TERMS AND CONDITIONS FOR THE SUPPLY OF PRODUCTS

PREAMBLE

1. These Terms and Conditions (hereinafter referred to as "OP_KS") regulate the relations in delivering Products between the company ABB s.r.o., with registered office at Vyskočilova 1561/4a, Michle, 140 00 Praha 4, identification No.: 49682563, incorporated in the Commercial Register maintained by the Municipal Court in Prague under file no. C 79391 (hereinafter referred to as "**Supplier**") and the Purchaser. Any and all deviations from OP_KS must be agreed upon in writing in the respective Contract.

2. An offer to conclude the Contract is always revocable and may be revoked if the revocation is delivered to the Purchaser before the acceptation of the offer is delivered to the Supplier.

DEFINITIONS

3. In these OP_KS, the mentioned terms shall have the following meaning:
   - **"Contract"** means a purchase agreement concluded between the parties, including all its annexes and amendments.
   - **"Products"** means the movable things specified individually or in kind and quantity according to the specification mentioned in the Contract.

PRODUCTS INFORMATION

4. All the data concerning the weight, dimensions, power output parameters, prices and other information mentioned in catalogue and price lists shall be binding only to the extent that they are by reference expressly mentioned in the Contract.

DRAWINGS AND TECHNICAL DESCRIPTIONS

5. All drawings and technical documents relating to the Products submitted by one party to the other, prior or subsequent to the formation of the Contract shall remain exclusive property of the submitting party and can only be used for the purpose for which they were provided.

6. The receiving party is not allowed to use such documents otherwise as stated in the Art. 5, to procure copies thereof, to reproduce and to disclose them to a third party without consent of the submitting party. The end user of the Products shall not be deemed as a third party, if he is not identical to the Purchaser.

TESTS BEFORE SHIPMENT

7. Performance of the tests before shipment has to be explicitly agreed upon in the Contract. Tests are being carried out at the place of the manufacture. Unless otherwise agreed in the Contract, the tests at the place of the manufacture shall be carried out during the normal working hours and in accordance with the regulations applicable in the country of manufacture.

8. The Supplier shall notify the Purchaser of the date these tests are to be carried out, at least 5 business days in advance, to enable the Purchaser or his representatives to be represented at the tests. If the Purchaser is not represented, the test report shall be issued and confirmed only by the Supplier and subsequently handed over to the Purchaser.

9. The Supplier shall bear all costs for the tests before shipment carried out at the place of the manufacture, except for the travelling, accommodation and other expenses of the Purchaser's representatives, which shall bear the Purchaser.

PASSING OF RISK

10. The risk of damage to the Products shall pass to the Purchaser in accordance with the agreed delivery terms according to INCOTERMS in force at the formation of the Contract. If not agreed otherwise, the Incoterms 2010 delivery term "Ex works" (EXW) shall apply.

    If, in the case of delivery Ex works, the Supplier, at the Purchaser's request, undertakes to send the Products to the place determined by the Purchaser, the risks of loss of or damage to the Products shall pass to the Purchaser no later than when the Products are handed over to the first carrier.

DELIVERY OF PRODUCTS AND SUPPLIER'S DELAY

11. If the time of delivery of the Products is not determined as a particular date, but is determined as a term in weeks, months or years, then such term shall start to run when the last of the following conditions is met:
    a) Formation of the Contract.
    b) Issue of all the licences for delivery or import of the Products that shall be obtained by the Purchaser.
    c) Crediting the first advance payment to the Supplier's account, if an advance payment is agreed in the Contract.
    d) Granting all the guarantees and fulfilment of all the precedent conditions agreed in the Contract.

12. As due and timely delivery of the Products is also regarded delivery of the Products with minor deficiencies, which do not prevent the Products from being used for the determined purpose, or prevent safe operation of the Products. This does not affect the Supplier's duty to remedy minor deficiencies. Partial shipments of the Products shall be permitted.

13. The Supplier's delay with delivery of the Products entitles the Purchaser to contractual penalties against the Supplier, from the agreed date of delivery of the Products.

14. The contractual penalty shall be payable at a rate of 0,05% of the total price of the Products excl. VAT for each day of delay.

15. The aggregate amount of all contractual penalties is limited by the maximum amount of 7,5 % of the total price of the Products excl. VAT.

16. Should the Supplier be in a delay with a partial delivery of the Products, the contractual penalty is calculated from the price of the delayed partial delivery.

17. The contractual penalties are payable based on the penalty invoice issued by the Purchaser, but they do not become due before the delivery of the Products or the withdrawal from the Contract according to the Art. 18.

