

## **General Business Conditions and delivery terms of TESLA Electrontubes s.r.o.**

regulating business relations between TESLA Electrontubes s.r.o., Company ID number 27596214 (seller, supplier) and its customers (purchasers, clients) and business partners.

### **1. PURCHASE CONTRACT**

- 1.1. All deliveries, including futures ones, shall be carried out solely on the basis of these general business conditions. Thereby, there shall be excluded use of buying terms of the purchaser (client) unless they are expressly accepted by the seller. As acceptance there shall not be considered silence of the supplier with respect to (even though repeated) acceptance of the proposal of buying terms.
- 1.2. These general business conditions shall be deemed to be accepted at the latest at the moment of ordering products of the supplier or conclusion of the purchase contract. Offers of the supplier shall be governed by these business conditions.
- 1.3. Alterations or amendments of the contract require a written form, otherwise rendered invalid, and promises of the representatives require a written confirmation of the supplier, otherwise they shall not be binding on the supplier.
- 1.4. All offers of the seller are essentially non-binding unless the seller expressly declares them as binding. Offers shall be valid for the period of 30 days unless expressly stated otherwise. The offer may also change during the validity by the influence of facts which were not known to the supplier at the time of the issuance of the offer.
- 1.5. Solely a written confirmation of the client's order by the seller shall be decisive for the creation of the contract.
- 1.6. Oral or written agreements made before signing the purchase contract by both the parties and relating to business according to the purchase contract concluded later on shall become invalid unless they were incorporated into the purchase contract and unless they are in compliance with these general business conditions.
- 1.7. If the purchaser fails to perform any of his contractual or statutory duties, the supplier may insist on the fulfilment thereof, or he may withdraw from the contract and sell the goods to another interested person. In both cases, he shall have the right to the compensation for damage incurred by him by non-fulfilment of the client's obligation.
- 1.8. Supporting documents attached to offers shall serve only as information for the purchaser and must be returned at the request of the seller.

### **2. PRICES**

- 2.1. Price agreement shall be deemed a substantial condition without which (or at least without agreement on the mode of price fixing) the purchase contract shall not come into force.
- 2.2. Unless expressly stated and agreed otherwise, all offer prices shall be EXW registered office of the seller pursuant to INCOTERMS 2010 and shall include standard packaging. Offer prices shall not include unless expressly agreed otherwise loading onto the means of transportation, transportation costs and insurance. To the prices there shall be added a value added tax in the statutory amount currently valid.
- 2.3. A write-off of debts shall take place in the order which is in accordance with deliveries carried out.
- 2.4. If a delivery over an amount ordered is required, the supplier shall be entitled not to comply with the purchaser's requirement, or to deliver goods and invoice the price valid on the day of delivery.

- 2.5. Required non-standard packing must be delivered by the purchaser, or it is charged by the seller at the price of own costs and reasonable profit. With possible accounting of fees for use or lending of transport packaging, it is necessary to send the packaging (boxes) back in good condition within four days without any entitlement to the payment of costs, including carriage charges.
- 2.6. Used packaging and fixation material shall be returned only in case that it has been expressly agreed so.
- 2.7. For deliveries abroad, special agreements are necessary and the purchaser shall not be authorized to export goods without agreement with the seller which are the subject-matter of the purchase contract neither independently nor in connection with other products, nor through third persons. Fulfilment of this duty by the purchaser's clients must be ensured contractually by the purchaser in relation to them. Damage incurred by breach of duties under this article must be paid by the purchaser to the supplier in full extent.
- 2.8. In case that upon acknowledgement of a delivery, an increase in prices or wages occurs or any other increase in costs, the supplier shall be entitled to increase the agreed price adequately.

### 3. **PASSAGE OF RISK**

- 3.1. To the purchaser there shall pass all risk at the moment the delivery leaves the works of the supplier, or when it has been put at the purchaser's disposal.
- 3.2. If takeover of the goods is delayed for any reason, a risk of damage or loss of the subject-matter of the purchase contract shall pass to the purchaser at the moment of sending a notification to the client of readiness of the goods for takeover.

