

General Business Terms and Conditions for the Supply of Goods for the company ERA a.s.

1. Initial Provisions

- 1.1. These General Business Terms and Conditions (hereinafter referred to as the “General Terms and Conditions”) shall regulate conditions for the supply of goods for the company ERA a. s., registered office at Průmyslová 462, 530 03 Pardubice, IČ: 60916427, registered in the Companies Register held by the District Court in Hradec Králové, section B insert 1141 (hereinafter as the “Purchaser”).
- 1.2. For the purposes of the General Terms and Conditions the below mentioned terms shall have the following meaning:
 - (a) Purchase Price – price for the purchase of the Goods;
 - (b) Civil Code - Act no. 89/2012 Coll., the civil code, as amended;
 - (c) Order – a written order of the Purchaser for the delivery of the Goods from the Purchaser;
 - (d) Seller – the contracting party that is the supplier of the Goods according to the Contract;
 - (e) Contract – a written contract concluded on the basis of the Order between the Purchaser and the Seller. Pursuant to the circumstances and agreed conditions the Contract can have the form of a purchase contract, a contract for work or an innominate contract;
 - (f) Parties – the Seller and the Purchaser;
 - (g) Goods – the object of the sale or work under the Contract.
- 1.3. By entering into the Contract the Seller confirms that has read the contents of these General Terms and Conditions, fully understands them and agrees with all the rights and obligations set forth herein.
- 1.4. In case of any inconsistency or discrepancy the provisions of the Contract shall take precedence over provisions of the General Terms and Conditions. The above mentioned shall take precedence over the directory provisions of the Civil Code.
- 1.5. Mutual relationships, which are not defined in the Contract or in these General Terms and Conditions, including conclusion of the respective Contract, its validity and effect, shall be governed by the Civil Code. Application of the United Nations Convention on contracts of international purchase of goods shall not be excluded.

2. Conclusion of the Contract

- 2.1. The Order issued and signed by the Purchaser is the offer for the conclusion of the Contract. The Order shall contain at least the specification and quantity of the Goods and the Purchase Price or the method of its additional determination.
- 2.2. The Contract shall be concluded by the unconditional acceptance of the Order by the Seller. The Seller shall confirm the acceptance of the Order in writing by the signature of its authorized representative.
- 2.3. The subject matter of the Contract shall be the obligation of the Seller to deliver the Goods to the Purchaser and transfer the possessory rights to the Goods on the Purchaser. The Purchaser shall be obliged to accept the duly delivered Goods and pay to the Purchaser its Purchase Price.
- 2.4. The Seller shall be obliged to confirm each Order in writing and to deliver the confirmed Order back to the Purchaser within 7 days after its delivery, or to inform the Purchaser within the same period in writing that refuses the Order. By the expiry of the term for acceptance the Order shall be deemed to be extinguished and ineffective unless the Parties agree otherwise in writing. The Purchaser shall be entitled to cancel the Order until its approval or refusal by the Seller, such cancellation shall be made in writing.
- 2.5. The Purchaser hereby according to Section 1740 Subsection 3 of the Civil Code excludes the acceptance of the Order with the addition or changes made by the Seller in the text thereof. Any addition or change made in the text of the Order by the Seller shall be deemed to be a new offer for the conclusion of the Contract and is subject to acceptance by the Seller within the term set forth in Article 2.4 hereof.
- 2.6. If the Seller attaches its own terms and conditions to the acceptance of the Order the Purchaser shall be bound by such terms and conditions only upon its written approval. In such case the Contract and the General Terms and Conditions shall take precedence over the Sellers’s terms and conditions unless agreed by the Parties otherwise in writing. The Section 1751 Subsection 2 of the Civil Code shall be disregarded.
- 2.7. The Seller by the acceptance of the Order confirms that is familiar with its contents including all terms of performance and specification of the Goods.

