

General Sales Terms of Fintherm a.s. (referred to as „GST“)

I. General

The present contractual terms (hereinafter referred to as "GST") regulate the relationships between the Buyer (applies to purchase contracts) and/or Orderer (applies to works contracts) and the Seller (applies to purchase contracts) and/or contractor (applies to works contracts) in the field of sales of pre-insulated pipes between Fintherm a.s. (hereinafter referred to as "Seller") and their business partners (hereinafter referred to as the "Buyer") and are an integral part of the purchase contract or works contract (hereinafter referred to as "contract") concluded by and between the operators above. The conditions and terms, and in particular the purchasing terms of the Buyer, shall not be construed as binding upon the Seller, even if the latter has no objections to raise against the same.

II. Validity of the GST

The present GST shall come into force at the latest upon their reception. The GST in their entirety are binding upon the two contracting parties unless the said parties agree otherwise in the contract; any derogations in the contract shall be construed as having a priority to the wording of the present GST. Any addenda to the present GST or contract shall only apply if approved by the two parties in writing.

III. Goods reception / complaints

The Buyer shall be obliged to check the goods immediately after their receipt. Should the Buyer establish any damage to the goods supplied that may have been caused during transport, they shall note the fact in the delivery sheet upon receipt. Any complaints regarding quantity and other apparent defects must be applied by the Buyer within 3 working days of receiving the goods.

Complaints against any latent defects must be lodged with no undue delay after establishment of the same, at the latest within 36 months of the receipt of the goods.

The Buyer shall uncover the route location under complaint where necessary, document the same by means of a report and photo documentation including entry of the current operating parameters, and inform the Seller with no undue delay prior to the removal of the defective part. Any complaint must be lodged in writing where the crucial date for the determination of the time limit is the date of receipt of the complaint by the Seller. The legitimacy of the complaint must be attested to, in the event of quality defects, by a sample of the defective goods or official identification of the defect.

Unless the parties agree otherwise, application of a complaint shall not have an effect on the obligation to pay the full as invoiced purchase price. The place of performance of the undertakings inherent in defects liability is the seat of the Seller.

IV. Guarantee

The guarantee period for all goods supplied subject to the present GST is 36 months from the date of shipping. Free-of-charge replacement shall be provided for all defective material during the entire term of the guarantee period. Validity of the said guarantee period is, inter alia, subject to flawless assembly of the piping route, use of original components and compliance with the operating parameters of heating water as specified by the applicable standards ČSN077401 and ČSN 383350 or their currently valid equivalents, as well as provision to the Seller of reports on operating parameters of the heating system and piping network, the components of which are subject of the present contract, and the documentation on the reception of the works by the investor must, inter alia, contain a valid report on the completion of a regular pressure test. The pH values of water in the steel piping at 25oC must at all times be higher than 8.5. The overall concentrations of Fe + Mn are permitted at 0.3mg/l and apparent alkalinity at 0.5 to 1.5 nmol/l. Na2SO3 residue must range between 10 - 40 mg/l. Save for any claims resulting out of defects in the goods, the Buyer shall not be entitled to any damage compensation, in particular compensation of lost profit as a result of a supply of defective goods.

V. Invoicing and payments

Pre-financing, advance payment or one of the mechanisms of bank guarantees is required for the initial contracts. Under steady commercial relations, the financing take place against invoices sent or handed over to the Buyer upon delivery of the goods, it being understood that the invoice's maturity term is 14 days. In the event of a delay with the payment of the invoice, the Buyer shall be obliged to pay 0.3 % of the invoiced amount for each day of the delay compared to the due date of the invoice. The goods remain in the possession of the Seller up until full payment of the invoiced amount. Fintherm a.s. may withhold and suspend its performance if the client is late in meeting any of the client's obligations towards Fintherm a.s. arising under this Purchase Contract or for any other legal reason, in particular, but not limited to, any other purchase contracts concluded with Fintherm a.s., until, for example, all such outstanding/payable obligations of the client have been met.

VI. Cancellation

If the Buyer should cancel their purchased goods after the purchase has been confirmed by the Seller, the Buyer is obliged to pay a cancellation fee to the Seller in the amount of 50 % of the purchase price for standard goods and 100 % of the purchase price for atypical goods.

VII. Force majeure

The suggested date of delivery by the Seller shall not be construed as binding where effects of force majeure, strikes or

wars warrant withdrawal on the part of the Seller from the undertakings, either in their entirety or in part, without having to provide compensation of loss on the part of the Buyer.

IX. Applicable law

The dealings between the two contracting shall be governed by the Czech legal system, regardless of whether the Buyer is a domestic or foreign entity. The present General Sales Terms govern all purchase contracts for delivery of goods according to the Fintherm a.s. catalogue, concluded between the Buyer and Seller, as well as all contracts for works concluded between the contractor and orderer.