



VUES Brno s.r.o.
Mostecká 992/26
614 00 Brno
Czech republic



electric rotating machines
electric drives electronic systems
automation and measurement system

Research – Development – Manufacture - Engineering

General commercial terms (GCT) of VUES Brno s.r.o. (Hereinafter referred to as Commercial Terms)

1. VALIDITY OF THE COMMERCIAL TERMS

These Commercial Terms further regulate the terms and conditions of business contracts concluded between the company VUES Brno s.r.o. as a sales organisation and their business partners in case that such terms and conditions are not stipulated in the contracts themselves. In case of divergence between the Contract and these Commercial Terms, the stipulations of the Contract shall prevail.

2. INTRODUCTORY PROVISIONS

2.1. The term **Seller** refers to:

VUES Brno s.r.o, company registration no: 27394743
Registered office: Mostecká 992/26, Husovice, 614 00 Brno
Registered in the Commercial Register administered by the District Court in Brno under number C 52 601

2.2. The term **Buyer** refers to the subject, usually a physical or legal person, specified in the Purchase Order or in the Contract as specified in Article 3 of the Commercial Terms.

2.3. The term **Purchase Order** refers to the proposal of the Buyer to conclude a Contract delivered to the Seller. The Purchase Order must include the specifications of the Delivery and the price of the Delivery or method of consequent specifications of the price. Such consequent price specification method must be objective and unambiguous.

2.4. In these **Commercial Terms**, the term Contract refers to a Purchase Contract or Works Contract or a similar proof of existence of a contractual relationship.

2.5. The term **Delivery** refers to the subject of the Contract as specified in the Contract.

2.6. In these Commercial Terms, the term Delivery refers to the act of **delivering** by means of a company authorised to provide postal services, electronic mail, delivery to an electronic mail depository, or delivery in person.

2.7. The term **fundamental breach of obligations** as specified by the purchase contract or by these Commercial Terms refers in particular to:

- a) a delay in the delivery of goods on the part of the Seller,
- b) a delay in the payment of the purchase price on the part of the Buyer,
- c) breach of obligations arising from the liability for defects of goods.

The contractual penalties under these Commercial Terms are payable within 30 days from delivery of the contractual penalty statement to the contracting party which is in breach.

Unless explicitly stated otherwise, the periods are expressed in terms of calendar days.

3. CONCLUSION OF CONTRACT

A written purchase order of the Buyer delivered to the Seller is understood to be a proposal of a purchase contract conclusion. The purchase contract is considered concluded when:

- 3.1. a written confirmation of the purchase order issued by the Seller is delivered to the Buyer.
- 3.2. signatures of the Buyer's and Seller's authorized representatives are attached to a dated document designated as a Contract. A contract may include an annex in the form of technical specification of the Delivery. In such case, the Contract then consists of the text of the document (Contract) as per the first clause above, of the annex as per the second clause above, and also of these Commercial Terms.

4. SUBJECT OF THE CONTRACT

4.1. The subject of the Contract is particularly the obligation of the Seller to supply the Delivery to the Buyer and transfer the ownership title onto the Buyer, and the obligation of the Buyer to duly accept the Delivery and pay the agreed price to the Buyer.

5. PURCHASE PRICE

5.1. The Buyer is obliged to pay the Seller the purchase price as stipulated in the Contract.

5.2. A bank transfer (non-cash payment) of the purchase price is carried out by the Buyer only on the basis of an original of a tax document issued in accordance with the requirements of generally binding legal regulations. The Buyer and the Seller can agree on an electric format of tax documents.

5.3. The due date of the purchase price is stipulated in the Contract. In case that the purchase price due date isn't stated in the Contract, then the Buyer is obliged to pay the purchase price within 30 days from the issue date of the tax document.

6. DELIVERY TERMS, PASSING OF OWNERSHIP TITLE

6.1. Unless a different person or place of handing the Delivery over is stated in the Contract, the Contract is considered fulfilled by the Seller at the moment when the Buyer accepts the Delivery (upon being prompted to do so by the Seller) on the premises of the Seller (EXW according to INCOTERMS 2010). A take-over report shall be compiled and signed by both the contracting parties confirming the hand-over/take-over of the Delivery. The delivery note of the Seller signed by both the contracting parties may also serve as a take-over report. By signing the take-over report, the risks of Delivery damage pass onto the Buyer.

