

InStar Technologies a.s. GENERAL TERMS AND CONDITIONS
as applied to purchase contracts

and issued in compliance with the provisions of Section 1751 et seq. Act No. 89/2012 Coll. of the Civil Code, as amended (hereinafter “the Civil Code”) and governing purchase contracts entered into by InStar Technologies a.s. (hereinafter also “InStar“ or “the Purchaser”) as the Purchaser.

I/ Preliminary Provisions

1. These General Terms and Conditions (hereinafter “these Terms and Conditions”) have been issued for the purpose of facilitating business relations while simultaneously providing precise definition of the discretions and duties of parties entering into purchase contracts in which InStar Technologies a.s., with place of business at Náměstí Tomáše Bati 419, 391 02 Sezimovo Ústí, ID No.: 00009415, Tax ID No.: CZ00009415, recorded in the Commercial Register of the Regional Court in České Budějovice, Section B, Insert 45, acts as the Purchaser. These Terms and Conditions form an integral component of the purchase contracts (hereinafter “purchase contracts” or “contracts”) entered into by and between the Purchaser and a seller.
2. Any and all departures from these Terms and Conditions and amendments to them shall be valid only in the event that they are duly approved in writing by both Contracting Parties and form a component of the purchase contract.

II/ Conclusion of Contract, Subject Matter of Contract

1. Individual purchase contracts shall be concluded by means of written order/draft of a purchase contract signed by authorized persons of both Contracting Parties. Orders/purchase contracts must at least contain the following:
 - identification of the Contracting Parties: business name, place of business, ID No., Tax ID No., bank information, account number;
 - specification of the purchased goods, i.e., individual specification of the goods or specification of the quantity and type of goods, specification of the quality and make of the goods, and documentation required for delivery of the goods;
 - price;
 - method of payment;
 - term and place of performance;
 - warranty period;
 - a provision requiring that the General Terms and Conditions of InStar form an integral component of the contract.
2. On the basis of a concluded purchase contract, the Seller undertakes to deliver to the Purchaser the goods that are the subject of the purchase in accordance with the purchase contract and the specifications stipulated in the purchase contract and amendments to it and shall do so in due course with the goods being in the quality and quantity specified in the provisions of the purchase contract, alternatively in the customary quality, fully fit for use for the purpose specified in the purchase contract, alternatively for the customary purpose, and, furthermore, the Seller shall allow the Purchaser to assume proprietary rights to the goods. The Purchaser undertakes to accept the goods delivered in accordance with the purchase contract and shall pay the Seller the agreed purchase price for the goods, all of which will be carried out pursuant to the conditions and method stipulated in the purchase contract and in these Terms and Conditions.
3. A purchase contract is concluded upon notification of acceptance of the draft of a purchase contract. The Seller is obligated to deliver written confirmation of the purchase contract to the Purchaser by email or fax within a maximum of five (5) days of dispatch of the order/draft of the purchase

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contract. Upon lapse of this term, the purchase contract can be concluded only in the event that the Purchaser does not with no unnecessary delay refuse the purchase contract.

4. All modifications, objections, appendices contained within the acceptance of the draft of the purchase contract shall be considered rejection of the original draft of the purchase contract and shall, at the same time, be considered a new draft of the purchase contract. In the event that the Purchaser does not respond to the new draft within fifteen (15) days of its delivery to the Purchaser, it shall be taken that the Purchaser has rejected this new draft of the purchase contract.
5. A concluded purchase contract can be modified only with the consent of both Contracting Parties. Amendments and modifications to the purchase contract are valid only in written form and confirmed by the representatives of the Contracting Parties, otherwise they are invalid. Written form includes telegraphic and telex messages as well as messages shared by means of electronic devices that allow for the recording of a transaction and identification of the person executing the transaction.
6. All written documents issued in relation to the purchase contract must include the number of the order/purchase contract as well as the reference number specified in the order/purchase contract.
7. The provisions of Section 2093 of the Civil Code shall not be applied.