3. Requirements for the Goods

- 3.1. The Seller shall be obliged to deliver the Goods to the Purchaser in quantity according to the Contract. Should the Seller deliver a larger quantity the Contract regarding the excess amount is not concluded. The Section 2093 of the Civil Code shall be disregarded
- 3.2. The Goods shall be delivered to the Purchaser in quality and in design according to the Contract, otherwise in the highest quality. The Goods shall comply with all technical requirements as well as technical and safety standards concerning the respective item of the Goods valid within the territory of the Czech Republic, and if necessary, within another country based on the agreement between the Parties. The Goods shall be new, unused, undamaged and made from good-quality materials. If the Goods is supplied on the

basis of samples, designs or drawings, it shall be fully compliant with such samples, designs or drawings. The Goods shall have no legal defects, e.g. right of lien.

- 3.3. In case of transport the Seller shall be obliged, at its own expenses, to pack the Goods and to secure it for transport in the manner defined in the Contract. Should the method of packing and securing the Goods for the purpose of transport not be defined expressly in the Contract the Seller shall be obliged to pack or secure the Goods for the purpose of transport so that no damage or deterioration is possible in the course of transport, including loading and unloading.
- 3.4. The package of the Goods shall provide for safe and long-term storage of the Goods eliminating loss of its quality. On the package of the Goods, on a visible place, clear and legible instructions for safe handling of the Goods shall be provided for, e.g. in particular, handling designations to designate transport packages and designations required under legal regulations valid within the territory of the Czech Republic, and of possible other country based on agreement of the Parties, to regulate manufacture, use and other handling of the Goods, e.g. legal regulations to regulate hazardous and toxic substances. The package of the Goods shall be from environmentally friendly materials.

4. Documents for the Goods

- 4.1. Together with the Goods, the Seller shall be obliged to deliver documents which are expressly defined in the Contract. Should such documents be not defined in the Contract the Seller shall be obliged to deliver all documents necessary for handover, free handling, customs clearance and use of the Goods, in particular, documents to regulate technical conditions for installation, operation and maintenance of the Goods to the Purchaser. Upon the Purchaser's request, the Seller shall handover to the Purchaser the reports defined in the Contract and/or required for the respective Goods under legal regulations valid and effective within the territory of the Czech Republic and within the territory of the Seller's country and/or within the territory, where the respective Goods are provided.
- 4.2. Documents which the Seller shall be obliged to deliver to the Purchaser according to the Contract shall be clear, transparent and correct in all places. Such documents shall be delivered in a written form unless agreed otherwise. Upon the Purchaser's request, the Seller shall be obliged to deliver documents relating to the Goods in more languages, e.g. in the Czech language and in the English language and/or in the language of territory, where the perspective Good shall be provided. Upon their delivery to the Purchaser, such documents shall become the property of the Purchaser, who shall have the right to dispose of them freely.

5. Place of delivery of the Goods

- 5.1. Unless provided otherwise in the Contract the Seller shall be obliged to deliver the Goods, at its own expenses and risk, to the Purchaser to the premises of the Purchaser at the following address: ERA a.s. Průmyslová 462, Pardubice, Česká republika.
- 5.2. Delivery of the Goods shall be in accordance with the DDP delivery terms Place of Delivery under INCOTERMS 2010 rules. Should another delivery clause be stipulated between the Parties, it shall be defined in the Contract.
- 5.3. The Seller's obligation to deliver the Goods is fulfilled by delivering the Goods to the Purchaser to the place of delivery in accordance with the procedure set forth in Art. 7 of the General Terms and Conditions.

6. Delivery term

- 6.1. The delivery term shall be defined in the Contract. Should the delivery term be not defined in the Contract the Seller shall deliver the Goods within 30 days after the conclusion of the Contract.
- 6.2. Prior to the expiry of the delivery term the Seller shall have the right to deliver the Goods only with the previous written consent of the Purchaser. Should the place of delivery of the Goods be the registered office or the premises of the Purchaser the Seller shall be obliged to deliver the Goods on working days and within usual working hours of the Purchaser, unless the Purchaser specifies otherwise.

