

# General Terms and Conditions

(the “Terms”)

pursuant to Act No. 89/2012 Coll., the Civil Code (the “Civil Code”), of the business corporation

## **Prague Casting Services a.s.,**

a joint stock company with its registered office at Praha 5 – Jinonice, Radlická 227/107, PSČ: 158 00, Company ID: 40766080, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 812

### **1. INTRODUCTORY PROVISIONS**

- 1.1 These Terms govern the relations between Prague Casting Services a.s. (the “**Seller**”) as the provider of goods (the “**Goods**”) or services (the “**Services**”) and the customer purchasing the Goods or Services (the “**Purchaser**”).
- 1.2 The contractual relationship between the Purchaser and the Seller shall arise upon the execution by both parties of an agreement the subject matter of which are the terms of delivery and specification of the Goods or Services, entered into between the Seller and the Purchaser, or upon a written order issued by the Purchaser and confirmed by the Seller, or upon a written arrangement between the Purchaser and the Seller being the expression of their mutual will in respect of the subject matter of the agreement between the Seller and the Purchaser (any of the methods of entering into a contractual relationship between the Seller and the Purchaser mentioned above hereinafter referred to as the “**Agreement**”). The Agreement between the Purchaser and the Seller shall be governed by these Terms.

### **2. DELIVERY**

- 2.1 The Goods or Services shall be delivered on the basis of technical specifications provided by the Purchaser to the Seller prior to the execution of the Agreement. The Purchaser is aware of the existence of industrial standards that are achievable through the technology of equiaxed investment casting (IC). Any requirements of the Purchaser in the technical specifications that exceed the said industrial standards may result in the extension of the time for delivery and/or price increase beyond the scope agreed in the Agreement. In such a case, it is possible to extend the time for delivery of the Goods and/or Services by the Seller and/or increase the price beyond the scope agreed in the Agreement and such extension of the time for delivery and/or price increase shall not be deemed a breach of the Agreement by the Seller.

### **3. PRICE AND PACKAGING**

- 3.1 Unless explicitly agreed otherwise between the parties, the price of the Goods or Services shall be understood as EXW (Seller’s enterprise) (see INCOTERMS 2010) net of VAT, any taxes, customs and other charges. The price shall include packaging at the usual industrial standard.
- 3.2 If, in case of exporting the Goods or Services outside the Czech Republic, no VAT is charged to the Purchaser, the Purchaser shall provide the Seller without undue delay with any required documents that will be necessary in order to prove to the Seller’s tax authority the exemption from VAT payment. If the Purchaser fails to provide such documents within a period of 30 days following the Seller’s written notice, the Purchaser shall pay VAT to the Seller in the amount stipulated by the law, within 15 days after the 30-day period granted for the provision of the required documents to the Seller has lapsed to no effect.

## **4. QUALITY AND COMPLAINTS**

- 4.1 The Seller warrants that the Goods will be delivered without any obvious defects. With regard to the Goods that are processed by the Seller – castings – the Seller also warrants that the Goods will be produced in accordance with the method approved by both parties when developing sample castings. If, after the acceptance of castings by the Purchaser, any hidden defects occur during the subsequent processing of castings with regard to more than 2% of the respective type of castings and provided that such defects could not have been previously identified in the casting by applying a mutually agreed method of non-destructive control, or if internal permitted defects become unpermitted surface defects after the processing, the Purchaser shall be entitled to claim defects of such castings with the Seller. If the Seller assesses the complaint to be justified, the Seller shall repair the defects at its own expense or shall substitute items that exceed the permitted 2% of the respective castings delivered. The complaint procedure shall be governed by the Seller's rules of complaints and the Civil Code.

