

GENERAL TERMS & CONDITIONS FOR SALE OF FIBRE OPTIC CABLES

1. General provisions

- 1.1. The purpose of this document (further only **T&C**) is regulation of legal relationship between Reichle & De-Massari Czech Republic a.s., ID No.: 25004956, with its registered office at Děčín 33-Nebočady, Vítězství 67, Postal Code 40502, Děčín, file No.: maintained by the Regional Court in Ústí nad Labem (further only **Seller**) and a buyer (further only **Buyer**), under which the Seller enters into purchase agreements on supplies of fibre optic cables (further only **FOC**), rights and obligations of the Seller and the buyer of these agreements. These T&C also regulate matters including, but not limited to, claims of both sides arising from violations of obligations in these agreements.
- 1.2. Unless expressly agreed otherwise these T&C are an integral part of every purchase agreement for the delivery of the Seller's goods regardless of whether the purchase agreement is concluded in a written form or otherwise, for example on the basis of the buyer's order and its confirmation by the Seller.
- 1.3. The Buyer is an individual or legal entity entering into a purchase agreement with the Seller. The purpose of the purchase agreement is delivery of cables, machines or other goods to the Buyer, transfer of ownership title on the Buyer, while the Buyer shall take over the cables, machines or other goods and to pay for them the purchase price to the Seller in the amount and manner specified in these T&C or under conditions which are agreed upon in a written form between the Seller and the Buyer.
- 1.4. Any prices, other declarations or promises are valid and binding for the Seller only if provided in a written form.
- 1.5. Deviations from these T&C are possible only on the basis of the bilateral written agreement.
- 1.6. The rights and the obligations arising from the purchase agreement or these T&C are governed by the Czech law, especially the Civil Code. Any applications of International legislation regarding agreements on the International sale of goods are excluded.

2. Quotation Procedure

- 2.1. Based on the Buyer's inquiry the Seller will prepare an offer on delivery of the demanded goods. Each quote is assigned a unique numeric designation to which the Buyer shall refer in all further communication with the Seller.
- 2.2. The offer from the Seller to the Buyer is only binding for the Seller for the period of its validity. Unless expressly stated otherwise the offer validity period is one week from the date it was sent to the Buyer.
- 2.3. The data regarding the weight per kilometer, cable diameter and the like specified in the Price Lists or Catalogue sheets are indicative only. The Seller reserves the right to apply production and material variations in construction, provided this does not affect the quality and the declared characteristics significant for the goods.

3. Orders and Conclusion of the Purchase Agreement

- 3.1. The purchase agreement may be concluded on the basis of an order sent by the Buyer to the Seller. This order is based on the offer made by the Seller to the Buyer and shall meet the following basic requirements:
 - accurate name of the Buyer (the name and surname of an individual or the company name of a legal entity), ID number, Tax ID number, address of the Buyer (the residence and place of conducting business of an individual or the registered office of a legal entity), bank details of the Buyer,
 - contact person, phone number,
 - address for the delivery of goods,
 - specification of the ordered Seller's product according to the offer of the Seller;
 - ordered product quantity,
 - shipping goods (cable reels, coils, pallets, other transportation filling material),
 - manner of payment,
 - manner of transportation,
 - required date of the goods delivery (calendar week).
- 3.2. After receiving the order from the Buyer the Seller confirms this order in a written form. The purchase agreement in a specific case is concluded at the moment when the Seller confirms the order made by the Buyer. If the Seller does not expressly confirm the order, the purchase agreement between the Seller and the Buyer is considered to be concluded at the moment, when the Seller delivers the ordered goods to the Buyer in accordance with the order. Integral parts of each purchase agreement are these T&C. Deviations from these Terms are possible only if they are arranged in a written form between the Buyer and the Seller.
- 3.3. The order delivered to the Seller is binding to the Buyer. If the Buyer's order also includes additional information than the data mentioned above or data being in conflict with these T&C or with the written agreement between the Seller and the Buyer, especially different requirements regarding the price of ordered products or the Seller's invoice due period, then these data are considered as unwritten for the purposes of the purchase agreement, unless the Seller exclusively approves them in a written form.