18. Should the Purchaser be, as a results of the Supplier's delay, entitled to claim the maximum amount of the contractual penalties, the Purchaser may withdraw from the Contract.

PAYMENT CONDITIONS

19. Unless agreed otherwise in the Contract, the price of the Products is VAT exclusive. The payment conditions are determined in the Contract.

20. The Purchaser's delay with payment of his monetary obligations entitles the Supplier to contractual penalty against the Purchaser amounting to 0,05 % of the outstanding amount for each day of delay.

    The Purchaser's delay with payment of his monetary obligations resulting from the Contract or any other legal relationships between the Purchaser and the Supplier entitles the Supplier to suspend the delivery of the Products according to the Contract, until full payment. The time of delivery of the Products shall be extended at least by the time of the Purchaser's delay, unless objectively a longer period is needed for Supplier's demobilization and remobilization of production sources and inputs connected with suspension and restart of delivery.

RETENTION OF TITLE

21. Ownership of the Products passes on the Purchaser when paid for in full. The retention of title shall not affect the passing of risks under the Art. 10.

WARRANTY AND LIABILITY FOR DEFECTS

22. THE PARTIES HAVE AGREED THAT THE SUPPLIER'S OBLIGATION ARISING FROM ITS LIABILITY FOR DEFECTS AND WARRANTY IS TO REMEDY FOR FREE THE DULY AND TIMELY NOTIFIED DEFECTS OF THE PRODUCTS, AT ITS OPTION, BY REPAIR OR REPLACEMENT. THE PURCHASER SHALL AT ITS COSTS PROVIDE WORKING ACCESS TO THE PRODUCTS, DISMANTLING AND RE-INSTALLATION NECESSARY FOR REPAIR/REPLACEMENT. THE WARRANTY DOES NOT INCLUDE AN UNDERTAKING BY THE SUPPLIER THAT DURING THE WHOLE WARRANTY PERIOD THE PRODUCTS WILL BE FREE OF ANY DEFECTS. THE FOREGOING IS EXCLUSIVE DEFINITION OF RIGHTS ARISING FROM THE LIABILITY FOR DEFECTS AND WARRANTY.

23. The warranty period is 12 months from passing of risks of damage to the Products to the Supplier.

24. For replaced or repaired parts of the Products, shall apply six-month warranty period and the warranty conditions as those applicable to the originally delivered Products. For the remaining parts of the Products, the warranty period shall be extended only by a period equal to the period during which the Products have been out of operation as result of the defect. Any and all warranty periods shall expire in each case at the latest 24 months from passing of risks of damage to the Products to the Purchaser.

25. The Purchaser shall notify the Supplier, in writing, of any defects of the Products (including latent defects) without undue delay after the defect could have been discovered and within the warranty period. As for the defects of the Products that may cause damage, the Purchaser shall notify the Supplier immediately with subsequent written confirmation. Notification of a defect of the Products shall contain description of the defect and, as the case may be, specification of how the defect is shown.

    The Purchaser shall bear the risk of the damage arisen as a result of breach of his obligations under this Article.

26. On receipt of the notice under the Art. 25, the Supplier shall remedy the defects without undue delay and at his own costs. The defective parts of the Products that have been replaced shall remain in the Purchaser's property.

27. If the Purchaser has notified the Supplier in accordance with the Art. 25 and no defects is found for which the Supplier is liable, the Supplier shall be entitled to compensation for the costs he has incurred in connection with the notice.

28. The warranty shall not cover the defects of the Products caused by encroachment by the Purchaser or a third party, and the defects of the Products where it is not possible to prove that they occurred due to defective material used, faulty construction or incomplete manufacture, especially the defects of the Products occurred due to normal wear and tear, faulty maintenance, non-compliance with operation manuals, excessive strain, use of inadequate operation media, chemical and electrolytic influences, construction and assembly works by other persons that the Supplier and any and all other reasons without the Supplier's default.

29. In connection with its liability for defects and warranty obligations, the Supplier shall not be obliged to remedy defects for free elsewhere then in its designated premises or at delivery place agreed in the Contract.

