

General sales and delivery terms of MUT Tubes, s.r.o.

I. Scope of validity

1. The following terms form the basis of all proposals and agreements. Any additional or different terms of the Buyer are not applied.
2. Our terms only apply to persons who deal with us while realizing the legal acts of entrepreneurs when executing their entrepreneurial activities.
3. Our terms will also be applied to supplies both domestic and abroad and are valid for all existing and also future Purchase Contracts and adequately for other contracts and performances, including consulting and informative activities, unless they are changed in writing.

II. Concluding Contract, properties of our goods

1. Our proposals are not binding. A contract is concluded only when the Buyer has been delivered our written confirmation of the order or when we start delivery or performance. Our proposal, verification and these terms govern the content of the contract. Any additional changes, completions or side agreements, especially drawings, pictures, technical data, dimensions, weights or other performance parameters, must be supplied in writing.
2. The agreed properties of our goods include only those properties and features listed in our proposal or in our written verification of the proposal.
3. Statements regarding the properties and durability of goods, in which we provide the Buyer sufficient rights, in spite of his-her legal titles in case of claim, represent a quality warranty by course of Section 429 and following of the Czech Commercial Code, provided we explicitly indicate them as a warranty.
4. The quality and value of the material supplied by us are governed solely by the international material standards. If there are no standards, the business customs apply.
5. In case of doubts, the pertinent provision of the International Rules for Interpretation of Trade Terms (Incoterms 2000) will be used for interpretation of the legal acts.

III. Supply, transition of the risks

1. Supply take place from our plant (from the Seller) (Incoterms 2000).
2. The goods are to be delivered within a time period which is stipulated or which is determined in the manner stipulated in the contract or in the verified order. The delivery period starts to lapse on the day of confirmation of the order, but not earlier than all the details of the order have been specified and all the necessary permits have been issued. Partial deliveries are admissible, unless explicitly excluded. The previous sentence also applies for the case of delivery of a large or small amount of goods within the scope common pursuant to trade customs.
3. The goods are delivered timely if the Buyer has timely asked to accept the goods from our plant or warehouse. Should the goods be sent, their delivery takes place when they are handed over to the first transport company for transport to the Buyer. Our obligation has also been met timely provided the first transporting company was allowed to accept the goods, but the acceptance never happened, through no fault of ours.
4. The goods are delivered unpacked and unprotected against rust, unless explicitly agreed otherwise. If packing has been additionally agreed upon, a usual packing fee is charged in the manner according to the trade customs. Such agreement must be concluded in writing. Re-buying the packing material is not possible.
5. Should the goods be sent, we can, at the expense of the Buyer, determine the method of expedition, route, transport means, and the transporting company, unless agreed otherwise in writing. If we determined the route, transport means or transporting company and the goods have not been sent, we can proceed pursuant to the following item 6.
6. Events caused by Force Majeure authorize us to push the delivery deadline back by the time of existence of the pertinent limitation and by an adequate time for recovery of normal operation. All events which significantly complicate the delivery or make it impossible (such as, for example, fire, destruction of device or war, lack of energy or materials) as well as obstacles on roads or in transport, independently of whether these circumstances occur by us, in the contractor's plant or subcontractor's plant, are considered events caused by Force Majeure.
7. The risk of accidental expiration or accidental damage or other damages to goods are transferred to the Buyer immediately when we hand the goods over to the transporting company or other person or institution which has been assigned to perform the transport, however, at the latest as the goods leave our plant or warehouse. If the goods are ready for expedition and the shipment is delayed for

reasons we are not responsible for, the risk with delivery of announcement on expedition is transferred to the Buyer. In this case, we have the right to send the goods at the expense and risk of the Buyer or to store it at our own discretion at the expense and risk of the Buyer and charge for goods delivery immediately.