### 4. **DELIVERY**

- 4.1. Individual deliveries are admissible unless expressly agreed otherwise.
- 4.2. Delivery time given in the confirmation of the order shall relate to the time of takeover of the goods from the seller's works and shall be valid only approximately. Breach thereof by the supplier shall not constitute a material (substantial) breach of the contract.
- 4.3. The seller shall be obliged to confirm readiness of the delivery for takeover upon request of the purchaser. Observance of delivery time shall be conditioned by fulfilment of contractual obligations of the purchaser.
- 4.4. Delivery time shall be reasonably extended in cases the delivery has been delayed due to unforeseeable events, especially lack of energy or base materials, strike, lock-out/lay-off, official measure or delay or shortfall in subdeliveries. If obstacles last for more than one month, or if stoppage of operation in the works of the supplier or his subcontractors occurs, or if long-term emergencies occur which are beyond the supplier's will, the supplier shall be entitled to withdraw from the contract.
- 4.5. Any possible requirements of the purchaser for an alteration of the purchase contract if they are accepted by the seller shall reasonably extend the agreed delivery time. If requirements of the client for a change in product quality are accepted, a right of the supplier to a possible price adjustment shall relate thereto. In such a case, the seller shall be released from liability for defects which occurred due to a non-standard technological procedure in the interest of ensuring customer's requirements.
- 4.6. If the supplier gets into delay with delivery for more than one month, the client shall be entitled to withdraw from the contract only upon lapse of time (due to neglect to act within the limited time) of an additional (however, at least fourteen-day) period reasonably stipulated by him.
- 4.7. If the supplier cannot fulfil the contract due to circumstances based on fault on his side, the client shall be entitled to withdraw from the contract as in case of unsubstantial breach of the supplier's duties.
- 4.8. If a time limit for takeover is stipulated, the seller shall not be bound to make deliveries upon lapse of time thereof, a special request to the client for additional fulfilment of the duty of takeover shall not be a duty of the supplier.

- 4.9. Release orders (specification) of individual partial performances must be scheduled timely as equally as possible in terms of time with respect to the quantity. If the time limit for scheduling of deliveries is not stipulated, a three-month period (end of the quarter following the date of the conclusion of the contract) shall be considered to be agreed. If scheduling and takeover is not in compliance with the above-mentioned provisions, the supplier without prejudice to other rights shall be entitled to withdraw from the contract or require a compensation for damage.
- 4.10. The client shall not be entitled to require a compensation for damage in connection with non-fulfilment of an indicative delivery time by the seller. Possible damage incurred by the client by breach of the duty of the seller based on fault shall be compensated to him in the form of a contractual penalty in the amount of 0.1% from the purchase price of a delayed amount of delivery. Payment of the contractual penalty shall release the seller from liability to deliver to the purchaser a part of delivery which has been delayed and subject to a sanction.
- 4.11. The seller shall be entitled - without prejudice to his other possible claims (especially a claim for the compensation of costs of storing and a claim for the compensation for damage in full amount) - to charge a contractual penalty in the amount of 0.1% from the price of goods not taken over for each commenced ten days of delay for the delay of the purchaser with fulfilment of the duty to take goods over.

## 5. RIGHT OF THE SUPPLIER TO WITHDRAW

- 5.1. Condition of fulfilment of the duty to deliver shall be unconditional solvency of the purchaser. If the supplier receives information upon conclusion of the contract from which it follows that a guarantee of a business credit in the amount arising from the contract is contentious, the supplier shall be entitled to require a payment in advance or a security deposit and or (if a different mode of payment than payment in cash has been agreed) to require a payment in cash or withdraw from the contract or to refuse performance of his obligation and require a compensation for damage due to non-fulfilment.
- 5.2. The same applies if facts occur which allow for doubts about solvency of the client, such as extremely serious worsening of his property situation, stoppage of payments, bankruptcy or composition proceedings, entry of a firm into liquidation, adverse changes in ownership and participation interests, etc.
- 5.3. Further, the seller may make use of the right pursuant to article 35 if the client creates a security interest in stock, claims or purchased goods or he shall provide them as a security deposit for another creditor or if he fails to pay due invoices in spite of requests for payment thereof.

