

IMI International s.r.o.

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Initial Provisions

- 1.1. These General Terms and Conditions of Purchase (hereinafter referred to as the “*Conditions*”) regulate relations between the Customer and Supplier in the course of Goods delivering within the meaning of section 1751 (1) of Act No. 89/2012 Sb., the Civil Code, as amended (hereinafter referred to as the „*Civil Code*“). They are binding for all commercial relations of the Customer and Supplier.
- 1.2. These Conditions regulate and apply to all deliveries of Goods made by the Supplier to the Customer pursuant to the Agreement, unless a specific Agreement expressly provides for otherwise in writing.
- 1.3. Under the provision of section 1751 subsection 1 of the Civil Code, these Conditions are an integral part of each Agreement made between the Customer and Supplier and they apply to their full extent unless the Customer and Supplier agree in writing on certain conditions differently. In such a case, the different provision of the Agreement takes priority over these Conditions.
- 1.4. The Supplier acknowledges these Conditions as binding for all deliveries of the Goods that are to be made under the Agreement.
- 1.5. These Conditions are effective from 1.1.2016. The Customer is entitled unilaterally to amend or cancel these Conditions. Legal relations entered into after the effective date of the amended Conditions are governed by the amended Conditions.
- 1.6. Matters not regulated either by the present Conditions or the Agreement shall be governed by the relevant provisions of the Civil Code and other legal regulations of the Czech Republic when the use of the provisions of **section 1728, section 1729, section 1744, section 1757 subsections 2 and 3, 1799 and section 1800 of the Civil Code and consumer protection provisions is excluded.**
- 1.7. Provisions of the present Conditions take priority over potential general business terms and conditions of the Supplier. The application of the provision of **section 1751 subsection 2 of the Civil Code is excluded.**
- 1.8. Contracting parties confirm that they conclude the Agreement as entrepreneurs in the course of entrepreneurial activity and that neither contracting party is in a weaker position towards the other one.

2. Definition of terms

- 2.1. For the purposes of the present Conditions, the “*Customer*” shall mean **IMI International s.r.o.**, whose registered office at Humpolec – Humpolec, Central Trade Park D1 1573, Postal Code 369 01, ID No: 256 92 089, registered in the Companies Register kept by the Regional Court in České Budějovice, File No. C 10770.
- 2.2. For the purposes of the present Conditions, the “*Supplier*” shall mean an entrepreneur who has entered into an Agreement with the Customer within his business activity.
- 2.3. For the purposes of the present Conditions, the “*Agreement*” shall mean a purchase agreement, business cooperation agreement, or another agreement concluded between the Customer and Supplier.
- 2.4. For the purposes of the present Conditions, the “*Goods*” shall mean articles, product, and related services offered by the Supplier for purchase and more closely specified in the Agreement.
- 2.5. For the purposes of the present Conditions, the “*Offer*” shall mean the offer of the Supplier prepared for the Customer with information on the Goods, prices, and delivery conditions.

