

#### Article 1

##### Definitions

In these General Conditions of Sale and Delivery:

1. Supplier means Avex Steel Products s. r. o. (hereinafter, Avex)
2. Client means the person who manifested interest in entering into a contract with the Supplier.
3. Customer means the person who has entered into a contract with the Supplier.
4. Contract means an agreement concluded under article 4, paragraph 6, or an agreement concluded in any other valid way in compliance with the legal rules in force (by Customer's confirmation of the Client's order, or the Client's confirmation of the Offer)
5. Contract has to be concluded in written form (article 19).

#### Article 2

General Conditions of Sale and Delivery of Avex (hereinafter, Terms and Conditions) set forth the framework terms and conditions for the realization of delivery and (where applicable) installation of Avex products.

#### Article 3

##### Battle of Forms

1. Supplier acknowledges that it enters into any contract only under these Terms and Condition. Any change, modification or reservations shall not be effective unless the Supplier has expressly accepted them.
2. These Terms and Conditions are applicable even where a contract is not concluded under article 4 and 5 but it is validly concluded in compliance with the rules set forth by the laws in force. In such case the present Terms and Conditions make part of a contract under the conditions set forth by the laws in force.

#### Article 4

##### Contract Formation

1. Based on oral or written requirements by Customer, the Supplier prepares a proposal on a contract form (hereinafter, Offer).
2. In order to constitute a valid proposal, the Offer must at least contain:
  - a) Description and type of the goods
  - b) Price without VAT
  - c) Reference to delivery method under INCOTERMS terms valid at the time of dispatch of the contract proposal. In case of a domestic sale, Incoterms shall be used only in the scope that corresponds and is in compliance with the nature of a domestic sale.
  - d) Text: Questions that are not regulated by this contract shall be regulated by the General Conditions of Sale and Delivery of Avex which make an integral part of this contract. Both parties are familiar with the General Terms and Conditions and accept them.
3. The entry under paragraph 2 letters a) – c) shall be inserted into the Offer based on the price list or price offer (if the Supplier provided the Customer with it before) or based on the previous negotiations between the Supplier and the Customer.

4. Customer agrees to read and get familiar with the Conditions before the approval of the Offer. By signing the Offer the Customer confirms he/she/it is familiar with the Conditions and accepts them. Conditions are binding on the Customer upon dispatch of the confirmed Offer.
5. Offer has to be confirmed by signing and the confirmation must contain at least:
  - a) Business name.
  - b) Name, surname and function of a person authorized to enter into a contract.
  - c) Handwritten signature of the person specified in letter b).
  - c) Stamp, where possible.
6. The contract is concluded at the moment when the Offer accepted without modifications by the Customer reaches the Supplier.

#### Article 5

##### Battle of Forms (modifications, changes, reservations)

1. Any additions or alterations of the Offer made by the Customer before or upon signing the Offer shall constitute a counter-Offer which is subject to express acceptance by the Supplier.
2. In cases under paragraph 1 the Supplier shall prepare a new Offer based on the changes and the parties then continue under paragraph 4.
3. Where a contract has been concluded and Customer wishes to make changes related to the subject matter of the contract, the Supplier shall prepare a new Offer based on the new requirements and will among else take into account the influence those requirements may have on price and time of delivery.
4. In cases under paragraph 3, the article 4 and paragraphs 1 and 2 of this article of the Conditions apply to the formation of the changed contract. Upon confirmation of the new Offer the obligations arising out of the original contract cease to exist.

#### Article 6

##### General provisions

1. Supplier shall deliver the goods specified in the contract and shall transfer the title to the goods to the Customer.
2. The Supplier shall deliver the goods within the period specified in contract. The Supplier may exceed the period only for the reasons which are related to the nature of its operation and which at the time of the conclusion of the contract could not foresee. By 30th day delay Customer is entitled to contractual damages. Damages shall be 0,05 per cent of the value of the delayed goods for each started day of delay subsequent to the delivery date subject to maximum damages of 2 per cent of the value of the delayed goods. This provision shall not apply in case of delay for reasons excluding the liability (especially force majeure under article 21).
3. The Supplier must immediately notify Customer in case of delay under paragraph 2.
4. Customer pays the price for the goods as specified in contract.
5. The title to the goods passes to Customer only after the payment of the full price.

Article 7  
Product Quality

Supplier acknowledges that the delivered goods is in conformity with the legislation in force in the place of his registered seat, and quality standards set forth by CSN EN ISO 9001:2009 norm.