FORCE MAJEURE

30. Both parties are entitled to suspend performance of their obligations under the Contract for the time of duration of the force majeure. The Force Majeure is deemed to be the obstacle which arose independently of the liable party's will and that prevents this party from performing its obligation, provided that it cannot be reasonably expected that the liable party could avert or overcome such an obstacle or its consequences, and further that the occurrence of such an obstacle was unpredictable at the time of formation of the Contract (hereinafter referred to as "**Force Majeure**"). Examples of the Force Majeure include especially: strike, epidemic, fire, natural disaster, mobilisation, war, insurrection, seizure of goods, embargo, blockade, prohibition on exportation or importation of material or services, ban on foreign exchange transfer, electric power taking regulation that is not culpable or any other obstacle caused by actions or omissions by any public authority, terrorist attack etc.

31. The Force Majeure makes it impossible to claim contractual penalties against the party affected by the Force Majeure.

32. The party claiming to be affected by the Force Majeure shall notify the other party of this event without delay in writing

and to take all reasonable measures to reduce the consequences of non-performance of the contractual obligations.

33. Should the Force Majeure last for more than six months, both parties are entitled to withdraw from the Contract.

COMPENSATION FOR DAMAGE

34. THE SUPPLIER'S LIABILITY FOR ANY INDIRECT AND CONSEQUENTIAL DAMAGES AND/OR LOSSES WITH RESPECT TO ANY AND ALL CLAIMS ARISING OUT OF THE PERFORMANCE OR NON-PERFORMANCE OF OBLIGATIONS IN CONNECTION WITH THE CONTRACT SHALL BE EXCLUDED. THE INDIRECT AND CONSEQUENTIAL DAMAGES AND/OR LOSSES SHALL MEAN IN PARTICULAR, BUT NOT LIMITED TO: LOSS OF PROFIT, ENERGY LOSS, LOSS OF USE, COSTS OF SUBSTITUTE ENERGY SUPPLY, COSTS OF CAPITAL, COSTS CONNECTED WITH DELAY, NON-COMPLIANCE OF THE PRODUCTS WITH THE CONTRACT, NON-FULFILMENT OF THE GUARANTEED PARAMETERS ETC.

35. THE TOTAL AGGREGATE LIABILITY OF THE SUPPLIER IN RESPECT OF ANY AND ALL DAMAGES INCLUDING THE CONTRACTUAL PENALTIES AND OTHER CLAIMS IN CONNECTION WITH BREACH OF ONE OR MORE OBLIGATIONS OF THE SUPPLIER UNDER THIS CONTRACT SHALL NOT EXCEED THE MAXIMUM AMOUNT 30% OF THE TOTAL PRICE OF THE PRODUCTS.

36. None of the above limitations of the compensation for damage shall apply to the damage caused by the Supplier intentionally or by gross negligence.

EXPORT CONTROL

37. The Purchaser acknowledges that the Products may be subject to Czech and/or foreign statutory provisions and regulations regarding export control and, without export or re-export permits from the competent authorities, may not be sold, leased or otherwise transferred or used for a purpose other than that agreed upon. The Purchaser agrees to comply with such provisions and regulations. The Purchaser acknowledges that such provisions and regulations may change and are applicable to the contract according to the wording valid at the time.

38. The Products may neither directly nor indirectly be used in connection with development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices or the development, production, maintenance or storage of missiles capable of delivering such weapons. The Products may also neither directly nor indirectly be used in connection with nuclear installation that means (i) any nuclear reactor, including that one with which a means of sea or air transport is equipped; (ii) any factory using nuclear fuel for the production of nuclear material and any factory for the processing of nuclear material, including any factory for the re-processing of irradiated nuclear fuel; and (iii) any facility where nuclear material is stored, including storage incidental to the carriage of such material.

39. Products are not sold to and must not be further offered for resale to the following countries: North Korea, Somalia, Sudan.

FINAL PROVISIONS

40. The Contract is governed by the laws of the state of the registered office of the Contractor with exclusion of the conflict of law rules.

41. Any and all disputes arising from this Contract, including but not limited to the disputes in connection with execution and validity thereof, shall be settled by the Arbitration Court at the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic in Prague in accordance with the Act No. 216/1994 Col., on arbitrary proceeding. The arbitration board shall consist of three arbitrators. The parties shall appoint one arbitrator each. The third arbitrator, the chairmen, shall be appointed upon agreement of the first two arbitrators. Should these arbitrators fail to reach an agreement, the third arbitrator shall be appointed by the chairman of the above mentioned Arbitration Court.

42. The parties are not entitled to assign any right under this Contract without written consent of the other party. The Contract is not concluded as an order Contract.

43. The parties have agreed that any and all rights under this Contract shall be subject to the statute of limitation of three years.

44. The parties have agreed that the section 1978 (2) and 2173 of the act no. 89/2012 Coll., the civil code, as amended shall not apply in respect of the Contract.