

ANNEX No. 1

TERMS AND CONDITIONS

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ROYAX, s.r.o.

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ID No.: 247 55 346, VAT ID No.: CZ 247 55 346

1. PREAMBLE

- 1.1. These Terms and Conditions describe the business cooperation between the seller (hereinafter only “the company ROYAX) and the buyer (hereinafter only “the Customer”) and establish binding rules for the relationships between the company ROYAX and the Customer in connection with the sale of goods and distribution of goods.
- All matters not governed by these terms and conditions shall be governed by the provisions of Czech law. Terms and conditions apply to all deliveries made between the company ROYAX and the Customer, unless otherwise agreed in writing. These Terms and conditions are published in full on the website the company ROYAX (www.royax.eu). The company ROYAX is authorized to continuously amend these Terms and Conditions. The company ROYAX notifies the Customer by e-mail or letter that there was an amendment to the Terms and Conditions by publishing the amended version on its website. The amended Terms and Conditions shall become valid on the fifth day after their publication. The Customer is obliged to familiarize with the amended Terms and Conditions, in the event that the Customer does not agree with the amended Terms and Conditions, the Customer shall notify the company ROYAX and stop cooperating with ROYAX by the notice of termination, whereas the notice period is one month and shall commence on receipt of a notification by the company ROYAX. For existing rights and obligations of the Customer and the company ROYAX, the latest valid version of these Terms and Conditions prior to their amendment applies.
- 1.2. The company ROYAX reserves the right to change these Terms and Conditions at its sole discretion, and this applies to all present and future obligations of the company ROYAX. Besides, the company ROYAX reserves the right to modify or terminate the production of any of its products anytime.
- 1.3. In the event of contradiction of these Terms and Conditions and the Customer’s Terms and Conditions the Terms and Conditions of the company ROYAX prevail.
- 1.4. Any deviation from these Terms and Conditions is valid provided written confirmation of both parties.

2. OFFER, ORDER AND CONTRACT CONCLUSION

- 2.1. Brochures, advertisements, catalogs and other promotional materials or website of the company ROYAX do not constitute any contract proposal (the offer).
- 2.2. The company ROYAX delivers a contract proposal with the price offer upon written request by the Customer.
- 2.3. On the basis of the contract proposal, the Customer must send a binding order in writing in Czech or English language version. The contract between the parties is concluded at the time of the written Customer's purchase order acknowledgement by the company ROYAX. The order must contain the following requirements:
- firm of the Customer,
 - number and date of the order,
 - billing address,
 - delivery address,

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- specification of the desired goods (incl. code, quantity, technical design, material, color, etc.) or services,
 - payment terms,
 - transport method,
 - specification of the necessary documents.
- 2.4. Side agreements and oral statements must be confirmed in writing.
- 2.5. The company ROYAX reserves the right to implement changes to the project and design of the goods, even during the delivery period. However, these changes must be approved in writing by the Customer.
- 2.6. Illustrations, dimensions, data about weight, material, loading limits, output, etc. are only indicative, unless expressly stated to be accurate.
- 2.7. The company ROYAX reserves the right to the intellectual property rights, trademarks, patents, licenses, copyrights, design registrations, etc., and even to any provision of cost estimates, drawings, designs and installation suggestions and manuals, and other documentation. These must not be disclosed to any third party without the consent of the company ROYAX.
- 2.8. Any cancellation or suspension of an order must be notified by letter sent by recorded delivery to our head office and accepted by ROYAX. In the event of cancellation or suspension of orders for tools, the amount of the costs incurred by ROYAX will be invoiced to the customer. In the event of cancellation or suspension of orders for packaging or parts, all packaging and parts finished or in progress will be delivered and invoiced, likewise any raw materials and accessories specially supplied to carry out the said order. At all events, ROYAX reserves the right to claim compensation for any direct or indirect consequences it suffers further to the cancellation or suspension of an order.