III/ Purchase Price, Taxes, and Payment Conditions

1. Once the purchase contract has been concluded, the Seller is not entitled to change the price to the detriment of the Purchaser without the Purchaser's written consent.
2. The price of the goods shall include all of the Seller's accessory expenses, whereas if not specified otherwise in the purchase contract, the price shall namely include expenses for transporting the goods to the place of performance and contingent additional expenses for services or activities carried out by the Seller in relation to delivery of the goods (e.g., customs duty, transit fees, etc.). The price shall also include all expenses related to putting the goods into operation and their demonstration and delivery in the place of performance. The price shall also include expenses for insuring the goods if the purchase contract does not specify otherwise, or if the Purchaser has a legal obligation to insure the goods.
3. The price shall not include any tax. The Seller will charge tax pursuant to the tax laws of the Czech Republic valid and in force at the date of taxable performance. A valid document verifying exemption from taxation must be appended to the purchase contract to which it pertains.
4. By signing the purchase contract, the Seller declares that the purchase contract contains truthful information on whether the Seller is or is not a VAT registered subject in the Czech Republic, whether the Seller is a VAT registered subject in another EU country, or whether or not, pursuant to valid VAT legislation, the Seller is a foreign subject (i.e., that within the EU it does not hold domicile, place of business, commercial premises, or any other address or usual place of residence).
5. If, in the meaning of the previous paragraph, the Seller is not a foreign subject, the Seller must include its tax ID number (DIČ) in the purchase contract, granted the Seller has been issued such a number. If, in the meaning of the previous paragraph, the Seller is a VAT registered subject in another EU member country, it shall be understood that this subject does not hold domicile, place of business, or commercial premises in the Czech Republic, granted the Purchase contract does not stipulate otherwise.
6. By signing the purchase contract, the Seller undertakes for the duration of performance to inform the Purchaser without delay of any change in any of the aforementioned information. The Seller shall inform the Purchaser of any such change within a maximum of seven (7) days of its occurrence.
7. By signing the purchase contract, a Seller who is a foreign subject declares that it does not have permanent commercial premises in the Czech Republic in accordance with the provisions of Section

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- 22, Paragraph 2 of Act No. 586/1992 Coll., on Income Tax, as amended, and the relevant double tax treaty. The Seller also declares that it has concluded no contract on the basis of which the establishment of permanent commercial premises could occur in accordance with the aforementioned legal enactments. If the Seller has permanent commercial premises in the Czech Republic, establishes permanent commercial premises in the Czech Republic, or concludes any contract on the basis of which the establishment of permanent commercial premises could occur, the Seller shall be under obligation to inform the Purchaser of this fact either prior to concluding the order, or within a maximum of thirty (30) days.
8. The Purchaser undertakes to pay the Seller the price stipulated in the purchase contract on the basis of a tax document (invoice) issued in compliance with relevant legal enactments and in compliance with the payment terms stipulated in the purchase contract or in these Terms and Conditions.
 9. Among other statutory requirements, the invoice must contain the following:
 - ID No. and Tax ID No. of the Purchaser and the Seller;
 - description of the subject matter of the purchase contract;
 - total invoiced amount broken down per specification of the order, including any discount if provided;
 - date of taxable performance;
 - payment due date;
 - stamp and signature of the Seller;
 - name of bank and bank account number to which the payment is to be made;
 - number of purchase contract or order.
 10. If the purchase contract does not specify otherwise, the Seller is not entitled to demand payment of a deposit.
 11. If the purchase contract does not specify otherwise, the purchase price agreed in the purchase contract shall be payable sixty (60) days after due delivery of the goods in accordance with the purchase contract and these Terms and Conditions. In the event of acceptance by the Purchaser of defective goods, the purchase price shall be payable sixty (60) days after elimination of the defects with which the goods were accepted; in both instances, however, payment of the purchase price shall be payable no sooner than sixty (60) days of due delivery of the invoice to the Purchaser.
 12. A copy of the bill of delivery or, as the case may be, a delivery protocol, must be appended to the invoice. In the event that the Contracting Parties agree on monthly summary billing, an integral component of the invoice must be a summary of all bills of delivery of the goods sent in the course of the given month.
 13. An invoice issued in accordance to the purchase contract and these Terms and Conditions shall be payable in a term of sixty (60) days of demonstrable delivery of the invoice to the Purchaser at the following billing address of the Purchaser:
InStar Technologies a.s.
náměstí Tomáše Bati 419
391 02 Sezimovo Ústí II.
 14. Payment of the purchase price shall be understood to mean deduction of the payment from the Purchaser's bank account.
 15. If the invoice does not contain the stipulated requirements, or it contains inaccurate information, the Purchaser is entitled to return such an invoice to the Seller within the payment due period. In such a case, a new payment due period will come into effect upon delivery of a corrected or completed invoice to the Purchaser.

