

**General Business Terms and Conditions of the Seller (RATAJ a.s.)
applicable for all the offers, orders, and agreements as of 23 May 2018**

I. Scope of application

1/ Legal agreements and deliveries between RATAJ a.s. (hereinafter referred to as the "Seller") and the Buyer shall take place exclusively on the basis of a purchase agreement (both framework or individual) or any other similar agreement or purchase order concerning purchase of products (hereinafter referred to as the "Agreement") and shall be governed by the Seller's General Business Terms and Conditions (hereinafter referred to as "SGBTC"). Any departures from this rule, amendments or other agreements are possible only subject to the condition that they are confirmed in writing by the Seller by e-mail, fax or mail (hereinafter referred to as "in writing by E-F-M").

2/ The Seller hereby expressly rejects any terms and conditions set in any enquiry, purchase order, confirmation or any other document of the Buyer, different from these SGBTC, unless they are approved by the Seller in writing by E-F-M. SGBTC form an integral part of any purchase agreement or any other similar agreement or purchase order confirmed (accepted) by the Seller, if referred to in such Agreement or confirmed (accepted) purchase order. In particular, these SGBTC shall be considered the general terms and conditions pursuant to Section 1751 et. seq. of the Act No. 89/2012 Coll. (Civil Code) as amended.

II. Offers

1/ Offers are made on the cost basis applicable as of the offer date and shall remain valid 60 days from the offer date; the offers are revocable. The Seller may adjust the prices and delivery terms in the case any circumstances substantially affecting the price calculation or term of delivery occur until conclusion of the Agreement. In particular, this applies in case of rise of any applicable tax, custom duty, transportation costs and other auxiliary fees, increase in production or in the case of a print error in the offer. Seller's questionnaires used as the basis for technical design of the conveyors and equipment to be delivered by the Seller, shall be filled in with accurate data by the Buyer; the Buyer shall bear full responsibility for such data. In the case of goods delivery based on oral purchase order the Seller assumes no liability for any potential consequences of any crosstalk or misunderstanding resulting in improper delivery.

2/ Any samples, drafts or drawings provided by the Seller shall be the exclusive property of the Seller in the cases when no Agreement is concluded. The Buyer may keep any samples, data, drafts or drawings only with written consent of the Seller.

3/ The Buyer shall not without seller's written consent disclose any information concerning the business case (Seller's offer, drawings, purchase order or Agreement) received in the course of the business case with the Seller to any third party.

4/ For the purpose of clarification of data required for the delivery the Seller may make audio records, photographs and video records from personal or telephone communication with the Buyer or any third party responsible for the delivery.

III. Buyer's agreement and purchase orders

1/ In particular, conclusion of the Agreement shall be governed by Section 1731 of the Civil Code, however provided that acceptance of Seller's offer for conclusion of the Agreement by the Buyer with objections or comments of the Buyer shall not have the effect of draft agreement acceptance and shall be considered a new draft agreement made by the Buyer (differently from the provision of Section 1740 (3) of the Civil Code). The Seller may either accept or reject such new draft agreement made by the Buyer. In the case the Seller accepts such new draft within 15 days from receipt the Agreement shall be concluded on the date of written confirmation of such new draft agreement by the Seller to the Buyer.

2/ The Agreement between the Seller and the Buyer shall be concluded on the basis of these SGBTC if the Buyer accepts the draft Agreement (including the reference to application of SGBTC) in writing by E-F-M as sent by the Seller to the Buyer no later than within 15 days from receipt. In the case the Buyer delivers to the Seller its approval of the draft Agreement upon expiry of the above specified 15

days term, the Agreement shall be concluded only if the Seller approves the draft Agreement in writing within 7 days from receipt of the delayed draft Agreement acceptance.

3/ The Agreement shall be concluded on the basis of Buyer's purchase order if the Seller accepts such purchase order in writing by E-F-M as submitted with reference to these SGBTC (respectively if it accepts it in writing by E-F-M with modification of any technical, payment and delivery terms). In the case the Seller does not accept Buyer's purchase order (i.e. no Agreement is concluded) the Seller shall not be bound by Buyer's purchase order.

