

General Terms and Conditions of Purchase

These General Terms and Conditions of Purchase (hereinafter referred to as the “**Terms and Conditions**”) regulate rights and obligations between the company **MICRO-EPSILON Czech Republic, spol. s r.o.**, having its registered office at Na Libuši 891, Bechyně, district of Tábor, Postcode 391 65, Company Registration Number 424 06 960, entered in the Commercial Register maintained at the Regional Court in České Budějovice, Section C, Entry 493 (hereinafter also referred to as “**ME CZ**”) and its suppliers in relation to the provision of performance by ME CZ.

I. Definition of terms

1. “**Supplier**” shall mean the seller, the provider of services or the contractor, regardless of whether it is termed as such in a Contract or in an Order.
2. “**Goods**” shall, for the purposes of these Terms and Conditions, mean the subject-matter of purchase or the subject-matter of work or services specified in more detail in a Contract or Order.
3. “**Order**” shall, for the purposes of these Terms and Conditions, mean a proposal for entering into a Contract delivered by ME CZ to the relevant Supplier.
4. “**Contract**” shall, for the purposes of these Terms and Conditions, mean a contract of purchase or a contract for work or an innominate contract (depending on the subject-matter of the Contract) entered into by and between ME CZ and a Supplier.

II. The force of these Terms and Conditions

1. These Terms and Conditions constitute an inseparable part of a Contract. By entering into a Contract, the Supplier expressly consents to all rights and obligations contained within these Terms and Conditions and arising from these Terms and Conditions.
2. The provisions of a Contract take precedence over the provisions of these Terms and Conditions in the case that the two conflict with each other.
3. The commercial terms and conditions of a Supplier are ineffective to the extent to which they conflict with these Terms and Conditions or with a Contract or in the case that they have not been expressly accepted in writing by ME CZ as part of a Contract.

III. Entering into a Contract

1. A Contract is only entered into by and between a Supplier and ME CZ in the case that the Supplier delivers acceptance of an Order to ME CZ, to the address specified in the Order, within 3 business days from the date on which it receives the Order. If the Supplier delivers acceptance of an Order to ME CZ following the lapse of the above-mentioned time limit, a Contract shall only be entered into in the case that ME CZ agrees to the delayed acceptance of the Supplier in writing within 5 business days of receiving this delayed acceptance.
2. For the avoidance of any doubts, it is determined that, unless otherwise stated in the Order, a Contract shall also be entered into in the case that the Supplier accepts the Order within the above-mentioned time limit in an e-mail sent to

objednavky@micro-epsilon.cz or in a fax sent to fax number +420 381211060.

3. A Contract is entered into at the instant at which ME CZ receives acceptance of an Order when respecting the conditions laid down in subsection 1 of this article or when it approves delayed acceptance in writing. The Order and these Terms and Conditions constitute the content of the Contract. If no Contract is entered into, ME CZ is not bound by the Order.
4. Acceptance of the Supplier which contains any reservations, changes, comments on the Order or the Terms and Conditions or which contains any other deviations from their wording does not have the effect of acceptance according to subsection 1 of this article, but it is a new proposal for entering into a Contract. ME CZ is authorised to accept or reject this new proposal; should ME CZ accept the new proposal, a Contract is entered into on the date on which the Supplier is notified in writing of the acceptance of its new proposal.

IV. The subject-matter of a Contract

1. The subject-matter of a Contract is primarily the obligation of the Supplier to deliver Goods to ME CZ and to transfer to it the ownership rights to the Goods and the obligation of ME CZ to accept the Goods delivered by the Supplier in timely and proper manner and to pay the Supplier the agreed price for them.
2. Due delivery occurs with the discharge of all conditions laid down by these Terms and Conditions, the Contract, generally binding legal regulations and the relevant standards.
3. The Supplier is obliged to deliver the Goods in the quantity laid down in the Contract. Should the Supplier deliver Goods in a greater quantity, ME CZ is authorised to refuse such a greater quantity without undue delay at such time as it learns of the delivery of a greater quantity of Goods (usually from the delivery note). ME CZ is not obliged to accept part performance.
4. Goods must be delivered in the quality and execution laid down in the Contract. If the Contract does not lay down quality or execution, the Supplier is obliged to deliver such Goods that they fully comply with the purpose for which they are delivered and if no such purpose is agreed, for the purpose for which such Goods are usually used. Goods must comply with all technical requirements and technical and safety standards, whether binding or recommended. Goods and the components used to make them must be new, unused, undamaged and made of material which corresponds to generally binding legal regulations, technical requirements and standards. If Goods are delivered based on samples, designs or drawings, they must fully correspond to these samples, designs or drawings.
5. Goods may not be encumbered with any defects in title or material defects.

