

**KUVAG CR, spol. s r. o.**

**Nádražní 489**

**335 01 Nepomuk**

**Czech Republic**

**VAT: CZ49192795**

**Entered in the Commercial Register kept by the Regional Court in Plzeň under Section C, Insert 4044, the “Firm”**

## **General Delivery Terms and Conditions of KUVAG CR, spol. s r. o.**

### **1. Scope of Application**

- 1.1. These General Delivery Terms and Conditions govern all legal relations under purchase contracts and contracts for work where the Firm is engaged as a seller or a contractor, unless any written agreement between the Firm and the other contracting party (the “Customer”) provides otherwise.

### **2. Concluding Contracts**

- 2.1. A contract will be concluded between the Customer and the Firm, unless the Customer delivers to the Firm a written notification within three working days of receiving the draft contract from the Firm about his not consenting to the draft contract.
- 2.2. Any data provided in the catalogues, leaflets and other documents of the Firm intended for the public are decisive for the legal relationship of the Firm and the Customer only if referred to expressly in the contract between the Customer and the Firm.
- 2.3. Any contract concluded between the Firm and the Customer may only be changed in writing.
- 2.4. No tendering and project documentation of the Firm may be reproduced or disclosed to any third party without the consent of the Firm. Return of such documentation can be requested at any time and the request must be complied with immediately.

### **3. Prices**

- 3.1. The contractual prices are quoted in parity FCA Kuvag CR, Nepomuk (INCOTERMS 2000) or from the Firm’s storehouse. The contractual prices are exclusive of both statutory VAT and the price of returnable packages (such as steel grate box, EURO pallet, wooden enclosure ...). If any charges or other expenses are to be paid in relation to the delivery, they will be within the responsibility of the Customer. Returnable packages may only be returned to the Firm upon an express agreement between the Firm and the Customer.
- 3.2. Returnable packages are invoiced by the Firm to the Customer. After they are returned undamaged, the price of the returnable packages will be refunded by the Firm to the Customer within 15 days of their acceptance and delivery of Customer’s invoice.

### **4. Delivery**

- 4.1. Delivery times are agreed in a separate agreement between the Customer and the Firm. If such agreement provides that the Customer has the obligation to pay the Firm an advance for the fulfilment of the Firm and the Customer is in delay in the advance payment, the time of fulfilment of the Firm will be extended by the number of days the Customer is in default to pay the advance.

- 4.2. Any official permits and other approvals of any third parties necessary to manufacture the equipment will be provided for by the Customer. If such approvals are not available in time, the delivery times will be extended accordingly.
- 4.3. The Firm is entitled to fulfil its obligations under the contract concluded with the Customer even partially and the Customer has the obligation to make the corresponding payment to the Firm for the partial fulfilment.
- 4.4. In addition to the obstacles specified in the provisions of Section 374 of the Commercial Code, the barriers due to adverse weather conditions, delays in goods clearance or interruption in the supplies of energy required to meet the obligation of any default of a subcontractor in fulfilment to the Firm are considered to be the circumstances excluding the liability of the Firm. The barriers specified in the previous sentence exclude the liability of the Firm even if they occur with any third party entrusted by the Firm to fulfil its obligations under the contract concluded with the Customer or with the Firm's subcontractor.
- 4.5. If the Customer breaches its obligation to take over goods, the Firm is entitled to store the goods at the Customer's expense and the Customer has the obligation to pay the Firm a contractual fine of 1% of the purchase price per each day of the Customer's delay in taking over the goods.
- 4.6. If the Customer is in delay in the payment of the purchase price or the price for work execution, it has the obligation to pay the Firm a contractual fine of 0.05% of the purchase price or the price of work execution per each day of the delay.
- 4.7. If the Firm is in delay in goods delivery or work execution, it has the obligation to pay the Customer a contractual fine of 0.05% of the purchase price or the price of work execution per each day of the delay, however 3% of the purchase price or the price of work execution as a maximum.

## **5. Fulfilment and Transfer of Risks**

- 5.1. The risk of loss in the goods will pass to the Customer at the moment the goods are handed over by the Firm to the first carrier for transport to the Customer or at the moment the Customer takes over the goods from the Firm, whichever occurs sooner.
- 5.2. No separately agreed quality tests or trial operations will affect the agreement on the place of fulfilment and the risk of loss transfer.

