

I. General Terms and Conditions

1. These General Terms of Delivery form an integral part of all purchase agreements concluded by BAEST Machines & Structures, a.s., with its registered office at Černošská 1930, Benešov, Postcode 256 01, entered in the Commercial Register kept on file at the Municipal Court in Prague, Section B, Insert 15464, as the Seller.
2. By signing any purchase agreement, the Buyer declares that it has read the General Terms of Delivery and that it irrevocably and unconditionally accepts all the conditions thereof, unless the agreement provides otherwise. By signing the purchase agreement, the Buyer also waives the application of the General Business Terms and Conditions of the Buyer.
3. The order of the Buyer confirmed by the Seller also constitutes a purchase agreement to which these General Terms of Delivery apply. The Seller excludes the acceptance of a quotation with an addition or deviation on the part of the Buyer – the provisions of Section 1740 (3) of Act No. 89/2012 Coll., Civil Code, as amended (hereinafter the “Civil Code”).
4. These General Terms of Delivery replace all the previous versions hereof, and the Seller may modify the General Terms of Delivery at any time. The contractual relationship shall always be governed by the General Terms of Delivery applicable on the date of sending the respective quotation to the Buyer, or on the date of placing the order by the Buyer, unless the order is preceded by the quotation sent by the Seller.

II. Terms of delivery

1. Meeting the due date of performance by the Seller is dependent on the proper and timely cooperation of the Buyer. If the Buyer is in default of the provision of proper and timely cooperation, the date of delivery shall be postponed by such a period of default. The Buyer shall accept the goods on such a date.
2. The Seller will fulfil its obligation to deliver the goods by handing the goods over to the Buyer. A delivery note shall form a part of the delivery of the goods to the Buyer. Delivery of the goods to the Buyer means handing the goods over to the Buyer at the place of performance, which is the registered office of the Seller.
 - 2.1 Unless dispatch of the goods has been arranged, the Seller shall ask the Buyer to take over the goods at least three (3) days before the expected date of hand-over of the goods within the agreed delivery period. If the Buyer fails to take over the goods for reasons not on the part of the Seller, the Seller's obligation to deliver the goods will be considered fulfilled, all risk of damage to the goods shall pass to the Buyer, and the Seller shall be entitled to store the goods at the expense of the Buyer. The Seller shall notify the Buyer thereof without undue delay and inform the Buyer of the storage costs.
 - 2.2 If the Seller has arranged dispatch of the goods, the Seller's obligation to deliver the goods shall be considered fulfilled at the moment of hand-over of the goods to the first carrier at the agreed place, or at the destination according to the transport arrangements specified in the purchase agreement, according to the usual practice and at the expense of the Buyer. At the moment the goods are handed over to the first carrier for transport to the Buyer, the goods shall be deemed taken over by the Buyer. The Seller shall notify the Buyer of the dispatch of the goods, and it is not the responsibility of the Seller to insure the goods. In the event that the Buyer fails to provide the Seller with any transport arrangements, the Seller shall choose the way of transport itself, in its discretion with regard to its possibilities and economical transport.
3. The interpretation of the terms of delivery specified in the purchase agreement shall be governed by the Civil Code and the INCOTERMS 2010 conditions (issued by the International Chamber of Commerce in Paris).
4. Method of transport, loading, transportation arrangements:
 - 4.1 The obligation of the Seller to identify the goods shall be considered fulfilled by completing the transport and delivery documents accompanying the goods;
 - 4.2 the goods will be packed (equipped for transport) in a manner customary in transport of goods in Central European weather conditions. Additional packaging shall be paid by the Buyer separately (special packaging, containers etc.).
 5. The Seller reserves the right to partial performance.
 6. The Seller reserves the right to deliver the goods in a modified form compared to the ordered form, if such changes do not affect the functional use of the goods, and provided that such goods are manufactured according to the documentation of the Seller.
 7. The Seller undertakes to deliver the goods within the delivery period. However, the Seller is not responsible for any delay; in particular, the Seller is not obliged to pay any damages in the event of delay. Unless the goods are delivered within sixty (60) days of payment of the total purchase price (this period does not include the time when the Buyer is in default of acceptance of the goods), and unless there is a new agreement, the Buyer may withdraw from the purchase agreement without the right to any compensation by sending a notice by fax or registered letter to the address of the Seller. All amounts already paid will be refunded to the Buyer within thirty (30) days of termination of the contractual relationship established by the purchase agreement.