6.2. In case that the Buyer does not take over the subject of the Contract within 7 days upon being notified to do so by the Seller, the Seller is entitled to invoice the buyer for the subject of Contract.

6.3. The Contract is considered fulfilled on the part of the Seller at the moment when the Buyer (upon being prompted to do so by the Seller) takes over the goods on the premises of the Buyer - unless specified otherwise in a Contract.

6.4. The Contract is considered fulfilled on the part of the Buyer at the moment when the Buyer takes-over the goods and pays the purchase price.

6.5. The Buyer shall not refuse to take over a partial Delivery before the agreed deadline.

6.6. In case that returnable containers are used, the Seller charges the Buyer for their wear and tear, which is not included in the contract price. In case that a returnable container is not returned within 30 days, the Seller is entitled to charge the Buyer full amount of the container price.

6.7. The Seller shall hand over the Delivery without any obligations, claims or rights of any third parties.

6.8. The ownership title of the Delivery passes onto the Buyer at the moment when the take-over report is signed by both the contracting parties and the purchase price is paid.

7. WARRANTY

7.1. The Seller provides a warranty that the Delivery will function in a flawless manner for 12 months upon the date of delivery.

7.2. The Seller is not liable for damage of the delivery caused by incorrect storage, incorrect external connection to electricity, damage due to external factors such as effects of electricity of impermissible parameters, unprofessional assembly, faulty setting or incorrect operation.

7.3. The product repairs are carried out in the facility of the Seller - unless specified otherwise in the Contract.

8. DELIVERY DEFECTS

8.1. Obvious defects which can be ascertained during the acceptance procedure must be reported in the take-over report by the Buyer.

8.2. Defects which can only be ascertained after the goods have been delivered to the Buyer must be reported without undue delay as soon as they are discovered, by the end of the warranty period (as specified in article 7.1 of this purchase contract) at the latest. A complaint must be made in writing and delivered to a respective employee of the Seller.

8.3. In case that a quality defect occurs, the Buyer is entitled to a free rectification of any rectifiable defects of the Delivery. If a defect cannot be rectified, the defective Delivery will be replaced by a defect-free Delivery.

8.4. As far as other matters are concerned, the enforcement of claims related to defects of the Delivery shall be governed by the respective stipulations of the Czech Commercial Code.

9. TERMINATION OF THE PURCHASE CONTRACT

9.1. Unless otherwise stipulated by the purchase contract or in these Commercial Terms, the contracting parties are entitled to withdraw from the Contract in accordance with generally binding legal regulations even before the duly delivery of goods, without stating the reason. The withdrawing party is then obliged to pay the other party expenses purposefully spent on meeting the requirements of the purchase contract up to the purchase price amount stated in the purchase contract from which the first party withdraws.

9.2. By withdrawing from the purchase contract, the Contract including these Commercial Terms ceases to be valid. However, by withdrawal from the Contract or other method of its termination, the following remains effective:

- a) claims arisen from the liability for defects of goods
- b) stipulation on the warranty and liability for defects,
- c) stipulations on confidentiality, and the protection of know-how,

9.3. In case of withdrawing from the Contract, the parties are obliged to settle accounts between themselves in a manner and in periods as mutually agreed. The withdrawing party is obliged to deliver a written proposal of settling the mutual obligations within 15 days upon the date on which the withdrawal becomes effective. In the written proposal, the Seller shall specify:

- a) mutual claims arising in respect to the withdrawal from contract
- b) adequate deadlines for meeting the mutual obligations in order to reach settlement of the contracting parties.

Method of settlement and deadlines specified by the Seller are obligatory for both the contracting parties.

10. PENALTY PROVISIONS

10.1. In case that the Seller is in delay with the delivery of goods, the Seller is obliged to pay to the Buyer a contractual penalty in the amount of 0.05% of the purchase price of the Delivery for each commenced day of the delay. This penalty is limited by 5% of the purchase price.

10.2. In case that the Buyer is in delay with the payment of the purchase price, the Buyer is obliged to pay to the Seller a contractual penalty in the amount of 0.05 % of the unpaid amount of the purchase price for each commenced day of the delay. This penalty is limited by 5% of the purchase price.