V. General rights and obligations

1. The Supplier is obliged to deliver Goods to ME CZ in a timely and proper manner. The Supplier undertakes to proceed in performing a Contract with the required professional care and

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- according to the instructions of ME CZ. If Goods are delivered to premises used by ME CZ, the Supplier is obliged to respect the internal regulations of ME CZ, with which it shall be familiarised, in particular regulations in relation to occupational safety.
2. The Supplier is obliged to immediately inform ME CZ of all circumstances which it ascertains in the performance of a Contract or in relation to it which could influence the performance of the Contract. The Supplier is also obliged to inform ME CZ of the fact that the instructions provided by ME CZ are unsuitable or exhibit other defects in title or material defects.
 3. ME CZ or the Supplier is obliged to inform the other party without delay if there is a change in its contact information stated in an Order or a Contract, in particular a change of trade name or registered office, Company Registration Number, Tax Identification Number or entry at the Commercial Court or other competent body.
 4. ME CZ is authorised to check the performance of the Contract by the Supplier at any time. The Supplier undertakes to allow such a check and to provide all required coaction and cooperation. The Supplier is obliged to provide ME CZ with a time schedule for the performance of the Contract at the request of ME CZ within the term specified in the request made by ME CZ.
 5. The Supplier is obliged to deliver together with the Goods all documents specified in these Terms and Conditions and/or in the Contract and all documents required for the acceptance, use and, where appropriate, customs clearance of the Goods. The Supplier is also obliged to deliver documents which prove the origin of the Goods and documents which prove discharge of the obligations laid down in the Packaging Act.
 6. The Supplier is obliged to deliver the Goods in suitable packaging which guarantees that they will not be damaged in transit. The Supplier is considered to be the producer of the waste which is generated during any assembly of the Goods (including the packaging of the Goods) and is obliged to ensure the disposal of this waste (for the avoidance of any doubts, ME CZ shall dispose of the packaging of Goods delivered by a carrier without assembly by the Supplier). Unsuitable packaging which does not guarantee the above-mentioned requirements may be the subject of a warranty claim by ME CZ. Goods must be marked such that they are identifiable at first sight. The Supplier is responsible for the quality of marking and failure to comply with the above-mentioned conditions may be the subject of a warranty claim by ME CZ.
 7. The Supplier is obliged to transfer the Goods to ME CZ free from any obligations, claims or rights of third parties.
 8. The Supplier represents that it is fully familiar with performance according to the Contract, in particular with all requirements on performance, its extent of performance and the place of performance. The Supplier further represents that it is professionally capable of duly delivering performance and that it has the required capacities for this. The Supplier represents that it is familiar with all information, documents and instructions regarding the Goods and the Contract transferred to it by ME CZ prior to entering into the Contract and that it has examined them and found them to be fit for use and without any faults or deficiencies. The Supplier further represents that, on the date of entering into the Contract, all information required for the due performance of the Contract is known to it, even though such information need not necessarily be found in the information and/or documents with which ME CZ presents it, nor need it ensue from this/these. The Supplier is aware of and consents to the fact that the price agreed in a Contract and in the term of delivery of the Goods fully corresponds to and take into consideration all requirements laid down by these Terms and Conditions, the Contract, generally binding legal regulations and standards. ME CZ is not liable for costs associated with deficiencies of transferred information and documents or for the costs incurred as a result of the Supplier not procuring further information or other source materials.