3. PRICES

- 3.1. All price offers placed by the company ROYAX are without VAT in the following currencies:
- CZK,
 - EUR,
 - USD,
 - AED.
- 3.2. The prices are set EXWORK and are valid only for the duration of the contract proposal. The company ROYAX has the right to invoice the full cost of transportation and incidental costs for orders, unless otherwise stated.
- 3.3. The price increase based on changes in legislation, as well as an increase resulting from an increase in labor, material or other costs that are beyond the control of the company ROYAX (e.g., force majeure, lockout, strike, inflation, etc.) may be exercised in the period between the order confirmation and the delivery of the goods. The price increase will be exercised only if the increase in prices affecting the total cost of production and transportation exceeds the 5% level.

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4. DELIVERY PERIOD AND DELIVERY CONDITIONS

- 4.1. Delivery period is not fixed, and unless otherwise stated, it will be set by the company ROYAX in each particular offer.
- 4.2. Delivery period begins on the date of the payment acceptance by the company ROYAX, provided that the Customer submitted any technical designs and the required documents on time. In the event that the Customer fails to submit all documentation properly and on time, or in the case of non-compliance with any other obligation of the Customer, the delivery period shall be extended accordingly.
- 4.3. Partial deliveries are allowed, partial deliveries may be invoiced separately.
- 4.4. If the company ROYAX is limited in performance of its duties during the delivery of the goods due to the unforeseen circumstances that the company ROYAX was unable to avert despite reasonable efforts, regardless of whether such circumstances have occurred by the company ROYAX or its suppliers, the company ROYAX is authorized to extend the delivery period for the time adequate to the duration of the obstacles and the time required to recover from these obstacles. If the aforementioned circumstances prevent delivery of the goods, the company ROYAX is relieved of the obligation to deliver the goods and from any other following obligations. The company ROYAX informs the Customer without any delay about the occurrence of such circumstances. If the company ROYAX is relieved of its obligation to deliver the goods in accordance with the foregoing, the Customer shall not be entitled to any compensation. The same applies accordingly in case of force majeure and in the case of the production interruption, lockout, civil disturbances, government restrictions, import and export regulations, labor disputes, and it applies also if these circumstances did not occur by the company ROYAX but by its suppliers.
- 4.5. In case of the occurrence of the circumstances referred to in paragraph 4.4, the Customer is entitled to withdraw from the contract if more than four weeks passed from the date specified in the order acceptance or the date of delivery reasonably extended in connection with the above stated provisions.

5. DELIVERIES AND TRANSPORTATION

- 5.1. Delivery of goods is fulfilled by handing over the ordered products to the Customer or the contracting carrier at the agreed time and at the agreed place. The Customer declares by the confirmation of relevant documents that the goods were taken over in the agreed quantity and quality.
- 5.2. Delivery may be partially delivered according to the particular product's availability.
- 5.3. Unless otherwise agreed, all EXWORK deliveries are shipped from the central warehouse of the company ROYAX and all risks of transport shall be borne by the Customer.
- 5.4. Shall the type of transport not be specified, the goods are shipped in the most economical way, but without any guarantee of the safest, cheapest and fastest type of transport.

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- 5.5. If the delivery of goods is postponed at the Customer's request the company ROYAX is entitled to invoice the storage costs with effect from the date of the risk of damage to the goods transfer.
- 5.6. All risks pass to the Customer on the date when the goods are ready for dispatch and the Customer was informed about it well in advance. If no such message is sent, then the day when the goods were dispatched from the central warehouse the company ROYAX is considered for the day of risk transfer to the Customer.
- 5.7. The date of the delivery of products depends primarily on the production and storage possibilities of the company ROYAX. The delivery date will be in this case determined by the agreement between the parties.

