

GENERAL BUSINESS TERMS OF TECHO, a.s. FOR PURCHASES OF PRODUCTION MATERIALS, CONSUMABLES AND OTHER MERCHANDISE (the “TERMS AND CONDITIONS”)

Valid from 1st April 2018

1. VALIDITY OF THE GENERAL BUSINESS TERMS

- 1.1. All relationships 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.
- 1.2. Legal relationships established by contracts between TECHO and the Supplier are governed by Czech law, in particular Act No. 89/2012 Coll., the Civil Code, as amended.

2. CONTRACTING AND ORDERING

- 2.1. 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 email message is deemed a written order.
- 2.2. An order is accepted and a contract is concluded at the moment when in response to an order it issued, TECHO receives an order acknowledgment (acceptance) from the Supplier. An order acknowledgement shall be received using the same method in which the order was issued to the Supplier. No contract shall be concluded on the basis of receipt of a proposal or other offer for the conclusion of a contract that deviates from the original order, even if the deviation is one that does not change fundamentally the original terms of the order.
- 2.3. 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 email message is deemed a written order.
- 2.4. An order is accepted and a contract is concluded at the moment when in response to an order it issued, TECHO receives an order acknowledgment (acceptance) from the Supplier. An order acknowledgement shall be received using the same method in which the order was issued to the Supplier. No contract shall be concluded on the basis of receipt of a proposal or other offer for the conclusion of a contract that deviates from the original order, even if the deviation is one that does not change fundamentally the original terms of the order.
- 2.5. A written order for Merchandise contains:
 - 2.5.1. Specification of the Merchandise to be supplied;

- 2.5.2. Delivery date;
 - 2.5.3. Delivery address;
 - 2.5.4. Total price and payment method;
 - 2.5.5. Terms of payment;
 - 2.5.6. Order number and date of issue;
 - 2.5.7. Transport method;
 - 2.5.8. Reference to these GBT;
 - 2.5.9. Any specific requirements of TECHO.
- 2.6. The Supplier will confirm a received order without undue delay within 10 days of its receipt, as a rule by email. If the Supplier does not confirm an order received from TECHO by this deadline, TECHO reserves the right to cancel the order.
- 2.7. 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 acknowledge in the manner and by the deadlines specified above.
- 2.8. For the avoidance of doubt, TECHO and the Supplier agree that an order can only be amended in writing using the same communication method as for sending the original order. An order can only be cancelled in the same manner.

3. DELIVERY OF MERCHANDISE

- 3.1. The Supplier is responsible for due delivery of the Merchandise according to the order and is obliged to deliver it to TECHO by the deadline set out in an individual order. TECHO is obliged to accept the Merchandise at the place of delivery specified in the order.
- 3.2. On receipt of the Merchandise TECHO is entitled to check that the quality and quantities comply with the order.
- 3.3. TECHO may reject the Merchandise if it finds that the Merchandise is faulty, damaged, or is not in keeping with the quality or quantity stated in the order.
- 3.4. The moment of delivery of production material under an order is deemed the moment it is delivered to the delivery address stated in the binding order.
- 3.5. TECHO acquires ownership of the supplied Merchandise on written confirmation of acceptance of the Merchandise in the form of signing a delivery note.
- 3.6. 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.

4. TERMS OF PAYMENT

- 4.1. VAT will be added to the total price of the Merchandise in each order at the rate specified by the applicable regulations.
- 4.2. The agreed price for a supply of the Merchandise according to an individual order is final unless the parties agree otherwise.

- 4.3. Payments will be made by bank transfer to an account specified in invoices relating to each individual order.
- 4.4. The Supplier will issue to TECHO for duly delivered Merchandise an invoice payable 60 days after its issue, unless the parties agree otherwise for an individual transaction. The payment period for the price of the Merchandise (60 days) begins to run from the moment of acceptance of the Merchandise by TECHO.
- 4.5. Invoices are delivered to TECHO by email in pdf format to address invoices@techo.cz.
- 4.6. The day when a financial obligation is met in the case of a bank transfer is the day on which the amount is credited to the Supplier's account.
- 4.7. In the event of defective performance TECHO may withhold any payment, even if entitlement to it was established for another legal reason, until due performance has been provided.