Article 8  
Documents related to Goods and Packaging

1. Supplier shall include the following documents into delivery of the goods:
  - a) export within the EU: CMR, invoice is sent by post
  - b) export outside of the EU: invoice, CMR, customs declaration or EUR1, ATA CARNET.
2. The invoice shall be issued in as many copies as required by the Customer.
3. Supplier shall add other documents to the goods where agreed upon with the Customer or, where required by law and/or state authorities.
4. In the documents Supplier shall state the weight (as precise as possible, without weighing unless agreed otherwise) and number of pieces of a delivery.

Article 9  
Technical norms and standards, conformity

1. Manufacturer produces the goods in conformity with technical norms applicable to the relevant type of goods. Upon requirement by the Customer, manufacturer shall provide the Customer with the full text of the Technical norms and conditions.
2. Upon requirement by the Customer, Manufacturer shall issue a certificate of conformity of the goods with the laws in force in the place where the goods is manufactured.

Article 10  
Liability for non-conformity of the goods  
Supplier guarantees conformity of the goods with conditions provided for by Technical documentation and terms and condition agreed upon in the contract.

Article 11  
Manifest defects of supplied goods

1. The Customer must inspect the goods within 5 days after an evincible day of taking possession of the goods. The parties may agree on different period for the inspection of the manifest defects of the goods on case by case basis.
2. If the goods is manifestly defective or non-conform, i. e. it has visible defects, in particular defects in number of items and packaging, the Customer must immediately after the discovery of defects notify the Supplier in writing in which:
  - a) Customer informs the Supplier of the defects, the notification contains:
    1. identification of the delivered goods, and/ or number of the contract
    2. description and extent of the defect
    3. where it is possible to make photo documentation given the nature of the defect, such photo documentation must show the nature and extent of the defects.
  - b) Customer informs the Supplier of the liability claim choice under article 14, providing its complaint will be genuine and valid.

4. Supplier must communicate its statement to the complaint to the customer within 21 days after the delivery of the notification under paragraph 2.

5. Liability for defects under this article is excluded if the defects incurred after the risk of loss passed caused by circumstances beyond the Suppliers control. It is also excluded in case where the defect resulted from the improper manipulation or storage not complying with the Technical conditions.

#### Article 12

Other defects of the goods and guarantee

1. Supplier guarantees full operability of the delivered goods during 12 months after an evincible date of taking possession of the goods by the Customer, unless there is another separate agreement between the parties.

2. If the Customer finds out any defects related to operability/functionality of the delivered goods, the Customer must send a notification within 7 days after the discovery of a defect.

Notification must inform the Supplier of the defects and contain:

- a) identification of the delivered goods, and/ or number of the contract,
- b) description and extent of the defect,
- c) where it is possible to make photo documentation, given the nature of the defect, such photo documentation must show the nature and extent of the defects, Customer informs the Supplier of the liability claim choice under article 14, providing its complaint will be genuine and valid

3. After expiry of the guarantee period under paragraph 1 and failure to comply with the requirements under the paragraph 2 the claims related to defects are not enforceable.

4. Supplier must communicate its statement to the complaint to the customer within 14 days after the delivery of the notification under paragraph 1.

5. Liability for non-conformity under this article is excluded if the defects incurred after the risk of loss passed to the Customer, if they were caused by circumstances beyond the Suppliers control. Liability is also excluded in case where the defect resulted from improper manipulation or storage not complying with the Technical conditions.

#### Article 13

Other obligations related to transport

1. Independently of the delivery terms (especially INCOTERMS if agreed upon) and the regime of liability for non-conformity the Customer must always:

- a) Check the delivery, especially its entireness and integrity.
- b) Immediately notify the transporter of any damage incurred to the delivery and require drawing of a protocol on damage by the transporter. Customer must also notify the Supplier within 5 days after taking possession of the delivery from the transporter, and send the protocol specified in letter a) to Supplier.

2. Where the transportation abroad outside of the EU is in charge of the Customer or any other person, the Customer guarantees that the customs declaration will be returned to the Supplier within 30 days of the date of delivery from manufacture warehouse. In case of a breach of the provision in the previous sentence the supplier is entitled, based on an invoice, to account for the amount corresponding to VAT for the goods for which the customs declaration was not returned to the Customer. Article 16 applies for payments of such amount. This article does not apply in case where the Customer proves that customs declaration was taken by customs authority.

Article 14

Complaints

1. If the goods are defective under articles 11 and 12, the Customer is entitled to the following claims against the Supplier:

- a) Discount up to the price of defective or damaged part of the item, but not more than 5 % of the total price of the item without VAT, unless the parties agree on higher discount.
- b) Exchange of the defective part of the item.
- c) Exchange of the item where by consequence of the defect the item cannot be used and the defect cannot be repaired.
- d) Repair (especially repair of the surface or non-functioning part of the item).