4/ The Buyer's purchase order (sent in writing by E-F-M) shall contain at least a reference to the Seller's offer (if provided by the Seller to the Buyer) as well as specification of the delivery, the required quantity, the price and the delivery term, confirmed Seller's drawing (if submitted to the Buyer for approval). Without the particulars specified above the Buyer's purchase order cannot be considered due (complete) within the meaning of these SGBTC. Any potential Buyer's purchase orders made by phone shall be confirmed by the Seller in writing by E-F-M with no exceptions.

5/ The attachment in the form of these SGBTC shall form an integral part of the purchase agreement or confirmed purchase order. Any disputes arising from the Agreement or in connection with it shall be addressed by the Buyer and the Seller primarily by mutual agreement. If the parties fail to reach agreement the case of enforcement of contractual obligations performance under the Agreement shall be escalated to the local competent court of first instance of the Seller.

IV. Prices, payment terms, contractual penalties

1/ The prices set in the purchase Agreement or confirmed in the Buyer's purchase order or confirmed by e-mail shall be valid and understood as excluding the value added tax. Any products delivered by the Seller shall be paid for upon the invoice issue within 14 days or within the term set on the invoice. Any delayed payment by the Buyer shall be subject to interest on late payment corresponding to 0.1 % of the due amount for each day of delay and any applicable legal expenses. Any delayed delivery by the Seller shall be subject to contractual penalty corresponding to 0.1 % of the price for the undelivered products for each day of delay. The Seller shall not be considered in delay with the delivery in the case the Buyer fails to perform any of its obligations resulting from the purchase Agreement or caused by circumstances of Force Majeure.

In the case when buyer will be asked by seller to pick up goods and buyer will not pick up it at the latest to 10 days from notification, buyer will be obliged to pay contractual penalty because of non-pick up the goods in amount 0,5 % from total price per every day of non-pick up of goods. Together seller will request additional payment from total price before pick up of goods.

V. Force majeure

1/ If any contractual party is prevented to perform its obligations by circumstances of Force Majeure, such party shall not be considered in delay with performance, however only in the scope and for the term undoubtedly affected by the Force Majeure.

In this context the Force Majeure shall mean such obstacles or events which occur upon conclusion of the obligation and independently of the will of the affected party and which are of extraordinary nature, unbeatable, unforeseen, unavoidable and objectively preventing performance of the obligations under the Agreement (e.g. civil riots, fire, war, epidemic, quarantine, flooding, earthquake, earth slide, explosion, act of terror or terrorist attack etc.). However, performance of an obligation shall not be deemed prevented if it can be performed under difficult conditions or at higher cost or after the agreed deadline.

2/ In the case circumstances of Force Majeure occur, the affected party shall notify the other party without delay (undue delay) on the nature, starting date and termination of the circumstances (situation) of Force Majeure.

3/ Liability of the other party shall not be excluded and the deadline for performance shall be subject to no prolongation in the case the circumstances of Force Majeure occurred at the time when the liable party was in delay with performance of its obligations under the Agreement or if the liable party failed to fulfil its obligation to notify the other party pursuant to Article V, par. 2 hereof with no delay (undue delay).

4/ In the case of circumstances of Force Majeure both the Seller and the Buyer shall be entitled to reasonable prolongation of the delivery term, while in no case the parties shall be entitled to raise any claims against the other party in connection with that on the grounds of non performance of the Agreement and delay; the same applies to any potential claims for compensation of damage. This is without prejudice to any other potential claims in connection with occurrence of Force Majeure, resulting for both parties from any applicable legal regulations.

VI. Title and transfer of risks

1/ The delivered products shall remain property of the Seller until payment in full of the final invoice, including any potential interest on late payment and remainder expenses of the Seller. The risk of damage shall be transferred to the Buyer as of acceptance by the Buyer.

VII. Warranty terms and conditions

1/ Warranty period

The Seller shall provide warranty period of 12 months from the date of products delivery to the Buyer or to the specified destination in the case the products are shipped directly to the destination. Any prolonged warranty period is possible subject to additional payment corresponding to 2 % per month. This must be expressly agreed in the purchase Agreement.

2/ Liability for conveyed materials

In the case the Seller will not be provided the completed questionnaire (or other written document) containing full data on the conveyed material and required performance and in the case the Seller requires a sample of the conveyed material no later than on signature of the Agreement or acceptance of Buyer's purchase order, the Seller shall assume no warranty for any potential damages to the conveyor or other damages and any warranty obligations of the Seller in relation to conveyor functionality shall be void.

