

## GENERAL TERMS AND CONDITIONS

OF

PRECIZ, S.R.O.,

ID: 63475715, WITH ITS REGISTERED OFFICE IN KVÍTKOVICKÁ 1637,  
NAPAJEDLA 763 61, CZECH REPUBLIC, (HEREINAFTER REFERRED TO AS "PRECIZ"),  
VALID FROM 1.9.2012

### 1. INTRODUCTORY PROVISIONS

- 1.1 PRECIZ issues these general terms and conditions (hereinafter also referred to as "GTC"), which govern all legal relationships, contracts, and transactions involving the delivery of goods or services by PRECIZ (hereinafter collectively referred to as "goods") to any third party (hereinafter also referred to as the "Buyer").
- 1.2 These GTC are binding on the contracting parties from the moment they become acquainted with them and/or when they are first referred to in any contractual negotiation.
- 1.3 Even if the Buyer normally refers to other general terms and conditions, by the moment these GTC become binding, the Buyer waives the application of those other terms, and these GTC exclusively apply unless PRECIZ explicitly and in writing accepts other general terms and conditions to the detriment of these GTC.

### 2. CONCLUSION OF CONTRACTS

- 2.1 Purchase contracts are concluded in accordance with the procedures stated in these GTC. For the purposes of GTC, a purchase contract also includes any other form of contract for the supply of goods, especially a contract for work or an unnamed contract.
- 2.2 Unless otherwise specified in a specific case, all PRECIZ's address, and catalog offers are non-binding and do not constitute an offer to enter a contract.
- 2.3 If the Buyer wishes to conclude a purchase contract with PRECIZ, they are obliged to submit a written order to PRECIZ, which should include at least the following:

- the PRECIZ offer number, if issued,
- the name of the goods,
- the type of goods,
- the quantity of goods,
- the price of goods,
- the price for the transportation of goods,
- the delivery date,
- the place of delivery.

- 2.4 The Buyer's order must be signed by a person authorized to act on behalf of the Buyer in such matters (power of attorney, authorization, § 15 of the Commercial Code).
- 2.5 The Buyer's order obliges the Buyer for 30 days from its delivery to PRECIZ, and the Buyer is not entitled to unilaterally change or revoke it during this period.
- 2.6 If PRECIZ sends confirmation of the order to the Buyer within the period specified in paragraph 2.5, the purchase contract is concluded at the moment of delivering the confirmation to the Buyer.
- 2.7 An accepted delivery by the Buyer is also considered as a concluded purchase contract.
- 2.8 For the purposes of this Article 2, the written form also includes the form of a fax or a simple electronic message.
- 2.9 All oral or written agreements made in connection with a specific purchase contract lose their validity at the moment of concluding the respective purchase contract unless they are included in the text of the concluded purchase contract and are in accordance with these GTC.
- 2.10 If the parties use standardized delivery conditions when concluding a purchase contract, the interpretation of these conditions will be primarily based on the rules issued by the International Chamber of Commerce in Paris - INCOTERMS 2000.

### 3. PURCHASE PRICE

- 3.1 The purchase price agreed upon in the purchase contract is determined without basic packaging, without transportation costs, without insurance, without duties, or other fees, and without value-added tax at the statutory rate.
- 3.2 The purchase price agreed upon in the purchase contract is determined in accordance with the EXW delivery condition from PRECIZ's headquarters (INCOTERMS 2000), unless otherwise agreed in a specific case.
- 3.3 Unless otherwise stated in a specific case, the agreed purchase price is due to PRECIZ's bank account immediately after the delivery of the goods in accordance with the delivery conditions.
- 3.5 If the Buyer is in default with the proper payment, even of a part of the purchase price or an advance on the purchase price under any purchase agreement or other obligation:

PRECIZ is not obliged to fulfill any of the contracts concluded with the Buyer for the duration of the Buyer's default in payment, even of an unrelated obligation to PRECIZ. The term for delivery of goods is reasonably extended by the duration of the Buyer's default.

The Buyer is further obliged to pay PRECIZ a contractual penalty in the amount of 0.05% of the overdue amount for each day, or part thereof, of delay. The contractual penalty is due within 15 days from the date of sending a request for payment to the Buyer.

- 3.6 If the Buyer is in default with the performance of any of its obligations for more than 10 days and/or if bankruptcy or settlement proceedings are initiated against the Buyer, all outstanding obligations of the Buyer to PRECIZ become immediately due and payable automatically. Simultaneously, PRECIZ is entitled to withdraw from any of the contracts concluded with the Buyer. However, the withdrawal does not affect PRECIZ's right to claim damages and payment of any contractual penalties.
- 3.7 Offsetting against PRECIZ's claims may only be carried out with the written consent of PRECIZ.
- 3.8 Any payment by the Buyer may, without its consent and even if a commitment that the Buyer intended to fulfill has been designated, be prioritized by PRECIZ at its discretion for the payment of other due obligations of the Buyer to PRECIZ.