2. Claims under paragraph 1 cannot be combined or changed ex post without the prior written agreement by the Supplier.

3. Supplier bears the costs related to the realization of complaints under this article.

4. Supplier does not expect the damage incurred by the Customer to be higher than the value of the delivered goods.

5. Supplier is entitled to verify the defective item on the spot before giving reply to the Customer's complaint. Supplier has to exercise the right under the previous sentence within 5 days after it had been notified by the Customer. As regards the inspection/examination of the defective item the Customer must cooperate with Supplier and provide assistance, especially to enable an access to the goods.

Article 15

Repair by Supplier

Supplier may ensure the repair of the goods on its own only where the parties agree with it and provide for a payment method for such repair.

Article 16

Payment of purchase price

1. Customer shall pay the purchase price for the goods within the period and under the conditions set forth in a contract, by wire transfer to the account of the Supplier specified in the contract or in the invoice to the goods. If there is a difference between the contract and the invoice, the latter shall prevail. Delay in payment that is longer than 30 days is considered a substantial breach of a contract.

2. Purchase price is paid when the total sum is credited to the Supplier's account. The payment of purchase price is considered delayed when it has not been paid on maturity date. Supplier is not required to take any steps (for example notification of delay).

3. Should the purchase price not be paid by the deadline under the paragraphs 1 and 2, the Supplier is entitled to delay further deliveries or partial performance under the contract and performance under other contracts concluded with the Customer until such time as outstanding invoices of the Customer have been fully paid.

4. The fact that the original invoice or other documents sent with the goods have been lost during transport does not entitle the Customer to delay the payment of the purchase price. In case of a loss specified in the previous sentence the Customer must notify the Supplier within 10 days after taking possession of the goods. The Supplier must immediately send to the Customer the number of the account for the payment of purchase price and new copies of the lost documents.

5. Each payment by the Customer will be used first for the settlement of any bank fees and costs related to the transfer of the purchase price to the account of the Supplier. Should a price lower than the purchase price be credited to the Supplier's account because the bank fees had been subtracted of the price, Supplier is then entitled to the difference plus one half of the not credited difference sum.
6. Complaint by the Customer does not affect its duty to pay the purchase price in total or in part. Claims related to non-conformity of goods are not affected.

#### Article 17

##### Common provisions on sanctions

1. Any amounts due and payable by the Customer under the contract which have not been received in time, shall accrue an interest rate of 0,05 per cent of the value of the delayed goods for each started day of delay subsequent to the delivery date.
2. Contractual penalty agreed upon by and between the parties reflects their expectations as for the damage that may be caused by a breach of the obligation secured by this contractual penalty. Contractual penalty also has a probative value in favor of the party which has not breached the contract.
3. Any individual breach of a contractual obligation gives rise to a right to claim contractual penalty.
4. Contractual penalty is due upon request by a party, and the claim must be made in writing. Provisions on the payment of the purchase price (article 16) apply on payment of the contractual penalty respectively.
5. Any provisions of these Terms and Conditions on contractual penalty do not affect the rights of the parties arising out of the contract or under the law applicable to the contract, i. e. claims for damages in particular.
6. Claims to contractual penalty are excluded in case of force majeure.

#### Article 18

##### Currency Clause

1. Prices agreed upon between the parties shall be paid according to exchange rate CZK:EUR which is/was valid on the day of the conclusion of a contract.
2. In case there is a change in the exchange rate between the date under paragraph 1 and the date on which an invoice is issued, the Supplier is entitled to adjust the invoice price on pro rata basis to the change in the respective exchange rates. The provision under paragraph 2 applies in case where the change in exchange rates is bigger than 3 %.
3. In case of a price adjustment under the paragraph 2 the Supplier shall include a note in an invoice stating the price adjustment under this currency clause, for example by including a text: Price adjustment/increase as provided for by the article 18 of the General Conditions of Sale and Delivery.
4. Exchange rate shall be the exchange rate of the Czech National Bank. Details on the Czech National Bank exchange rate and its history are available at [www.cnb.cz](http://www.cnb.cz).
5. In case the exchange rate changes by more than 3 % to the detrimental of the Supplier between the date on which an invoice is issued and the date upon which the purchase price is paid in full, the supplier may account for the difference to the Customer in a separate invoice or in an invoice issued for the next delivery. The provisions of paragraphs 3 and 4 apply respectively.

