

General Trade Terms and Conditions for Ordering/Supplying Goods (service) - hereinafter referred to as "Trade Terms"

The company SMART-TEC s.r.o.

A. Subject of the Trade Terms

I. Recitals

1. These Trade Terms of the company SMART-TEC s.r.o., with registered office in Velké Poříčí 597, 549 32 Velké Poříčí, Company Reg. Number: 28785711, registered in the Companies Register maintained by the Regional Court in Hradec Králové, Section c, File 27265, provide for mutual rights and obligations of the Contracting Parties arisen in connection or on the basis of an order or framework order or contract of purchase/sale (hereinafter referred to as the "Order") concluded between the **Supplier** and the **Customer**.
2. After conclusion of a contract, receipt or acceptance of an order, these Trade Terms become binding.

II. Scope

The Trade Terms, as currently amended, are referred to by Confirmation of the accepted order issued by the Supplier, or they form an annexe of the Confirmation.

B. General Provisions

I. Definitions

- "**Contracting Parties**" shall mean collectively the Customer and the Supplier
- "**Approval Report**" shall mean a document signed by the Customer to confirm that it has received a delivered product, tested it properly and approved it. If this document is not confirmed and delivered by the Customer back to the Supplier within 14 days (from the day of delivery), the product shall be automatically deemed approved by the Customer.
- "**Delivery**" shall mean delivery of movables by the Supplier
- "**Service**" shall mean an activity provided by the Supplier to the Customer on the basis of the Order. These activities shall mean mainly software development, software modifications, execution of agreed works, service, maintenance and others.
- "**Working Days**" shall mean all days except for Saturdays, Sundays, public or national holiday.

"**Order**" shall mean a document that is a draft of a contract of purchase/sale or contract for work (with respect to the subject of fulfilment) and must be delivered to the Supplier personally, by post or by electronic mail. Orders made only by phone or orally cannot be deemed binding by the Supplier. Besides other things, the Order shall contain identification data of both parties involved, date of issue, marking of goods, amount of goods, price, date of delivery, reference to the quotation, if it was issued. Each Order shall be accompanied by Confirmation of the Order.

"**Framework Order**" (**Agreement**) shall mean an agreement between the Supplier and the Customer on purchase/sale of a certain type of goods (services), the amount of which exceeds the standard amount within a certain period of time. It is performed by individual References.

"**Reference**" shall mean the Order that relates to the Framework Order (Agreement) and on the basis of which individual deliveries of goods (services) of the Framework Order are carried out.

"**Confirmation of the Order**" shall mean a document issued by the Supplier on the basis of the Order received from the Customer. Confirmation of the Order shall mean a document concerning acceptance of the received Order. All data mentioned herein (type of goods, quantity, price, date of delivery...) are binding

"**Force Majeure**" shall mean an extraordinary and inevitable event out of control of the Contracting Party referring to such event that could not have been foreseen by the Contracting Party when concluding the Order (Agreement) and that prevents the Contracting Party from meeting the obligations arising from the concluded Order (Agreement). Such events include e.g. wars, revolutions, fires, floods, other effect of natural elements, epidemic, quarantines, transport embargoes, general strikes. Force Majeure circumstances shall not include faults or neglect on the part of the Supplier, power supply failures, failures of manufacturing, local and company strikes etc. Force Majeure is not failure of a subcontractor unless caused by the above mentioned reasons.

II. Performance of Deliveries and Services

1. **Scope of performance** – the scope of performance of deliveries or services results from the received Order or Confirmation of the Order. The Supplier is obliged to deliver

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goods to the Customer in a proper manner and in time, i.e. the date of delivery and the quantity of goods comply with the Order.

2. Place of delivery, performance – unless otherwise stated in the Order, the place of delivery (performance) is the registered office address of the Customer.

3. Time of delivery, performance

1. The Supplier is obliged to issue the Confirmation of each received Order no later than 5 working days from receipt of the Order, or to inform the Customer that it refuses the received Order. The Supplier is obliged to send the Confirmation or refusal of the Order in writing (by e-mail or post).

The agreed deliveries of goods (services) shall be performed according to the dates specified in the Confirmation of the Order and the Supplier makes efforts to comply in all possible ways with the dates required by the Customer in the Order.

2. In an exceptional case, the date of delivery can be shifted (advanced or postponed compared to the originally agreed date). However, this is only possible upon mutual agreement of both Contracting Parties. In this case, the Supplier always requires the Customer to make this change in the original Order, which is followed by sending a new Confirmation of the Order from the Supplier.