8. The Buyer shall not make any changes or modifications to the delivered goods, or mark them otherwise than as indicated by the plant. Nor shall the Buyer label the goods in any way which may give the impression that they are different products than the supplied ones.

III. Liability for defects

1. The Seller shall deliver the goods in normal quality or the quality agreed in the purchase agreement.
2. If the quantity or type of goods upon hand-over and take-over does not match the purchase agreement or if the goods have obvious defects that it is possible to detect with due attention, the Buyer shall be entitled and obliged to record such defects in the delivery note.
3. As the sale takes place between two entrepreneurs who specialise in the same market segment, liability for latent defects is excluded, which the Buyer expressly accepts. The Buyer shall inspect the goods and submit a written report to the Seller (by registered letter or by e-mail: reklamace@baest.cz, claim@baest.cz) concerning any defects without undue delay after the delivery of the goods to the Buyer (but no later than eight (8) days from the receipt of the delivery in the case of incorrect quantity, and no later than six (6) months from the receipt of the delivery in the event of other defects), otherwise the right of the Buyer arising from the liability for defects cannot be exercised in court proceedings. To the extent that it is not possible to exclude liability for latent defects, the provisions in the preceding sentence shall apply to latent defects of goods.
 4. Normal wear and tear of the goods cannot be considered as defects.
 5. Minor defects shall not result in any postponement of the Buyer's obligation to take over the goods and pay the purchase price.
 6. In the event of defects, the Buyer shall only be entitled to the repair or replacement of parts approved by the authorised representative of the Seller. In particular, the Buyer shall not carry out any repairs itself or hire a third party to carry out the repairs. Only parts that are defective due to construction or manufacturing flaws may be replaced free of charge. The Buyer is entitled to a full replacement of the goods only if the authorised representative of the Seller recognises the goods as irreparable. The Seller will not accept any structural defects in the case of goods manufactured according to technical documentation provided by the Buyer.
 7. The Seller shall determine the manner in which claims shall be settled.
 8. The Seller reserves the right to modify the performance in part or in full or to replace the supplied goods, should the Seller consider this method a more appropriate way to remove defects. The Buyer gives its consent thereto.
 9. Any identified defects (specified in the delivery note) shall be removed without undue delay. If the Buyer then refuses to accept the goods without a good reason, or if the Buyer refuses to sign the delivery note, the Seller shall record such a refusal in the delivery note and the goods shall be deemed handed over as of the moment of refusal of the Buyer to accept the goods or sign the delivery note.

IV. Prices and terms of payment

1. Prices shall be determined without taxes, customs duties, insurance and transportation costs, which will be charged to the Buyer separately (even for partial performance), usually in contractor invoices (the content of which shall be determined by the Seller), unless the Parties agree otherwise.
2. Unless otherwise specified in the agreement, the Buyer shall pay to the Seller a deposit of 40% of the total price of the goods specified in the purchase agreement within a period of seven (7) days of the effective date of the purchase agreement. However, if, after the effective date of the agreement, doubts arise as to whether the Buyer will properly fulfil its duties (mainly pay the full purchase price), and unless the Buyer, at the Seller's request, provides the Seller with reasonable security, the Seller may require a deposit of 100% of the total price of the goods specified in the purchase agreement.
3. Invoices (tax documents) for the delivered goods are due in the manner and within the period specified in the purchase agreement. If the agreement does not contain such specifications, invoices are payable within fourteen (14) days of the date of sending the invoice to the Buyer, by bank transfer to the account of the Seller specified in the agreement, unless the relevant invoice specifies a different account; payment by bill of exchange, cheque, or in any other way than by bank transfer to the account of the Seller is possible only with the written consent of the Seller. For the purposes of this Article, in the event of disagreement between the Parties, the day of delivery shall be the third (3rd) day after demonstrably sending the document to the address of the Buyer. The previous sentence is not detrimental to Section 573 of the Civil Code.
4. If the agreed deposit or the full price of the previous sub-performance under the purchase agreement or any other performance of the Seller is not paid by the Buyer, the Seller has the right to suspend the start of manufacturing, purchase of materials and other preparatory and implementation activities, including further performance, without the Buyer having any right to any compensation for damage caused by such a delayed performance.
5. The Buyer is not entitled to withhold or refuse payment of the purchase price or a portion thereof in due time due to an incorrect tax document (invoice) issued by the Seller. In such a case, the Buyer is obliged to immediately

notify the Seller in writing, and the Seller shall promptly issue and deliver to the Buyer a corrected tax document (invoice).