## 6. RESERVATION OF PROPERTY

- 6.1. Until fulfilment of all claims of the seller attached to delivery towards the purchaser (and payments by cheque or by bill (= by draft) shall be fulfilled only by the cashing thereof) the seller reserves the ownership to goods delivered.

## 7. CIRCUMSTANCES EXCLUDING LIABILITY

- 7.1. If there occur events which cannot be foreseen at the time of signing the purchase contract and which cause an obstacle to the supplier in the performance of his contractual obligations, the supplier shall be entitled to postpone the time limit of the performance by the time for which this obstacle lasted and by the time necessary for renewal of a standard activity.
- 7.2. In all cases of circumstances excluding liability (including not-based-on-fault delay in subdeliveries, transport company defects and similar events of force majeure which will disturb performance of contractual obligations of the supplier), the supplier shall be entitled to withdraw from the contract without being obliged to provide a compensation for damage to the client.

7.3. The purchaser may require an opinion from the seller whether he will withdraw from the contract or whether he will perform within a reasonable substitute delivery time. If the supplier fails to immediately give an opinion, the purchaser shall have the right to withdraw from the contract. Partial performance which had been carried out until then cannot be refused by the purchaser.

## 8. PAYMENT CONDITIONS

8.1. Unless paid in advance, in cash or by a security, the supplier shall be obliged to issue an invoice without undue delay upon fulfilment of delivery, or upon sending a notification to the client having made a default on the storing of goods with the supplier.

8.2. The invoice must contain at least the following elements:

- a) designation of an invoice and its number
- b) name and registered office of the entitled and liable company, corporate name and address
- c) number of the order (purchase contract) according to which the performance has been carried out (if known) and number of a delivery note
- d) subject-matter of delivery and date of fulfilment thereof
- e) full designation of a finance company and account onto which the payment shall be made
- f) price for the quantity unit and other price elements
- g) day of sending an invoice and due date of payment
- h) total invoiced amount
- i) tax clause
- j) date of taxable supplies

8.3. The client shall not be entitled to return the invoice due to defects in the content thereof or form, but he shall be obliged to inform the supplier without undue delay thereof upon ascertainment of such a defect who shall immediately carry out a necessary correction of the invoice. Unless otherwise agreed, due date of payment shall be extended by the period which has elapsed from delivery of a request to remove a defect in the invoice to the supplier until delivery of correction of the invoice to the client.

8.4. Invoices must be paid without delay by the due date of payment. In case of an advance payment, the client shall not be entitled to late interest from the advance payment towards the supplier. The purchaser who shall not pay the invoice by the due date of payment shall have payment conditions changed to an advance payment or payment in cash.

8.5. Payments made before fulfilment of delivery shall not constitute a deposit the waiver of which would entitle to withdraw from the contract, but they are partial payments to the account of the total purchase price.

8.6. The purchaser shall not be authorized to retain payments. Setoff shall be admissible only with a claim adjudicated upon the final and conclusive judgment or an indisputable claim. The supplier shall be entitled independently of the due date of payment of claims to set off his claims against such claims of the client which the client has against companies with which the supplier is directly or indirectly related in terms of capital or business.

8.7. The client shall not be obliged to pay a part of the purchase price relating to goods which are the subject-matter of a complaint of the client. This part of the purchase price will be settled upon completion of a complaints procedure according to the result thereof. The client shall not be in default with the payment of the price in case that his complaint is unsuccessful. In case of dismissal of the complaint, the client shall be obliged to immediately pay the respective amount.