## **6. Payment**

- 6.1. All payments for the Firm's fulfilment are due within 15 days of the day the goods are handed over by the Firm to the first carrier for transport to the Customer or the Customer takes over the goods from the Firm, whichever occurs sooner.
- 6.2. If an obligation of the Customer to pay an advance is agreed, such advance payment will be due within 5 days of the day the advance invoice is sent to the Customer.
- 6.3. If the Customer is in delay in the fulfilment of its obligations under the contract concluded with the Firm, the term of the Firm's fulfilment will be extended by the period of time the Customer is in delay in the fulfilment of its obligations. In such a case, if notified in writing by the Firm that the Firm takes advantage of this right, the Customer has the obligation to pay the Firm the total payment for the Firm's fulfilment (the purchase price or the price of work execution) within 5 days of the delivery of the written notification.
- 6.4. If in delay in the payment of any monetary obligation, the Customer has the obligation to pay the Firm contractual delay interests in the amount of triple the CNB discount rate announced on the first day of the delay.
- 6.5. Any right to providing discounts and bonuses depends on the due fulfilment of all obligations under the contracts concluded between the Firm and the Customer.

- 6.6. The Firm is the owner of all supplied goods until the full settlement of the purchase price including all contractual fines and delay interests related to the purchase price settlement. The Customer may not dispose of, burden or process the goods owned by the Firm, unless agreed by the Firm in writing.

## **7. Warranty Period and Warranty for Defects**

- 7.1. The Firm provides the Customer with a 24-month warranty for the goods sold by the Firm to the Customer; on condition, however, that the Customer has paid the Firm the agreed purchase price for the goods duly and in time and that the Firm has not provided the Customer with a written warranty for a different period of time for individual parts of the delivery. The previous sentence will not apply in those cases when used goods have been sold and the Customer has been advised of the same or if the subject of the obligation of the Firm is repair or modification of a thing handed over to the Firm by the Customer. The warranty period will commence at the moment the risks are passed as per Clause 5.1.
- 7.2. Any application of the claims under the provided warranty and under the statutory liability for defects is subject to a written notice about the defects and presentation of the defective goods at the Firm's office.
- 7.3. All expenses incurred in relation to the remedy (such as disassembly and assembly, transport, time spent in travelling) will be borne by the Customer. If, according to a special agreement between the Customer and the Firm, the repair or inspection of claimed goods is done at a place other than the Firm's office, the Customer will provide the Firm free of charge required helping personnel, lifting device, common tools, minor material, etc. and any other collaboration necessary to fulfil the Firm's obligations under the warranty or liability for defects.
- 7.4. If any goods are manufactured by the Firm on the basis of designing data, drawings, models or other specifications provided by the Customer, the Firm's warranty will only apply to workmanship corresponding to the specification of the Customer. The Firm is not responsible for any defects of the goods occurring due to mistakes in the Customer's specification.
- 7.5. In addition to the cases stipulated in the provisions of Section 431 of the Commercial Code, the warranty does not apply to those defects which are due to usual wear and tear or improper use of the supplied goods.
- 7.6. The warranty of the Firm will become void immediately in the event that the goods under the warranty are subject to any modification or repair without the consent of the Firm.

## **8. Withdrawal from Contract**

- 8.1. If the Customer is in delay in the fulfilment of any of its obligations towards the Firm for a period exceeding 14 days, the Firm has the right to withdraw from all contracts concluded with the Customer.
- 8.2. In the event that a contract is concluded between the Firm and the Customer which, as agreed by the Customer with the Firm, should be fulfilled in more partial fulfilments and the Customer is in delay in any of its obligations under such contract towards the Firm for a period exceeding 5 days, the term of the Firm for the remaining part of its fulfilment will be extended by the same number of days of the Customer's delay.

## 9. *Final Provisions*

- 9.1. If any goods are manufactured on the basis of designing data, drawings, models or other specifications provided by the Customer, the liability for any breach of third-parties' rights to industrial or other intellectual property will be borne solely by the Customer, not the Firm.
- 9.2. The condition of the written form of the contract concluded between the Customer and the Firm will also be met if the document is sent via e-mail or fax. The provision of the previous sentence relates exclusively to the conclusion of the contract, not to any amendments thereof or other legal acts which, pursuant to these General Delivery Terms and Conditions or under the law, should be made in writing.
- 9.3. The legal relations between the Customer and the Firm will be governed by the Rule of Law of the Czech Republic, namely the Commercial Code. The court having jurisdiction over the district where the office of the Firm is located on the day of starting the judicial proceedings will settle any disputes arising between the Customer and the Firm.
- 9.4. These General Delivery Terms and Conditions supersede in full the general delivery terms and conditions of the Firm issued on 6 November 2002.

In Nepomuk, on 1 August 2006

Ing. Václav Hraběta  
Executive Manager  
KUVAG CR, spol. s r. o.