If different material will conveyed than the provided sample or any material of different granulometry, or any overpressure or underpressure material than as specified in the Agreement or in the questionnaire or in the inquiry, the Seller shall assume no warranty for functionality of the equipment. The same applies to materials which were not yet conveyed by the Seller using shaftless spiral conveyors. This must be expressly agreed in the purchase Agreement. The allowed tolerance for chemical and physical properties of conveyed materials submitted by the customer comparing to the actual properties is +/- 10 %.

In the case the test protocol provided by an accredited laboratory for provided sample of conveyed material forms part of the Agreement, the values specified in such protocol shall be binding for both the Seller and the Buyer.

3/ Liability for damage

The Seller shall not be liable and responsible for any damages to the equipment and other damages resulting from incompetent operation of the equipment, unauthorized interference with the equipment without written consent of the Seller or as a result of foreign materials or admixtures in the conveyed material. The allowed production tolerance applicable to spiral dimensions (outer and inner diameter, screw pitch) and the piping (diameter) is +/- 10 mm, for the spiral thickness it is +/- 5 mm from dimensions specified in the purchase Agreement or in the marketing materials (brochures, internet etc.). The equipment must be used only for intended purpose and only for conveyed materials specified in the purchase Agreement or the confirmed purchase order. The warranty shall not apply to natural wear and tear of the spiral and the piping from the conveyed material as well as to wear and tear of the spiral and the piping in cases when the conveyor operates at less than 50% of the load by conveyed material or in idle run as well as in the case of any defects resulting from faulty electric installations or incorrectly set or missing current protection of the electric motor. In addition the warranty shall not apply to any defects resulting from defective function of the equipment in front of and behind the conveyor boundary (before and after the delivery boundary). The Buyer shall conscientiously test the equipment immediately upon its commissioning. Any potential defects shall be notified in writing by the Buyer within 7 days upon commissioning or during the trial operation, unless the equipment shall be deemed approved by the Buyer.

4/ Any claims for compensation for any potential financial damage resulting from failure of the equipment against the Seller are excluded, unless expressly agreed in the purchase Agreement and

provided Seller's fault will be proven. The maximum amount of such compensation potentially due by the Seller shall not exceed the amount charged for the equipment delivered.

In the case the Buyer buys only some parts of the conveyor separately (e.g. the spiral, gear unit) or the conveyor in spare parts or without mandatory supervised assembly, put into operation newly supplied or repaired by seller or if the customer commissions the delivered equipment without notice to and approval of the Seller, the Seller shall assume no warranty for the purpose of use, operation, functionality and life durability of the delivered parts of the conveyor under no circumstances. Any potential damages and consequential activation of the equipment shall be paid by the Buyer in full.

5/ Explosive atmospheres (ATEX)

In the case the Buyer requires installation of the conveyor in explosive atmospheres (ATEX) the Buyer (or the final user) shall duly complete, signed and send written E-F-M, questionnaire to seller. In the case the Buyer requires only the gear motor of ATEX design intended to drive the conveyor, the resulting conveyor will not comply with the technical parameters specified for conveyors to be installed in explosive atmospheres (ATEX) and the conveyor shall be deemed designed for normal environment.

VIII. Claim terms and conditions

1/ In the cases when the Buyer requests the Seller in writing to repair the conveyor without knowing the cause of the defect, i.e. when it is unclear which party is responsible for the costs of the repair, the Buyer shall pay 100 % of the expected price for the repair prior to commencement of the planned repair. The claim sent by the Buyer shall include photographs of the affected part of the conveyor or the defect. In the case that upon arrival of the Seller a fault attributable to the Seller will be proven, the Seller shall issue a credit note for the Buyer and refund the amount paid by the Buyer, or part of the amount in the cases agreed between the parties.

2/ Performance of the conveyor

In the case the delivered conveyor exhibits low conveying performance (at least 15 % lower) or too high conveying performance (at least 20 % higher) than as agreed in the purchase Agreement or in the confirmed purchase order, the Seller at its own expense shall adjust the performance of the conveyor to a value corresponding to the agreed performance with the tolerance of - 15% /+ 20 %.