8.8. In case of substantial worsening of property situation of the client and in case of default of the client with the payment of any claim of the supplier, the supplier shall be entitled to declare all his existing claims immediately payable and require payment thereof. In such cases, the supplier may also retain deliveries from all purchase contracts hitherto unfulfilled without it being understood as breach of the contract or right to withdrawal therefrom.

8.9. Subject to article 58, the seller shall also have the right to cancel the existing contracts upon prior notification and upon provision of a reasonable additional time limit for payment. This shall not apply if the client provides sufficient security. If the seller withdraws from the contract due to failure to pay due claims by the purchaser, the purchaser shall be obliged to compensate him for all damage and costs incurred in relation thereto.

- 8.10. With payments not carried out timely, the supplier may - without prejudice to other rights to which he is entitled - require a compensation for damage incurred due to default in full amount, however, at least in the amount of usual interest and commissions which are required by banks, particularly by the respective bank of the supplier. Moreover, the supplier shall be entitled to charge late interest for the period from the due date of the sum in arrears until full payment thereof, in the usual amount valid on the day of full payment of the claim.
- 8.11. The payment shall be considered made at the moment it has been put down to the account of the seller or receipt of cash or draft or any other payment document has been acknowledged.
- 8.12. The client shall be obliged to perform his pecuniary obligations towards the seller either directly to him or according to his written instructions through the bank designated by him, or to a person provided with a due power of attorney of the seller for a certain case.
- 8.13. In the absence of the previous express agreement, the supplier reserves a decision whether in an individual case he shall accept drafts, cheques and other vouchers. Costs of discounting and cashing shall be to the debit of the client unless otherwise stipulated in the confirmation of the order. All payment means of this kind are accepted only in the interest of reliable fulfilment of the client's pecuniary obligation.

## 9. HANDLING

- 9.1. Vacuum products of TESLA Electron Tubes s.r.o. may be transported only in packaging prescribed by the producer. Stipulated transportation position on the packaging (vertically, travel direction, upper part) must be observed. Only in this position the inner system of the packaging shall be effective. In the means of transport, transportation packages containing vacuum products must be appropriately fixed in the way that no damage owing to fall or movement or impact of other objects with a transportation package occurs. On the transportation package with a product it is not permitted to place other objects transported or any other transportation packages which could damage it. When handling the transportation package containing a vacuum product it is necessary to avoid impacts and disturbances and to observe a prescribed position of the packaging.
- 9.2. Vacuum products must be - immediately upon delivery - carefully inspected for the purpose of ascertainment of possible damage during transportation.
- 9.3. Vacuum products must be transported, stored and operated in the position stipulated. If it is necessary to exceptionally change this position sometimes, the products must be particularly carefully protected from impacts and disturbances. This shall also apply to the taking out of vacuum products from special transportation packages.
- 9.4. During transportation and handling, vacuum products must not be exposed to sudden temperature changes. The producer does not recommend transporting electron tubes in temperatures below - 20 °C.

## 10. TAKING

- 10.1. Although all consignments are packaged in special transportation packages, damage during transportation cannot be always fully excluded. Therefore, it is necessary to put the products to the test immediately upon delivery in the presence of a carrier and to possibly execute a report on damage during transportation.
- 10.2. Vacuum product shall be taken over according to the following principles:
- 10.2.1. Design check: It includes an overall inspection of the product and its packaging with the focus on partially cracked or broken glass or ceramic parts and vacuum joints, ascertainment of loose parts inside the product or loose outside parts and intactness of the packaging.
- 10.2.2. Check of compactness of glowing filament: Carried out by low-voltage ohmmeter on filament connections of a vacuum product max. 500V
- 10.2.3. Measuring of interelectrode short circuits: Carried out with an insulation meter (megger tester) with the voltage of 500 – 2500 V
- 10.2.4. Check of vacuum with a VN vacuum tester: Carried out only with electron tubes with a glass bulb. May not be carried out near the tip of a melted-away suction tube.