IV/ Delivery Terms

1. The deadlines for the delivery of goods supplied on the basis of individual purchase contracts are stipulated directly in those purchase contracts. In the event that an individual purchase contract does

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not stipulate a deadline for the delivery of the goods, the delivery deadline shall be fifteen (15) calendar days. Deadlines for delivery of the goods to the Purchaser commence upon dispatch by the Purchaser of an order/draft of a purchase contract on the condition that the order/draft of the purchase contract has been accepted by the Purchaser.

2. The obligation of the Seller to deliver goods to the Purchaser shall be fulfilled upon putting the goods into operation in the place of performance, if such an obligation on the part of the Seller is a component of the purchase contract, and upon delivery of the goods (all items, components, and accessories) in the place of performance on the basis of a bilaterally signed delivery protocol or bill of delivery in accordance with Article IV, Paragraph 7 of these Terms and Conditions and upon delivery of all documents and materials in accordance with Article IV, Paragraph 5 of these Terms and Conditions, if it is not stipulated otherwise in an agreement between the Contracting Parties. The provisions of Section 2088, Section 2090, and Section 2091 of the Civil Code shall not be applied.
3. If it is not stipulated in the order otherwise, the place of performance shall be the Purchaser's place of business.
4. The Seller is obligated to arrange transport of the goods to the place of performance and obtain all permissions and approvals from relevant authorities that are required for delivery and transport of the goods to the place of performance. The Purchaser undertakes to provide the Seller with all necessary cooperation.
5. The Seller undertakes to deliver the goods in the contracted quantity, make, and quality and prepare the goods for transport by the means stipulated in the purchase contract, or, if the means of transport is not stipulated in the purchase contract, by the customary means of transport. The Seller shall deliver the goods to the place of performance within the term specified for delivery of the goods. The Seller is obligated to provide no later than upon delivery of the goods all documents and documentation required for the acceptance and regular use of the goods, i.e., namely a certificate of conformity pursuant to Act No. 22/1997 Coll., certificates of the authorized person, granted such certificates are required by relevant legal enactments, operator and maintenance manuals in the Czech language, certificates of quality and completeness, contingent connection diagrams, certificates from the manufacturer on the tests carried out on the goods, etc. as well as other documentation specified in the Purchase contract (in the event of doubts, other documents and documentation as specified by the Purchaser).
6. The Purchaser is not obligated to accept partial performance on the part of the Seller, i.e., the Purchaser namely is not obligated to accept any delivery that is not supplied in the contracted quantity and quality or is not supplied with all documents and documentation.
7. A bill of delivery or written record (hereinafter "bill of delivery") of delivery of the goods as per the purchase contract (delivery and acceptance) must be written up and verified by representatives of both Contracting Parties and must contain the following:
 - a) name and surname of the person ensuring delivery and acceptance;
 - b) specification of the delivered goods – precise identification, including a list of all documents and documentation that form part of the delivery;
 - c) date of delivery and acceptance, signatures of the persons delivering and accepting the goods.
8. The Seller is obligated to inform the Purchaser without delay of any possible delays in the delivery of the goods.
9. The Seller may deliver the goods before the agreed date of delivery (early delivery) if the purchase contract does not explicitly stipulate otherwise or acceptance of an early delivery is not possible due to operational considerations on the part of the Purchaser, of which the Purchaser must inform the Seller immediately and not later than receipt of notification of delivery of the goods in compliance with Paragraph 10 of this article.

