

GENERAL TERMS AND CONDITIONS



Pursuant to Section 273 (1) of the Commercial Code, the purpose of these terms and conditions is to establish the terms and conditions for entering into purchase contracts between **4dot Mechatronic Systems s. r. o.** - hereinafter referred to as "the Seller" - as the supplier and the customers - hereinafter referred to as "the Customer" - when the specific contract does not lay it down or when the contract is concluded by a purchase order only.

I. Concluding Purchase Contracts (Orders)

- 1) A proposal to conclude a purchase contract (order) is made by the Customer in writing. An e-mail form is also considered a written form. The proposal to conclude a purchase contract (order) shall include:
 - a) business name (or name) and registered office of the Customer including telephone number and e-mail address,
 - b) the person authorized to act on behalf of the Customer in the given matter,
 - c) an unambiguous identification of the product, including the related Services or performance provided,
 - d) the date and place of delivery of the product,
 - e) the purchase price of the product to be agreed by the parties in advance.
- 2) The Seller shall accept the proposal to conclude the purchase contract in writing or it shall express its consent to the conclusion of the purchase contract by delivering the ordered goods in accordance with Section 275 (4) of the Commercial Code. Where rental services are provided, the same principles shall apply.
- 3) No oral or telephone order can be accepted.
- 4) Contracts thus negotiated are binding.
- 5) All offers are structured as follows:
 - a) goods, which includes hardware, mechanical parts, assembly and transport,
 - b) monitoring service, which provides selection and setup of necessary analyses for individual components, processing and interpretation of measured data, setup and periodic system check which includes technical support including engineering services, digital calibration of the system, determination of limit values (limits) for individual components, validation of analysis outputs according to set limits and their assignment to the machine state and implementation of new analyses. Furthermore, is includes a software license or its rental and updating. The purchase contract determines the frequency,
 - c) rental of hardware under the terms of the contract.



II. Purchase Price, Invoicing, Payment

- 1) All prices of goods and services of the Seller are without VAT unless stated otherwise.
- 2) Any offer (hereinafter referred to as the "Offer") sent to the Customer shall be valid for 30 days from its date of issue, unless otherwise specified in the Offer.
- 3) The price of the products does not include related services.
- 4) VAT will be calculated in accordance with the provisions of Act No. 235/2004 Coll., as amended, as of the date of taxable supply.
- 5) Unless otherwise agreed by the parties, the purchase price is based on an invoice issued by the Seller which the Seller sends to the Customer to the place agreed in the purchase contract or order.
- 6) The right to charge (invoice) the purchase price arises to the Seller on the day of delivery of the goods. In the case of both services and rental, billing is performed monthly, for which the right to invoice arises by renting or providing the services per the contract.
- 7) If the Customer does not accept the goods within the period agreed in the contract, the right to invoice arises to the Seller 14 days after the expiry of the said period.
- 8) The invoiced purchase price is due within the time limit and according to the conditions agreed in the purchase contract/order. If no due date is agreed, the invoice is due within 14 days from the date of its issue, unless stated otherwise. In case of doubt, the invoice shall be deemed to have been delivered to the Customer on the third day from the date of issue by the Seller.
- 9) The Customer is entitled to return the issued invoice without payment to the Seller before the maturity date if it does not contain any particulars or has other defects, and notify the reasons for the return of the invoice to the Seller in writing. The Seller is obliged to review the defects and, if justified, remove these defects. If the Customer does not exercise its right to return the issued invoice before the due date, all the facts stated in the invoice are considered to be the content of the concluded purchase contract and the issued invoice is a proof of the content and execution of the purchase contract.
- 10) In case of delay in payment of the purchase price, the Customer is obliged to pay default interest to the Seller in the amount stipulated by generally binding legal regulations, unless otherwise stated in the contract.
- 11) The customer acquires title to the delivered goods only after full payment of the purchase price.
- 12) The price of extra work is governed by the standard price list stated in the offer. By confirming the offer, it is deemed that the Customer agrees with the price list and accepts the service prices listed in the price list.
- 13) The price of service work is governed by the current price list of the Seller. Price list is available on request.
- 14) In the case of hardware rental, the same provisions shall apply to the business relationship.



III. Quantity, Quality, Design, Packaging and Delivery of Goods

- 1) The quantity of goods specified in the purchase contract or order is binding.
- 2) Unless agreed otherwise, the Seller undertakes to deliver to the Customer goods manufactured according to the standards of the Seller. The method of packaging of the goods is governed by the packaging procedures of the Seller.
- 3) The Seller is entitled to deliver the goods to the Customer at any time during the period agreed in the purchase contract, even by a partial performance.
- 4) The Seller is entitled to deliver the goods earlier than agreed in the purchase contract, unless the purchase contract explicitly lays down that such a method of performance is inadmissible.
- 5) The customer undertakes to confirm in favor of the Seller proof of delivery of the goods (e.g. delivery note, handover protocol).
- 6) The customer undertakes to prepare the machine for assembly of the monitoring unit based on a prior arrangement. If the preparatory work is not performed, the assembly by the Seller will be rescheduled and re-invoiced.
- 7) If the Customer fails to take delivery of the product duly and on time or does not allow its assembly, the Seller is entitled to sell or store the goods at the Buyer's expense. In this case, the parties agree a storage fee of 5% of the total price of the product including the price of transport and assembly for each commenced calendar month.
- 8) Any delay of the Seller in delivering the goods is a material breach of the purchase contract only if expressly agreed in the purchase contract.
- 9) If, under the purchase contract, the Customer arranges for the transport of the goods, the Seller fulfills its obligation to deliver the product by handing over the goods to the Customer at its registered office, or otherwise allows the Customer to handle the goods.
- 10) If the Seller only provides for the transport of goods to the final destination, the risk of damage is transferred to the Customer at the time of acceptance.
- 11) If the purchase contract provides for the shipping of the goods by the Seller, the Seller fulfills its obligation to deliver the goods to the Customer by handing them over to the first public carrier for carriage. In such a case, the Customer declares that it understands the choice of the carrier and the amount of freight fees charged by the carrier is up to the Seller to decide. The risk of damage to the product shall pass to the Customer at the time of its receipt or at the time of its delivery to the postal carrier or the first carrier for the delivery of the product to the Customer, whichever comes first.
- 12) If the Seller also performs assembly, standard cleaning of the dirt generated during assembly follows. The Customer is responsible for checking the operability.
- 13) In the case of equipment rental, the Customer is fully liable for it from the moment of signing the handover protocol.



IV. Guarantee

- 1) The seller grants to the Customer a limited warranty which only applies to the cases explicitly listed below.
- 2) The guarantee applies to the monitoring unit for a period of 12 months from the date of delivery or invoice date, whichever comes first, unless otherwise specified in the contract. The guarantee does not cover defects caused by improper or inadequate maintenance, installation or repair if performed by an entity other than the Seller, due to normal use and wear, accident, negligence or willful damage. The assembly guarantee is provided for 6 months, the period starts on the day of handover.
- 3) The Seller warrants that it shall detect rolling bearing damage 30 days before the bearing being destroyed during standard operation and informs the Customer of the detection of rolling bearing damage without undue delay, provided all the following conditions are met:
 - a) the bearing was monitored for at least 90 days and at least 500 hours of standard machine operation,
 - b) the period of analyses control and set-up is 1 calendar month or less,
 - c) the guarantee covers fatigue damage (does not apply to damage caused by defects of the material),
 - d) bearings of known design (the bearing contains data for calculation of error frequencies),
 - e) the bearings have been properly used and produced in a quality consistent with the documentation,
 - f) the bearings are properly operated (normal servicing),
 - g) the monitoring unit has a connection to the public Internet network,
 - h) the monitoring unit was fully functional at the time of machine operation, or its malfunction was caused by the Seller,
 - i) the Customer is not in arrears regarding payment of invoices per the contract for more than 10 days.
- 4) If the Seller does not detect any damage, or if the detected damage is not reported to the Customer under the above guarantee conditions, it is liable for the damage resulting from this in the amount of ten times the monthly amount of the fee. The amount of the fees means the amount paid for monitoring of the specific component, which contains the rolling bearing for which the damage was not detected.
- 5) The Parties agree that it is not responsible for the conclusions and recommendations of the Seller beyond the above guarantees.