## **5. DELIVERY AND PAYMENT TERMS**

- 5.1 The terms of delivery shall be governed by the INCOTERMS 2010 (with regard to deliveries to Purchasers having their registered office outside the Czech Republic) and the Civil Code. Unless explicitly agreed otherwise in the Agreement, the EXW (Seller's enterprise) term of delivery shall apply. Partial performances are permissible.
- 5.2 The payment for the Goods or Services provided by the Seller is deemed to have been made on the day the payment net of any withdrawals is credited to the Seller's account. For any default in the payment, the Seller may require and charge 0.25% from the outstanding amount for each completed calendar week of default, up to 10% of the amount due by the Purchaser. In case of any default by the Seller with the delivery of Goods or Services, the Purchaser shall be entitled to a discount of 0.25% of the value of the Goods or Services that the Seller is in default with, up to 10% of the price of the Goods or Services that the Seller is in default with. Setting-off any claims between the Purchaser and the Seller is only permissible upon a mutual written agreement relating to that particular off-set; such an agreement shall include the respective numbers of invoices and amounts. In case of the Purchaser's default in the payment, the Seller may suspend any other performances in respect of the Purchaser arising from the Agreement or any other mutual contractual relationships. If, due to a justified suspension of any performance against the Purchaser, the time for delivery of the Goods or Services will be extended, it shall not be deemed default in the delivery by the Seller and any consequences resulting from such justified suspension, including financial consequences, shall be borne by the Purchaser.

## **6. ORDER CANCELLATION**

- 6.1 In the event that the order of Goods or Services (according to the Agreement) is cancelled by the Purchaser, the Purchaser shall reimburse the Seller for any costs incurred in relation to the performance of the order up to the cancellation date including any costs arising after the order has been cancelled provided that, despite reasonable efforts by the Seller, such costs could not have been prevented.

## **7. LIMITATION OF LIABILITY**

- 7.1 The Seller has taken up insurance regarding product liability, general liability, property insurance, directors' and officers' liability insurance. The liability of the Seller and/or the Seller's employees and representatives for any defects to the Goods and/or Services, damage, compensation, additional costs and other similar claims against the Purchaser for any and all performances in the course of one calendar year shall be limited to EUR 10 000,

with the exception of cases that are covered by any of the above-mentioned insurance at a higher limit in which case the Seller's liability shall be limited by the amount of performances from such contracts paid by the respective insurance company.

- 7.2 The Seller shall not be liable for the breach of any third parties' rights that might result from the content of drawings and technical specifications provided by the Purchaser to the Seller or from any other information and instructions disclosed by the Purchaser to the Seller. The Purchaser undertakes to reimburse the Seller for any damage and costs incurred by the Seller due to the breach of any third parties' rights by the Purchaser.

## **8. MISCELLANEOUS**

- 8.1 The Seller is not obliged to deliver the Goods or Service provided that there are any impediments, bans, sanctions, embargos or any other similar limitations (collectively referred to as the "**Embargo**") arising from or as a result of national or international regulations or decisions that are binding upon the Czech Republic, EU or the Purchaser's country and relating to the type of the provided Goods and Services; the Seller is not obliged to deliver the Goods or Services for a period that the Embargo lasts or for such a longer period that is necessary in order to complete the production of the Goods or provision of Services following the termination of the Embargo. In the event that the Seller accepted any advance payments from the Purchaser for the Goods or Services, the Seller may retain such payments for a period that the Embargo lasts or for any such longer period that is necessary in order to complete the production and delivery of the Goods or provision of Services following the termination of the Embargo.
- 8.2 In the event that the Purchaser transfers to any third party any right relating to the Goods or Services provided by the Seller, the Purchaser shall ensure that such transfer will not result in the breach of any regulations regarding import control issued by the Czech Republic and/or EU.
- 8.3 The Purchaser shall hold harmless and indemnify the Seller for any claims, proceedings, actions, penalties, losses, costs, expenses, damages or any other similar performances arising from or in connection with any breach of import regulations by the Purchaser.
- 8.4 Rights and obligations of the Seller and the Purchaser arising from the Agreement are not transferable or assignable to any third party without prior written consent given by the other party.
- 8.5 Any and all disputes between the parties that will not be settled by a mutual agreement shall be decided by Czech courts.
- 8.6 The Seller and the Purchaser are equally strong parties and none of them has acted as a weaker party in respect of the other. The Seller and the Purchaser are aware of any possible future changes of the situation on the market relating to their business activities; such changes represent the business risk related to their activities which shall be borne by the respective parties and none of the parties may, in this connection, assert any rights against the other party.

These Terms are valid as of 1 September 2014.