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10. The Seller shall provide the Purchaser sufficient advance notice of performance of the purchase contract (delivery of the goods), i.e., at least three (3) days in advance, and shall do so by always stating the entire order number, its date of execution, and precise specification of the goods, which corresponds with the concluded purchase contract, or, as the case may be, the Purchaser's order.
11. During transport of shipments, the Seller is obligated to adhere to the instructions of the Purchaser; otherwise, the Seller shall be held liable for all damage brought about as a result of not adhering to the instructions of the Purchaser.

V/ Other Discretions and Duties of the Contracting Parties

1. While on the premises of the Purchaser, the Seller is obligated to adhere to valid regulations (including the Purchaser's internal regulations) governing safety and the protection of health during work as well as relevant fire safety regulations and regulations governing the protection of the environment and, furthermore, the Seller is obligated to ensure that these regulations are also adhered to by its employees and subcontractors entering the premises of the Purchaser. The Purchaser is obligated to familiarize the Seller with the regulations in accordance with this article prior to the Seller entering the premises of the Purchaser, whereas familiarization with these regulations also means that the Purchaser shall send these regulations to the Seller in electronic or telegraphic form.
2. During performance of the commitments of the Seller on the premises of the Purchaser, the Purchaser is entitled to supervise the Seller's employees.

VI/ Quality Warranty, Liability for Defects

1. Pursuant to the provisions of Section 2103 of the Civil Code, the Seller assures the Purchaser that the delivered goods are free of defects. The Seller guarantees that the delivered goods are and shall continue for the duration of the contractual warranty period to be of the quality and grade specified in the purchase contract, relevant legal enactments, and relevant technical standards and will be fit for use for the purpose specified in the purchase contract, or, as the case may be, for the customary purpose. The Seller guarantees that the goods will fully comply with the terms stipulated in the purchase contract, namely that the goods will for the entire duration of the warranty period retain the characteristics described in the purchase contract, or, as the case may be, the customary characteristics. Furthermore, the Seller guarantees that the goods are free of defects in quantity and legal defects at the time of delivery.
2. On request of the Purchaser, the Seller is obligated to provide without delay relevant quality certificates issued pursuant to the valid standards of the European Union and must also provide a certificate of origin. The Purchaser is not obligated during acceptance to check, even at random, the characteristics of the delivered goods. This provision does not relieve the Seller of its warranty liability for the quality, grade, and make specified for the delivered goods in the purchase contract.
3. The Seller shall also bear warranty liability for defects in the form of nondelivery or defective or incomplete delivery of the documentation anticipated in the purchase contract or in these Terms and Conditions, or, as the case may be, documentation required to use the goods.
4. The Purchaser is entitled to not accept the goods if the goods are not delivered on time and properly, or are delivered without the documents specified in the purchase contract, i.e., if the goods are defective. The Purchaser may accept such a delivery in full or in part, or may reject the entire delivery. All expenses related to this (repackaging, storage, etc.) shall be borne by the Seller.
5. The warranty period is thirty-six (36) months from the date of delivery of the goods to the Purchaser, but a maximum of twenty-four (24) months from the date the goods are put into operation on the premises of the Purchaser (including cases in which the delivered goods are a component of a final product produced by the Purchaser). The warranty period commences on the day of delivery of the goods in the place of performance. In the event that in accordance with the purchase contract the

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Seller is obligated to put the goods into operation in the place of performance, the warranty period shall commence on the day the goods are put into operation in compliance with the purchase contract. The warranty period does not include the time during which the Purchaser is not able to use the goods due to defects.

