

## **GENERAL BUSINESS AND DELIVERY CONDITIONS**

### **I. General**

1) These general business and delivery conditions (hereinafter the **Conditions**) issued by KASTT, spol. s r.o. strive to clarify and specify the rights and obligations of the seller and customers – buyers. The conditions expand on the basic provisions of the Purchase Contract and are an integral part thereof. In the case of disputes between the Purchase Contract and these Conditions, the provisions of the Purchase Contract take precedence. Modifications or divergences from these Conditions must be approved in writing by the parties. By signing the Purchase Contract or sending a binding order, the buyer unconditionally accepts the Conditions.

2) If the contract is signed on behalf of the buyer by a person whose signing authorisation is not indicated in the commercial register, this person is obliged to submit valid power of attorney or another document proving the given person's authorisation to represent the buyer. The buyer is also obliged to prove its VAT registration upon request, if it is a VAT payer according to the valid laws.

3) The offer sent by the seller is considered non-binding. The obligation to deliver the goods is established only after signing of the Purchase Contract by both parties. The buyer's order for establishment of the contract requires its confirmation by the seller. The seller reserves the right to not confirm any delivered order and not deliver the goods, even without stating its reasons. In accordance with §1740(3) of the Civil Code, the seller precludes any unilateral amendments or divergences from the conditions of the offer made by the buyer, even if these are amendments or divergences that do not significantly alter the conditions of the offer.

4) Before ordering a specific product, the seller and buyer will exert maximal efforts in specifying the goods in order to avoid potential misunderstandings concerning the design and parameters of the goods. The final chosen solution is expressed using the manufacturer's code identifier, as indicated in the seller's catalogue / offer program, and the seller is liable for checking it in the purchase contract / binding order.

5) All reference materials, specimens, drawing, parameters and technical data provided by the seller, as well as data set out in the order program, are the property of the seller and are protected by copyright. These documents may be copied and provided to third parties only with consent from the seller.

### **II. Delivery conditions**

1) During delivery of the goods, the designated representative of the buyer will confirm the delivery note or handover protocol. In the case of private transport by the buyer, the delivery note / handover protocol is confirmed by the driver. In both aforementioned cases, the collecting party is obliged to

conduct a basic inspection of the condition of the goods, their completeness and to document any visible damage and defects.

2) The seller is authorised to request an advance payment from the buyer for up to 100% of the purchase price including VAT. The advance payment is due based on the issued pro-forma invoice with the agreed maturity. The seller reserves the right to withdraw from the contract if the buyer delays by more than 14 days in paying the mature pro-forma invoice.

3) The seller also reserves the right to withdraw from the contract if the buyer delays by more than 30 days in the payment of any other mature liability vis-à-vis the seller.

4) The delivery deadline set out in the Purchase Contract is the binding deadline, unless indicated otherwise in the contract. The exception is a situation when the buyer did not deliver the technical or other reference materials required for production on time, or did not pay the pro-forma invoice (if issued) within the maturity deadline, and also if the seller did not manage to secure the subject of purchase for objective reasons. In these cases, the delivery deadline is extended by the number of days by which the buyer (seller) delayed in fulfilling its obligations.

5) By standard, the seller's products are packaged in shrinkable PE foil. If the buyer requires non-standard packaging, it must note this fact in the order. In this case, the seller reserves the right to bill a surcharge corresponding to the increased costs for packaging and handling.

6) In the case of force majeure, the seller is authorised to withdraw unilaterally from the concluded Purchase Contract, unless it agrees with the buyer on a different solution by means of an amendment to the Purchase Contract. Force majeure refers to fire, natural disasters, war, strikes, acts by state authorities or other incidents that occur after conclusion of the Purchase Contract, and which the seller or seller's supplier could not prevent. The seller is obliged to inform the buyer immediately in writing of any such incident.

### **III. Price and payment conditions**

1) Every offer from the seller is time-limited. If the validity of the offer is not stated directly in the offer, it is understood that the offer is valid for 60 days from the issue date.

2) The seller reserves the right to amend the agreed sale price unilaterally, if the price of input materials and the relevant exchange rates suddenly change by more than 10%.

3) The buyer will acquire right of ownership to the goods only upon full payment of the purchase price, where payment of the purchase price refers to the crediting of the respective financial amount corresponding to the purchase price to the seller's account. Maturity is always counted from the issue date of

the tax invoice. Unless agreed otherwise in the contract, the price is due within 21 days from the issue date of the tax invoice.

4) All risk of damage to the goods passes to the buyer at the moment of takeover of the goods. If the buyer does not take over the goods on time, the risk of damage passes to the buyer at the moment when the seller enables it to handle the goods and the buyer violates the contract by not taking over the goods.

5) The buyer is obliged to take over the goods delivered on the basis of the Purchase Contract. The contractual parties have agreed that in the case of refusal to take over the goods or in the case of the buyer's delay in taking over the goods by more than 10 days, the buyer is obliged to pay the seller a storage fee of 0.1% of the price of the goods including VAT per day. This does not affect the seller's right to compensation of damages. The seller's right to the contractual fine and compensation of damages is not affected even if the seller sells the goods, which the buyer did not take over, to a third party.

6) If the buyer does not take over the goods even 1 month from the passing of the delivery deadline, the seller is authorised to sell the goods to a third party and apply the right to compensation of damages against the buyer, which the seller incurred by violation of the obligation to take over the goods and pay the purchase price for them.

7) In the case of delay in payment of the purchase price, the seller is authorised to bill contractual interest on arrears in the amount of 0.1% of the owed amount for every day of delay.

#### **IV. Warranty and claims**

1) The seller provides a 24-month warranty on the goods. If regular annual service inspection by the seller is carried out, the warranty on the exchanger rotor is extended to 36 months. Unless stipulated otherwise in the contract, the warranty period starts on the day of delivery of the goods.

2) If defects appear during use of the goods within the warranty period, the buyer is entitled to apply a claim. This claim must be applied in writing (or via e-mail to [servis@kastt.cz](mailto:servis@kastt.cz)) and must contain an accurate description of the defect, as well as photographs documenting the claimed defect (if possible).

3) The warranty does not apply to defects caused by failure to adhere to the Technical Conditions and Assembly and Operation Instructions from the manufacturer, improper use (including the unusual effects of chemical substances that the seller was not informed of in advance), incorrect assembly performed by the buyer or third party, incorrect or negligent operation or neglecting of maintenance. Furthermore, the warranty expires in the case of unauthorised intervention into the equipment by a person that was not expressly authorised by the seller to perform such intervention. Original spare

parts or spare parts approved by the seller must always be used for maintenance work and potential repairs; otherwise the warranty will expire in full scope.

4) Only the seller or a service technician expressly appointed by the seller is authorised to remove warranty defects.

5) If the claim is not justified, the seller is entitled to bill the buyer for the costs incurred in relation to identifying and removing the defect. The buyer undertakes to pay these billed costs within the deadline stipulated by the seller.

## **V. Arbitration clause**

All disputes arising from this Agreement and in connection to it will be decided with final validity before the Arbitration Court of the Chamber of Commerce of the Czech Republic and Agrarian Chamber of the Czech Republic according to its Code and rules by a sole arbiter appointed by the chairman of the Arbitration Court. The parties have expressly agreed that the arbitration proceedings will be conducted in Hradec Králové.

## **VI. Final provisions**

The Conditions come into validity and effect on 1 June 2014 and apply to all deliveries as of the foregoing date. The seller is authorised to amend the Conditions at any time, whereas such amendments come into validity and effect on the date of their publication on the seller's website.