- 3.4. At the moment of conformation of the Buyer's order by the Seller the purchase agreement is concluded. After the purchase agreement between the Seller and the Buyer is concluded, the Buyer is not entitled to change or cancel the purchase agreement unilaterally without the express written consent of the Seller. If the Buyer requests to cancel a concluded purchase agreement and the Seller agrees to this cancellation expressly in a written form, the Buyer is obliged to pay to the Seller a compensation in the amount of 75% of the purchase price of the goods which was a subject of this cancelled purchase agreement, unless both contracting parties agree expressly otherwise.
- 3.5. If the ordered goods are in the Seller's warehouse, the Seller will send the ordered goods to the Buyer within 5 days after having taken the binding order over. In the case of the goods that are not in the Seller's warehouse the Seller will inform the Buyer about the delivery date based on the scheduled date when all the ordered goods will be ready for delivery to the buyer.
- 3.6. The seller is entitled to deliver the goods even before the confirmed delivery date. Partial deliveries are permitted after previous bilateral agreement. The goods will be delivered in the usual quality and form.
- 3.7. The Seller reserves the right to deliver the goods with a tolerance of $\pm 5\%$ of the ordered quantity of individual items of goods. The bill will match the delivered quantity with a tolerance of measuring instruments $\pm 1.0\%$. Differences in the length of this tolerance are not subject to a quantitative claim.
- 3.8. Justified return of the delivered goods to the Seller is only possible upon previous written notice.
- 3.9. Cables are supplied in standard production lengths. If the Customer asks for a different length of production, he will be supplied with this different length together with a price surcharge corresponding to the difference between the required and the production length.

4. Prices

- 4.1. The prices are specified in Euros, or possibly also other convertible currencies if the purchase agreement determines so. The prices are listed without the value added tax or any other additional charges or discounts. All these additional charges and discounts shall be specified by the mutual agreement by based on the Seller's offer before the purchase agreement is concluded.
- 4.2. Prices are, unless otherwise agreed, at the EXW rate of Incoterms 2010.
(EXW = Ex Works, is International Incoterms Clause providing that the costs and risks associated with the delivery of the goods are transferred to the Buyer at the supplier's office immediately, If the goods are ready to be assumed by the Buyer. After assuming the goods by the Buyer, the Seller will fulfill his obligation and the Buyer will provide the other costs and expenses of the transport to the place of destination.)
- 4.3. The price of the delivery includes the prices of cable reels.

5. Payment Conditions

- 5.1. The bills for the cables and accessories are payable within 30 calendar days from the date of the invoice issuance, unless agreed otherwise.
- 5.2. Between the Seller and the Customers who enter into their first purchase agreement with the Seller or their financial standing is unverified or they are in debt towards the Seller arising from previous purchase agreements, the purchase agreement is only entered into under the condition that 100 % of the value of the purchase agreement is paid in advance through "pro-forma" invoice. The real value of the order will be invoiced after completed delivery by invoice. Instead of paying 100% of the value in advance, the Seller shall also accept after bilateral agreement with the Buyer that the Buyer provides other financial security at its sole discretion (e.g. a bill of exchange or a bank guarantee).
- 5.3. If the parties agree upon the payment in advance, there is a total discount of 2% (this does not apply to the case described at 5.2.). The advanced payment shall be based on "Pro-forma" invoice paid within ten business days from its receiving. The agreed delivery time starts at the date the payment is credited to the Seller's account. If the Buyer fails to fulfill this obligation, the purchase agreement is nullified from the beginning. By the date of the prepayment agreed in the purchase agreement begins to run the delivery time agreed in the purchase agreement.
- 5.4. The maturity periods are considered to be completed if the given amount is credited to the Seller's account within the agreed period of time.
- 5.5. The offset of claims is excluded without the prior written consent of the Seller.
- 5.6. The Buyer agrees with another delivery time if the Buyer is in default with fulfillment of any of his/her/its previous or present obligation towards the Seller, or if the Buyer is in liquidation. If the Buyer is in default with fulfillment of any of his/her/its debts for the delivered goods for a period longer than 30 days, the Buyer shall pay the contractual penalty in the amount of 0.5% of the amount owed for each week of the default. In the case of a repeated or permanent failure to fulfill payment obligations by the Buyer, the Seller is entitled to unilaterally cancel the purchase contract. This will not affect the Seller's right to charge the actual damage, including lost profits arising from the cancelling of the purchase agreement, including lost profits from the Buyer's unlawfully canceled purchase agreement.
- 5.7. Without the prior written consent of the Seller, the Buyer is not entitled to withhold (not even a part of) any payment for the reasons of the existence of defects in goods or for any other reasons.