6. Defect claims may be filed in writing at any time during the warranty period, whereas the moment of discovery of the defects on the part of the Purchaser is not relevant in this respect. A timely defect claim shall also be any claim sent by the Purchaser to the Seller on the last day of the warranty period. The Purchaser is obligated to allow the Seller to inspect the goods. The written defect claim shall be archived even in the event that it is sent by fax, email, or other similarly demonstrable means.
7. During the warranty period, the Purchaser is entitled to make the following warranty liability claims against the Seller:
 - a) elimination of the defects by means of repair of the goods (granted the goods are repairable) within a maximum period of ten (10) calendar days of notification of the defect by the Purchaser to the Seller; in the event that the defects preclude regular use of the goods, the maximum period shall be forty-eight (48) hours. In the event that the defective delivered goods have already been incorporated into a final product of the Purchaser and this product has, in turn, already been delivered to a third party (“purchaser of a final product”), the Purchaser shall be entitled to, in addition to the aforesaid claims, claim a proportionate discount from the purchase price.
 - b) In the event that the Seller does not eliminate the defects within the aforesaid time periods, the Purchaser shall be entitled to eliminate the defects on its own at the expense of the Seller, whereas the Seller undertakes to reimburse the Purchaser for these incurred expenses at latest within ten (10) days of delivery of a written demand from the Purchaser for reimbursement of such expenses; written form of this demand shall be archived even in the event that it was sent by means of fax, email, or other similarly demonstrable means. In such cases, the Purchaser is also entitled to demand a proportionate discount from the purchase price, or may withdraw from the purchase contract in the event that Seller does not provide a discount from the purchase price.
 - c) In the event that the defects present in the goods are irremovable, the Purchaser may demand a proportionate discount from the purchase price, or may withdraw from the purchase contract.
 - d) In the event that the defective delivered goods have already been incorporated into a final product of the Purchaser, and this product has already been sold to a purchaser of the final product, the Purchaser shall, in addition to the aforesaid claims, be entitled to claim compensation for all effective expenses incurred in relation to eliminating the defect in the final product, for which a defect claim has been filed with the Purchaser by a purchaser of the final product or an end consumer of the final product.

The Purchaser is entitled to choose among the aforementioned individual specific claims. In the event that the notified defect proves to be irremovable through repair or entirely irremovable, the Purchaser is entitled to change its choice of the aforementioned individual specific claims and may do so without the consent of the Seller.

8. The Seller is obligated to eliminate the notified defect by means of delivery of replacement or missing goods, or through repair of the notified defect in the aforesaid time period even in the event that the Seller does not agree with the notification of the defect (defect claim). In the event that the defect claim is shown to be unjustified, the Seller is entitled to claim compensation for its effective expenses incurred in relation to the elimination of the supposed defect in the delivered goods. In the event that the defect claim is shown to be justified, the Purchaser is entitled to claim compensation for all its effective expenses related to the defect claim. This shall have no bearing on the other rights of the Purchaser, namely its right to compensation for resulting damage or its right to demand payment of relevant contractual penalties.
9. From the moment of delivery of replacement goods, or from the moment the defective goods are repaired, a new warranty period, the duration of which is stipulated in Article VI, Paragraph 5 of

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these Terms and Conditions, shall commence for the newly delivered or repaired goods.

10. The Seller is obligated to express its opinion on the legitimacy of a defect claim at latest within fifteen (15) calendar days of the date of notification of the defect in question. If the Seller does not do so within the aforesaid period, it shall be taken as acknowledgement by the Seller of the legitimacy of said defect claim.
11. The date of dispatch of a claim/notification is the date on which a message is sent containing identification of the defect and choice of relevant claim on the part of the Purchaser in accordance with Article VI, Paragraph 7 of these Terms and Conditions.
12. Claims for defects in the goods do not have any bearing on the right to demand compensation for damage or payment of contractual penalties.
13. The provisions of Section 2106, Section 2110, Section 2111, and Section 2112 of the Civil Code will not be applied in instances of defects covered by the warranty.
14. Defect liability claims made by the Purchaser that are not covered by the warranty (defects in quantity, legal defects), including the time periods for notification of such claims, are governed by the relevant provisions of the Civil Code.