8. If the goods are sent using a storing aid (pallets, etc.), the Buyer is obliged to return any amount of the storing aid without any charge, undamaged and in the same amount and quality. If the Buyer fails to meet this obligation during a time period of one week from the delivery of the goods, the Buyer will pay us the amount equal to the purchase price of the unreturned storing aid.
 9. In case of contracts or orders where the subject matter is repetitive orders, the orders and specifications according to types must be handed over in approximately the same volume for one month, otherwise we are entitled to determine the amount and type according to reasonable deliberation. If the contractually determined amount, based on the individual orders, has been exceeded, we are entitled, but not obliged, to deliver the excess. The excess can be invoiced for the price valid at the time of the order, or at the time of delivery.
 10. Either a subcontractor or we will perform the weighing which is ruling for determination of the goods weight. The weight will be demonstrated based on submitting the pertinent document of weighing. If legally acceptable, the weight can be determined without weighing, pursuant to DIN. The gross weight with packaging and net weight without packaging common in the steel industry in the federal republic of Germany remains unchanged. Any defects in goods weight can be claimed only based on additionally performed official weighing, immediately after delivery. The number of pieces, reinforcements, etc. listed in the confirmation of transport is, due to the goods, pursuant to weight, not binding. If the individual pieces of goods are not weighed, the total weight of the shipment is ruling. In such case, the difference between the total weight of goods and the sum of weights of the individual pieces of goods will be divided into a corresponding ratio to the individual pieces of goods.
 11. If the trade custom is that, in case of goods counted according to weight, the ruling weight is determined by the person who weighs the goods in the manufacturing plant, then this applies. Submitting a weight ticket is considered proof of weight when other proofing means have been excluded. Gross weighing instead of net weighing is used when bundling.
 12. Right of retention belongs to the Buyer only to secure the claims following from the same legal relationship as such right of retention.
 13. Quality and dimensions are determined pursuant to the DIN standards, or material list, unless other standards were agreed upon in writing. If the DIN standards or material lists can not be applied, the pertinent EURO standards apply. If these are not available, the trade customs apply.
- ### **IV. Delivery deadlines, obstacles in delivery, right to withdraw**
1. Delivery and performance deadlines are binding solely provided we have confirmed so in writing. Delivery deadlines mean the acceptance from the plant or, in case of prepaid deliveries (so called Frei-haus-Lieferung), delivery date of the goods to the destination of the Buyer.
 2. We will not be late with our obligation to supply and perform before the expiration of the determined adequate additional time period.
 3. Cases of Force Majeure (unexpected circumstances not caused by us and events which could not be prevented by good managerial care, e.g. labor disturbances, war, obstacles in transport, lack of materials, official measures) interrupt during their existence and, depending on the scope of their existence, our obligation to deliver, even if we are already late with the delivery.
 4. In case we signed a subcontract agreement with our subcontractor, the delivery deadlines provided by us apply with the condition of a timely and duly meeting of the subcontractor's obligation.
 5. In cases listed in items IV. 3 and 4, we have the right to withdraw from the contract, provided we informed the Buyer immediately of the fact that a Force Majeure event occurred; in cases pursuant to item IV. 3., eventually about the fact that delivery pursuant to item IV. 4. will not take place duly or timely and provided that we provided the Buyer immediate reimbursement for the eventual performed counter-performance.
 6. If the delivery is late for reasons we caused, we are solely liable, pursuant to legal regulations.
 7. In case of unconditional acceptance of the delayed shipments or performances, it is understood that the Buyer gives up his contractual or legal claims, provided that the Buyer does not object, in writing, against the delay within 5 working days from its delivery.

V. Prices and payments

1. Unless explicitly agreed otherwise, the prices from the plant

without packaging and VAT apply. Additional costs of delivery (e.g. taxes, duty, transport, fees, other allowances, insurance premium, etc.) as well as materials necessary for transport are paid by the Buyer. Unless no price has been agreed, the prices pursuant to our specific valid pricelist apply. Payments will be performed without deduction of discount.

2. Shall the goods be sent, we can determine transport fees according to the valid pricelist as of the delivery date, unless agreed otherwise. All unexpected side fees and duties, as well as the newly incurred customs fees, fees for transport and their increase, is carried by the Buyer, unless the legal regulations determine otherwise.

3. Our invoices are due, without any deduction, to the account provided by us immediately after we handed the goods to the Buyer or transport company and the Buyer received the invoice. In case of doubts regarding the delivery of the invoice, it is assumed that the invoice was delivered to the Buyer on the third day after sending, unless the Buyer proves otherwise. Regarding the timeliness of the payment, crediting the payment to our account is the moment of payment.

4. The buyer's payments are always credited towards the oldest debt; first towards the eventual penalties and then towards the interest.

5. Cash and checks are accepted in any case solely for the purpose of payment and only if approved by us in advance. There is no obligation on our end to accept cash and checks.

6. If, after concluding the contract, the taxes, duty, transport fees, fees or other allowances, of any kind which influence the goods price, increase or are newly implemented, or if other costs increase without our influence, then the purchase price will be increased in a corresponding amount.