6. Filing a complaint does not give the Buyer the right to suspend any payment to the Seller.

7. Payments received by the Seller from the Buyer are always first used to cover the outstanding obligations of the Buyer and only then for the purposes specified in the payment documents.

8. In the event of default in the payment of the Buyer's obligations, the Buyer agrees to pay to the Seller interest on late payment amounting to 0.05% of the debt incurred under the purchase agreement for each day of delay if the Buyer is in default for a period of up to 30 days, and amounting to 0.5% of the outstanding amount for each day of delay if the Buyer is in default for more than 30 days. In addition to all penalties, i.e. including penalties agreed in the purchase agreement, the Seller may also require compensation for damage which is not covered by any penalties (incurred, invoiced and paid).

9. The Seller is entitled to assign all of its accounts receivable from the Buyer (or a portion thereof) that are overdue to a third party. The Buyer may only assign its accounts receivable from the Seller with the written consent of the Seller.

10. The Seller is entitled to set off any of its accounts receivable from the Buyer against the accounts receivable of the Buyer from the Seller based on the purchase agreement. The Buyer may only set off any of its accounts receivable from the Seller against the accounts receivable of the Seller from the Buyer under the purchase agreement with the written consent of the Seller.

11. If the price is determined in the agreement in a foreign currency and the CZK exchange rate or the exchange rate of the Czech National Bank changes by more than $\pm 3\%$ as of the date of performance of the purchase agreement, the Seller may change the price of goods to an amount corresponding to the change in the exchange rate exceeding 3%.

V. Exclusion and limitation of liability

1. The liability of the Seller for damage (actual damage and loss of profits) is excluded to the maximum amount permitted by law. In the event that liability cannot be excluded, the Seller and the Buyer assume that the damage caused to the Buyer and the Seller's liability will in no event exceed the purchase price of the goods for which the latter is responsible.

2. The Seller is not liable for any damage or delay in performance or for any claims arising therefrom due to force majeure that is particularly due to unusual weather conditions, unusual traffic problems, strikes, etc., i.e. situations over which the Seller has no effective control.

3. The implications of any changes in performance made at the request of the Buyer, especially the extension of the subject of the agreement, shall be charged to the Buyer, in particular in the event of a price increase, extension of the deadline for completion, etc. Similarly, in the event of modifications made to the Subject of Performance by the Buyer, the liability of the Seller shall be excluded.

VI. Transfer of risk, official authorisation

1. The Buyer shall bear all risk of damage to the goods from the moment of delivery thereof.

2. If the Buyer imports the goods into a country other than the Czech Republic, the Buyer shall be responsible for obtaining all permits, licences, customs clearance and any licences relating to the delivery and transport of the goods, and the Seller shall not be liable for any such obligations.

VII. Miscellaneous

1. The Seller shall be bound by its draft purchase agreement for sixty (60) days after its delivery (submission) to the Buyer, unless the draft provides otherwise. Unless the Seller receives the written consent of the Buyer to the draft within this period, no agreement shall be established.

2. The delivered goods shall remain the property of the Seller until the purchase price is paid in full (ownership retention).

3. The Buyer is entitled to dispose of the goods subject to ownership retention only for its own use. The Buyer shall not sell the goods or pledge the goods to a third party. The Buyer is entitled to process or modify the Subject of Performance, the price of which has not been paid in full, or to combine such a Subject of Performance with other items. Upon processing, modifying or combining with other items which are not the property of the Seller, the Seller becomes, until the date of full payment of the price of the Subject of Performance, a co-owner of the resulting new item with a share corresponding to the ratio of the value of the modified, processed or combined Subject of Performance to the value of the new item.

4. The Buyer agrees to assign to the Seller all claims resulting from any resale or transfer of goods subject to ownership retention, including all the

accounts receivable. The Buyer is obliged to immediately inform its debtors of the assignment of receivables and simultaneously to immediately send to the Seller all the documents concerning these facts and to provide the Seller with complete information so that the Seller may properly exercise its claims. The Buyer is also obliged to return all goods subject to ownership retention to the Seller.