3. Making Agreement

- 3.1. The Customer places Orders of Goods in writing based on an Offer of the Supplier stating his identification data, precise specification of the ordered Goods – namely with regard to the sort, required quantity, price and potential codes of the Goods (should these be available). In his order, the Customer shall also give the required method of transport of the Goods, delivery date of the Goods and he shall specify the delivery address and invoice and contact data.
- 3.2. Once a written order of the Customer is delivered to the Supplier the Supplier is obliged without undue delay, however no later than within 3 (three) business days from the date of the order receipt, to confirm this order in writing (hereinafter referred to as the „*Confirmation of Order*“). By confirming the order, the Supplier shall be deemed to accept these Conditions in full.
- 3.3. Confirmation of Order must contain namely identification data of the Customer and Supplier, precise identification of the Goods with respect to the sort (including potential codes of the Goods) and quantities, price of the Goods, date and delivery place of the Goods. Unless specified otherwise in the Order, the delivery place of the Goods shall be deemed the registered office of the Customer. Confirmation of Order must further contain a serial number of the order, which the Supplier as well as the Customer further undertake to use in all further communication and documents (that is invoices, delivery notes, etc.) related to the orders.
- 3.4. The Customer is entitled to cancel or amend the order at any time before the Confirmation of Order by the Supplier based on a notice in writing to the Supplier.
- 3.5. Should the Confirmation of Order contain the requirements specified in article 3.3 of the present Conditions and should these be identical to the data on the order of the Customer under article 3.1 of the present Conditions, the Agreement is entered into at the moment the Confirmation of Order is delivered to the Customer. Any changes to the order and/or any changes, comments or reservations in the Confirmation of Order have no effect on the concluding of the Agreement but they are a new proposal to make an agreement. A new proposal of the Supplier requires a written confirmation by the Customer. If the Customer fails to do so within 3 (three) business days from the receipt of the new proposal, this proposal is deemed lapsed. In this respect, the parties expressly exclude the use of section 1740 subsection 3 of the Civil Code.
- 3.6. In the event that at the moment of the order receipt the Supplier knows that he will not be able to fill the order with regard to the quantity of Goods or the place or date of delivery, he is obliged without delay after the receipt of the order, however no later than within 3 (three) business days, to notify in writing the Customer of the need to change the order. Such a procedure of the Supplier establishes a new proposal by which the Customer is not bound. The new proposal of the Supplier requires a written confirmation by the Customer. If the Customer fails to do so within 3 (three) business days from the receipt of the new proposal, this proposal is deemed lapsed.
- 3.7. In the event that at the moment of receipt of the order the Supplier knows that that he will not be able to fill the order for whatever reasons at all, he is obliged to inform the Customer of this without any delay after the receipt of the order, however no later than within 3 (three) business days.
- 3.8. After the Confirmation of the Order, the Customer is entitled to change the quantity of Goods, place of delivery and date of delivery of the Goods based upon a notice in writing after a mutual approval.
- 3.9. If at the moment of receipt of an order change the Supplier knows that he will not be able, for whatever reason, to fulfil the required changes or that he will not be able to keep the specified price with the required change, he is obliged to notify the Customer of such a fact without any delay, however no later than within 3 (three) business days after the receipt of the notice in writing by the Customer of the change.

4. Inspection

- 4.1. The Customer is entitled to enter the premises of the Supplier in order to:

- a) inspect the production equipment and equipment used by the Supplier in the manufacturing of the Goods;
 - b) inspect and sample materials, packaging and the Goods;
 - c) inspect the stock of the Goods;
 - d) conduct inspection of the Goods.
- 4.2. Inspections conducted pursuant to art. 4.1 of the present Conditions must be carried out during the standard working hours of the Supplier and the Supplier must be notified of their conducting at least 1 (one) day before the inspection is performed. In case the Goods are tested, the Supplier is obliged to notify the Customer of the performed test of the Goods in writing no less than 3 (three) business days before the planned performing of the test. In case that the Supplier fails to meet this obligation, the test of the Goods may not be performed.
- 4.3. In the event that the Customer identifies any deficiencies after a performed inspection, the Supplier is obliged in reference to a written notice of the Customer immediately to adopt such measures that are necessary to ensure redress.
- 4.4. In the event of breach of the obligation to adopt measures that are necessary to ensure redress under art. 4.3. of the present Conditions, the Customer is entitled to a contractual penalty amounting to CZK 100.000,- for each case of such breach. This is without prejudice to the entitlement of the Customer to compensation. The contractual penalty is not included in the compensation; provision of section 2050 of the Civil Code shall not be applied. A repeated (more than one occurrence) breach of the obligation to adopt measures necessary to ensure redress under article 4.3. of the present Conditions means a material breach of the Agreement and establishes the right of the Customer to withdraw from the Agreement.
- 4.5. No consent given by the Customer or on behalf of the Customer during the test or inspection of the Goods under art. 4.1 of the present Conditions do not discharge the Supplier from the obligations arising from the Agreement.