7. If the Buyer is late with the performance of the contract, we have the right to resolve additional time for the Buyer in the length of 14 days and, after vain expiration of such a time period, withdraw from the contract or sell the goods or auction them off and request damage reimbursement for the reason of failing to meet the obligation. The same applies if the Buyer is late regarding only a partial performance.

8. In case of a delay with payment, the Buyer is obliged to pay us interest in the amount of 18 % annually from the first day of delay. This does not affect our right to damage reimbursement caused by the Buyer's delay. The same applies if the payment takes place later than within 10 days from delivery of the invoice.

9. In case the Buyer is late with the payment of the price, we are entitled to prohibit further isolation and processing of the delivered goods. Furthermore, we are entitled to take, at the Buyer's expense, the goods back, eventually, to do so, we are entitled to enter the operational or other premises of the Buyer, take the goods back and sell them as conveniently as possible. The profit from such a sale, after deducting all the incurred costs, will be used to pay the price.

10. The Buyer can deflect the legal consequences listed in item 9 by providing a security deposit in the value of our endangered claim.

11. Withholding payments or crediting for counterclaims is allowed to the Buyer only if, and within the scope, where it is undoubted and lawfully due or acknowledged counterclaims submitted by us in writing.

12. We have the right to credit our claim against any claim of the Buyer – regardless of the legal reason – also, eventually, against settlement of interest, provided the due date of the claims vary. This title also, eventually, applies to an undercharge. Monetary claims can be credited against non-monetary claims. Also, due claims can be credited against undue; in such case, the due date of the claims is the day of crediting.

13. To cede a claim towards us, our consent is required.

VI. Rights and duties of the Buyer in case of defects

1. The Buyer is obliged to check the goods as soon as possible after the transfer of risk of damaged goods. If the goods are to be sent, the Buyer is obliged to perform the check after the transport of the goods to the destination, unless the Buyer, on our written request, checked the goods before the shipment and immediately reports the eventually discovered defects to us, as the Buyer is obliged. If the Buyer does not perform the goods check with professional care and in a timely manner, the Buyer can not enforce the claims from the defects discoverable during this check, regardless of the fact that the goods already had these defects at the time of transfer of risk of damaged goods. If the complaint does not take place at all, or if it does not take place immediately, the Buyer can not refer to the defect. The same applies if the Buyer, despite the prompt pursuant to the second sentence, does not check the goods.

2. If the acceptance has been agreed, it can only take place in the warehouse of our manufacturing plant; it must be performed, at the latest, immediately after the announcement of readiness for shipping. Any and all costs incurred by the acceptance, or calculated for us by a third party, transfer to the Buyer. If special regulations regarding

quality have been agreed, the Buyer is obliged to accept the goods on our prompt. If the Buyer does not accept the goods at all, timely, or if the Buyer does not accept all the goods, we are entitled to send the goods without its acceptance or to store them at the expense and risk of the Buyer. By sending or storing goods, the goods are considered delivered in compliance with the contract. After execution of the agreed acceptance of the goods by the Buyer, the complaint regarding factual matters, which could have been discovered during the agreed type of acceptance, is not possible. If some defects remained undiscovered by the Buyer due to negligence, the Buyer can claim the rights regarding such defect only provided that we have intentionally concealed it or if we provided warranty.

3. If we don't ask the Buyer, pursuant to the second sentence of item 1, and if the acceptance has not been agreed pursuant to item 2, the Buyer is obliged to check the goods immediately upon their delivery. Any defects discovered during delivery must be immediately reported. The Buyer is entitled to claim the rights from liability for defects, provided that he/she reports the goods defects without any undue delay, when

a) Discovering the defects

b) Exercising all the due care, he/she should have discovered the defects during the inspection which he/she is obliged to perform pursuant to this article IV.

c) Defects could have been discovered later when exercising professional care. The expiration of the warranty period from the moment when the Buyer had the chance to inspect the goods excludes the possibility to exercise the claims from liability for defects. By expiration of the time period of 8 days from goods delivery, it is impossible to exercise the claims from liability for apparent defects. Any apparent defects must be reported, in writing, within 8 days from delivery. Defects which could not have been discovered during inspection of the subject matter of the purchase must be immediately reported to us as soon as such defects become apparent. The Buyer can not refer to defects which were not complaint about in time.

4. In case of goods which were sold as material of compromised quality, the Buyer does not have (regarding the listed purposes for compromising the quality and such defects which usually have to be taken into account) any rights following from general liability for defects or from warranty. When buying goods of 2nd class, our liability for factual defects is excluded.