5. All information on weight, dimensions, technical characteristics, prices, specifications and other parameters of the products listed in catalogues, brochures, records, promotional articles, price lists, etc., is intended for information purposes only and is not binding on the Seller. This information is binding on the Seller only if it is expressly stated in the purchase agreement.

6. The Seller is and shall remain the exclusive owner of all drawings, models and all documentation with which the Buyer might have become acquainted in the course of performance of the agreement or which the Buyer obtained, with the exception of the documentation provided by the Buyer. This information may only be used by the Buyer, solely in connection with the purchase agreements entered into with the Seller. This documentation is confidential and may not be reproduced, copied or transferred to any third party without the express prior consent of the Seller. At the same time, the Buyer shall keep confidential all matters with which it became acquainted in the course of cooperation with the Seller, except those matters that the Seller has designated for publication. In the event of a breach of the obligation of the Buyer under this Article, the Buyer agrees to pay to the Seller a penalty of EUR 1,000 (one thousand euros) for each violation. Payment of the penalty shall be without prejudice to the Seller's right to claim compensation for damage.

7. Failure of the Buyer to fulfil one of its obligations arising from the purchase agreement or these General Terms of Delivery establishes the right of the Seller to withdraw from the purchase agreement at any time. As of the day of immediate withdrawal of the Seller from the agreement, all obligations of the Buyer arising under the purchase agreement, especially financial obligations, shall become payable. The immediate withdrawal shall take effect on the date of delivery of the notice to the Buyer by mail, fax or personal delivery.

8. The Buyer has the right to immediately terminate the agreement only in the event of the demonstrable failure of the Seller to fulfil its obligations under the purchase agreement; in the event of delay in delivery of the goods, the Buyer shall proceed in accordance with Article II.7 of these General Terms of Delivery. In other cases, the Buyer may withdraw from the agreement only if the Buyer takes over and pays for any goods already produced and reimburses the Seller for costs demonstrably incurred in connection with the purchase agreement. To cover these costs, the Seller shall primarily use the unsettled deposits paid by the Buyer.

9. The Parties agree on the exclusion of Section 1978 (2) of the Civil Code which states that any futile expiry of the additional deadline shall result in automatic withdrawal from the agreement.

10. The persons signing each purchase agreement must be authorised to act on behalf of the Buyer or be authorised for such an act. By providing their signatures, such persons declare that they are authorised to act on behalf of the Buyer and that they acknowledge all the possible consequences, in particular the need to pay compensation for damage, if this declaration proves to be false.

11. The provisions of the purchase agreement shall take precedence over the General Terms of Delivery, should there be a conflict between the conditions of the purchase agreement and the General Terms of Delivery. Inapplicability of certain provisions of these General Terms of Delivery due to any inconsistency with the purchase agreement shall not result in the inapplicability of the remaining provisions of the General Terms of Delivery.

12. The provisions of the agreement and these General Terms of Delivery shall take precedence over the provisions of law, except those that are mandatory.

VIII. Governing law and dispute resolution

1. These General Terms of Delivery and the purchase agreement shall be governed by and construed in accordance with the laws of the Czech Republic. The rights and obligations of the Parties shall be governed by the Civil Code in accordance with Section 3028 (3) thereof. The Vienna Convention on International Sale of Goods (1980) shall not apply.

2. If the Parties fail to resolve any dispute relating to the purchase agreement amicably, such a dispute shall be resolved by the Czech court with substantive jurisdiction. In such a case, the Parties agree that the court with territorial jurisdiction shall be the District Court at the place of the Seller's registered office, if the substantive jurisdiction of a District Court is given in the particular case, or the Regional Court in Prague, if the substantive jurisdiction of a regional court is given in the particular case.

Valid as of 16.12.2013

I hereby confirm that I have read these General Terms of Delivery on behalf of company....., that I understand all the provisions hereof, and that I do not consider any of the provisions to be extraordinary or otherwise deviating from general business practices. I expressly agree to the exclusion/limitation of the Seller's liability for damage (including damage caused by delay) and the limitation of the Seller's liability for defects.

Place:

Date:

Name:

Title: