, the Supplier will pay TECHO a financial penalty in the amount of 20% of the price of the ordered Merchandise.

**VI. Force majeure**

1. Force majeure, strikes, official measures and other unexpected, unavoidable and momentous events release the parties for the duration of such a hindrance, to the extent of its effect, from the duty to meet their obligations. This also applies if such events take place at a moment when the affected party is in default. The parties are duty-bound to provide each other without delay with necessary information and adopt their obligations to the changed circumstances.
2. If TECHO is prevented by force majeure from the acceptance of a transfer of value at an agreed location, TECHO's delay in acceptance is precluded for the duration of the hindrance, as well as the Supplier's claims to a valuable consideration or damage compensation. The Supplier is obliged to store the production material at its expense and risk for the duration of the hindrance.

**VII. Liability and warranties**

1. Unless the parties agree otherwise, the Supplier assumes liability for its defective transfers of value under the law.
2. In the event of a delay and defective performance the Supplier is obliged to indemnify TECHO for all prejudice causes by this (direct and indirect).
3. In the event of delivery of defective Merchandise or Merchandise unusable for another reason the Supplier is obliged to take immediate remedial measures.
4. Warranty coverage of the supplied Merchandise is 24 months after its acceptance in writing by TECHO. If the Supplier also installs any Merchandise, the warranty period runs from the moment the entire installation is put into operation.
5. Defects are corrected either by replacement of the Merchandise or defective components or their repair. If the Supplier has not replaced the Merchandise in a timely fashion despite a notice, TECHO may, without prejudice to the rights from liability and the warranty, to correct the defects or have them corrected at the Supplier's expense. If this cannot be done, TECHO may terminate the contract. Such termination will take effect on vain expiration of an additional deadline. Minor defects or defects whose correction allows for no delay will be corrected by TECHO itself and the Supplier will defray TECHO's actual costs. In the event of a replacement or repair the warranty period is extended by the time necessary for the replacement or repair.

**VIII. Financial penalties**

1. If the Supplier fails to meet its obligation to deliver the Merchandise by a deadline set in an order, the Supplier will pay TECHO a financial penalty in the amount of 0.05% of the price of the total order for each even incomplete day of the delay. TECHO may offset a claim for payment of a financial penalty against the Supplier's claim to the payment of the order price.

2. Payment of a financial penalty does not affect TECHO claim to compensation of a further higher loss. The obligation to pay of a financial penalty endures after the termination of the contract.
3. Supplied Merchandise may be used for execution of TECHO's orders for its customers. The Supplier notes that failure to deliver the Merchandise or delivery of defective Merchandise may cause damage to TECHO, for which the Supplier is liable.

**IX. Miscellaneous**

1. TECHO may terminate the contract with immediate effect if the Supplier has not met its obligations and failed to duly deliver the Merchandise according to the terms of the order.
2. TECHO may modify these GBT, reporting the modifications to the Supplier within 30 calendar days before the effective date of these GBT, including information about the proposed effective date, and publishing the modified text on its website.
3. If the Supplier does not refuse in writing a proposed amendment to these GBT within 10 days before the effective date, the Supplier is considered to accept the amendment from the effective date set by TECHO.
4. The Supplier may not cede claims established by the contract with TECHO to third parties.
5. Since TECHO and the Supplier lay great emphasis on responsible management of their business, the parties undertake to comply in their business association with all legal provisions as well as general moral and ethical principles related to the business association. A course of action that runs contrary to good morals is considered absolutely invalid.
6. TECHO and the Supplier undertake to uphold the highest ethical principles and anti-corruption conduct for the duration of their business association, anti-corruption conduct being defined for the purposes of these GBT and business association as an offer, promise or delivery, as well as demanding or acceptance of an undue advantage, or acceptance of a recompense, corrupting gift, provision of hospitality, defrayal of expenses, directly or indirectly, through the instrumentality of any of the parties' employees.
7. TECHO and the Supplier will endeavour to settle all disputes arisen from their contractual relations or in connection with them amicably by bilateral agreement. If a dispute cannot be settled amicably, it will be adjudicated under the laws of the Czech Republic by general courts of law of the Czech Republic.
8. These GBT will take effect on 1.4.2016.