

GENERAL TERMS AND CONDITIONS OF PURCHASE OF TES VSETÍN, a.s. [plc]

These General Terms and Conditions of Purchase (hereafter the "GTCP") shall apply for all contracts, in which TES VSETÍN, a.s. shall act as the customer, and they shall be their integral part. They shall prevail possible terms and conditions contained in possible contractor's documents. Where the GTCP shall conflict provisions of a contract between the customer and contractor, the terms and conditions stipulated in the contract shall prevail unless provided otherwise in the contract. Hereafter TES VSETÍN, a.s. shall be referred to only as the "customer". Within these GTCP the "contractor" shall be understood a legal entity or a natural person that shall provide services or shall deliver goods for the Customer irrespective of being referred to as seller, contractor etc. in a contract of purchase.

1 PURCHASE ORDER AND ACCEPTANCE

The Customer shall place the Purchase Orders with the Contractor only on Customer's forms. In the Purchase Order shall be specified a description of a subject of performance in accordance with a Contractor's product line offer (catalogue), or in accordance with approved specification, its quantity, price, term of delivery and delivery terms and conditions, as the case may be, where they are to differ from the delivery terms and conditions hereunder. These GTCP shall be an integral part of the Purchase Order and shall become binding for the both contracting parties by the acceptance of the Purchase Order by the Contractor by way of one of the below specified methods. Sending of these GTCP shall not be necessary where a basic contract has been concluded by and between the contracting parties, these GTCP being an integral part thereof.

Where not agreed by and between the contracting parties otherwise, the Contractor shall be obliged to confirm the acceptance of the Purchase Order within three working days as of the Purchase Order's delivery by the Customer, in particular either by a written confirmation on its own form or only by a stamp print and signature of a respective person on the Customer's Purchase Order. By the delivery of the Purchase Order confirmation a contract shall be concluded (purchase contract, work contract, etc.).

Where the practise has been introduced among the contracting parties, according to which the Contractor may express the consent with the Purchase Order by having dispatched the subject of performance without giving a notice to the Customer, the Contract of Purchase shall be concluded by the dispatching of the subject of performance, however, only on condition the subject of performance will be delivered to the Customer within the time limit specified in the Purchase Order.

Where the Contractor shall specify, in its confirmation of the Purchase Order, changes or amendments to the Customer's data, such confirmation of the Purchase Order shall be deemed a new proposal to conclude a Contract of Purchase. In this case the Contract of Purchase shall only be concluded if the Customer shall unconditionally confirm, in writing, its agreement with the change of the Purchase Order.

Where a special tooling or equipment shall be necessary for the installation, ordinary or extraordinary maintenance and repairs of the subject of performance, the Contractor shall be obliged to call the Customer's attention thereto in writing prior to the conclusion of the Purchase Contract, including data on availability and current costs of provision of such tooling and equipment.

2 DELIVERY TERMS AND CONDITIONS

The delivery of the subject of performance shall be governed by INCOTERMS 2000, DDP Clause, with the place of destination determined as Customers address specified in the Purchase Order (or other address advised in writing or by fax at the latest three days prior to the dispatching date). The Contractor shall deliver the subject of performance to the place of destination within the time limit as specified in the Purchase Order. For the performance date shall be deemed the date of delivery of the goods to the place of performance.

In the course of delivery term longer than 30 calendar days, the Contractor shall be obliged to inform the Customer on the process of the order on the basis of regular terms.

Where the Contractor shall not be able to deliver the subject of performance duly (in agreed quantity, quality, and layout) and in time, it is obliged to inform the Customer thereon without delay; at the same time it is obliged to inform the Customer on the reason of the delay and of its expected length. The Contractor's delay with the delivery of the subject of performance shall always be deemed a substantial breach of the Contract of Purchase and the Customer shall be entitled to withdraw from the Contract of Purchase. Other Customer's rights shall not be aggrieved thereby.

The Customer shall not be obliged to accept the subject of performance prior to the agreed delivery term. In such case the Contractor shall be obliged to provide due storage of the subject of performance on its costs and risk and its hand-over to the Customer in the delivery term of the subject of performance.

The Customer shall not be obliged to accept a smaller or a bigger quantity of the subject of performance than agreed. On its own discretion the Customer shall be entitled to take over a smaller than agreed quantity of the subject of performance; the Contractor shall be obliged to deliver the missing quantity of the subject of performance without undue delay. The take-over of a smaller quantity of the subject of performance by the Customer shall not affect its other rights.

The Contractor shall be obliged to duly pack the subject of performance, in particular with respect to the reduction of the risk of damage of the goods, and to duly secure it for the purpose of transportation in accordance with common custom, with respect to minimization of adverse impacts to environment, so that preservation and protection of the subject of performance be secured to the maximum possible extent. The package of the subject of performance shall be subject to the delivery and shall be included in the price, except for returnable packages as specified in the delivery note. The contractor shall take the returnable packages over from the Customer in the delivery place of the subject of performance after the Customer will not need them any more, in particular in a given quantity and kind. The wear and tear of such packages shall be to the debit of the Contractor.

The subject of performance shall be marked by the Contractor in accordance with common use, unless denoted otherwise in the Purchase Order.

Where the subject of performance shall be delivered on the basis of samples, projects, or drawings it must fully comply with such samples, projects, or drawings.

Together with the subject of performance a delivery document documenting a due delivery of the goods must be handed over to the Customer, which will be confirmed by the Customer, and an invoice with a precise specification of the content of the delivery, to enable a take-over of the delivery, containing the following, but not limited to, data:

- (a) Designation of Contractor (or its number, as the case may be, if specified in the Purchase Order),
- (b) Purchase Order number,
- (c) Item number according to the Purchase Order,
- (d) Date of delivery to the Customer,
- (e) Number of delivery notes,
- (f) Number of items within the delivery,
- (g) Quantity unit,
- (h) Price per unit,
- (i) Transportation method, or number of the transport mean as the case may be.

The subject of performance may not be burdened by legal defects, for example by the right of lien.

The Contractor shall take into consideration that the Customer has been bound, by its customers, to deliver the subject of performance, or products where the subject of performance is a part or accessory of or in which the subject of performance is incorporated, under any circumstances and that a possible not having met the Contractor's obligations may result in a significant damage to the Customer.

Where the place of destination of the goods shall be the Customer's registered office or main place of business the Contractor shall be obliged to deliver the goods in working days and within Customer's common working hours, i.e. from 7 a.m. to 2 p.m., unless the Customer determines otherwise.

The parties shall undertake to respect changes and cancellations of any Purchase Order. However, such changes or cancellations shall apply and will be implemented only after having been confirmed by the other party. The costs resulting from such change or cancellation will be settled by the party that has brought about the changes.

3 DOCUMENTATION

The Contractor shall be obliged to hand over to the Customer:

- (a) Declaration on the origin of the delivered subject of performance,
- (b) CE certificate or declaration on conformity,
- (c) Certificate on having met safety conditions pursuant to the No. 89/655 EEC standard,
- (d) Safety sheets,
- (e) Attestations,
- (f) Declaration on having met the conditions of the market introduction of a package pursuant to the Statute No. 477/2001 Coll.,
- (g) Instructions for storage and safe handling with the subject of performance.

The documentation shall be an integral part of the subject of performance. Above-standard requirements in respect of the documentation will be specified in the Purchase Order. If this is the case, the Contractor shall be obliged to deliver them together with the goods delivery as well.

The Contractor shall be obliged to provide, on its own costs, possible necessary attestations, or approvals or approbations by national authorities of the country of origin for the purpose of putting the subject of performance into operation/to its use.

Any and all costs as customs, storage, and other charges incurred by the Customer due to a delayed hand-over of due documents by the Contractor shall be charged to the Contractor and the Contractor shall hereby explicitly undertake to settle them. Where such costs would be paid by the Customer, the Contractor shall undertake to reimburse this way paid costs to the Customer.

The Contractor shall be obliged to deliver the documents related to the subject of performance in such languages as determined by the Customer.

4 PRICE

The price of the subject of performance shall be arranged in the Contract/Purchase Order. Where, among the Customer and Contractor, basic price lists have been arranged, then, if the price has not been explicitly arranged in the Purchase Order, the price given by such price arrangement shall apply. The arranged price list shall be binding for the both contracting parties always at least for the period of one calendar year. The price list can neither be

unilaterally changed by the Contractor in the course of its applicability, nor even due to an increase of Contractor's costs due to, for example, a change of legislation, currency exchange ratio, price increase of energy, of fuels etc. The price shall include Contractor's costs for the transportation and packaging of the subject of performance.

5 WARRANTY

The Contractor shall be obliged to deliver the subject of performance free of legal defects, in the quantity, quality, and layout in accordance with a contractually agreed specification. In the case of Customer's special technical/quality requirements, which it has advised of to the Contractor at the latest with the Purchase Order for the subject of performance, the subject of performance must comply even with such Customer's technical/quality requirements. The Contractor shall guarantee that the subject of performance delivered by it shall not feature either material or legal defects; in particular it shall warrant that the subject of performance:

- (a) Has been made of material of a sufficient quality for the given purpose and, moreover, free of defects, especially of inside defects;
- (b) Complies with the agreed conditions and technical standards;
- (c) Will meet defined properties and parameters on a permanent operation;
- (d) Does not feature defects that would limit its functionality and operation reliability and regulations and standards have been observed on its manufacture;
- (e) Has passed quality control on first run in the place of manufacture, has not been repaired or modified so as to meet the quality conditions;
- (f) Contains complete, true, and correct documents and documentation;
- (g) Provided works and services will be fulfilled in a material and complex manner as seen from the professional point of view;
- (h) Will be able of the use for usual purposes.

The Contractor shall bear in mind that such a purpose will be, but not limited to, the fact that the goods delivered by it will be incorporated as a part or as an accessory of a bigger unit (Customer's product, for example a motor), which can also become a part of a bigger unit (for example of a ship, railway engine, power sector construction, etc.).

The Contractor shall provide the Customer with the minimum warranty period of 36 months as of the date of take-over of the subject of performance by the Customer. Where a manufacturer of the subject of performance provides a longer warranty period, such warranty period shall be automatically provided to the Customer.

The Contractor shall be obliged to hand over a relevant certificate of warranty to the Customer together with the subject of performance. Where the warranty certificate will not be handed over to the Customer, the term of the warranty period will be determined in compliance with this provision.

The warranty period will be extended by the period for which the operation of the subject of performance was disallowed due to the defect detection, particularly as of the date of the defect detection to the signing of the protocol on the defect removal or replacement. For every repaired or exchanged component of the subject of performance a new warranty period of 36 months shall commence to run.

The warranty period shall not be completed unless all defects detected prior to the completion of the warranty period be removed.

6 INSURANCE

The Customer shall require that the Contractor would have concluded an insurance to cover damage and costs in the event of injury/death of persons, loss and/or damage to property of an arbitrary natural person and/or a legal entity that could, in an arbitrary manner, be incurred, result from, or be related to the subject of performance, the use of Contractor's machines, vehicles, and of equipment, or due to activity in the premises, buildings, equipment, machines, or vehicles of TES VSETÍN a.s.

The Customer shall require that the Contractor has concluded policies to insure (cover):

- (a) Damage caused by a defect of a product;
- (b) General liability for damage;
- (c) Damage caused by its employees on work;
- (d) Damage caused by the operation of motor vehicles;
- (e) Damage caused on machines and equipment;
- (f) Damage caused to property and health of third persons.

Where the Contractor has not been insured in compliance with the Customer's requirements and intends to make repeated business with the Customer, it is obliged to conclude such policies. The terms and conditions of the policies must meet international standards and the business custom.

7 LIABILITY FOR DEFECTS, COMPLAINT PROCEDURE

The Customer shall be obliged to advise the Contractor of defects in writing without undue delay after it has detected them, at the latest till the end of the warranty period.

Within the 30-day time limit as of the acceptance of the subject of performance the Customer shall be obliged to advise the Contractor of detected evident defects of the subject of performance, the delivery of smaller quantity of the subject of performance, incompleteness of delivery of the subject of performance, and evident disrupted nature of the subject of performance delivery.

The Contractor shall be obliged to remove the defects of the subject of performance within the time limit specified in the advice of the defects by the Customer.

Claims of the Customer following from the defects of the subject of performance:

(a) To require, on the Contractor's costs, the removal of the defects by means of a repair of the subject of performance where the defects are repairable and the repairs admissible;

(b) To require, on the Contractor's costs, a replacement subject of performance to replace the defective one;

(c) To require a reduction in price of the defective subject of performance;

(d) To withdraw from the contract of purchase;

(e) On its own, or through a third person, and on the costs of the Contractor to check the goods, perform necessary acts to detect the defects, sort out, repair, or provide a replacement delivery.

The contractor shall undertake to settle such costs to the full extent. If this is the case, the Customer shall be obliged to document the incurred costs and to make documentation, from which the defects of the goods will be evident (photographic documentation, video documentation, ...). The Contractor shall be obliged to reimburse the Customer such reckoned costs within seven (7) days as of the delivery of a call with their reckoning.

The Customer shall advise the Contractor of its option in respect of the claim following from the subject of performance defect in a furnished advice on the defects or without undue delay after such advice. In the case a defect removal of the subject of performance shall be required from the Contractor, the Contractor shall remove the defect from the subject of performance in the place where the subject is situated, particularly within the shortest reasonable time limit; on doubt within 10 days.

Irrespective of the selected claim the Customer shall be entitled to charge the Contractor a lump compensation for the application of any right in respect of liability for damage 5,000.00 CZK (say: five thousand Czech crowns). This way the Customer's right for the compensation of any and all further costs that it will incur in relation to the defect of the goods (in particular, but not limited to, for the defect diagnostics, travelling expenses, lost profit, etc.), as well as to the compensation of a possible further damage, shall not be aggrieved.

The Customer shall be entitled to withdraw from the Contract of Purchase always without prior option of another claim from the defects of the subject of performance where the quantity of the delivered subject of performance is lower than the arranged quantity or where more than 5% of the subject of performance (however, at least 2 pieces) show such defects that hinder the Customer from its due use or where the subject of performance does not meet technical/quality requirements. The specified defects of the subject of performance shall be deemed substantial infringement of the Contract of Purchase.

If the subject of performance has defects, the Customer shall not be obliged to pay the price for the subject of performance, or yet not covered part of the price of the subject of performance as the case may be, for the defective subject of performance till the time of a complete removal of the defects or delivery of a replacement subject of performance. The same shall apply if a smaller than arranged quantity of the subject of performance would be delivered.

The Contractor shall be responsible for a damage caused by the defect of the goods delivered by it. Where the damage shall occur in a chain of causation due to the defect of the goods, the seller shall be obliged to compensate it to the aggrieved party. Where such damage shall occur due to the defect of the goods and yet also of other influences, the Contractor shall be obliged to compensate the damage, to the aggrieved party, in relation to its participation in the caused damage. Where the Customer will be liable or will compensate the damage to a third party, then the Contractor will be obliged to compensate, to the Customer, such a part of the damage that will correspond to its participation in the incurred damage. The Contractor shall be released from such responsibility where the Customer has already compensated such damage although the liability of the Contractor to compensate such damage has ceased in the time of occurrence of the claim for the compensation of the damage.

8 PAYMENT TERMS AND CONDITIONS AND INVOICING

Where not explicitly arranged otherwise among the contracting parties, the following payment terms and conditions shall apply for the subject of performance delivered in accordance with these GTCP:

The invoices are due within 60 days as of the last day of the month in which the subject of performance has been delivered. The payment shall be made by way of a payment order to the Customer's bank account, which is specified in the invoice.

Bank charges are born by each contracting party in its bank and to its costs.

On a shorter due term for the subject of performance the following discount from the price shall belong to the Customer, in particular:

- (a) Advance payment – 3 %;
- (b) 14 days after delivery – 2 %;
- (c) 30 days after delivery – 1 %.

The Customer has set up the payment schedule with a 14-day payment regime where the sending of payment orders will be performed twice a month, particularly always as per 15th and as per the last day within a month. Where such days shall fall on weekends or holidays the payment order shall be placed one day before.

On performed services a hand-over/take-over protocol, or its copy, signed by the both parties will be always attached to the invoice.

In the case the Contractor will charge a mistaken subject of performance, a mistaken price, or the invoice will not contain any of the belongings as determined by legal regulations, the Customer will be entitled to return the invoice for correction, prior to its due term, to the Contractor without payment.

In the returned invoice the Customer will indicate the reason of its return. The Contractor shall be obliged to issue a new invoice free of mistakes. Where the Customer shall return the invoice to the Contractor, the original due term shall cease to run and it will be commenced again on the date of delivery of the newly issued invoice. The payment term shall be deemed the date on which a respective amount will be written out from the Customer's bank account.

The Contractor shall be entitled to assign claims against the Customer only on consent of the Customer.

9 INTEREST ON LATE PAYMENT

Where the Customer shall be delayed with the monetary fulfilment pursuant to the contract, it is obliged to pay, to the Contractor, the interest on late payment amounting to the discount rate of the Czech National Bank.

10 CONTRACTUAL FINE

The Contractor shall be obliged to pay the contractual fine to the Customer:

- (a) In the case of delayed delivery of the subject of performance, pursuant to the Contract of Purchase, amounting to 0.5 % per day from the price of the non-delivered quantity of the subject of performance,
- (b) In the case of delivery of the defective subject of performance, amounting to 33 % from the price of the subject of performance featuring a defect or defects,
- (c) In the case of delivery of a smaller quantity of the subject of performance, amounting to 0.5 % per day from the price of the non-delivered quantity of the subject of performance,
- (d) In the case of damage caused to the property or health of the Customer or of its employees 100,000.00 CZK for every individual case.

The Customer's right to require, from the Contractor, the compensation of damage to the full extent shall not be aggrieved by the application of the claim to the contractual fine.

Any time the Customer shall be entitled to set off the claim to the contractual fine against a Contractor's due claim, in particular, but not limited, to the price of delivered subject of performance accounted for by a Contractor's invoice.

11 PROPRIETARY RIGHT, TRANSFER OF THE RISK OF DAMAGE TO THE SUBJECT OF PERFORMANCE

The proprietary right as well as the risk of damage to the subject of performance shall pass from the Contractor to the Customer in the moment of hand-over of the goods in the place of destination.

12 WITHDRAWAL FROM CONTRACTS

The customer shall be entitled to withdraw from individual Contracts of Purchase in the following cases:

- (a) The Contractor has been declared bankrupt or bankruptcy proceedings in respect of its property have been commenced,
- (b) The Contractor has entered liquidation or ceased or discontinued the subject business activity,
- (c) Where the Contractor shall substantially violate any obligation determined by the Contract of Purchase and/or by these GTCP,
- (d) Where the Contractor shall violate any obligation determined by the Contract of Purchase or hereby in a dismissible manner and shall not meet such obligation even within an additional time limit as determined by the Customer,
- (e) The Contractor shall be delayed with the removal of claimed defects of the subject of performance,
- (f) Where the *force majeure* as specified in Art. 20 hereof, preventing from the meeting of obligations pursuant to these GTCP, shall last for a period of time longer than six months.

Where the violation of the Contractor's obligation shall concern only a part of a due liability, the Customer may withdraw from the whole contract or from a part of such liability. The withdrawal must be in a written form and must be delivered to the Contractor. Where the Contractor shall not explicitly specify in the withdrawal that it shall withdraw only in respect of a part of a liability, it is understood it withdraws from the entire contract. The withdrawal shall take effect as of the date when the notification on the withdrawal has been delivered to the Contractor. By the withdrawal a contract shall become null and void including these GTCP.