6. Packaging, cable reels

- 6.1. The price of all packages, coils and pallets is included in the price of cables. The price of the packages for export is negotiated together with the price of the products in the purchase agreement

7. Supplies

- 7.1. The manner of transportation and the date of delivery are negotiated in a binding manner in the purchase agreement and they may only be changed through a written agreement between the contracting parties.
- 7.2. Usual period of time for delivery is between 2 and 4 weeks. The Seller is entitled to fulfill its obligation from the purchase agreement through partial performances.
- 7.3. The delivery period runs from the day of written agreement between the Seller and the Buyer, or another time-bound contract condition has been met.
- 7.4. The delivery is accomplished by supplying the agreed goods to the Buyer or by handing it over to the first carrier in accordance with the agreed parity according to Incoterms 2010.
- 7.5. If the Seller fails to meet the delivery time due to force majeure (natural event, power failure, state intervention, war, strike, etc.) and the Seller notifies the Buyer about the occurrence of force majeure without undue delay, the date of delivery shall be postponed by the time the force majeure will last. After the disappearance of force majeure the contracting parties shall negotiate measures to fulfill the agreement provided that the Buyer did not cancel the agreement for the reason that the Buyer's need of the goods did no longer exist.
- 7.6. If the Seller is in default with the delivery of agreed goods for any other reasons than those specified in 7.5, the Buyer can ask the contractual penalty in the amount of 0.1% from the value of the delayed goods for each full week of the delay, yet only up to 5% of the value of the delayed goods.
- 7.7. The Seller is not in default with the delivery if the delivery period is prolonged by a bilateral written agreement.
- 7.8. If the Buyer fails to ensure the transportation of the agreed goods on the day of the delivery he has promised to do so, and doesn't do so even within 3 working days after a written notification of the Seller, the Seller is entitled to charge 0.1% of the invoiced price of the product for each day of storage starting on the 4th working day after the agreed day of departure.
- 7.9. If no special technical conditions are negotiated in the purchase agreement, the goods are delivered in the quality and design specified in the offer, the catalogue list or the price list, otherwise in the quality and design suitable for the purpose evident from the purchase agreement; otherwise for the usual purpose. By sending his/her/its order, the Buyer confirms that he/she/it has become familiar with the technical characteristics of the goods.
- 7.10. The manner of transportation and the delivery date are negotiated in binding manner in the purchase agreement and may only be changed through a written agreement between the contracting parties.
- 7.11. The Seller fulfills its obligation to deliver the goods properly and duly, if he/she/it allows the Buyer (or the Buyer's first carrier) to take over the goods at the place of performance of the agreed goods on the date of delivery. The Buyer is obliged to inform the Seller in a written form about a specific individual, who will take over the goods, and the license plate of the vehicle, in which the goods shall be loaded. If the Buyer fails to do so, the Buyer bears the risk that the goods will be released to an unauthorized person. Without this information, the Seller is not obliged to release the goods. In the case that the goods are sent by the Seller to a certain location, which is not an establishment of the Buyer, the Buyer is obliged to inform the Seller about the person who shall take over the goods in the same manner as described above, and the Buyer is also obliged to ensure that this person is present at the given location. If the Buyer fails to fulfill these obligations or fails to ensure takeover of the goods from the carrier in the case it was sent to the establishment of the Buyer, the Buyer bears the risk of potential loss or damage to the goods, and he/she/it is also obliged to reimburse the Seller for the full costs of potential repeated transportation of goods.