5. CONFIDENTIALITY

- 5.1. The Supplier undertakes to treat all technical and economic information it has obtained in connection with its business relationship with TECHO as confidential.
- 5.2. The Supplier may only refer to its business association with TECHO in its advertising if TECHO approves this in advance and in writing.
- 5.3. 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.
- 5.4. Trade secrets are all facts of a commercial nature related to the parties' activities which have actual or at least potential value, are not normally available in business circles, in relation to which it is the will of a party that they be kept secret, and their secrecy is guaranteed in an appropriate manner.
- 5.5. The parties define confidential information as written documents and data handed over in connection with their business relationship.
- 5.6. 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 if not deemed a trade secret.
- 5.7. The parties are obliged to inform 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, about the confidentiality duty.
- 5.8. A breach of confidentiality or a trade secret occurs when one party without authorisation informs or makes available to a third party trade secrets or confidential information obtained from the other party, or makes use of such information for its own or another's benefit, if this occurs to the detriment of the interests of the other party and without approval of the other party.
- 5.9. A breach of TECHO's trade secrets and confidential information by the Supplier is deemed action by which 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.

6. FORCE MAJEURE

- 6.1. Force majeure, strikes, official measures and other unexpected, unavoidable and momentous events release the parties for the duration of such 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 adapt their obligations to the changed circumstances.
- 6.2. If TECHO is prevented by force majeure from the acceptance of a consignment at an agreed location, TECHO will not be deemed in delay with acceptance for the duration of the hindrance, and the Supplier's claims to a valuable consideration or compensation for delay are precluded. The Supplier is obliged to store the production material at its expense and risk for the duration of the hindrance.

7. LIABILITY AND WARRANTIES

- 7.1. Unless the parties agree otherwise, the Supplier assumes liability for its defective performance pursuant to applicable legal regulations.
- 7.2. In the event of a delay and defective performance, the Supplier is obliged to indemnify TECHO for all detriment caused by this (direct and indirect).
- 7.3. In the event of delivery of defective Merchandise or Merchandise unusable for another reason, the Supplier is obliged to take immediate remedial measures.
- 7.4. Warranty coverage of the supplied Merchandise is 24 months from 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.
- 7.5. Defects are corrected either by replacement of the Merchandise or defective components, or by their repair. If the Supplier has not, despite notification, replaced the Merchandise in a timely fashion, TECHO may, without prejudice to its rights arising from liability and the warranty, rectify the defects or have them rectified at the Supplier's expense. If this cannot be done, TECHO may terminate the contract. Such termination will take effect on expiration without result 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.

8. FINANCIAL PENALTIES

- 8.1. If the Supplier fails to meet its obligation to deliver the Merchandise by the date 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 commenced 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.
- 8.2. Payment of a financial penalty does not affect TECHO's claim to compensation for a further higher loss. The obligation to pay of a financial penalty endures after the termination of the contract.

8.3. 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.

9. MISCELLANEOUS

- 9.1. 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.
- 9.2. TECHO reserves the right to amend these GBT, reporting the changes to the Supplier at least 30 calendar days before the amended GBT take effect, including information about the proposed effective date, and publishing the modified text on its website.
- 9.3. If the Supplier does not object in writing to a proposed amendment to these GBT at least 10 days before the effective date, the Supplier is deemed to have accepted the amendment from the effective date set by TECHO.
- 9.4. The Supplier may not assign claims established by the contract with TECHO to third parties.
- 9.5. Since TECHO and the Supplier place 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 ethical standards is deemed absolutely invalid.
- 9.6. TECHO and the Supplier undertake to uphold the highest ethical principles and anti-corruption conduct for the duration of their business association. Corrupt conduct being defined for the purposes of these GBT and the business relationship as any inappropriate offer, promise or delivery, as well as demanding or acceptance of an undue advantage, or acceptance of an inappropriate recompense or gift, hospitality, defrayal of expenses, directly or indirectly, through any of the parties' employees.
- 9.7. TECHO and the Supplier will endeavour to settle all disputes arising from or in connection with their contractual relationship amicably by mutual agreement. If a dispute cannot be settled amicably, it will be adjudicated under the laws of the Czech Republic by the general courts of law of the Czech Republic.
- 9.8. These GBT will take effect on 1.4.2018.