7. Delivery of the Goods

- 7.1. The Seller shall be obliged to deliver the Goods to the Purchaser duly and within the stipulated delivery term. Upon delivery of the Goods the Seller shall submit to the Purchaser a delivery note, which shall include at least indication of the Parties, the Order number, description and quantity of the Goods and the date of delivery of the Goods.
- 7.2. The Goods shall be deemed to be duly delivered upon the written confirmation of the delivery note by the Purchaser. The Purchaser shall confirm the delivery note upon the fulfilment of all of the following conditions:
 - (a) the Goods have been delivered by the Seller to the place of delivery,
 - (b) together with the Goods, complete documentation relating to the Goods has been delivered as well,
 - (c) the Goods have been accepted by the Purchaser,
 - (d) the Goods have been delivered to the Purchaser free of defects, or the Goods have been delivered with obvious defects, however, the Purchaser has recorded such defects in the Report of Defects and has declared that accepts the Goods regardless the respective defects.
- 7.3. Should the Seller be in delay with the due delivery of the Goods to the Purchaser, the Purchaser shall be entitled to the contractual penalty in the amount of 0.08% of the Purchase Price per every day of default. The contractual penalty shall be payable within 30 days from delivery of the written billing thereof to the Seller. Payment of the contractual penalty shall not affect the Purchaser's right to damages.
- 7.4. Should the Purchaser discover that the Goods has obvious defects, then it shall create a Report of Defects containing the data concerning the delivery of the Goods, description of the defect, identification of the person who discovered the respective defect, date of discovery of the respective defect and signature of the Purchaser's authorised representative.
- 7.5. Should the Goods have obvious defects upon its delivery the Purchaser shall have the right:

- (a) to refuse to accept the defective Goods and to return it at the expenses of the Seller resulting in no default in acceptance of the Goods on the part of the Purchaser, or
- (b) to accept the defective Goods and to be subject to the right to relevant discount from the Purchase Price, or
- (c) to accept the defective Goods and to be subject to the right to removal of such defects, or
- (d) to withdraw from the Contract.

7.6. The choice between claims pursuant to Art. 7.5 above belongs solely to the Purchaser. The Purchaser shall indicate its claim in the Report of Defects or send it without undue delay after to the Seller in writing.

8. Transfer of possessory rights and risk

8.1. The risk of damage and the possessory rights to the Goods shall pass on the Purchaser upon the due delivery of the Goods.

9. Changes of the Contract

9.1. The Purchaser shall have the right to inform the Seller in writing until the delivery of the Goods of the proposal for the change of the Contract, in particular, the respective quantity and quality of the Goods, place of delivery of the Goods, terms of delivery of the Goods.

9.2. The Seller shall be obliged to inform the Purchaser in writing whether accepts the proposal for change of the Contract or not within 7 days from the date of delivery of the written proposal for change of the Contract by the Purchaser, or whether proposes a different change. The Purchaser shall have the right to decrease the quantity of the Goods upon the written notice. The Seller shall accept the change in quantity.

9.3. Provisions of Art. 2.2 and 2.4 shall apply on the changes of the Contract accordingly.

10. Warranty

10.1. The Seller shall provide to the Purchaser, its customers and users of the Goods sold by the Seller the warranty for the delivered Goods. The Seller undertakes that the Goods delivered under the Contract shall be for the duration of the warranty period eligible to use for the purpose defined in the Contract, otherwise for the purpose of usual use, and that the Goods retain its parameters defined in the Contract.

10.2. The duration of the warranty period shall be defined in the Contract. Should the duration of the warranty period be not expressly defined in the Contract, then the duration of the warranty period shall be 36 months as from the date of acceptance of the Goods concerned. The warranty period shall cease running for the period during which the Purchaser, their customers and/or users of the Goods cannot use the delivered Goods due to its defects, for which the Seller is liable.

11. Liability for defects of the Goods

11.1. The Goods have defects if it is not delivered duly packaged and secured for transport, in the quantity, quality and/or design defined in the Contract, or have legal defects.

11.2. As defects of the Goods shall be also regarded defects in documentation, which the Seller is obliged to deliver together with the Goods to the Purchaser. Should there be defects in the respective documents, then the Seller shall be obliged, without undue delay after return of the defective documents, to deliver complete documents free of defects to the Purchaser.