Article 19

Cancellation of Contract

1. A contract may be cancelled in case of a substantial breach thereof, where it is provided for by the contract or by law governing the contract.
2. Delay with payment of the purchase price or its part by more than 30 days, and delay on delivery by more than 90 days is considered a substantial breach of contract.
3. Where the Customer after the conclusion of a contract refuses to take over the goods, the Supplier has the right to cancel the contract and is entitled to contractual penalty which equals to the agreed purchase price without those parts of purchase price that have already been paid.
4. Supplier may lower the amount of contractual penalty under paragraph 3 with regard to its actual costs related to realization of the contractual obligation and reasonable profit. The Supplier acknowledges that it will exercise its right under paragraph 3 with regard to the importance of the breach by the Customer, and that it is ready to find the solution by agreement which will respect the interests of the Customer.
5. Contract must be cancelled in writing.
6. In case of a breach other than breach under paragraphs 2 and 3, any party has the right to cancel a contract if the notification of a cancellation is sent within 3 days following the day during which the notifying party could actually find out about a breach of a contract.

Article 20

Final Provisions

1. All changes and amendments of the Contract are valid only if they are presented in writing.
2. Writing means paper document, email or fax if it was signed by persons entitled to act on behalf or in the name of the contracting party.
3. In case of communication by email, the addressee has the right to request the delivery of the document in another form (e. g. Fax or paper document) within 3 working days from the delivery of the email. The email is considered not delivered in case where within reasonable time from the delivery of request under paragraph 2 another form of the document is not sent.

Article 21

Force majeure

1. The parties shall not be liable for breach of their contractual obligations where such breach results from circumstances arising out of or related to political, economic, natural and operational events and changes, unless such circumstances occurred due to the party's actions.
2. The circumstances under paragraph 1 include, without limitation: strikes in transportation, embargos, natural disasters, terrorist attacks, long term power outages or accidents causing traffic collapse.
3. The circumstances under paragraph 1 shall not be considered force majeure in case where they occurred only at time when the party has already breached its contractual obligation, or where the circumstances arise out of the party's economic situation (bankruptcy).

4. The party which cannot due to the circumstances under paragraph 1 perform its contractual obligations shall notify the other party in writing not later than 5 days after the force majeure occurred.

5. Force majeure excludes the claims for contractual penalty.

#### Article 22

Priority - Law governing domestic sales

1. The Documents that have been used or exchanged between Parties shall be applicable in this priority order:

a) an individual contract concluded between the parties (in principle concluded on the Offer form), its modifications and amendments, and other equal documents which were agreed upon by both parties

b) the present general conditions of sale and delivery

2. Any dispute, controversy or claim arising out of, relating to or in connection with this contract, including any question regarding its existence, validity, breach or termination, shall be finally settled by three arbitrators in arbitration proceeding before the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic under the rules of this Arbitration Court. The seat of arbitration shall be Brno and the costs will be calculated under the principles governing the costs of arbitration proceedings of the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic.

#### Article 23

Priority - Law governing international sales

1. UNIDROIT Principles of International Commercial Contracts become indivisible and integral part of the contracts concluded between the parties. Trade usages and practices shall be binding on the parties only if the parties expressly agreed upon them.

2. With regard to paragraph 1 the following priority order of the legal rules applicable between the parties shall apply:

a) legal norms of the law applicable which cannot be departed from by agreement of the parties (mandatory rules)

b) individual contract concluded between the parties (in principle concluded on the Offer form), its modifications and amendments, and other equal documents which were agreed upon by both parties

c) annexes which are referred to in contract

d) UNIDROIT Principles of International Commercial Contracts

e) other provisions of the governing law which can be departed from by agreement of the parties

3. Any dispute, controversy or claim arising out of, relating to or in connection with this contract, including any question regarding its existence, validity, breach or termination, shall be finally settled by three arbitrators in arbitration proceeding before the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic under the rules of this Arbitration Court. The costs will be calculated under the principles governing the costs of arbitration proceedings of the Arbitration Court attached to the Economic Chamber of the Czech

Republic and Agricultural Chamber of the Czech Republic. English shall be the language of the arbitration proceeding.

4. Any dispute, controversy or claim arising out of, relating to or in connection with this contract, which cannot be resolved in arbitration proceeding under paragraph 3, shall be resolved by Czech courts. The address of the arbitration court's seat in paragraph 3 shall be decisive for determination of the venue.

5. The parties agree that the contract they enter into and all issues relating to, or in connection with the contract for which the choice of law is admissible, shall be governed by Czech law, being the law of the party which provides the characteristic performance