5. If the Buyer discovers some defects on goods, the Buyer must immediately quit processing the goods. The Buyer is obliged to immediately give us, at our request, samples of the material the Buyer complains about.

6. We have to be given opportunity to reinvestigate the complaint before further processing or sale of the goods complained about. If the Buyer fails to provide us the necessary interoperation and real possibility to make sure about the discovered goods defects, and, if the Buyer fails to provide us, on request, the goods or sample of the goods, any and all of his claims following from the liability for defects expire.

7. In case of authorized and timely complaints, the Buyer has rights regarding defects, according to the legal regulations, with the following limitation:

a) If the goods are defective, the claims of the Buyer are, in case of defects, limited first to the right for additional performance. This does not apply if the additional performance is not objectively acceptable for the Buyer. The right to choose between the additional repair and additional supply belongs to us. If the additional performance is faulty twice, or if we refuse to provide it, the Buyer may decrease the purchase price or withdraw from the contract.

b) The Buyer does not have the right to withdraw provided the defect is not substantial.

c) Regarding claims for damage reimbursements, item VII applies.

d) We will cover the costs related to additional performance only provided they are adequate in the individual cases, especially in relation to the goods purchase price. We will not cover the costs incurred by delivering goods to any other destination than agreed.

e) If, from the majority of the sold goods, only some pieces or some individual parts are defective, the right of the Buyer to withdraw from the contract is limited solely to the defective goods or defective part of goods. This does not apply provided the defective goods or the defective part can not be objectively separated from the other goods or parts without damage or loss of function, or provided it is objectively unacceptable for the Buyer. The Buyer must demonstrate the reasons of the unacceptability.

VII. Limitation of liability, exclusion of withdrawal

1. Unless these terms state otherwise, we are not liable for damage incurred by breaching contractual or non-contractual obligations in case of intentional actions or gross negligence. Our liability does not apply – except the case of intentional actions – to such damages which could not have been expected, in case of the specific trade, under normal circumstances and for which the Buyer is insured or usually could be insured.

2. According to the regulations on liability of manufacturer for damages caused by a defect of a product, we are unlimitedly liable for damages caused intentionally, in case of intentional concealment of defects, for damages caused by gross negligence of principal contractual obligation, as well as for damages with consequence of life harm or actual bodily harm. We are liable for warranties within the same scope.

3. We are liable for the damages caused by gross negligence which are not listed in paragraph 1, with limitation to reimbursement of expectable damage, typical for a contract. Even in case of breaching the principal contractual obligation, which lies in simple negligence, we are liable with limitation to reimbursement of expectable damage typical for a contract.

4. Besides the cases listed above in this Article, we are not liable for damages caused by simple negligence.

5. The listed limitations and exclusions of liability also apply to our bodies and employees.

6. If a breach of an obligation occurs, not caused by us and which does not represent a goods defect, the Buyer does not have the right to withdraw from the contract.

VIII. Retention of title

1. The goods remain, until payment of any and all claims (including all counterclaims from current account) which we now or in the future have for any legal reason towards the Buyer, in our sole ownership. The Buyer is entitled to handle the goods solely so our ownership is not endangered.

2. If the goods, which are in our sole ownership, are processed, adjusted, indivisibly mixed or connected with other things which do not belong to us, we acquire co-ownership of the new thing in relationship of the value of our goods to the value of other processed things at the time of processing, adjustment, mixing or connection. If such a thing can be considered a main matter, it has been already agreed, that the Buyer transfers the co-ownership to us, pursuant to the amount of the share. We accept the proportional transfer. The Buyer will secure the (co-)ownership (by storing) for us for free. Otherwise, for the product created by processing applies the same as for our goods delivered with the reservation.

3. The Buyer has the right to process the goods with ownership reservation and sell them in a business contact, provided the Buyer is not late with its payment obligations. Building in soil or in devices connected to buildings or usage by the Buyer to meet other contracts for works or contracts to deliver the works is on the same level as further sale. Title to processing and further sale also expires provided the Buyer's material conditions dramatically worsen. Pawning or securing the goods in our sole ownership or in our co-ownership is not admissible. The Client now, for the reasons of securing, cedes himself from claims from further sale of goods (including all counterclaims from current account), claims from insurance and claims towards third parties because of damage, destruction, theft or loss of goods. We accept this cession. If we have co-ownership of goods with exclusion of ownership, then the advanced cession regards to the part of the claim which (based on accounting value) corresponds to the share of our co-ownership. In case of further sale of goods, the Buyer must leave the ownership of the goods to its clients, with the exception of ownership until a complete payment of the purchase price. The Buyer does not have the right to sell the goods to third parties, provided that the claim from the purchase price from further sale must not be further ceded. The Buyer must inform us immediately on pawning or other limitation of our claim on behalf of third parties.