- 10.2.5. Check of completeness of the accompanying documentation (accompanying document, entry test protocol, user manual).

All other products and goods must be checked according to the procedure usual for the given type of the product. In case of unclarity, the purchaser must contact the seller.

## 11. **STORING**

- 11.1. Vacuum products are stored in original packaging in the position designated on the packaging or in special stands in a vertical position.
- 11.2. Temperature of storage spaces must be between 10 °C and 40 °C without rapid fluctuations of temperature. Room must be dustfree, dry and without aggressive vapours. We recommend protecting products from dust by a polyethylene foil.

## 12. **OPERATION**

- 12.1. Operating date must be observed during the operation, as stipulated by the producer of the equipment and by technical data of vacuum products. Fluctuation of the supply network must be ranging between  $\pm 5\%$  at the most. Data designated as limiting are interdependent of each other and may not be exceeded by any means.
- 12.2. Testing before putting into operation: Before putting into operation, each vacuum product must be tested in the same way as during takeover.
- 12.3. Check of high-voltage strength by sparking: Before putting into operation, sparking by DC voltage is carried out with electron tubes of high performances with the aid of a special high-voltage sparking source.

## 12.4. **PUTTING INTO OPERATION**

- 12.4.1. Electron tubes - When putting into operation for the first time or after a longer period of storing, it is recommended to observe the following procedure:
- a) Sparking of the electron tube with the aid of DC high-voltage source according to instructions of the producer.
  - b) Heat-up for the period of 30 minutes at least (longer time is appropriate).
  - c) In case of switching off of the equipment with an electron tube it is necessary to ensure aftercooling of the electron tube for the period of at least 5 minutes.

## 13. **PRODUCT EXPEDITION**

- 13.1. Testing before dispatch: Each vacuum product is tested before dispatching, its technical parameters are mentioned in the accompanying document. The accompanying document ensures that features of the product correspond with technical data.
- 13.2. Packaging: Vacuum products are packaged in special packages. They are designated as fragile goods, with arrows designating a position during transportation and handling, or designation of the position of storing on the loading area (travel direction). There is an impact indicator or tilt indicator on the packaging.
- 13.3. Place of performance: Unless otherwise stated in the contract, the place of performance shall be either a dispatch store of the producer (in case products are taken by customers) or place of handover of products to a public carrier. Producer's means of transport shall be also considered as the dispatch store of the producer if products are transported by it to the customer.