8. Attachment of Risk, Reservation of the Property Title

- 8.1. The risk of damage, loss or destruction passes to the Buyer at the moment when the Seller enabled the Buyer's first carrier on the date of deliver to take over the agreed goods, or when the goods was handed over to the Buyer, whichever comes first.
- 8.2. Without special request of the Buyer the supply is not insured against theft or transport and fire damage. If the Buyer requests a conclusion of an insurance agreement, this agreement shall be concluded at the Buyer's expense.
- 8.3. The cables remain in the possession of the Seller until the cable supply, including any related costs (VAT, transportation and packaging costs, etc.) is fully paid. Together with the ownership title to the goods, pallets and other transportation filling material (e.g. coils, cable reels, etc.), the Buyer also assumes the obligations to take back and recycle any waste originating from them in accordance with the provisions of Section 10 and 12 of Act No. 477/2001 Coll., on packages.
- 8.4. The Buyer agrees to protect with due diligence the goods, to which the Seller has the ownership title, from damage, destruction, decrease or loss, also in relation to the Buyer's customers. The Buyer agrees to carry out timely necessary maintenance or inspection of the goods at its own expense.
- 8.5. The Buyer is entitled to process and monetize the goods, to which the Seller has the ownership title, within the rules of proper course of trade this goods on his/her/its own behalf and for his/her/its own account. However, the Buyer is obliged to inform its customers to full extent about the Seller's ownership title to the goods while he/she/i t is processing and monetizing the goods. The Buyer is not entitled to pledge or transfer the cables, to which the Seller has the ownership title, to a third party for the purposes of providing security. The Buyer advances any of his/her/its claims

regarding the goods, to which the Seller has the ownership title, and arising to the Buyer from the following sale or any other legal title, to the Seller for the purposes of provided security right now free of charge to full extent and with all accessories, and the Seller accepts this advance. The Seller hereby authorizes the Buyer to cash at his/her/its own expense any claims of the Buyer also at the time after the advance of these claims. The Seller is entitled to withdraw this authorization at any time. The Buyer is obliged to inform the customers about the advance of the Buyer's claims against these customers.

9. Guarantees

- 9.1. The Seller provides on FOC guarantee for quality for the period of 12 months after their commissioning, but no longer than 18 months after the moment of passing the risk for a specific piece of goods to the Buyer. Apparent defects shall be reported upon receipt.
- 9.2. The Seller agrees to deliver the goods in the quantity, quality and form specified by the purchase agreement. The delivery of the goods with the derogation provided in paragraph 3.7 of the T&C is not considered a fault
- 9.3. The guarantee shall not be applied to damage caused by improper and negligent handling or usage, by using unsuitable accessories or inappropriate materials with the goods or by improper storage of the goods, either by the Buyer or a by any third party.
- 9.4. The guarantee for quality expires if the Buyer or a third party improperly handles the delivered goods without the written consent of the Seller or if the Buyer or a third party makes modifications or repairs without the written consent of the Seller.
- 9.5. The guarantee cannot be applied to the defects of material delivered by the Buyer or defects caused by this material.
- 9.6. The Seller assumes no responsibility for any damages caused by acts of third parties.
- 9.7. The quality and completeness of the goods is declared on the label with the technical check mark. A copy of the test report will be sent to the customer upon request with the invoice or handed over together with the goods.
 - 9.7.1. The Buyer is obliged to perform inspection of the goods and the cable reels at the moment of taking the goods over and to find out if no damages obvious at first glance occur and if the delivery is complete. The Buyer is obliged to claim all defects by the Seller without undue delay after the Buyer detected them.
- 9.8. Any justified return of the delivered goods to the Seller is only possible upon previous written notification and a proper warranty claim proceeding
- 9.9. The Buyer is obliged to claim all defects in quality of the delivered goods by the Seller without undue delay after the Buyer detected them. The quantitative defects shall be claimed by the Seller within 30 days after the goods have been taken over. The defects shall be claimed in writing with the following information:
 - a) specification of the claimed defect,
 - b) claimed amount,
 - c) number of the invoice or the delivery note,
 - d) number of the reel,
 - e) date of dispatch,
 - f) contact information on a person authorized to discuss the warranty claim,
- 9.10. The Seller is obliged to comment on the warranty claim within 30 days after the day he/she/it received the written version of this warranty claim. In the case that the Buyer is asked to return the goods, the Buyer is obliged to return the goods to the Seller on the original reel with original dispatch (identification) labels, but no later than one month after the day of receiving the Seller's notice in this matter. In such case, the Seller is obliged to comment on the warranty claim within one month after the Seller receives the claimed goods. If the Buyer fails to comply with the periods specified above, it is assumed that the Buyer does not insist on the warranty claim and it thus expires. If the Seller fails to comply with the periods specified above, it is assumed that the warranty claim and the Buyer's proposal for the procedure under §2106 or §2107 of the Civil Code are legitimate. The expenses for returning or disposing of the defected goods shall be borne by the Seller only if the warranty claim proves to be legitimate.
- 9.11. Other rights and obligations that do not result from these T&C are governed by Czech law, especially by the Civil Code.