An exception relating to delivery of goods (services) by the Supplier on the confirmed date may be the situation described in this Article, Sec. 4, or Force Majeure circumstances.

3. The accepted Framework Order (Agreement) is binding for both Contracting Parties, including all agreed dates and prices. However, the obligation of the Supplier to carry out individual deliveries or services only arises on the basis of accepted References to this Framework Order (Agreement), which serve as accepted Orders.

The Customer undertakes to take delivery of the goods specified in the Framework Agreement in the given quantity no later than on the last day of the effect of the Framework Order (Agreement). Should the Customer fail to take delivery of the goods on the agreed day, the Supplier is entitled to compensation in the amount of 0.1% of the value of the untaken goods for each started day of delay.

4. If the subject of performance is development and delivery of a prototype of product to the Customer, the Supplier is obliged to require an advanced payment, see Art. 10, Sec. 2. Should this advance payment be not paid in time by the Customer, the Supplier cannot guarantee delivery of the prototype on the required (although confirmed) date.

4. Documents of performance

1. Each executed delivery of goods (services) shall be documented in a document of performance (bill of delivery) that, after the delivery of goods (service) has been taken, shall be confirmed by the Customer (represented by a person authorised for this purpose by the Customer within the meaning of the Customer's internal regulations (hereinafter referred to as an "Authorised Person")) or by the Carrier (represented by an Authorised Person) if the goods for the Customer are presented to the Carrier.

2. At delivery of a product that is a prototype, the Authorised Person who represents the Customer also takes over the Certificate of Approval of the given prototype. The Authorised Person shall confirm the receipt of the Certificate by signing the bill of delivery and undertakes to deliver the confirmed Certificate back to the Supplier within 14 days from the date of delivery of the prototype. Should the Authorised Person fail to fulfil this duty, the prototype of product shall be automatically deemed approved by the Customer.

If the Customer cannot approve for any reason the delivered prototype of product, it shall inform the Supplier within the same 14-day period from the day of delivery of the prototype by the Supplier.

5. Transport costs

As for Contracting Parties, costs of transport and packaging are included in the price of products. The price for transport is agreed individually with other customers and is specified in the Quotation.

6. Risk of damage to goods, executed work

Risk of damage to goods or to executed work passes from the Supplier on the Customer at the moment when the Customer takes delivery of goods or executed work.

7. Gaining proprietary right

The goods or executed work that the Customer accepts from the Supplier remains the property of the Supplier until they are fully paid by the Customer.

This shall not concern objects that are a subject of maintenance, repairs or adjustments and are possessed by the Customer.

8. Subdeliveries

The Supplier may authorise other person to deliver goods or to carry out other performance. In the case of delivery of goods or other performance carried out by other person, the Supplier has the same responsibility as if it delivered the goods or carried out other performance on its own.

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9. Price

1. The Customer undertakes to pay the Supplier the price for the goods (services) agreed in an agreement between both Contracting Parties or on the basis of the Quotation from the Supplier. The Customer shall quote this price in the Order and the Supplier shall confirm it in the Confirmation of the Order.

2. The Supplier as a VAT registered company is obliged to charge VAT on the agreed price in the amount provided by the law, as at the day of the taxable supply. The Customer undertakes to pay the VAT together with the price.

10. Issuance of tax documents

1. After delivery of the goods (services), with all terms and conditions arising from these Trade Terms or the Order and in the period set out by the law, the Supplier is obliged to issue a tax document for the Customer, so that it would pay the price for performance, and to deliver the document to the Customer's registered office unless otherwise stated in the Order.

2. The Supplier is entitled to issue for the Customer an accounting document on an advanced payment for the goods (services). If the Supplier uses this possibility, this form of payment for the goods (services) shall be always mentioned in the Quotation and the Customer confirms its consent by sending the Order that refers to the number of the respective Quotation issued by the Supplier.

The Supplier shall issue, within a period provided by the law, a tax document affirming the advance payment for the goods (services) has been made and shall deliver this document to the Customer registered office unless otherwise stated in the Order.

11. Due date of the price

1. The agreed price for the goods (services) is due 30 days from the day of issuance of the tax document unless otherwise agreed. The due date is given on the tax document itself. The goods (services) are deemed paid on the day of the relevant amount is credited to the account of the Supplier.

2. In the event of late payment of the price for the goods (services), the Customer is obliged to pay interest on late payment in the amount of 0.05 % of the outstanding amount for each completed day of delay.

3. The advanced payment for the goods (services) is due 14 days from the day of issuance of the tax document unless otherwise agreed. In the event of late advance payment for the goods (services), delay in delivery of the goods (services) may occur on the part of the Supplier.