VII/ Late Payment Interest, Sanctions, Damage Liability, Set-off, Retention of the Work, Accounts Receivable Pledging

1. In the event of delay in the payment of payable invoices, the Seller is entitled to charge the Purchaser late payment interest at the rate of 0.05% of the unpaid amount for each day of delay.
2. In the event of violation of the date of delivery of the goods as stipulated in the purchase contract, the Seller undertakes to pay the Purchaser a contractual penalty calculated based on the price of the late delivery at the rate of 0.05% of the value of the nondelivered goods for each day of delay.
3. A contractual penalty is payable fifteen (15) days from the day of delivery of a written demand from the Purchaser for payment of the penalty. The agreement of a contractual penalty has no bearing on the right of the contracting party to full compensation for damage and claims arising from the warranty liability or liability for defects in the goods. A paid contractual penalty does not count toward compensation for damage.
4. In the event that a contractual penalty is decreased by the court, the right to claim full compensation for damage remains unaffected.
5. In the event that the Seller commits a breach of any of its obligations arising from Article 11 of these Terms and Conditions, the Purchaser can demand payment by the Seller of a contractual penalty in the amount of 100,000 CZK for each such breach. This will have no bearing on the other rights of the Purchaser, namely its right to claim compensation for damage or its right to demand payment of other contractual penalties.
6. In the event that a legitimate defect claim is made by the Purchaser on the delivered goods (regardless of the nature of the notified defects) during the warranty period more than three times, the Purchaser shall be entitled to demand payment of a contractual penalty at the rate of 10% of the purchase price of the goods for each subsequent occurrence of defects in the goods covered by the warranty liability of the Seller. This has no bearing on the other rights of the Purchaser, namely its right to demand compensation for damage or its right to demand payment of other contractual penalties.
7. In the event of a breach of the obligations arising from any purchase contract or these Terms and Conditions, the Contracting Party in breach of a contractual obligation will compensate the other Contracting Party for actual damage and lost profit.

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8. In the event of a breach of the obligations stipulated in Article III, Paragraphs 3 through 7 of these Terms and Conditions on the part of the Seller, the Purchaser is entitled to demand payment by the Seller of a contractual penalty in the amount of 5,000 CZK for each such breach. This has no bearing on the other rights of the Purchaser, namely its right to demand compensation for damage or its right to demand payment of other contractual penalties.
9. The Seller is not entitled to retain the goods for reasons of the existence of any outstanding debt owed to it by the Purchaser, nor shall the Seller unilaterally set off any outstanding debt owed to it against outstanding debts owed to the Purchaser by the Seller. Moreover, the Seller is not entitled to transfer or set off any outstanding debt owed to it by the Purchaser. In the event of a breach of the Seller's obligations specified in this paragraph, the Purchaser shall be entitled to demand payment by the Seller of a contractual penalty in the amount of 30% the outstanding debt in question. This has no bearing on the right of the Purchaser to demand compensation for damage or its right to demand payment of other contractual penalties.

VIII/ Proprietorship and Risk of Damage to Property

1. Proprietary rights and risk of damage to the goods are transferred to the Purchaser at the moment the goods are demonstrably delivered by the Seller or accepted by the Purchaser.

IX/ Withdrawal from Contract

1. The Purchaser is entitled to withdraw from the purchase contract if the Seller is in delay with performance of its obligation to deliver the goods within ten (10) calendar days.
2. Furthermore, the Purchaser is entitled to withdraw from the purchase contract in the event that insolvency proceedings are initiated with the Seller in bankruptcy, in the event of the declaration of liquidation proceedings against the Seller, or if the Seller enters dissolution.
3. Furthermore, the Purchaser is entitled to withdraw from the purchase contract in the cases that are specified in these Terms and Conditions.
4. Withdrawal from the purchase contract has no bearing on the rights of the Contracting Parties to demand compensation for damage.
5. If the Seller has already partially fulfilled its obligations as per the purchase contract or these Terms and Conditions, the Purchaser may choose whether to withdraw only with regard to the unfulfilled contractual performance or with regard to the entire contractual performance. The Purchaser is also entitled to choose whether it will withdraw from the purchase contract with future impacts only, or with retroactive impacts.
6. The Purchaser is entitled to withdraw from the purchase contract with no time restriction.

X/ Force Majeure

1. A Contracting Party shall not be held liable for complete or partial failure to fulfill one of its contractual obligations if: such a failure is the consequence of circumstances such as flooding, fire, earthquake, or other natural occurrences, war or war negotiations, or other similarly extraordinary circumstances; it may not be reasonably assumed that the Contracting Party could have overcome such an obstacle or its impacts; it may not be reasonably assumed that the Contracting Party could have predicted the occurrence of the aforementioned obstacle at the time that its contractual obligations came into effect (i.e., at conclusion of the purchase contract); the obstacle arose independently of the will of the Contracting Party; the obstacle did not arise from the personal situation of the Contracting Party or at a time when the Contracting Party was late in fulfilling its contractual obligations; the obstacle is not an occurrence that the Contracting Party is obligated to

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overcome according to the conditions of the purchase contract (hereinafter “Force Majeure“).