5. Materials and Equipment

- 5.1. Ownership of all materials, tools and other equipment provided by the Customer to the Supplier to perform the Agreement (hereinafter referred to as the “*Provided Equipment*”) remains with the Customer. The risk of damage or loss of the Provided Equipment passes onto the Supplier on the day of takeover of the Provided Equipment by the Supplier. The parties undertake to make out a hand-over protocol on handing over of the Provided Equipment.
- 5.2. The Supplier is obliged to maintain the Provided Equipment in the condition in which he has taken it over with regard to the natural wear and tear. In case a repair of any Provided Equipment is required, the Supplier is obliged to inform the Customer of the requirement for repair in writing.
- 5.3. After the termination of the Agreement for any reason, the Supplier is obliged to return to the Customer all the Provided Equipment. In the event of breach of this obligation, the Customer is entitled to demand from the Supplier also a contractual penalty amounting to the value of provided equipment. This is without prejudice to the right of the Customer to compensation. The contractual penalty is not included in the compensation; provision of section 2050 Of the Civil Code shall not be applied.
- 5.4. The Supplier undertakes that he shall not use the Provided Equipment to secure any his debt. In case of breach of this obligation, the Customer is entitled to demand from the Supplier also a contractual penalty amounting to CZK 1.000.000,-. This is without prejudice to the right of the Customer to compensation. The contractual penalty is not included into the compensation; provision of section 2050 Of the Civil Code shall not be applied.
- 5.5. Should the Supplier and Customer make a lease/rental contract for machines and or another contract of a similar nature, the rights, and obligations of the parties with respect to the Provided Equipment shall be governed by such Agreement.

6. Delivery of Goods

- 6.1. The place of delivery and the delivery date of the Goods are set forth in the Agreement. Unless otherwise set forth in the Agreement, the delivery place is the seat of the Customer registered in the Register of Companies.
- 6.2. The Supplier is obliged to deliver to the Customer the Goods in the quantity, design, and quality specified in the Agreement. Unless the parties explicitly specified the quality and design of the Goods in the Agreement, the Supplier is obliged to deliver the Goods to the Customer in the quality and design that fully satisfy the purpose, for which the Goods are delivered and should such a purpose not be agreed, than the Goods must satisfy the purpose, which the Goods are regularly used for. The Goods must comply with all technical requirements and technical and safety standards; they must comply both with binding and advisory standards. Goods as well as parts used for their production must be new, unused, and not damaged. The Goods delivered in packaging or parcels must also contain a serial number of the order (see Art 3.3 of the present Conditions).
- 6.3. The Supplier is obliged, concurrently with the delivery of the Goods, to deliver to the Customer all the documents set forth in the Agreement as well as all documents required for the handover, free disposition, proving the origin of the Goods, potential customs clearance and the use of the Goods including a declaration of conformity or certificates within the meaning of applicable legal regulations and technical standards (hereinafter referred to as the **“Documents”**).
- 6.4. The Goods may not be encumbered with legal defects; the Goods must be free of any obligations, claims, or rights of third persons. In the event of a dispute including a legal process arising from the breach of copyright of third persons, the Supplier undertakes, at his own cost, to join this dispute and to defend the interests of the Customer. The Supplier is obliged to compensate to the Customer all damage occurred to him in connection with this.
- 6.5. The Supplier is obliged to deliver the Goods in the packaging that is suitable to this and that will guarantee that the Goods will not suffer damage or are destroyed during the transportation.
- 6.6. The Customer is not obliged to take over the Goods, if they are not delivered in the quantity, quality, or design (as it follows from the obligations of the Supplier under Articles 6.2. through 6.5. hereof), if they show defects, if there are reasonable doubts on the intactness of the Goods, if not all accessories and documents have been delivered to the Goods required for the use of the Goods, and/or if the Goods cannot be used for the purpose under the Agreement or the regular purpose. In such a case, the provision of section 2120 of the Civil Code shall not be applied and the Customer is entitled to refuse to take the Goods over. In the event of refusal to accept the Goods by the Customer under the above mentioned conditions, the Customer is obliged to hand over or to send to the Supplier a notice in writing containing the reason for such refusal to take-over of the Goods and to set periods for elimination of defects and for subsequent additional performance. If the defects specified by the Customer are not eliminated within the period specified by the Customer, this act is considered a major breach of the Agreement and the Customer is entitled to withdraw from the Agreement. This is without prejudice to the right of the Customer to compensation.
- 6.7. Unless otherwise specified by the parties, the Supplier is not entitled to make partial deliveries of the Goods without the prior written consent of the Customer. In the event partial deliveries of the Goods by the Supplier the Customer is not obliged to take these partial deliveries of the Goods from the Supplier. The provision of section 2120 of the Civil Code shall not be applied.
- 6.8. Unless otherwise specified by the parties, the Supplier is not entitled to perform the Agreement through a sub supplier without the prior written consent of the Customer.
- 6.9. The moment of the Goods hand-over is considered the fulfilment of the obligation to deliver the Goods to the Customer at the seat of the Customer registered in the Companies Register, unless something else has been agreed in the Agreement. The Supplier is obliged to attach a delivery note to each supply of Goods with the identification of the Supplier and Customer, sort and quantity of the Goods, serial number of the order and giving the delivery date. The Customer shall confirm the Good takeover on the delivery note and he shall furnish it with the following requirements: legible name of the taking over person, date of taking over and stamp of the Customer. The Supplier is obliged to hand over to the Customer one copy of the delivery note.