VI. The handover of goods and the transfer of title

1. Unless specified otherwise in the Contract, the Supplier shall have discharged its obligation to deliver Goods with their delivery to ME CZ at the address of the registered office of ME CZ. A record of transfer and acceptance shall be signed by both parties in relation to the transfer and acceptance of the Goods. If the delivery note is signed by both parties, it shall be considered to be the record of transfer and acceptance, unless the parties agree otherwise. ME CZ shall sign the record of transfer and acceptance following the due delivery of the Goods without patent defects.
2. If the Contract does not specify a term of delivery for the Goods, the Supplier is obliged to deliver the Goods to ME CZ within 10 days from entering into the Contract. Unless provided otherwise in the Contract, it is assumed that if the Goods are delivered to the registered office of ME CZ, the Supplier is obliged to deliver the Goods on business days during the regular hours of work, meaning from 7 a.m. to 2 p.m.
3. ME CZ is authorised not to accept Goods which are not delivered duly, meaning in accordance with the Contract, these Terms and Conditions, generally binding legal regulations and the relevant standards. In such case ME CZ is obliged to transfer or send to the Supplier notification stating the reasons for not accepting the Goods, a description of the reproached deficiencies and a time limit for their rectification. In the case that the reproached deficiencies are not rectified by the Supplier within the set time limit, the Goods shall be considered undelivered.
4. The Supplier is obliged to deliver the Goods in full, assembled conditions. The Supplier shall bear the costs of shipping the Goods. The Supplier bears the risk of accidental deterioration or devaluation of the Goods until the signing of the record of transfer and acceptance of the Goods.
9. If the subject-matter of performance is the production and delivery of products and packaging in relation to which the Act on the Technical Requirements on Products is applied, the Supplier is obliged to transfer a copy of a declaration of conformity or a written assurance of the issuance of a declaration of conformity to ME CZ not later than within the term of delivery of the Goods.
10. All customs, storage and other charges arising as a result of the late transfer of due documents and source materials shall be billed to the Supplier and the Supplier is obliged to pay them.
11. If the Supplier does not comply with its obligation to deliver the Goods in a timely and proper manner, ME CZ shall be entitled to the payment of a contractual penalty of 0.2% of the

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price of the Goods with whose delivery the Supplier is late for each commenced day of delay.

12. The title to the Goods shall pass to ME CZ at the instant of the full payment of the agreed price or on the date of both parties signing the record of transfer and acceptance, whichever comes first, unless provided otherwise in the Contract. The title to Goods owned by the Supplier shall, however, pass to ME CZ earlier in the case that insolvency proceedings are commenced against the Supplier, this at the instant of the commencement of such insolvency proceedings.

VII. Liability for defects

1. The Supplier shall provide ME CZ and any other persons that acquire ownership rights or other rights to the Goods with a warranty for the quality of the Goods. The Supplier undertakes that the Goods shall, for the duration of the warranty period, be fit for use for the purpose laid down in the Contract, shall have the quality laid down by these Terms and Conditions, the Contract, generally binding legal regulations and standards and that the Goods shall retain these properties without a change.
2. Unless agreed otherwise in the Contract, the Supplier shall provide a warranty of a length of 24 months commencing on the date of the due delivery of the Goods based on a record on the transfer and acceptance of the Goods.
3. The warranty period shall not run during a period in which ME CZ cannot use the Goods due to their exhibiting defects for which the Supplier is liable.
4. ME CZ is, regardless of the nature of a defect and its seriousness, invariably authorised to choose one or a combination of the following rights arising from liability for defects to Goods:
 - a) to demand the rectification of defects by supplying replacement and/or missing Goods or to demand the rectification of defects in title;
 - b) to demand the repair of Goods if the defect is repairable;
 - c) to withdraw from the Contract;
 - d) to demand a commensurate discount on the price of the Goods;
 - e) to rectify the relevant defect itself or through a third party and/or to ensure the delivery of replacement or missing Goods, in which case the Supplier shall pay all costs associated with this.
5. If the Supplier does not rectify defects to the Goods in the manner and within the time limit specified by ME CZ, ME CZ is authorised to withdraw from the Contract or to claim another right arising from liability for defects according to the provisions of these Terms and Conditions or the Contract.
6. The Supplier is not liable for defects that occur through usual wear-and-tear, unprofessional use and handling of the Goods or using the Goods for a purpose other than the purposes for which they are intended.
7. If the Supplier is in delay with the discharge of any of the obligations arising from the liability of the Supplier for defects, the Supplier is obliged to pay ME CZ a contractual penalty of 0.2% of the price of the defective Goods for each day of delay in discharging the obligation arising from liability for defects to the Goods.