#### 4. OWNERSHIP RIGHT TO THE GOODS

- 4.1 The reservation of ownership by PRECIZ is agreed upon. Until the payment of the purchase price, the goods remain the property of PRECIZ, and the Buyer is not authorized to dispose of the goods in any way before the transfer of ownership, especially not to alienate, encumber with an obligation or real right, process, or move it from the place to which the goods were transported under the concluded agreement.
- 4.2 Until the transfer of ownership, the Buyer is obligated to take care of the delivered goods at its own expense with the care of a diligent manager, especially regarding proper storage in a dry and non-aggressive enclosed environment.
- 4.3 The Buyer confirms that PRECIZ and persons authorized by it are entitled to enter the Buyer's premises to inspect or collect the goods subject to PRECIZ's ownership (due to the reservation of ownership or for any other reason). If the goods are taken, it is done at the expense and risk of the Buyer. However, upon request, the Buyer is obliged to deliver the goods subject to PRECIZ's ownership to PRECIZ directly at its registered office.
- 4.4 The Buyer is not entitled to assert a right of retention against any goods or property of PRECIZ.
- 4.5 If the Buyer continues to possess the goods, although not being its owner, all performances and benefits from such legal relationships between the Buyer and third parties belong to PRECIZ. In this case, the Buyer assigns all its claims against the involved third parties to PRECIZ free of charge. However, this assignment does not extinguish the obligation of the Buyer to pay the agreed purchase price and other possible costs to PRECIZ.
- 4.6 The provisions of Article 4 apply mutatis mutandis in the event of withdrawal from the purchase agreement. If the Buyer has the goods in its possession in the event of withdrawal from the purchase agreement, it is obliged to return them to PRECIZ without undue delay and at its own expense at the registered office of PRECIZ.

## 5. DELIVERY OF GOODS

- 5.1 PRECIZ delivers the goods to the Buyer within the agreed deadline according to the EXW delivery condition (INCOTERMS 2000) from the registered office of PRECIZ. The goods are considered delivered upon fulfillment of the delivery condition unless agreed otherwise in a specific case.
- 5.2 The risk of damage to the goods passes to the Buyer upon delivery of the goods.
- 5.3 Delay in the delivery of goods or non-delivery does not entitle the Buyer to claim compensation for any damages or other claims, unless the delay or non-delivery occurred for reasons excluding PRECIZ's liability (§ 374 of the Commercial Code). In these cases, PRECIZ has the right to withdraw from the concluded contract.
- 5.4 If PRECIZ provides transportation of the goods at the request of the Buyer, it is at the expense and risk of the Buyer.
- 5.5 The liability for the goods in cases specified in § 462 of the Commercial Code lies with the Buyer.

## 6. LIABILITY FOR DEFECTS

- 6.1 PRECIZ is responsible for defects that exist in the goods at the time of delivery and for defects in the quantity, quality, or execution of the goods caused by a breach of PRECIZ's obligations.
- 6.2 Unless agreed otherwise, the quality of the goods is determined by the information provided in the valid catalog of PRECIZ and the DIN 59350 standard, applicable to deliveries of precision-ground tool steel.
- 6.3 If materials provided by the Buyer were used in the production or procurement of the goods, PRECIZ is not responsible for defects caused using these materials. PRECIZ is not obliged to verify the suitability of the materials provided.
- 6.4 Suggestions, recommendations, and other assistance provided by PRECIZ in the projects of the Buyer or in the preparation of materials or items for the production or procurement of goods by PRECIZ do not constitute any form of liability by PRECIZ for possible defects in these projects, materials, or items.
- 6.5 PRECIZ is not responsible for the suitability of materials for their specific use by the Buyer or for any related damages.
- 6.6 The Buyer is obliged to inspect the goods with the care of a professional without undue delay after their delivery.
- 6.7 The Buyer is obliged to assert all defects found during the inspection of the goods according to clause 6.6 in writing and without undue delay after their discovery.
- 6.8 Defects that could not be detected during the inspection of the goods according to clause 6.6 must be asserted by the Buyer in writing and without undue delay after their discovery, with the application of professional care, but no later than 6 months from the delivery of the goods. After this period, the defects claimed will not be recognized by PRECIZ.

6.9 The assertion of defects must be made in writing and must include at least the following information, otherwise it will not be considered:

Description of the claimed goods, Invoice number or purchase agreement related to the defective goods, Detailed description of the defect and its manifestation.

6.10 PRECIZ will assess the asserted defects and send a written response to the Buyer within 30 days of receiving the notice of defects for the purpose of resolving the complaint.

6.11 If PRECIZ is responsible for the asserted defects, the Buyer has the right, after receiving the written response according to paragraph 6.10, to request PRECIZ to rectify the defects within a reasonable period.