11.3. The Seller shall be liable for all defects discovered in the Goods within the warranty period.

11.4. Should the Purchaser discover any defects in the delivered Goods, unless the Contract defines otherwise, then it shall draw up a report concerning the respective defects, which shall contain the data concerning the delivery of the Goods, data concerning the person who discovered the respective defect, date of discovery of the respective defect and a detailed description of the defect. The Purchaser shall send such a report to the Seller together with request for removal of the respective defects and for finding corresponding remedy. Such a report of defects shall be sent to the Seller in a written form. Such a report sent by means of electronic mail or by fax shall be confirmed by the Seller within 3 days as from its delivery at the latest.

11.5. Within the time limit defined in the Contract as from delivery of the respective report of defects, the Seller shall be obliged to and undertakes:

- (a) to visit the place of delivery specified by the Purchaser to execute an inspection of the Goods and to investigate defects reported by the Purchaser in the report of defects and to inform the Purchaser of the proposal for specific method of removal of the respective defects from the Goods within the same time limit, or
- (b) to inform the Purchaser of the proposal for specific method of removal of the respective defects in the Goods with respect to technological time limits, including scheduled due dates of realization of determined remedial measures, namely at the expenses of the Seller.

In case the Contract does not define the time limit pursuant to Art. 11.5 such limit shall be 3 days.

11.6. The Purchaser shall be obliged to inform the Seller in writing within the time limit of 72 hours as from the notification of the Seller pursuant to the Art. 11.5 that:

- (a) agrees with the method of removal of defects proposed by the Seller, and shall determine the time limit for such a removal,
- (b) disagrees with the method proposed by the Seller and shall determine the method as well as the time limit for the respective removal of the defects in the Goods on its own,
- (c) makes other claim due to the Purchaser's liability for defects in the respective Goods pursuant to provision 11.7 than removal of the defects concerned.

- 11.7. Regardless of the type of defect and severity of breach of the Contract resulting from occurrence of the respective defect, the Purchaser shall always be entitled, upon its own choice:
- (a) to request removal of the respective defects by replacement of the defective Goods, by delivery of missing Goods and/or to request removal of legal defects,
 - (b) to request removal of the respective defects by repair of the Goods, in case such defects are repairable,
 - (c) to request a reasonable discount from the Purchase Price, or
 - (d) to withdraw from the Contract.
- 11.8. Should the Seller fail to remove the respective defects of the Goods by method and within the time limit specified by the Purchaser or should the Seller inform the Purchaser, prior to the expiry of the respective time limit, that it will not remove the respective defects, then the Purchaser shall have the right to:
- (a) withdraw from the Contract, or
 - (b) request a reasonable discount from the Purchase Price.
- 11.9. The Purchaser shall not be obliged to pay the part of the Purchase Price for the defective Goods to the Seller corresponding to his right to a discount in the event that it has been exercised until the respective defects have been removed.
- 11.10. In case the subject-matter of the delivery is the Goods of the same kind and should in at least 10% (however, in 5 pieces minimum) of the delivered Goods identical defect be discovered, then such a defect shall be regarded a type defect. Should a type defect be discovered in the delivered Goods of the same kind, then the Seller shall be obliged to provide the Purchaser with a complete new delivery of the Goods pursuant to the Contract within 14 days from the discovery of the type defect at its own expenses. Should the Seller fail to fulfil this duty, then the Purchaser shall have the right to withdraw from the Contract.
- 11.11. Should the Seller be in delay with performance of any of its duties arising from its liability for defects of the Goods, then the Purchaser shall have the right to a contractual penalty in the amount of 0.05% from the Purchase Price of the defective Goods per each and every day of default until the duty to duly deliver the Goods has been fulfilled. The contractual penalty shall become payable within 30 days from the delivery of billing of the respective contractual penalty to the Seller. Payment of the contractual penalty shall not affect the right to damages.