Neither by the withdrawal nor by any other method of termination of the contract the following shall cease:

- (a) Claims for compensation of damage originated due to the breach of the Contract,
- (b) Claims following from the liability for defects of goods,
- (c) Claims for the payment of contractual fines originated due to the breach of the Contract,
- (d) Arrangements on warranty and liability for defects,
- (e) Arrangements on settlement of contracting parties for the event of withdrawal,
- (f) Arrangements on the obligation not to disclose proprietary information,
- (g) Arrangements on the selection of law and settlement of disputes,
- (h) Claim in respect of compensation of damage,
- (i) Other arrangements about which legal regulations so provide.

13 NON-DISCLOSURE OBLIGATION

The Contractor and Customer shall undertake to handle with all closed business and technical details, with which they will become acquainted by means of business relations, as with business secret. Any and all closed business and technical details shall be deemed proprietary information and the Contractor shall be obliged no to disclose such information.

The non-disclosure obligation as mentioned in this Article shall not apply to the information:

(a) That has been, or become, generally and publicly available otherwise than by breach of the provisions of this Article from the side of a recipient of the information,

(b) That has been known to the recipient and has been freely available to it yet prior to the acceptance of such information from the other contracting party,

(c) The disclosure of which is required by the law.

The Contractor shall be obliged to transfer the non-disclosure obligation pursuant to this Article and to bind so all persons to which it will disclose such information in compliance with this Contract.

The parties shall not be entitled to assign the rights and obligations pursuant to these GTCP to any third party where not arranged so by and between the both parties in writing.

For the case of violation of the non-disclosure obligation as defined in this Article the Contractor shall be obliged the pay, to the Customer, a contractual fine amounting to the damage caused by such conduct.

14 OBLIGATION TO ARCHIVE

The Contractor shall be obliged to keep all data concerning the contract or following therefrom for the period of time of 10 years as of the date of due delivery of the subject of performance pursuant to the Contract. The Contractor shall be obliged to keep records on all approved resources used on the performance of the Contract, i.e. particularly, but not limited to, subcontractors, certificates, attestations, measurements, in particular in accordance with the kinds of the subjects of performance pursuant to the contract, including traceability to numbers of delivery notes, according to which such performance was delivered. Such records must be complete and must be accessible to the Customer on request free of charge, whereas the Customer shall be entitled to make extracts, type copies, or any other copies therefrom.

15 SPARE PARTS

The spare part shall be understood any part of the subject of performance. In the case of termination of production of any component of the subject of performance the Contractor shall be obliged to inform the Customer thereof in writing.

16 DELIVERY

Any advice note will be considered for delivered to the respective addressee on the date of delivery when delivered by fax, e-mail, or by delivery in person and on the third day after hand-over of the advice note to be posted in the Czech Republic when delivered by registered mail to the addresses specified in the Basic Contract or in the Purchase Order or confirmation of the Purchase Order, or to the address of the registered office as recorded in the Commercial Register.

The following documents will be considered for certificates on the delivery of all advice notes that are to be or may be made among the Contractor and Customer:

- (a) In the case of delivery by fax, a message printed out by the fax machine on the delivery to the respective fax identification, as specified in the Basic Contract or in the Purchase Order or confirmation of the Purchase Order, with error-free result,
- (b) In the case of delivery by e-mail, a confirmation on the delivery to the respective e-mail address as specified in the Basic Contract or in the Purchase Order or confirmation of the Purchase Order,
- (c) In the case of delivery in person, a written confirmation of take-over,
- (d) In the case of delivery by mail, a certificate of mailing certifying the hand-over of the consignment for mailing by registered mail to the address specified in the Basic Contract or in the Purchase Order, or to the address of the registered office recorded in the Commercial Register, or in the confirmation of the Purchase Order confirmed more than three days ago.

17 GOVERNING LAW

These GTCP, as well as any and all contracts concluded by and between the Contractor and Customer, shall be governed by the laws of the Czech Republic.

18 ARBITRATION CLAUSE

All disputes originating from the Basic Contract, individual Contracts of Purchase, as well as from these GTCP, and in relation thereto will be decided definitely by the Arbitration Court of the Chamber of Commerce of the Czech Republic and of the Chamber of Agriculture of the Czech Republic in compliance with its Rules and Regulations by three arbitrators. The town Zlín shall be arranged as the place of trial. The official language shall be Czech.