- 6.10. The title in the Goods and the risk of loss, damage, or destruction of the Goods passes onto the Customer at the moment when the Goods is taken over and the delivery note signed under Article 6.9. of these Conditions.
- 6.11. In the event that there is a danger of delay of the Supplier with the delivery of the Goods to the Customer, the Supplier is obliged immediately to inform the Customer of this and ask for his instructions.
- 6.12. In the event the Supplier is in delay with the delivery of the Goods, the Customer is entitled to require from the Supplier a contractual penalty amounting to 0.5% for each day of delay from the price of the Goods, the delivery of which the Supplier is in delay with. This is without the prejudice to the right of the Customer to compensation. The contractual penalty is not included in the damages. The provision of section 2050 of the Civil Code shall not be applied. This is without prejudice to Art. 14. 2 of the present Conditions.
- 6.13. The Supplier is entitled to make the delivery of the Goods before the delivery date specified in the Agreement only with the explicit written consent of the Customer.

7. Price and Payment Conditions

- 7.1. The agreed Price means the price in the currency set forth in the Business Cooperation Agreement exclusive of any VAT and the VAT will be charged to the price of the Goods in the amount according to the legal regulations applicable on the day of taxable supply of the Goods (hereinafter referred to as the "**Price**").
- 7.2. The Price is agreed as a fixed amount without the possibility of its change. A change in the costs of the Supplier has no influence on the amount of the agreed Price and the Supplier declares that in accordance with the provision of section 1765 subsection 2 of the Civil Code he assumes the risk of a change of circumstances.
- 7.3. Unless otherwise provided in the Agreement, the Price includes all costs of packaging, all required Documents within the meaning of clause 6.3. of the present Conditions, transportation to the place of destination and insurance of damage during the transportation of the Goods to the place of destination.
- 7.4. The Customer undertakes to pay to the Supplier the Price for the Goods by a cashless transfer to the bank account of the Supplier specified in the Agreement with maturity of 60 days from the delivery day of the invoice to the Customer. In the event of delay of the Customer with the payment of the Price not exceeding 7 (seven) calendar days, the Supplier is not entitled to charge to the Customer interest on late payment.
- 7.5. The Invoice as a tax and accounting document issued by the Supplier must contain the data prescribed by law otherwise the Customer is entitled immediately to return the invoice to the Supplier for completion or correction. In addition, the maturity date is shifted by the time necessary for the correction and completion of the invoice. The day of debiting the amount from the account of the Customer is deemed the day of payment.
- 7.6. The Supplier is not entitled without the prior written consent of the Customer to assign any his recorded receivable under the Agreement owed by the Customer or the entire Agreement to a third person.
- 7.7. The Supplier is not entitled without the prior written consent of the Customer to perform a unilateral setoff of his potential receivables owed by the Customer. The Customer is entitled to offset his receivables owed by the Supplier against the receivables of the Supplier owed by the Customer.
- 7.8. In the event that insolvency proceedings have been initiated against the Supplier and/or the Supplier is put into liquidation, the Customer is entitled to suspend performance of all his obligations arising from the Agreement until the time when the Supplier duly fulfils all his obligations arising to him from the Agreement. The Customer is not liable to the Supplier for any damage that might possibly occur due to the termination of performance arising from the Agreement under the present clause of the present Conditions.