12. Purchase Price

- 12.1. The Purchaser shall pay to the Seller the Purchase Price determined in the Contract. The Purchase Price shall include all costs relating to the delivery of the Goods, including costs relating to the packaging of the Goods, their transport, insurance of the Goods, costs relating to acquisition of documents for the respective Goods, their labelling, customs duties, etc.
- 12.2. The claim for the Purchase Price shall arise for the Seller upon the delivery of the Goods to the Purchaser. The Purchaser shall pay the Purchase Price by means of bank transfer on the basis of the original invoice issued by the Seller and delivered to the Purchaser.
- 12.3. Such an invoice shall contain the essentials of the tax and accounting document and:
- (a) number of the respective Order;
 - (b) designation and specification of the Goods, including the serial number of the Goods;
 - (c) quantity of the Goods;
 - (d) unit Purchase Price of the Goods;
 - (e) total Purchase Price for the Goods.

The invoice shall be accompanied by a document proving due delivery of the Goods (confirmed delivery note).

- 12.4. Should an invoice be missing any of the obligatory or agreed requisites or if the Purchase Price or VAT is billed erroneously, prior to the expiry of the due date the Purchaser shall be entitled to return the invoice without payment for rectification by the Seller, stating the reason for such return. The Seller shall perform such rectification by issuing a new invoice. Upon returning the defective invoice to the Seller, the initial due date period shall cease running. The new due date period shall start running from the date of delivery of the new invoice.
- 12.5. The due date of the Purchase Price shall be defined in the Purchase Contract. Should the due date be not defined in the Purchase Contract, then the Purchaser shall be obliged to pay the Purchase Price within 45 days as from the date of issuance of a due invoice, however, no sooner than within 30 days from the date of delivery of such a due invoice.
- 12.6. The day of payment of the Purchase Price in case of bank transfer shall be the date, on which the amount of the Purchase Price is credited by the bank to the current bank account of the Seller, which is defined in the Purchase Contract, and should such an account be not defined in the Purchase Contract, then to the account the Seller notified the Purchaser of.
- 12.7. In case of delay of the Purchaser with the payment of the due Purchase Price, the Purchaser shall be obliged to pay the Seller the default interest in the amount of 0.08% from the due amount for each and every commenced day of delay.

13. Termination of the Contract

- 13.1. Unless provided otherwise in the Contract, the Purchaser shall have the right to withdraw from the Contract:

- (a) in case the Seller breaches the duties defined in the Contract and/or in these General Terms and Conditions in a substantial manner;
 - (b) should the Force Majeure as defined in provision 19.1 of these General Terms and Conditions prevent fulfilment of duties under the Purchase Contract for a period exceeding 3 months.
- 13.2. The Parties have in agreed that besides the reasons set forth by the applicable laws the following reasons only and exclusively shall be deemed to be a substantial breach of the Contract:
- (a) the Seller's delay with the delivery of Goods for more than 14 days;
 - (b) delivery of the Goods with apparent defect(s);
 - (c) the Seller's delay with the remedy of defect(s) for more than 7 days;
 - (d) any breach of the confidentiality duty hereunder.
- 13.3. In case of non-substantial breach the Purchaser shall have the right to withdraw from the Contract should the Seller fail to remedy such breach in an additional adequate term given by the Purchaser expressly or implicitly.
- 13.4. The withdrawal shall be made in writing and it shall be delivered to the Seller. Withdrawal shall become effective as from the date, on which such withdrawal notification was delivered to the Seller.
- 13.5. Upon withdrawal from the Contract, the following shall not extinguish:
- (a) claims for damages arising from a breach of the Contract,
 - (b) claims arising from liability for defects of the Goods,
 - (c) claims for payments of contractual penalties arising from a breach of the Contract,
 - (d) stipulations concerning warranty and liability for defects,
 - (e) stipulations concerning the duty to maintain confidentiality and secrecy,
 - (f) stipulations concerning the selection of law and settlement of disputes.
- 13.6. Unless stipulated otherwise in the Contract, the delivered Goods, to which the title passed on the Purchaser prior to withdrawal from the Contract:
- (a) shall remain within the property of the Purchaser after the withdrawal from the Contract, if the Purchase Price has been paid for such delivered Goods already. Should the Purchase Price for such delivered Goods fail to be paid prior to withdrawal from the Contract, then the Purchaser shall be obliged to pay the relevant amount for the Goods to the Seller,
 - (b) may be returned to the Seller by the Purchaser after withdrawal from the Contract, in case such Goods have irreparable defects, due to which it is not possible to use the Goods duly, or defects, to the removal of which unreasonable costs would be related, and the Seller shall be obliged to return the Purchase Price to the Purchaser in case it has been already paid.
- 13.7. Delivered Goods, the property rights to which did not pass on the Purchaser prior to the withdrawal from the Contract, shall be returned by the Purchaser to the Seller at the expenses of the Seller.
- 13.8. In case of withdrawal from the Contract, the Parties shall be obliged to settle their matters by method and within time limits agreed by both Parties.