VIII. The price and the terms and conditions of payment

1. ME CZ undertakes to pay the Supplier the price specified in the Contract for the proper and timely delivery of Goods. If the Supplier is a VAT payer, VAT shall be added to the price in an amount according to the legal regulations in force, unless the amount of VAT has already been regulated in the Contract. The price specified in the Order is fixed and final and includes all costs of the Supplier associated with the fulfilment of obligations according to the Contract and these Terms and Conditions. The Supplier is responsible for all taxes, charges, customs charges and similar charges relating to the subject-matter of performance which it is obliged to pay according to the Contract or generally binding legal regulations and is obliged to indemnify ME CZ for all liabilities and related costs and expenses which could be related to this.
2. The Supplier undertakes to develop continual activity aimed at reducing the price of the Goods. If the Goods are offered by a third party under more favourable conditions, ME CZ shall inform the Supplier in writing and provide it with a reasonable time limit that takes into consideration the extent of measures required to be taken by the Supplier in order to restore the competitiveness of the Goods delivered by the Supplier. The Supplier shall compile a plan of measures to restore competitiveness without delay and shall familiarise ME CZ with this. Both parties shall work together to maintain competitiveness such that further continuous improvements are made in relation to costs, quality, technology and logistics.
3. ME CZ undertakes to pay the price via a bank transfer to the account of the Supplier based on a payment document (hereinafter referred to as an "Invoice") issued by the Supplier and delivered to ME CZ. The Supplier is authorised to issue an Invoice following the due handover of Goods, whereby it is obliged to issue such an Invoice not later than within 10 days of the date of performance, which is the date of signing the record of transfer and acceptance relating to the Goods by both parties. An Invoice issued by the Supplier must be factually correct.
4. An Invoice must comprise the particulars laid down by the legal regulations in force (for VAT payers, the particulars of a tax documents and for non VAT payers, the appropriate particulars of an accounting document) and the Order number. Unless provided otherwise in the Order or in a written Contract, invoices are payable within 30 days of the date of their delivery to ME CZ. If an Invoice does not comprise the required particulars or is incomplete or inaccurate, ME CZ is authorised to return it (or its copy) to the Supplier by the due date for correction or supplementation. A new time limit for payment (due date) as specified above shall commence on the date of delivery of the new or corrected Invoice.
5. Where the Supplier is a foreign entity, it is obligated to provide confirmation of its tax residency at the request of ME CZ.
6. The Supplier consents to the use of tax documents in electronic format.
7. The Supplier represents that at the time of entering into a Contract it is not an "unreliable payer" according to the VAT Act and undertakes that if it becomes an unreliable payer in the course of performing a Contract, it shall inform ME CZ of this fact without delay. The Supplier represents that its account specified in the Contract is an account made public by the VAT administrator in a manner which allows for remote access. Should these representations or any of them prove to be false or cease to be valid during the effect of the contract or should another situation arise which leads to the establishment of the guarantor's obligation of ME CZ for unpaid value added tax, ME CZ shall be authorised (i) to pay the tax to the creditor (tax administrator) without the knowledge of the Supplier and unilaterally offset the claim arising against the Supplier and its due or undue or future claims against ME CZ or (ii) to withhold an amount equalling the VAT until its demonstrable payment by the Supplier or (iii) to take other appropriate measures to secure a future claim on the grounds of discharging the guarantor's obligation for