Applied one of the following remedies:

- Replaced the defective goods with substitutes, or
- Eliminated the defects by repairing the goods, or
- Supplied the missing goods, or
- Granted a reasonable discount from the price of the goods.

The choice of how to address the complaint belongs to PRECIZ.

6.12 The Buyer is not entitled to unilaterally withdraw from the purchase agreement solely due to the presence of defects in the goods.

6.13 The goods for which the Buyer asserts defects must be stored by the Buyer with the care of a prudent manager and separately from other goods, particularly to prevent damage or corrosion.

## 7. OTHER PROVISIONS

7.1 No provision on contractual penalties stated in these General Terms and Conditions or in any purchase agreement affects PRECIZ's right to compensation for damages.

7.2 Exchange rate losses incurred by PRECIZ due to the Buyer's delay are also considered as damage.

7.3 In the event that the Buyer incurs damages due to a breach of obligations by PRECIZ, the potential compensation for damages is limited to an amount equal to 5% of the price of the relevant properly or timely undelivered goods. This damage is considered the highest foreseeable at the time of concluding the relevant purchase agreement. The limitation also applies to cases of recourse against PRECIZ if the Buyer has caused damage to third parties through further disposal or use of the goods.

## 8. FINAL PROVISIONS

8.1 All changes and additions to these General Terms and Conditions or purchase agreements require written form to be valid.

- 8.2 If any provision of these General Terms and Conditions or any agreement becomes invalid, the validity of the remaining provisions is not affected. The parties undertake to replace the invalid provision with a valid provision that most closely corresponds to the economic purpose of the invalid provision.
- 8.3 If these General Terms and Conditions or the agreement have a gap requiring adjustment, the parties will fill this gap with a supplementary provision that considers the economic purpose of these General Terms and Conditions or the agreement.
- 8.4 The rights and obligations of the Buyer arising from these General Terms and Conditions and agreements are not transferable to third parties without the prior written consent of PRECIZ.
- 8.5 These General Terms and Conditions and all legal relationships subject to them and related to them are governed by Czech law, especially the relevant provisions of Act No. 513/1991 Coll., the Commercial Code, as amended. The application of the UN Convention on Contracts for the International Sale of Goods is expressly excluded.
- 8.6 Pursuant to Act No. 216/1994 Coll., the parties have agreed that all their disputes arising from the contract, which includes these General Sales Terms and Conditions or is related to this contract, will be decided in arbitration proceedings ("AP") before a single ad hoc arbitrator. They expressly authorize the chairman of the board of the Union for Arbitration and Mediation of the Czech Republic, Inc., ID: 27166147 ("Union") as a natural person to select an arbitrator for the AP in his name and at his discretion and authorize him to appoint another person for the selection of the arbitrator. The parties expressly authorize the arbitrator to determine the price of the AP, and they agree that the AP will be conducted at a price published by the selected arbitrator on [www.urmr.cz](http://www.urmr.cz) on the day of filing the lawsuit. In disputes with an international element, the AP price increases by half; in the AP with more than two participants, it increases for the third and each additional participant by one-fifth. According to the above, the claim filed as a mutual proposal or objection is also subject to a fee in its entirety. The cessation of proceedings does not extinguish the arbitrator's claim for payment of the AP price; the paid AP price is not refundable. The parties authorize the arbitrator to conduct the AP in Czech, without an oral hearing, to decide according to the principles of justice, to issue a decision without reasoning, and agree that he may authorize third parties for administrative, technical, and economic activities within the AP, relieving him in this respect from confidentiality. The parties have agreed on the AP in the form of online proceedings, where the proceedings are conducted in the environment of electronic communication networks; the lawsuit, including attachments, is filed electronically at the registry on the portal [www.e-arbiter.cz](http://www.e-arbiter.cz). The parties authorized the arbitrator to create a secure unique judicial forum with an electronic file ("JF") for the specific dispute on the e-arbiter portal. The place of storage of the JF and the conduct of the AP is Brno. The access data to the JF will be electronically delivered by the arbitrator to the parties' email addresses or by the operator of postal services; the provisions of the Rules of Civil Procedure on the procedure for service of documents will be reasonably applied, deposit at the court replaces the deposit with the arbitrator, and posting on the court bulletin board replaces publication on [www.urmr.cz](http://www.urmr.cz). The parties have agreed that after the creation of the JF, submissions can be validly made and evidence presented only electronically by insertion into the JF; submissions,

summonses, and decisions are considered delivered at the time of their posting on the JF, and the acts of the participants and the arbitrator, with the exception of the arbitral award, need not be signed with a secure electronic signature. The parties expressly authorize the arbitrator, at his discretion, to decide that the online AP will be converted into written form.

8.7 In case of discrepancies between different language versions of these General Terms and Conditions, the Czech version is always decisive.