14. Declarations of the Seller

- 14.1. The Seller by the conclusion of the Purchase Contract declares and confirms that:
- (a) waives its right set forth in Section 1793 of the Civil Code, i.e. the right to claim termination of the Contract and return to the original state;
 - (b) is aware of the subject matter of the Contract; and
 - (c) considers the Purchase Price adequate and agrees with the provision of the Goods for such Purchase Price.
- 14.2. The Seller by the conclusion of the Contract confirms that was informed about all relevant circumstances necessary to assess the possibility of entering into the Contract and does not expect or require further information on this matter.

15. Other provisions

- 15.1. The Seller shall be obliged to maintain all books and records relating to or arising from the Contract for a period of 10 years as from the date of conclusion of the Contract. Such records shall be complete and upon request they shall be made accessible for the Purchaser or for third parties upon consent on the part of the Purchaser.
- 15.2. Should the Seller perform the subject-matter of the Contract within the premises of the Purchaser or in the place specified by the Purchaser, it shall be obliged to move only within the area specified by the Purchaser for such a purpose. After completion of the subject-matter of the Contract, the Seller shall be obliged to restore such premises to the original or otherwise stipulated state, and to hand them over to the Purchaser on the basis of a written report within the stipulated due date.
- 15.3. All notices, requests or other messages to be made or sent in accordance with the Contract shall be made in writing and addressed to the respective Party and marked explicitly as notices, requests or messages in accordance with the Contract.
- 15.4. The notices, requests and other messages shall be deemed to have been duly sent or made:
- (a) in the case of a delivery in person, delivery by a messenger or post, upon the moment of delivery; or

- (b) in the case of a fax, upon transmission, provided that the report of transmission states a correct code or fax number;
- (c) in the case of an e-mail, upon the moment of delivery, provided that a person entitled to act for the respective Party in the matters hereunder actively confirms delivery of the e-mail message.

16. Confidential information

- 16.1. The Parties have agreed that all information they provided each other in negotiations on the Contract and in connection therewith shall be confidential and neither Party to which such information has been provided may either divulge the same to a third person or use for its own interests the same in conflict with the purpose thereof. The Parties shall further keep confidential all information concerning the Goods and/or customers that is not already in the public domain. Regarding this, the Parties undertake to ensure that all of their employees or persons acting on their behalf in connection with implementation of the subject matter of the Contract also keep confidential such information.
- 16.2. The confidentiality duty hereunder does not apply to information that:
 - (a) might be disclosed without breach of the Contract;
 - (b) were exempted from these restrictions by mutual written consent of both Parties;
 - (c) are already in public domain or were disclosed without breach of the Contract;
 - (d) the recipient knows such information before its disclosure by the Party;
 - (e) are requested by the court, the public prosecutor or by a competent administrative body in accordance with law, or whose disclosure is required by law;
 - (f) the Party discloses to the person bound by a legal obligation of confidentiality (e.g. a lawyer or tax consultant) for the purposes of exercising its rights.
- 16.3. If the confidentiality duty hereunder is breached the affected Party shall have the right to require the other Party to surrender the benefit accrued from the business transaction in which the Contract was breached and/or to transfer to for no consideration the rights corresponding thereto. The right to damages shall not be affected thereby, including the right to exiate a non-proprietary loss.
- 16.4. The provisions of this Section 16 shall apply also to all samples, designs, drawings and / or other documents provided by the Purchaser to the Seller in order to fulfil the Contract. These remain the sole property of the Purchaser and can not be without the written consent of the Purchaser passed on to third parties and can not be used for purposes other than the fulfilment of the Contract.
- 16.5. The confidentiality duty according to this Section 16 shall survive termination of the Contract for a period of 1 (one) year from termination of the Contract's effectiveness.