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- unpaid tax or/and in addition to this (iv) to withdraw from the Contract.
8. Should the Supplier receive any payment from ME CZ beyond the scope of the agreed and due price or other due financial obligations according to the Contract, it is obliged to inform ME CZ of this without delay. Unless the contracting parties agree otherwise, the Supplier is obliged to return such an unjustified payment to ME CZ without undue delay.
 9. Each delivery of Goods, if objects or parts thereof are the subject-matter of performance, must include a delivery note, which shall contain a minimum of the following information: a) the Order number and the Contract number, if different from the Order number; b) the delivery note number; c) the date of issue of the delivery note; d) the identification of the contracting parties, i.e. the Supplier and ME CZ; e) the identification of the Goods, including technical specifications; f) the method of transportation; g) an indication of the contact person of the Supplier and; h) the use-by date for chemical substances. For metallurgical materials and technical plastics, the Supplier is obliged to append to the delivery note as its part attestations of the quality of the Goods according to the relevant legal regulations and standards. Any confirmation of a delivery note by ME CZ cannot be considered the issuance of acquittance, nor does it have the effects of acquittance.
 10. If the delivery note is missing, the Supplier is obliged to pay ME CZ a contractual penalty of CZK 1,000 for each missing delivery note.
 11. For the purposes of this Contract, the payment of the price is understood to be the date on which the financial amount is debited from the account of ME CZ.
 12. ME CZ is authorised to offset a charged contractual penalty, compensation for damage or any other financial amount which it may claim according to the Contract or in relation to it against an outstanding Invoice or other financial claim of the Supplier.
 13. If ME CZ is in delay with the payment for duly delivered Goods, the Supplier is authorised to demand the payment of a default interest on late payment amounting to 0.01% of the outstanding amount for each day of delay.
 14. The Supplier is not authorised to offset any claim or its part which it has against ME CZ based on these Terms and Conditions or the Contract or in relation to it against any claim of ME CZ against the Supplier without a prior explicit written consent of ME CZ.
 15. The Supplier is not authorised to pledge any claim which it has against ME CZ based on these Terms and Conditions or the Contract or in relation to it without the prior, express consent of ME CZ.
 16. The Supplier is authorised to assign a claim against ME CZ arising from these Terms and Conditions or the Contract or in relation to it only with the prior written consent of ME CZ. The Supplier is not authorised to use any subject-matter of performance delivered based on a Contract as a subject-matter of lien.

IX. The confidentiality obligation

1. The Supplier undertakes to maintain confidentiality as regards the facts related to ME CZ and the subject-matter and performance of the Contract of which it learns in connection with the performance of the Contract and which are not publicly known or available. This obligation also applies to other facts which are expressly marked as confidential by ME CZ (hereinafter referred to as "**Confidential Information**").
2. The Supplier undertakes to ensure that there is no leak of Confidential Information and undertakes to protect it in at least the same way as it protects its own trade secrets and in at least the usual way. It further undertakes that it shall only use Confidential Information for the purposes of performing a Contract.
3. The Supplier is authorised to make Confidential Information available to the required extent to its legal, tax and accounting advisors (hereinafter referred to as "**Advisors**") and to third parties through which it performs the Contract. Should the Advisor or a third party breach the obligation to

maintain confidentiality, the Supplier shall be liable for this breach.

4. The Supplier undertakes to respect the obligation to maintain confidentiality according to this article of the Terms and Conditions for the entire duration of the effect of a Contract and following its expiration until the Confidential Information becomes publicly known and available without any breach of this article of the Terms and Conditions.

X. Licence

1. The Supplier is responsible for the legal and financial settlement of the rights of third parties to the Goods such that ME CZ or a third party is able to use the Goods without restriction in accordance with the purpose of the Contract. For the avoidance of any doubts, it is provided that the price of a licence and of the settlement of other rights of third parties is already included in the total price paid by the Supplier and is final. The Supplier is responsible for the fact that ME CZ is authorised to use the work in all ways arising from the purpose of the Contract without infringing the rights of third parties.
2. If copyright is a part of the Goods and unless the Order implies otherwise and if the Supplier is an author or a person authorised to exercise proprietary rights, the Supplier shall provide ME CZ with a non-exclusive license to use the work in all manners of use known at the instant of entering into the Contract in a way not limited by time, location and quantity and in accordance with the purpose of the Contract and ME CZ is also authorised to provide a licence to a third party in full or in part (sub-licence). The Supplier is also obliged to secure and obtain the relevant consent of the relevant authors in order that ME CZ is authorised to process and modify such work or change its name or the designation of the author, to join the work with another work or incorporate it in another aggregate work to the extent required for the purpose for which the Goods were acquired. The price for the provision of such consent is also included in the total price according to the Contract.
3. If the Supplier supplies licence rights to the software of third parties, i.e. entities different from the Supplier, the provisions of the licence conditions of the third parties exercising the relevant proprietary rights shall apply to determining the scope of the license rights provided.