3/ Gear motor

The final user or the Buyer shall measure current of the electric motor and check it against the rated value of the motor immediately upon start up of the conveyor. In the case the current of the motor is 10 % higher than the rated current of the motor, the final user or the Buyer shall shut down the conveyor immediately and notify the Seller with no delay. In such case the Seller shall correct the situation at its own expense (replacement of the motor or the gear motor). In the case of motor burnout due to overheating or due to operation of the conveyor motor at current 10 % higher than the rated current, the Seller shall replace the motor or the gear motor against payment of 100 % of all expenses prior to commencement of the replacement. Buyer agrees to further define current protection for gear unit of conveyor on real consumed current at full load of conveyor. In the case where conveyor will be controlled by inverter driver, which is ensured by buyer, is buyer obliged to propose performance of inverter driver at least one degree higher than performance of motor of gear unit.

IX. Personal Data Protection Policy

1/ The personal data controller is the Seller (RATAJ a.s. Doubravice 121, 37008 České Budějovice). RATAJ a.s. undertakes to ensure the Buyer's personal data security. All the personal data of the Buyer may be used only in accordance with this Personal Data Protection Policy.

By providing the personal data the Buyer gives his/her consent to processing and administration of such personal data for purposes and under terms stipulated below. All the Buyer's personal data received by RATAJ a.s. shall be collected, stored and used in compliance with the applicable legislation, especially in compliance with the Regulation of the European Parliament and of the Council of 27 April 2016 (General Data Protection Regulation) and with the Act No. 101/2000 Coll., on Personal Data Protection, as amended.

2/ RATAJ a.s. collects and processes the information and data provided by the Buyer, which is necessary to create an offer and perform an order, respectively a purchase agreement. The Buyer sends this information in writing per fax, e-mail, by letter, or provides it by phone or personally. This includes the following personal data of the Buyer: name, surname, degree, residence, or name and address of the Buyer, e-mail, phone and fax number, Company Identification No., Tax Identification No., and other information provided by the Buyer within a business case to the Seller.

3/ RATAJ a.s. processes the Buyer's personal data:

- within the duration of a business case and subsequently for a period of statutory limitation periods.
- for the protection of legitimate interests, especially to hinder from any frauds and prevent and hinder from any infringement of this Policy.
- to recover any possible receivables and ensure the protection of legal rights.
- to meet the legal obligations (especially in the legal, payment and statistical field) for a period stipulated by the relevant legal regulations.
- to ensure mutual communication (between RATAJ a.s. and the Buyer) and to enable the exercise of the Buyer's rights in connection with the personal data protection.

4/ The Buyer's personal data may be used to send technical and price offers, drawing documentation, agreements, and other business messages.

5/ The protection and security of the Buyer's personal data is very important therefore RATAJ a.s. exerts maximum efforts to ensure its security. In order to prevent any unauthorized access and unauthorized publishing RATAJ a.s. has implemented appropriate physical, electronic and managerial procedures to protect and secure the information. All the electronic communication is realized within a secured radio and optical data network of České Radiokomunikace – IOL Ethernet service.

6/ The Buyer's personal data is available to the determined employees of RATAJ a.s. and also to natural persons and employees of companies (entities) who RATAJ a.s. has concluded a Personal Data Processing Agreement with. This includes the following companies:

ČSOB, a.s. Radlická 333/150, 150 57 Praha 5, affiliate in České Budějovice – banking services
JUDr. Václav Junek, Attorney-at-Law, Krajinská 35/1, 370 01 České Budějovice – legal services
K2 atmitec s.r.o., Koksární 1097/7, 702 00 Ostrava – information system, database services
MONEKON s.r.o., U Tří lvů 5, 370 01 České Budějovice - accounting and wage services
SBERBANK CZ a.s., U Trezorky 921/2 158 00 Praha 5, affiliate in České Budějovice – banking services
TELECOM 21 CB s.r.o., Lipenská 38, 370 01 České Budějovice – database services, IT networks

7/ The website "www.rataj.cz" and signatures in e-mail messages of RATAJ a.s. contain links to other websites such as Facebook, YouTube, Issuu or partnership websites. RATAJ a.s. does not have any control over these other websites and is not liable for the protection and privacy of any information provided by the Buyer when visiting such websites.

8/ The Buyer has a right to access his/her personal data, right for a confirmation of processing, rectification and erasure, and right to limit the processing. In case the personal data is processed based on a given voluntary consent, the Buyer is entitled to revoke such consent anytime.

RATAJ a.s.
Ing. Stanislav Rataj – President of the Board of Directors