12. Withdrawal from the Order (Agreement)

1. Either party involved is entitled to withdraw from an Agreement concluded for an indefinite period of time or for a definite period of time exceeding one year without giving a reason unless otherwise agreed in the Agreement in a form of the so-called exclusive amendment. The notice shall be in writing and shall be provably submitted to the other Contracting Party.

2. The notice period is three months (unless otherwise agreed) and shall begin to run as of the first day of the month following the delivery of the notice to the other Contracting Party.

3. The Supplier and the Customer are both entitled to withdraw from the Order (Agreement) for reasons specified in the act regulating contractual relations.

4. The Supplier is entitled to withdraw from the Order (Agreement), except for the reason specified in Sec. 3 of this Article, if:

a, the Customer is in arrears with payment of the agreed price for a period of time exceeding 30 days, despite the written notice delivered to the Customer by the Supplier.

b, a decision on liquidation of the Customer without a legal successor is made

c, a petition for opening of insolvency proceedings against the Customer is filed

d, the Customer's assets are declared bankrupt or distress proceedings are levied on the assets

5. The Contracting Party withdrawing from the Order (Agreement) within the meaning of Sec. 3 to 4 of this Article is obliged to notify the other Contracting Party in writing of its withdrawal from the Order. The notice shall be delivered to the other Contracting Party's registered office or to another address given in the contact information of this Contracting Party.

13. Liability for defects

1. The Supplier shall be liable for defects of the delivered goods or for other kind of performance of the Order according to relevant provisions of the law of the Czech Republic unless otherwise agreed.

2. For the delivered goods and other kind of performance of the Order, the Supplier grants a warranty period of 30 months from the date of dispatch of the product or 24 months from the date of putting the product into operation unless otherwise agreed.

3. The Supplier is obliged and declares that within the period complying with the contract of purchase/sale, or within a period of 30 days from the delivery of the faulty product, together with the report of the defects, will repair or replace the goods..

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4. The Supplier shall be discharged from its liability if it proves that the defect had been caused by provision of incorrect information by the Customer, improper handling, unskilled assembly, visual damage, effect of faulty components of third parties or by effect of Force Majeure.

5. The Customer shall be, regardless of a character of defect, always entitled to:

- a, demand removal of the defects by delivery of replacement goods as an alternative to the faulty goods and delivery of the missing goods
- b, demand removal of the defects by repairing the goods if the defects are repairable
- c, demand a reasonable discount of the purchase price
- d, withdraw from the Agreement
- e, check, test and repair the goods, or ensure delivery in replacement of the faulty goods without any effect of such measures on the warranty of the goods. In the event of entitlement to reimbursement of the costs by the Supplier, it is necessary to document and prove the costs. The Supplier thus undertakes to cover the costs.

III. General Provisions

1. Legal relations

1. The legal relations arising from the Order (Agreement), be it directly regulated by the Order (Agreement) or not, are governed by the law of the Czech Republic and the Contracting Parties undertake to construe them in this way.

2. The contractual relations arising from the Orders are further regulated by these Trade Terms.
Should the Order contradict the Trade Terms, the provisions included in the Order take precedence.

3. The Contracting Parties undertake to settle disputes arising from the Order at first by agreement at the level of statutory bodies, and if that is not possible, then according to relevant provisions of the law of the Czech Republic.

2. Modifications in the Order and termination of the contractual relation

1. Any modifications of the Order made by the other Contracting Party are a new proposal of the Order (Agreement).

2. The Order may be changed only in writing.

3. The contractual relation ceases to exist upon expiry of the period for which it was stipulated by a notice, withdrawal from the Order (Agreement), agreement of the Contracting Parties, dissolution of the legal entity without a legal successor.

4. The fact of the contractual relation termination shall not divest the Contracting Parties of the liability for payment of contractual penalties or compensation for damage arisen in the period of the effect of the Order.

1. Common and Final Provisions

1. These Trade Terms shall become effective on 28. 05. 2013.
2. Before these Trade Terms come into effect, all contractual relations arisen between the Supplier and the Customer remain in effect. These contractual relations remain regulated by the Trade Terms effective at the moment of conclusion of the contractual relation.
3. The Supplier is entitled to modify and amend the Trade Terms upon a change in technical, operating, commercial and organizational conditions on the part of the Supplier or on the grounds of a change in binding rules of the law.
4. These Trade Terms shall cease to be valid at the moment when the Trade Terms accepted later by the Supplier come into effect.

In Velké Poříčí on 28.5.2013