V. Treatment of Confidential Information

- 1) The Parties declare that they consider the information contained in the purchase contract and provided by any of the Parties as confidential as long as it meets the following criteria at the same time:
 - a) it is information provided in oral or written form, in particular information which the Parties learned in connection with the performance of the purchase contract, provided before or after the conclusion of the purchase contract, and
 - b) it is information which is identifiable as trade secrets, technical information, in particular product or production descriptions, sketches, drawings, graphical representations and other technical documents, manuals, processes, know-how, technical information and knowledge,
 - c) it is information which can be described as a matter significant in economic competition, determinable, valuable and not normally available in the relevant circles, which, according to its originator or owner, is to be kept secret.
- 2) Confidential information shall also be deemed to include such information that is marked as confidential. It is sufficient to mark the word "secret" on the packaging of the information carrier, in an e-mail, fax or other document.
- 3) Protections under this Article shall not cover information:
 - a) which have become publicly available, unless this has been done by a breach of the obligation of the protection thereof by a Party,
 - b) further, information obtained by a Party under a procedure independent of the Agreement and cooperation established by it, provided that the Party is able to substantiate this fact, and
 - c) information provided by a third party which has not obtained such information by breaching an obligation to protect the information.
- 4) Both Parties undertake to keep such information confidential, not to disclose it without the consent of the other Party impacted by the information nor to make it available to a third party or persons, even as a result of negligence. Furthermore, the Parties undertake to use this information only for the purpose for which this information was provided to them by the other Party. The Parties are required to describe the confidential information regime to their authorized personnel who might come into contact with confidential information.
- 5) The Seller has the right to keep a copy of the measured data for the purposes of its own research and development of signal processing and interpretation.
- 6) The contractual obligations regarding the protection of confidential information do not expire even in the case of termination of cooperation under this contract. The obligation to protect confidential information lasts for the entire duration of the cooperation or until the publication of this data, otherwise 5 years from the date of termination of the contract.
- 7) The duty of confidentiality shall apply irrespective of whether the contract has been concluded, also to information obtained during the bidding phase and after the contract expires.



VI. Term and Termination of the Contract

- 1) The contract becomes valid and effective on the day of its signature by both Parties or on the day of the order acknowledgement and is concluded for an indefinite period, unless stated otherwise in the contract.
- 2) Any contract concluded for an indefinite period may be terminated in writing by any of the Parties without giving any reason therefor. The notice period is 3 months and begins on the first day of the month following the delivery of the notice to the other Party. This does not apply in the case of the order specified in I. 5) a), in which case the purchase of custom goods and the payment therefor is binding and impossible to terminate.

VII. Warranty Claim

- 1) Before the expiry of the limited warranty period, the Customer is obliged to report defects in writing or electronically without undue delay after the defect of the product has been detected (unless it is a service). The place of raising a claim is the registered office of the Seller. The costs of claiming are borne by the Customer.

VII. Withdrawal from the Contract

- 1) The Seller is entitled to withdraw if the Customer is in arrears regarding the payment of monetary amounts under these conditions for more than 15 calendar days.
- 2) In the event of withdrawal, the parties to this contract are obliged to return everything they have provided on the basis of such contract no later than within 10 calendar days of receipt of the written withdrawal notice.

VIII. Liability, Damages

- 1) The Seller shall be liable for any damage caused to the Customer by violation of the above guarantee. Regardless, the parties agree that the Seller is not responsible for any consequential damages, lost profit or loss of information. This does not apply in case of violation of the obligations of the Seller intentionally or by gross negligence. The Parties agree that the Seller is not liable for any non-pecuniary damages.

IX. Final Provisions

- 1) These General Terms and Conditions are valid and effective from December 18, 2019.

The General Terms and Conditions are published at www.4dot.cz/en/sites/t&cs.pdf