6. WARRANTY, CLAIM AND LIABILITY

- 6.1. The complaints about the externally visible defects must be reported in writing within fifteen days after receipt of the goods at the latest.
- 6.2. The company ROYAX guarantees the warranty period for exclusive products of the company ROYAX for 2 years. The warranty period is counted from the date of delivery of the goods.
- 6.3. The warranty does not cover the damage on the delivered goods, which occurred as a result of misuse, overuse, lack of maintenance, abnormal operating conditions or damage during transport.
- 6.4. The warranty does not apply to cases where the defect arose in connection with incorrectly performed repairs or modifications or any other similar action or unprofessional maintenance done by the Customer or a third party. Likewise, the warranty does not cover damage incurred due to improper installation.
- 6.5. The right to damage compensation for breach of the essential contractual obligations is limited to the foreseeable damages.
- 6.6. The company ROYAX shall not be liable for any loss or damage caused by circumstances beyond the control the company ROYAX such as force majeure, lockout, civil disturbances, government restrictions, import and export regulations, labor disputes, strikes, etc.
- 6.7. All rights and claims become time-barred within one year.

7. PAYMENT TERMS & CONDITIONS

- 7.1. The payment conditions are set up by the company ROYAX in each particular offer. Unless agreed otherwise, the due date of the invoice is 14 days. The invoices are payable in the currency specified on the invoice.
- 7.2. Payment is considered made when it shows up on the bank account of the company ROYAX.
- 7.3. Offsetting of any Customer's claims against the company ROYAX against the purchase price or other payment in favor of the company ROYAX is not allowed.
- 7.4. In case of default in payment of any amount is the company ROYAX entitled to the late payment interest in the amount of 0.05 % of the outstanding amount for each day of

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the delay. The company ROYAX reserves the right to require guarantees or advance payment for all outstanding deliveries or to declare immediately due all unmatured receivables against the Customer.

- 7.5. Documents regarding the payments state bank account details of the company ROYAX where the Customers shall pay to. The payment is made by crediting the entire amount on this account.

8. SAFETY

- 8.1. Title to the goods passes to the Customer upon full payment of the purchase price.
- 8.2. If the Customer is in delay with its payments to the company ROYAX, or if the Customer breaches any of its obligations arising from the legal title reservation, all amounts due to the company ROYAX become immediately due and payable, despite the fact that their maturity was previously postponed or that they were due on a certain date.

9. TECHNICAL SUPPORT

- 9.1. Technical support of the company ROYAX is provided on the basis of the best knowledge and experience. Customer shall with due care exercise due diligence in verifying the applicability of the advices due to the production conditions.
- 9.2. Technical support is provided free of charge within the warranty period.

10. CONFIDENTIALITY

The parties to this agreement shall keep confidential all information of any nature shared between themselves in the course to their business relations, including pricing, technical information and others. The parties agree to comply with this obligation for themselves, their employees and for third parties involved.

11. JURISDICTION, EXECUTION PLACE, GOVERNING LAW, DATA PROTECTION

- 11.1. All disputes arising out of this contract and in connection with it shall be finally decided by the Arbitration Court by the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic by its order of three arbitrators. The language of the arbitration shall be English and the applicable law shall be Czech.
- 11.2. Place of performance, contact address of the company ROYAX
Hlavni 827, 250 64 Hovorcovice, Czech Republic
Tel.: +420 321 123 111
Fax: +420 321 123 112
Email: info@royax.eu
- 11.3. The Terms and Conditions, any amendments, exceptions, consents, or claims to Terms and Conditions shall be governed by and construed in accordance with Czech legislation. If not otherwise provided in this contract, the legal relations arising from it shall be governed by the legislation of the Czech Republic. The UN Convention on Contracts for the International Sale of Goods shall not be applied to this contract.

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12. SPECIAL PROVISIONS

12.1. If a provision becomes invalid, ineffective or unenforceable, the validity, effectiveness and enforceability of the remaining provisions shall remain unaffected.

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In Prague on

In on

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Ing. Martina Beránková
Vice President
ROYAX, s.r.o.

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Distributor