8. Warranty for Quality of Goods, Liability for Defects

8.1. The Supplier undertakes that for the time of the warranty period in the length of 24 (twenty four) months the Goods:

- a) will be fit for the purpose set forth in the Agreement (should this not be stipulated, then for a regular purpose)
- b) will in all respects conform to all specifications set out in the Agreement, drawings and/ or other requirements agreed between the parties,
- c) will not depart in substance or form from its description or a sample provided by the Supplier to the Customer before the concluding the Agreement , and that
- d) the Goods will preserve their properties and parameters set out in the Agreement (unless these are not set out as usual properties) (hereinafter referred to as the “*Warranty Period*”)

The Warranty Period starts running from the day of taking over of the Goods by the Customer, unless the Parties agree differently in the Agreement.

8.2. The Customer shall enforce rights arising from the warranty as well as rights arising from liability for defects (hereinafter referred to as “*Right from Defective Performance*”) at the Supplier by a written report on defects of the Goods, which the Supplier shall deliver no later than on the last day of the Warranty Period (hereinafter referred to as the “*Complaint*”).

8.3. The Customer may enforce against the Supplier also the Right from defective performance if the Goods have defects at the time of their taking over or in case the defect shows in the goods during the Warranty Period. In such a case, the Customer may, without regard to whether the defective performance is a material or immaterial breach of the Agreement, enforce against the Supplier also the following claims:

- a) delivery of new Goods without defects or delivery of the missing Goods;
- b) defect removal by repair;
- c) reasonable discount from the Price;
- d) withdrawal from the Agreement.

8.4. The Supplier undertakes to resolve the Complaint of the Customer in the period set out in the Quality Manual for the Supplier that is an integral annex to the Business Cooperation Agreement, unless a different period is agreed by the parties (hereinafter referred to as the “*Period for Resolution of Complaint*”).

8.5. The Customer is entitled to amend claims from the Right from Defective Performance without the consent of the Supplier for the period of running of the Period for Resolution of Complaint set out in article. 8.4. of the present Conditions. The Customer will notify the Supplier in writing of a change in the choice of the claim of Right from Defective Performance.

8.6. In the event the Customer has made claims under clause 8.3., (a), b) and/or (c) of the present Conditions and if during the Period for Resolution of Complaint it proves that the defect cannot be removed, the Supplier is obliged to notify the Customer of this fact in writing, however not later than within 2 (two) calendar days from the day he established that the defect cannot be eliminated and the Customer has subsequently the right to make a claim under clause 8.3., (c) or (d) of the present Conditions.

8.7. The Supplier is obliged to inform the Customer in writing on the delivery of the complaint as well as of the method of the defects elimination and the time of its duration.

8.8. Until the defects of the Goods are eliminated, the Supplier is not obliged to pay to the Customer the Price for the Goods.

8.9. From the time of claiming the Right from Defective Performance until the due resolution of the Complaint by the Supplier the Warranty Period is not running.

- 8.10. If the Supplier fails to resolve the Complaint registered by the Customer within the period under article 8.4. of the present Conditions, the Customer is entitled to demand from the Supplier a payment of the contractual penalty amounting to 0.05% for each day, in which the Supplier is delayed with resolving of the Complaint from the Price of the Goods, and at the same time he is obliged to set out a new additional period for resolving the Complaint to the Supplier. The right to compensation of damage caused to the Customer by the breach of the obligation secured by the contractual penalty by the Supplier remains untouched in the full scope. The contractual penalty is not included in the amount of damage, provision of section 2050 of the Civil Code shall not be applied. In the event the Supplier fails to resolve the Complaint of the Customer even in the period set out additionally, the Customer is entitled to withdraw from the Agreement. This is without prejudice to the right to compensation and contractual penalty.
- 8.11. In the event of claiming of any Right from Defective Performance, the Customer is simultaneously entitled to the compensation of costs and expenses occurred to him in relation of the claim or claims from defects and compensation of damages occurred due to defects of the Goods.
- 8.12. In the event of resolving a Complaint in some of the methods specified in clause 8.3., (a) and/or (b) of these Conditions, a new Warranty Period is running for the new or repaired Goods, or its new or repaired part, from the day of its handing over to the Customer, unless the parties agree otherwise.