10. Place of Performance

- 10.1. The place of performance for all statutory and contractual claims is the establishment of the Seller located at the address:
Reichle & De-Massari Czech Republic a.s.
Děčín 33 -Nebočady
Vítězství 67,
Postal Code No.: 405 02
Děčín

11. Termination of the Agreement

- 11.1. Unless otherwise specified elsewhere, the Buyer is entitled to terminate the purchase agreement or its part only through a written agreement with the Seller. If this arises, the Buyer is obliged to pay to the Seller compensation for costs actually incurred by the Seller for the purposes of delivery of the agreed goods, even if such costs arise after the effectiveness of the written agreement with the Seller (e.g. cancellation fees).

- 11.2. If the Buyer is in default with any payment to the Seller or to a person the Seller forms a group of companies with, for more than 60 days or if the Buyer is in default with any payments repeatedly, or if the Buyer is in default with several payments at the same time, the Buyer loses its contractual claim on negotiated price and payment conditions and the Seller is entitled to withdraw from all purchase agreements with this Buyer.
- 11.3. The Seller is also entitled to withdraw from all purchase agreements with the Buyer if the Buyer enters into liquidation, or if an insolvency petition is filed against the Buyer under the Insolvency Act, or if the Buyer's bankruptcy is detected, or if the Buyer's property is declared to be under bankruptcy, or if the reorganization of the Buyer is authorized under the Insolvency Act, or if the insolvency petition filed against the Buyer is rejected for lack of assets. The withdrawal from the contract does not in any way affect the right of the Seller to any compensation, including lost profits lost due to the termination of contracts and the right of the Seller to a contractual penalty.

12. Final and Transitional Provisions

- 12.1. These T&C become valid and effective on 1. August 2018.
- 12.2. These T&C shall be annexed only to the first purchase agreement concluded with the Buyer. They shall not be annexed to any following purchase agreements, because the Buyer has already become familiar with them.
- 12.3. In the case that any provision of these T&C becomes completely or partly invalid, ostensible, ineffective or unenforceable, but yet it would be valid, effective and enforceable if a part of it was deleted, this provision or its part shall thus be considered to be deleted in the extent that is necessary for the validity, effectiveness and enforceability of these T&C as a whole part, while preserving the original economic meaning of the given provisions as far as possible. In such a case, within fifteen days after a notice of either of the contracting parties, they shall replace such invalid, ostensible, ineffective or unenforceable provision with a provision which will best meet the meaning of such invalid, ostensible, ineffective or unenforceable provision.
- 12.4. The purchase agreement and any other agreements concluded between the Seller and the Buyer in relation to the supplies of goods may only be changed in a written form.

Děčín, 1. August 2018

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