4. With the option of revoking, we authorize the Buyer to, on his own account and in his own name, encash and enforce any claims ceded to us. This authorization for encashing can be revoked if the Buyer does not meet any of its payment obligations towards us or if our claims are endangered for the reason of insufficient ability of the Buyer to perform. The Buyer is obliged to, on our request, immediately inform its employees and other involved persons of the cession of the claim – we can do the same with the same effects – and hand us all the information and documents necessary to enforce the claim. By crediting the profit from the sale to

the Buyer, our claim becomes immediately due and is due, without any deduction, by immediate transfer. On request, the Buyer will inform us of the debtors of the ceded claims. Cession of the claim from further sale is not admissible, unless it is cession within real factoring, on which we have been informed and where the profit from factoring is at least equal to the value of our secured claim. The Buyer is obliged to report to the factor the cession of the claim and refer to our ownership. The profit from factoring must be credited, up to the amount of our secured claim, to one of our accounts. The Buyer already ceded to us the encashment order received for cession of the claim for factor in the amount of the secured claim. We accept this cession.

5. The right of the Buyer to hold the goods with exception of ownership expires if the Buyer does not meet its obligations from this contract or other contracts. Then, we have the right to enter the premises of the Buyer and take the goods, with the exception of ownership in our own holding, without determining an additional time period or making any statement on withdrawal, regardless of payment or other obligations of the Buyer towards us, and sell it as efficiently as possible in the form of a free sale or auction. The profit from the sale will be, after deduction of costs, credited to the Buyer towards its liabilities.

Any eventual excess will be paid to the Buyer.

6. If third persons will intervene in the goods with exclusion of ownership, the Buyer will inform of our co-ownership and will inform us immediately. The Buyer carries the costs related to our intervention; we cede to it our eventual claim towards third persons for reimbursement of these costs, gradually towards the payment of costs related to intervention.

7. The Buyer is obliged to, at its own cost, insure the goods with exception of ownership against usual risks, such as theft, damages incurred by fire or water, in a sufficient manner, for the real value of the goods and store them in such a manner so our ownership is not endangered. In case of an insured accident, the Buyer hereby, in advance, cedes to us its claims towards the insurance institution. We accept this cession.

If the Buyer fails to meet its obligation pursuant to sentence 1 of paragraph 1, then the Buyer is obliged to pay a contractual penalty in the amount of 1,500,000 CZK, or 50,000.00 EURO, in the currency we choose. Payment of the contractual penalty does not affect our title to full reimbursement of damage or the obligation of the Buyer to, furthermore, meet all its contractual obligations towards us. The contractual penalty is due immediately upon our request.

8. The Buyer has the right to request a release of claims if the value of our securities exceeds our secured claims by more than 10%. We will determine the claims which will eventually be released.

9. If the law of the state in which the goods are delivered or in which it is located does not allow the exception of ownership pursuant to the mentioned provisions, however, it allows the Buyer to reserve similar factual rights to the subject matter of the delivery in order to secure its claims or to have them assigned, such rights are considered, by concluding the contract, reserved to us and they are considered rights provided to us by the Buyer. The Buyer is obliged to provide interoperation regarding all measures which we want to take to protect our ownership right or, instead of it, other rights to goods with exception of ownership. In case of exports and other, in our opinion, reasoned cases, we can also require the Buyer to provide us bank guaranties to ensure all the claims from the contract.

IX. Applicable law, forfeiture, arbitration clause

1. The contract is governed solely by Czech law. The place of performance is, in case of delivery from the plant, the delivering plant; otherwise, it is the warehouse. If the goods should be sent, the place of performance is the place of shipment.

2. Any and all titles towards the Seller lapse in the legally stipulated forfeiture time periods.

3. Any and all disputes arising from contracts between us and the Buyer and in relation to them will be decided, with final validity, by the Court of Arbitration at the Chamber of Economy of the Czech Republic and the Chamber of Agriculture of the Czech Republic, pursuant to its code and rules, by three arbiters.

X. Data protection

The Buyer acknowledges that, based on this Contract, we store data regarding its party in order to allow automatic data processing (statements of accounts, accounting records). No other data than the data contained in the contracts is being stored.

MUT Tubes, s.r.o.