2. The Contracting Party for which fulfillment of its obligations has been made impossible due to a circumstance of Force Majeure must inform the other Contracting Party in writing without delay, but not later than seven (7) calendar days from occurrence of aforesaid extraordinary circumstances and must also inform the other Contracting Party in writing within seven (7) calendar days about the cessation of the circumstances of Force Majeure.
3. If the obstacle arising from Force Majeure lasts for a period not exceeding twenty (20) calendar days, the Contracting Parties are obligated to fulfill their commitments arising from this contract, whereas the deadlines for performance will be extended by the duration of the Force Majeure event. If the obstacle arising from Force Majeure lasts more than twenty (20) calendar days while this contract is in force, each of the Contracting Parties shall be entitled to withdraw from this contract. In the event of Force Majeure, the provisions of Sections 2006 through 2008 of the Civil Code are not applied.
4. Circumstances that arose at the time when the obligated Contracting Party was in delay with performance of its commitments, or circumstances that arose due to the Contracting Parties' economical situations, shall not be considered Force Majeure events.

XI/ Miscellaneous and Final Provisions

1. Materials provided by the Purchaser to the Seller (documentation, preparations, tools, measuring instruments, etc.) will remain the property of the Purchaser and may be used only in relation to the performance of purchase contracts on the part of the Seller. Such materials may not be made available to any third party, must be secured and stored safely, and, upon completion of the purchase contract/s in question or, as the case may be, as soon as they are no longer needed by the Seller for performance of the relevant purchase contract/s, must be returned to the Purchaser without any call to do so and in an undamaged state.
2. The Seller undertakes to maintain the confidentiality of all construction, technological, and production materials, documents, information, devices, and other actualities (hereinafter collectively “business secrets”) that it has received from the Purchaser or otherwise acquired in relation to the performance or conclusion of purchase contracts. The Seller undertakes to not make the business secrets of the Purchaser available to third parties without the express consent of the Purchaser and undertakes to ensure that the Seller's employees and business partners also adhere to this provision. This obligation to maintain the confidentiality of the business secrets shall remain in force after the contracts have expired.
3. The Seller undertakes not to take advantage of the business secrets of the Purchaser shared in accordance with the previous paragraph for any other purpose than performance of purchase contracts.
4. The Contracting Parties rule out the application of Section 1987, Paragraph 2 of the Civil Code in relation to outstanding debts arising from purchase contracts (including outstanding debts resulting from a breach of contract) and agree that any uncertain and/or unspecified outstanding debt qualifies for set-off.
5. Pursuant to Section 1756 of the Civil Code, the Seller assumes the risk of change of circumstances.
6. The provisions of Section 1799, Section 1800, and Section 1805 of Paragraph 2 of the Civil Code are not applicable herein.
7. Existing or future practices established between the Contracting Parties provide no basis upon which any rights and obligations may be deduced beyond the framework of the explicit provisions contained in these Terms and Conditions and in the purchase contract.
8. Individual purchase contracts and these Terms and Conditions are governed by the laws of the Czech Republic (with exclusion of the conflict rules of international private law and the Vienna Convention

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on the international purchase of goods), namely in the relevant sections of the Civil Code and its provisions governing purchase contracts.

9. All disputes arising from purchase contracts entered into in accordance with these Terms and Conditions and in relation to them shall be, if possible, resolved by means of agreement between the Contracting Parties. In the event that it is not possible to resolve these disputes in a conciliatory manner, they will be arbitrated in the first instance by the District Court in Tábor, and in the case of subject-matter jurisdiction by the Regional Court in České Budějovice.

Sezimovo Ústí, 01 April 2014

Peter Hawlan
Statutory Director
InStar Technologies a.s.