

These business conditions govern all deliveries of products and goods by Teco a.s. according to orders including sub-orders within the scope of a work contract. Obligations from the performance of services or installation of goods are governed by individual work contracts.

## 1. Orders

- a) Orders are accepted in writing by mail, fax or e-mail. Telephone orders are only accepted exceptionally and complaints against discrepancies in the specification of products cannot be applied against them. A subsequent order in writing is required.
- b) The order must include the customer's address, Company Identification Number, Tax Identification Number, bank information, method of transport, and identification of the related offer.
- c) The standard business contract is given by the customer's order and confirmation of acceptance of this order by the supplier. A sales contract can be executed for special circumstances.
- d) Other relations that are not stated herein or in the contract are governed by the Commercial Code, No. 513/1991 Coll., as amended (hereinafter referred to as the CC). These conditions are an integral component of the business documentation (according to Section 417 of the CC) and it is the duty of each party to which ownership of the goods is transferred, to familiarize itself with these documents.

## 2. Delivery conditions

- a) For standard products the deadline for delivery is 4 weeks. For more extensive or special orders the delivery deadline may be up to 8 weeks. Shorter delivery deadlines must be consulted personally.
- b) The delivery deadline stated in the written confirmation is only approximate. If it is not adhered to this does not constitute a breach of the business relationship.
- c) The delivery deadline is extended proportionately if the buyer changes the specifications in the confirmed order (contract) or the buyer is in delay in fulfilment of its obligations necessary for assembling the order. The supplier is entitled to charge the essential costs connected with a change in specifications.
- d) The day of performance is the date of personal receipt or handing over of the goods to the first forwarder.
- e) The manufacturer's premises are the site of performance. On handing over the goods to the buyer at the manufacturer's premises the risk of damage to the goods is transferred to the buyer.

## 3. Prices and payment conditions

- a) Prices are contractual and are given in the price list in CZK without VAT. Transport, insurance and packaging are paid by the customer.
- b) Invoices are mature within 14 days. During first deliveries the goods are only delivered after the payment of a pro forma invoice. Payment is performed by transfer to the supplier's account or in cash.
- c) In the event of inconsistencies in payments for the preceding period a pro forma invoice is issued and delivery takes place only after it is paid in full.

- d) If the due date is extended by agreement by more than 14 days, an additional fee is charged; 30 days: 1% and 40 days: 2% of the price of the delivery.
- e) If the customer does not adhere to the due date the supplier will issue a sanction invoice in the sum of 0.05% per day.
- f) The delivered goods remain in the ownership of the supplier until the purchase price is paid in full.

## 4. Guarantee conditions

- a) The supplier provides a guarantee period of 36 months since the date of sale for the goods, unless stated otherwise in the guarantee certificate. The supplier guarantees that the properties of the products will correspond to the technical documentation throughout this period.
- b) The guarantee periods and conditions of the manufacturers and suppliers of other goods apply to the products of these manufacturers and suppliers.
- c) The manufacturer provides servicing for its products for a period of 10 years from the day of delivery. The service job and removal of defects is identical for guarantee and post-guarantee servicing. Post-guarantee servicing is a paid service.
- d) The guarantee period starts to run on the day of delivery according to Point 2 d) or as of the date of sale stated on the guarantee certificate.
- e) The guarantee applies to defects caused by processing, material used in the product and to firmware, which is built into the product at the moment of performance. Other claims for guarantee repairs of defects that did not occur in the goods themselves are excluded.
- f) The guarantee does not apply to damage caused by fire, water, static electricity or lighting, a fluctuating supply voltage in excess of the permitted limits (particularly over-voltage), accidents, incorrect use of the product or mechanical damage. It does not apply to damage incurred due to unsuitable transport, to damage due to unprofessional installation, adjustment, repairs or modification, damage incurred through natural wear or to protective equipment and elements, the purpose of which is to break or destroy if the operating conditions are not observed.
- g) The guarantee does not apply to defects or damage occurring through the use of incorrect application programs, loss of data, installation according to an unsuitable project, putting the equipment into operation incorrectly or operation in conflict with the supplied documentation and the valid safety regulations.
- h) The guarantee expires if any component in the product is replaced by another without the previous consent by the supplier or if it is repaired by a person who is not authorised to do so by the supplier. The guarantee ceases if the elements serving to prevent unprofessional disassembly (seals etc.) are damaged and if the identification elements on the product or the information in the guarantee certificate has been damaged or

modified.

- i) Batteries as consumer goods are excluded from the basic warranty period and the manufacturer provides for them only a limited warranty period of 6 months.

## 5. Guarantee claims

- a) The supplier will remove defects free of charge during the guarantee period if the conditions for acknowledgement of the guarantee are fulfilled.
- b) The buyer is required to examine the supplied goods. All defects discovered, defects that appear later and defects occurring during the guarantee period, must be claimed by the customer immediately after these defects are discovered.
- c) The notification of defects and application of orders for repairs are identical for guarantee repairs (guarantee claims) or post-guarantee repairs.
- d) The order for repairs must be sent to the business section in writing, by fax or e-mail together with a description of the defect.
- e) An order can exceptionally be placed by telephone or in person. A subsequent written order must be delivered in the shortest possible time. If it is not sent, the service job will be invoiced in the full amount.
- f) Guarantees will only be acknowledged if the claimant submits a document confirming the guarantee ("guarantee certificate and record book" or "Certification of product quality and completeness"), which is part of each delivery. If this is not submitted, it is up to the supplier to decide whether the guarantee will be acknowledged or not.
- g) **Standard servicing on the manufacturer's premises** (guarantee and post-guarantee): Repairs are accepted on business days from 6 a.m. to 2 p.m. Repairs accepted after 2 p.m. will be settled on the next business day at the earliest. **Above-standard servicing on the site of installation in the Czech Republic** - (guarantee and post-guarantee) - is provided 24 hours a day.
- h) **Above-standard servicing on the site of installation outside the Czech Republic** (guarantee and post-guarantee) may be arranged in the individual servicing contract.
- i) **In this case the claimant always pays travel expenses, regardless of whether this concerns a guarantee or post-guarantee repair.**
- j) **Contractual servicing:** The time of the servicing job and the availability of spare parts and other specific components can be arranged in an individual servicing contract.
- k) The supplier will only perform service jobs within the guarantee period at the site of installation free of charge on the request of the claimant in the event that the supplier of the application is informed of this and if complete documentation on the



## Teco a.s. BUSINESS CONDITIONS

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application and a backup of the current version of the application program is available. If these conditions are not fulfilled the removal of defects will be charged in the sum of necessary expenses connected with familiarisation with the application, preparation of a backup of the application program, etc.

- l) If the buyer announces a guarantee claim to which the guarantee does not apply, all expenses occurring in relation to such servicing will be charged as post-guarantee repairs.

### 6. Loan for the period of repairs

- a) The manufacturer will loan a spare component within the scope of guarantee and post-guarantee servicing on the basis of a written order for the period of the repairs so that the operation of the controlled technology continues smoothly. However, the technical competence of the applicant in replacing the spare component must be verified.
- b) If the manufacturer does not receive the

damaged components for repairs within 14 days of sending the spare component or if the loaned spare component is not returned after the repairs have been performed, the customer will be charged an amount in the sum of the price list price for the spare component. **This invoice cannot be cancelled!**

Jaromir Klaban  
Business Director