17. Rights arising from industrial or intellectual property

- 17.1. The Seller undertakes to ensure that no provisions of the Contract or their application illegally affect rights to intellectual or industrial property of any third parties protected by laws of any country.
- 17.2. The Seller hereby expressly declares that is fully authorized to dispose of the rights to industrial and intellectual property rights relating to the Goods, and undertakes to provide for due and undisturbed use of the Goods by the Purchaser or its customers and for transfer of the Goods to third parties by the Purchaser.
- 17.3. Should the Goods contain any works protected by the Act no. 121/2000 Coll., the Copyright Act, as amended, the following shall apply:

Unless the Contract stipulates otherwise the Seller grants the Purchaser at the moment of the delivery of the Goods a non-exclusive license to use the Goods by any means set forth in Section 12 of the Copyright Act; such license shall be territorially and quantitatively unrestricted, with the right to grant a sub-license or assign the license, for the whole duration of the respective author rights.
- 17.4. The Seller shall reimburse the Purchaser all damages resulting from a breach of the aforesaid obligations or statements and all damages and expenses incurred by the Purchaser as a result of exercising the rights of third parties in connection with the execution of the Purchase Contract towards the Purchaser.

18. Liability for damage

- 18.1. The Seller shall be liable for all damage incurred by the Purchaser, customers of the Purchaser or by other parties in relation to a breach of their duties arising from the Contract or applicable laws.
- 18.2. The Seller shall be obliged to reimburse the Purchaser all damage incurred by the Purchaser in relation to a breach of duties of the Seller arising from the Contract, and all costs arising in relation to defects in the Goods, including all costs relating to interruption of operation of a final product, in which the defective Goods were incorporated.

19. Force Majeure

- 19.1. In case of Force Majeure, the time limits concerning performance of duties defined for the Parties in the Contract shall be extended by the time for which the event of Force Majeure lasts.
- 19.2. The Seller shall be obliged to inform the Purchaser of the occurrence and termination of the Force Majeure without any unreasonable delay in writing, the same shall be applicable in case the Force Majeure affects its subcontractors.
- 19.3. The Force Majeure shall not be regarded events such as closure of traffic, delay in supplies from subcontractors (unless they are caused by the Force Majeure), insolvency, shortage of labour or material. The Force Majeure shall be regarded in particular events such as earthquake, flood, devastating fire or war.

20. Decisive law

- 20.1. Rights and duties of the Parties, including conclusion of the Contract, its validity and effect shall be governed by laws of the Czech Republic.

21. Arbitration clause

- 21.1. The Parties by undertake that they will exercise their best effort to settle disputes arising from the Contract or in relation to it in an amicable manner. All disputes arising from the present contract and in connection with it failed to be settled by negotiations of the parties shall be finally settled by the Regional Court Hradec Králové (Krajský soud v Hradci Králové).

22. Severability clause

- 22.1. Should any provision of the Contract or of these General Terms and Conditions be or become invalid or ineffective, such invalidity or ineffectiveness shall not affect the remaining provisions of the Contract or of these General Terms and Conditions. In such a case, the Parties undertake to replace the invalid and/or ineffective provision by means of agreement with a new provision that would correspond best with the originally intended purpose of the original provision.

23. Final provisions

- 23.1. The Parties undertake neither to assign nor to transfer, without the prior explicit written consent of the other Party, any rights or duties following from the Contract, to a third person or third persons.
- 23.2. The Contract shall be interpreted only and exclusively in accordance with the provisions explicitly expressed therein. The habits and established practices of the Parties shall be disregarded, the customs of trade shall be disregarded.