XI. Vis Major

1. A party is not in delay with the discharge of its obligations according to the Contract if, and only to the extent to which, it is prevented from discharging such obligations by the event of Vis Major.
2. Vis Major is understood to be such an occurrence which happens after entering into a Contract and which is independent of the will of the relevant party, is extraordinary in nature, is unavoidable, unforeseeable, insurmountable and which objectively prevents the discharge of obligations according to the Contract (for example, a state of war, civil unrest, natural disaster, terrorist attack). Vis Major is not considered to be, in particular, strikes by the workers of the Supplier and its subcontractors, late deliveries by subcontractors (if these are not caused by Vis Major), insolvency or a lack of labour power or material.
3. Should an event of Vis Major occur, the affected party is obliged to inform the other party without delay of the event in question and of its commencement and termination. The liability of the obliged party is not precluded and the term of performance is not extended if the event of Vis Major occurs during a period in which the obliged party is in delay with the discharge of an obligation according to the Contract or if the obliged party has not discharged its obligation to inform the other party without delay according to this article of the Terms and Conditions.
4. Should the period of duration of the circumstances of Vis Major exceed 15 days, the party which should be provided with the performance affected by such Vis Major shall be authorised to withdraw from the Contract.

XII. The dispute resolution

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particular by accepting a new Order which expressly amends the original Order.

Date of the entry into force of these Terms and Conditions:
01.01.2014

1. The parties undertake to primarily resolve by conciliation any disputes arising in connection with a Contract, its annexes, the Terms and Conditions or the other agreements of the contracting parties and in relation to their entering into and force and in relation to the rights and obligations of the contracting parties.

If, however, such resolution is not possible, the contracting parties agree that the Court in České Budějovice having subject-matter jurisdiction shall have the jurisdiction in resolving the relevant disputes.

XIII. The termination of a Contract

1. Regardless of the other provisions of these Terms and Conditions or a Contract, ME CZ is primarily authorised to withdraw from a Contract in the case of:

- a) the delay of the Supplier in discharging the obligation to deliver Goods in duly and proper manner;
- b) the delay of the Supplier in discharging any of the obligations arising from liability for defects to Goods;
- c) the commencement of insolvency proceedings involving the Supplier and/or the commencement of the criminal prosecution of the Supplier;
- d) the Supplier is in the process of being wound-up.

2. Withdrawal from or any other manner of terminating a Contract shall not lead to the expiration of:

- a) claims for compensation for damage incurred as a result of breach of these Terms and Conditions or the Contract;
- b) any claims arising from liability for defects to Goods;
- c) claims arising from the payment of contractual penalties;
- d) provisions on the obligation to maintain confidentiality, and;
- e) provisions on applicable law and the dispute resolution.

3. Unless provided otherwise, each party is authorised to terminate a Contract with recurrent performance without having to provide a reason for doing so with a notice period of 2 months, commencing on the date of delivery of a notice of termination to the other party.

4. Withdrawal from a Contract or a notice of termination of a Contract must be delivered to the other party in writing by post and signed by the authorised representative of the relevant party. The Contract is terminated in consequence of withdrawal upon delivery of a written notice of withdrawal to the other party.

XIV. Final provisions

1. All contractual penalties laid down by these Terms and Conditions or a Contract are payable within 30 days of the delivery of a demand for the payment of a contractual penalty to the other contracting party. The payment of a contractual penalty shall be without prejudice to the right of ME CZ to claim damages in full. ME CZ is authorised to make both claims concurrently.

2. If any provision of these Terms and Conditions or of a Contract is invalid, contestable or unenforceable or becomes such, this shall not affect the validity and enforceability of the other provisions if this provision can be severed from these Terms or Conditions or the Contract as a whole. The contracting parties undertake to exercise all efforts to replace such invalid, contestable or unenforceable provision with a new provision whose content and effect is as close as possible to the content and purpose of the invalid, contestable or unenforceable provision.

3. The Supplier undertakes that it shall not offer the employees of ME CZ an opportunity to enter into labour relations or any similar contractual institute, even with any third party, and that it shall not enter into labour relations or any similar contract with any employee of ME CZ. In the case of a breach of this obligation, the Supplier is obliged to pay ME CZ a contractual penalty of CZK 100,000 for each breach of this obligation.

4. A Contract is governed by the applicable law of the Czech Republic, with the exclusion of the conflict of law rules. A Contract may only be amended with the bilateral agreement of the parties in the way in which it was entered into, in