#### 14. GUARANTEE CONDITIONS

- 14.1. Subject-matter of performance must have quality according to the purchaser's requirement in the purchase contract validly concluded, otherwise according to the respective technical standard, or features usual with the respective type of goods. The parties may agree upon deviations in the purchase contract from usual quality with a limited or unlimited validity and to reflect the deviation from standard quality in price stipulation.
- 14.2. Complaint about the quantity or apparent quality defects of goods may be made within eight days from receipt of delivery at the latest. The complaint shall be considered to be made in a timely manner if it has been sent on the last day of the time limit.
- 14.3. The supplier shall guarantee a free-from-defects function of delivered products during the warranty period. In case of a defect during the operation of the vacuum product, the producer shall replace the product of the same type for the client provided that the defect under claim is designated by technical expert examination of the producer as a manufacturing defect. The client shall pay for burnt-away hours of the product under complaint only in case that the electron tube has burnt away for more than 10% of guaranteed hours.
- 14.4. Time conditions of guarantees are defined in each contract.
- 14.5. Guarantee period shall commence on the date of warehouse release and shall end upon burning away of guaranteed hours or upon the lapse of the time guarantee period whichever is the earlier (unless stipulated otherwise).
- 14.6. Guarantees for vacuum products are provided under the following conditions:
- 14.6.1. Vacuum products must be operated under conditions corresponding with technical data of the producer of equipment and in the facility with which an operating schedule was approved by the producer of vacuum products in terms of type.
- 14.6.2. Upon removal of the product due to its defect from the operation, a report must be immediately filled out which shall constitute a part of the accompanying document and contain the following data:
- 1) Result of the test at the takeover of the product.
  - 2) Number of burnt-away hours.
  - 3) Designation of the equipment and position in which the product was used.
  - 4) Description of operating conditions under which a defect occurred and its probable cause.
  - 5) Or other concomitant circumstances in case of removal of the product.
- 14.6.3. This report filled out by the user must be immediately sent along with the accompanying document of the product to the supplier.
- 14.6.4. In case that it has not been agreed otherwise between the supplier and the client, the client shall immediately send the product under claim to the supplier at his costs and in the original packaging.
- 14.7. Payment for burnt-away hours of the product under claim shall be calculated according to the following formula:
- $C_{OH}$  = price of a burnt-away hour  
 $C_V$  = price of the product  
 $N_O$  = number of burnt-away hours  
 $N_Z$  = number of guaranteed hours of burning
- $$C_{OH} = C_V \cdot \frac{N_O}{N_Z}$$
- 14.8. Limitation of guarantees - The producer shall not be liable for vacuum products in the following cases:
- 14.8.1. If damage to the product occurred during transportation.

- 14.8.2. If the product was used under conditions different from stipulated technical data of the producer.
- 14.8.3. If the user is unable to submit to the supplier upon request a report of operation of the vacuum product.
- 14.8.4. If the product was unprofessionally stored (inappropriate temperature, storage space, aggressive environment, etc.)
- 14.8.5. If the product was broken or damaged in the course of unprofessional handling.
- 14.8.6. If the documentation isn't complete (original of the accompanying document, fault report is not provided, if the completed Entry Test Protocol with the measurement values of the electron tube is not delivered (this must be completed by the buyer upon receipt of the shipment from the transport company)).
- 14.8.7. If the user did not enable the representative of the producer to check the operation and storing of vacuum products under complaint directly on the spot on the premises of his facilities.

14.9. **COMPLAINTS**

To consider the defect of the vacuum product, technical examination of the producer shall be decisive. The producer reserves the right to assess the product under complaint directly in the facility of the user as well as observance of guarantee conditions. Within the scope of the technical examination of the product, the client gives authorization to the producer to irreversibly dismantle the product. Products under complaint which were dismissed by the producer shall be sent to the customer back only upon his express wish and at his own costs. Products under complaint which were found to be good upon testing (meeting technical conditions) shall be sent back to the customer. Complaints dismissed in which the purchaser shows no interest may be disposed of by the seller upon the lapse of six months from notifying the customer.

**15. FINAL PROVISIONS**

- 15.1. Place of performance of all obligations arising from the contract shall be the business premises at Kolovratská 1445, Říčany, Czech Republic
- 15.2. As to all disputes arisen from the contract there must be brought a suit with a court which is competent according to the registered office of the seller. The seller is also entitled to bring a suit with a court which is competent according to the registered office of the purchaser. Unless stated otherwise in the contract, a possible dispute shall be settled by the Arbitration Court attached to the Economic Chamber of the Czech Republic with the registered office at Prague.
- 15.3. Legal ineffectiveness of individual parts of the purchase contract shall not release the client from duties and rights from the entire contract. Possible invalidity of any provision of these general business conditions shall not affect the validity of other provisions.
- 15.4. Rights of the purchaser from the contract shall not be transferable without a possible prior consent of the seller.
- 15.5. Provisions of the Commercial Code unaltered by these general business conditions shall remain unaffected.
- 15.6. Unless otherwise stated in the contract, the Czech law shall be applied to the contractual relation.
- 15.7. These General business conditions and delivery terms of TESLA Electron tubes s.r.o. shall be effective from 19 February 2018.