19 DECISIVE WORDING

Should any variances occur between the Czech and the foreign language wording of these GTCP, the Czech version of the GTCP shall apply.

20 ENVIRONMENTAL CLAUSE

Within the subject of performance for TES VSETÍN, a.s. the Contractor shall undertake to observe regulations in the field of the environment protection, in particular in structuring in compliance with the laws describing individual components of the environment. The contractor shall be obliged to secure that the delivered subject of performance and the packaging would comply with all regulations on the protection of environment as applicable in the time of sale.

In the field of air protection vehicles are to be used with applicable vehicle inspection certificate, in the premises of TES VSETÍN, a.s. an air pollution source is not to be used unknown to the building administration, fire is not to be laid in the premises of TES VSETÍN, a.s., air quality is not to be deteriorated by means of activity of the Contractor.

When detrimental substances (for example fuels, oils, ...) are brought in, unknown to the building administration, to the premises of TES VSETÍN plc

their leak/spillage to soil and drainage is to be prevented. When potable water shall be used, it is to be utilised in an economic manner.

In the field of waste handling, wastes produced on the Contractor's activity are to be removed on its own costs and they are to be handled in compliance with the statute on wastes.

When handling dangerous chemical substances and means the Contractor shall be obliged to provide a course to persons handling the given dangerous chemical substances and means, as well as safety sheets of such substances. The Contractor shall be obliged to provide its workers with necessary protective means and with first aid means.

The Contractor shall enable the Customer to inspect its activity. Should a variation from the environment protection regulations be found out, the Contractor must forthwith arrange for remedial action. Should the Contractor not remove the variation, or in the case of repeated infringement of legal regulations, the Customer shall be entitled to inflict the Contractor sanctions or to withdraw from the Contract.

On need, the Customer may determine further specific terms and conditions in writing for the purpose of the Contractor's activity in the TES VSETÍN, a.s.'s premises in the field of environment protection.

Upon having its workers acquainted with the content of the course, the Contractor shall hand over a signed attendance list to a contact person in TES VSETÍN, a.s..

21 FORCE MAJEURE CLAUSE

The *force majeure* is understood as extraordinary circumstances that have occurred independently on the will of the Contractor and shall inhibit it, temporarily or permanently, from meeting its obligation and such circumstance has occurred after the conclusion of the Contract and could not have been reverted or coped with by the Contractor, even on making every effort that can be reasonably required from the Contractor, and that could not have been envisaged in the time when the Contract was concluded. As the *force majeure* shall be understood, but not limited to, other calamities, natural disasters, war, general mobilization, or civil war. On the other hand, delayed deliveries from subcontractors, insolvency, lack of workforce or material, and, furthermore, any and all hindrances that occurred only in the time when the Contractor was delayed with the performance of its obligations or occurred due to its economic conditions shall not be understood as *force majeure*.

In the event of occurrence of *force majeure* the time limits for the discharge of obligations as determined by the Contract to the contractual parties, or by these GTCP, shall be extended by the time for which the *force majeure* has lasted. The Contractor shall be obliged to inform the Customer in writing about the occurrence and disappearance of *force majeure* without undue delay.

22 GENERAL PROVISIONS

The parties shall undertake to mutually inform themselves on a change of their organisation and on a company transformation.

The settlement of charges, taxes, and duties related to the fulfilment of obligations under the Contract will be arranged and specified in the Purchase Orders, otherwise the above delivery condition shall apply.

The Customer, or third persons authorised by the Customer as the case may be, shall be entitled to directly check the observance of performance of the obligations from the Contractor's, or possibly its subcontractors', side after a notification thereof to the Contractor any time in working days.

The Customer shall require that the goods to be delivered to it would be provided in compliance with legal safety and health at work regulations, on observance of all environment protection regulations, on respecting human rights and similar rightful or generally acknowledged requirements and rules.

Validity since September 1, 2009