10.3. In case that the Buyer is in delay with payment of a pro forma tax document, the delivery period of the Goods is prolonged by the period of the payment delay. In case that a payment delay exceeds 30 days, the Seller is entitled to withdraw from the contract and the Buyer is obliged to pay to the Buyer the provable costs arisen - minimum payment in such case is 10% of the purchase price.

10.4. In case that the Buyer has not duly met his previous obligations towards the Seller, the Seller is entitled to suspend the performance of the contractual obligations until the previous Buyer's obligations are met. In such case, the Seller is not liable for consequential or direct damage which might arise as a result of the Delivery delay.

10.5. The Seller is entitled to charge the Buyer a storage fee in case that the Buyer does not take over the Delivery within 14 days upon the take-over notification. The storage fee is 0.35 % of the Delivery purchase price for each commenced week of storage.

11. FORCE MAJEURE

11.1. Both parties are entitled to suspend performance of their obligations under the Contract for the time of duration of circumstances excluding the liability (hereinafter referred to as "Force Majeure"). The Force Majeure is an obstacle which arose independently of the liable party's will and prevents this party from performing its obligation, provided that it cannot be reasonably expected that the liable party could avert or overcome such obstacle or its consequences, and that the occurrence of such obstacle was unpredictable at the time of conclusion of the Contract. Cases of Force Majeure include in particular cases of strike, outbreak of epidemic, fire, natural disaster, mobilisation, war, insurgency, confiscation/recapture, embargo, foreign currency transfer ban, regulation/restriction in the electric power supply which is not a consequence of the contracting party's actions, terrorist attack etc. The ageing of components stock is not considered a Force Majeure.

11.2. The Force Majeure rules out possibility to enforce any claims of contractual penalties against the party affected by the Force Majeure.

11.3. The party claiming to be affected by the Force Majeure shall notify the other party of this event without delay in writing and take all possible measures to reduce the consequences of non-performance of the contractual obligations.

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

12. TRADE SECRETS

12.1. The information mutually exchanged by the contracting parties is considered confidential and trade secret. The contracting parties undertake not to inform any third parties about the existence or content of any contract concluded between the contracting parties.

12.2. The contracting parties shall not, without prior written explicit consent of the other contracting party to do so, provide information or access to information to any third parties. This applies to any information or documents which are related to any contracts between the contracting parties which have already been provided or will be provided to a contractual party or the access to which have been/will be provided. The explicit written consent above applies also to cases of provision of information to sub-suppliers of any contracting party related to the performance of any contract between the contracting parties.

12.3. Buyer is obliged to fully respect all industrial or intellectual property rights of the Seller.

13. GOVERNING LAW, SETTLEMENT OF DISPUTES

13.1. The rights and obligations of the contracting parties including the conclusion of a purchase contract, its validity and effectiveness is governed by the legal system of the Czech Republic.

13.2. The contracting parties hereby undertake that, in case that a dispute related to this Contract shall arise between them; such dispute will be settled in court based on the legal system of the Czech Republic.

13.3. In case that a purchase contract includes a reference to a particular INCOTERMS clause, this INCOTERMS clause becomes a part of the purchase contract.

14. FURTHER STIPULATIONS

14.1. Shall a court or a competent state authority find any stipulation of these Commercial Terms invalid or unenforceable, the other stipulations of the Commercial Terms shall remain unaffected. In case that a stipulation of these Commercial Terms is found invalid or unenforceable but could be considered valid and enforceable after the removal of a part of such provision, then this stipulation shall be valid with such modification that is necessary for it to be valid or enforceable.

14.2. All notifications made by the contracting parties related to or on the basis of these Commercial Terms shall be made in writing and delivered as per article 2.5 of these Commercial Terms. The notifications shall be delivered or forwarded to the usual business addresses which are specified in the Contract.

14.3. A person/entity, who is not a contracting party, is not entitled to the enforcement of any stipulations of this Contract by virtue of any legal regulations or laws. No rights including rights of appeal of any persons/entities which exist or are otherwise available in accordance with legal regulations are affected by these Commercial Terms.