9. Other Obligations of Supplier

- 9.1. The Supplier undertakes to maintain all licenses, permits, authorizations, and approvals he needs to fulfil his obligations under the Agreement.
- 9.2. The Supplier undertakes to maintain liability insurance that will include liability insurance for all obligations of the Supplier under the Agreement and under these Conditions. The amount of the insurance payment is set out in the Business Cooperation Agreement.
- 9.3. The Supplier declares to be acquainted with the Code of responsible business/conduct of the Customer that is available at <http://www.imiplc.com/responsible-business/code-of-conduct.aspx>. To this end, the Supplier undertakes in the business intercourse with the Customer always to act in accordance with the above-specified Code of the Customer.

10. Force majeure

- 10.1. The Customer and Supplier are entitled to suspend performance of their obligations arising from the Agreement for the period, for which the circumstances excluding liability within the meaning of section 2913 subsection 2 of the Civil Code (hereinafter referred to as the “*Force Majeure*”) continue. The Supplier is entitled to suspend performance of his obligations also in the event of Force Majeure circumstance at his sub supplier. Under the present Conditions, an impediment which has occurred independently on the will of the obliged party and preventing this party from performing its obligations, if the obliged party may not be reasonably expected to avert or overcome the impediment or its consequences and further that it would foresee this impediment at the time of conclusion of the Agreement, is considered Force Majeure.
- 10.2. Force Majeure excludes the entitlement to the assertion of contractual penalties against the party affected by Force Majeure.
- 10.3. No effect pursuant to article 10.1. of the present Conditions will occur, if a Force Majeure event occurred at the time when the obliged party was in default with performance of its obligation or it originated from its economic situation.
- 10.4. The Party taking advantage of the Force Majeure event must notify the other party of this fact in writing without any delay no later than within 5 (five) business days after the event of Force Majeure occurred and it must take all possible measures to mitigate the consequences of failure to meet the contractual obligations.

- 10.5. Should an event of Force Majeure last for a period longer than 10 (ten) days, any party shall be entitled to withdraw from the Agreement. Withdrawal from the Agreement is done by notice in writing sent to the other party and it is effective upon its delivery.

11. Secrecy, Confidential Information, Intellectual Property

- 11.1. Parties must maintain confidentiality of all information related to the subject matter of the Agreement, which they have obtained directly or indirectly from the other Party in relation to the concluding and performance of the Agreement and that are contained in the Agreement, which are disclosed to it by the other party in relation to the Agreement, which relate to the parties, their business partners, which form trade secret or might have the nature of trade secret of the parties or any other Confidential Information that is known to it (hereinafter referred to as the “*Confidential Information*”) and they shall not abuse the Confidential Information.
- 11.2. Confidential Information is considered confidential within the meaning of section 504 of the Civil Code. Disclosure of information that is or that will get publicly known or publicly available due to a reason different than the breach of the Agreement or information, which the party itself is obliged to disclose or make available to an authorized person under the applicable legislation, is not considered a breach of the obligation set forth in this paragraph (when information disclosed or made available in this manner continues to be Confidential Information and obligations of the parties with respect to its treatment as Confidential Information according to the Agreement are not affected thereby).
- 11.3. The Supplier is obliged to bind its employees and persons to whom he shall assign individual tasks in relation to the performance of the Agreement to keep Confidential Information secret at least in the same scope, in which the Customer keeps it secret.
- 11.4. The Supplier further undertakes without prior written consent of the Customer not to disclose or use for his benefit or for the benefit of a third party any Confidential Information.
- 11.5. Provision of this article of the present Conditions shall survive the termination or expiry of the Agreement for a period of five years.
- 11.6. The Customer reserves the proprietary, industrial right and copyright to designs, drawings, and other documents attached by the Customer to an order, to the Agreement or otherwise made available to the Supplier. These are considered the trade secret of the Customer and they may not be disclosed or made available to third persons without the consent of the Customer. For a breach of this obligation, the Customer is entitled to the payment of a contractual penalty amounting to CZK 200,000 for each individual breach of this obligation by the Supplier.

12. Delivery

- 12.1. For the purpose of the present Conditions, unless provided otherwise in the present Conditions or in the Agreement, written communication between the Customer and the Supplier shall mean communication through correspondence passed in person between the contracting parties, sent through a holder of the postal licence or by a courier service or in any other manner, allowing for passing of confirmation of delivery back to the sender, or by e-mail or telefax.
- 12.2. When delivering (sending of documents), messages and any materials to the other party, the delivery is made to the last known address of the other party. In case of doubt, it is deemed that it is the last address officially notified to the other party at which correspondence is standardly received or the address set forth in the Agreement (identification of the parties). E-mails are deemed delivered unless the other contracting party receives information on the e-mail failure to deliver. Fax is deemed duly delivered if it is addressed to the executive director, representative, or authorized representative of the parties and the sending machine issues a confirmation of its successful transmission. All reports and communications, to which the other party reacts, are deemed delivered.
- 12.3. For the purpose of the present Conditions, the day of service is deemed: a) the third business day after (the message) was sent by any of the methods specified in paragraph 12.2. of the present Conditions to

the relevant address (e-mail or fax number) of the contracting party also in the case that the addressee has failed to accept the document; b) in case of personal delivery the effects occur upon the delivery or refusal of this document.

- 12.4. Both the Customer and Supplier are obliged immediately to inform the other party in writing of potential changes to the person of their responsible person or any other data significant for mutual providing of information.

13. Arbitration Clause

- 13.1 All disputes or claims that will arise from legal relations of the present Conditions and/or the Agreement, or in relation to them including disputes of the Agreement's validity, breach, termination or nullity shall be finally settled under the Rules of Arbitration of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (Vienna Rules) by one or three arbitrators appointed in accordance with the said Rules. The parties have agreed that substantive law of the Czech Republic shall be applied and Parties have agreed that substantive law of the Czech Republic shall be applied and the United Nations Convention on Contracts for International Sale of Goods of 11. April 1980 is excluded.

14. Withdrawal from Agreement

- 14.1. Contracting parties may withdraw from the Agreement only in cases of a material breach of the Agreement or in cases explicitly stated in the Agreement, the present Conditions or the Civil Code. Withdrawal from the Agreement is effective on the day when notice of withdrawal in writing is delivered to the other contracting party.

- 14.2. A material breach of the Agreement under the present Conditions is deemed:

- a. a delay of the Supplier with the making of delivery, if the Supplier fails to deliver the Goods even after the passing of an additional period for performance stipulated by the Customer in his call sent to the Supplier when additional period for performance may not be shorter than three business days; this does not apply in the event that under the Agreement there was a fixed obligation within the meaning of the provision of section 1980 of the Civil Code;
- b. a delay of the Customer with the payment of an invoice that is longer than 90 days.

- 14.3. A Contracting party is also entitled to withdraw from the Agreement in the event that:

- a. a relevant insolvency court has rendered a decision on the bankruptcy of the other contracting party;
- b. a relevant insolvency court has rejected a petition to render a decision on bankruptcy due to the lack of assets of the other contracting party;
- c. the other contracting party has suspended its payments;
- d. the other party has filed a petition to the insolvency court for rendering of a adjudication of bankruptcy with respect to the other contracting party;
- e. the contracting party goes into liquidation.

- 14.4. Withdrawal from the Agreement must be delivered to the other contracting party in writing when sending by e-mail or telefax is not considered to be the written form for the purposes of withdrawal from the Agreement.

15. Other Provisions

- 15.1. By sending a Confirmation of Order, the Supplier gives his consent to the Customer to process all personal data given in the Confirmation of Order. Processing of personal data means the processing of personal data under section 4 e) of Act No. 101/2000 Sb., on the Protection of Personal Data.

- 15.2. The Customer is entitled to assign the Agreement to another person.
- 15.3. Unenforceability or invalidity of any provision of these Conditions or the Agreement shall not affect the enforceability or validity of other provisions of these Conditions or the Agreement. In the event that any provision should lose its validity for whatever reason (namely due to the conflict with applicable laws and other legal norms), the contracting parties shall hold consultations and agree a legally acceptable manner of implementing intents contained in such a part of the Agreement, which has lost its validity.