

GENERAL CONDITIONS OF SALE

These general terms and conditions of sale are an integral part of the quotation submitted by OPTOKON a.s. (hereinafter "OPTOKON", website www.optokon.com) and prevail over the contents of the quotation itself, as well as supersede any general terms and conditions of purchase. The supply of products quoted in this quotation, even without express acceptance, will be construed as acceptance by the customer of these general conditions of sale.

VALIDITY OF THE PROPOSAL

The quotation will be valid for the period therein established, counted in calendar days from the presentation date of the quotation. The proposal may eventually be revised by means of written agreement between the customer and OPTOKON. The quotation is valid for 30 days unless otherwise stated.

PRICES AND COMMERCIAL CONDITIONS

The prices and commercial conditions that apply to this sale are those defined in the above mentioned quotation. Prices will be adjusted in each invoicing cycle according to the formulas established in the quotation.

PAYMENT TERMS AND CONDITIONS

Invoices for supplied products will be paid by the customer to OPTOKON, according to the payment terms and other conditions established in the quotation, regardless of the effective delivery dates of the products, by means of bank collection or wire transfer in Czech crowns (for the domestic market) and U.S. dollars, EUR or GBP (for the export market) to a corporate bank account to be indicated by OPTOKON in writing.

CREDIT APPROVAL

The supply of the products quoted in our quotation is subject to the provision of precise information and guarantees given by the customer for credit approval reasons.

TAXES

The taxes considered in the above quotation are in accordance with the current valid legislation at the time of delivery of goods or services. ALTERATION OF ECONOMIC POLICY

The prices and conditions of this quotation have been adjusted and presented in accordance with the current economic-financial environment. Should any change occur in the economic and / or financial policy between the quotation date and the product delivery date, all prices and conditions presented in the quotation shall be reviewed in order to return to the initial quotation economics. The client shall be responsible for the fair remuneration of the supply, aimed at the maintenance of the initial economic-financial balance in the sale of the quoted products.

DELAYED PAYMENTS

OPTOKON charge delayed interest at a 7% annual interest rate plus the current valid interest rate of the Czech National Bank (ČNB). In the case of overdue amounts, delay interest is charged in a separate debit note.

HANDLING, PACKING AND TRANSPORT

Packing, handling & processing charges are stated as follows:

Value of the invoiced goods: Packing, handling & processing charges:

- up to 15 000 EUR 1.0 %
- 15 000 to 50 000 EUR 0.4 %
- more than 50 000 EUR depending on packing and shipping
- test equipment 0.2 %

The minimum charge is 10 EUR. In the case of deliveries denominated in another currencies than EUR, the official exchange rate of the Czech Central Bank (ČNB) will be used for conversion.

The products will be packed in appropriate and good quality packages, resistant to bad weather and normal conditions of transport, handling and pulling operations.

OPTOKON will be responsible for coordinating product transportation to the customer's distribution center or to another destination in the Czech Republic, providing that this other destination is advised to OPTOKON before the issue of the invoice and was previously described in our quotation, otherwise an additional percentage will be charged to the customer regarding freight to the new destination. All handling, unpacking and transportation expenses at the destination will be the responsibility of the customer.

QUALITY

OPTOKON products are designed, manufactured and tested according to OPTOKON datasheets and OPTOKON qualified and certified processes, according to the requirements of ISO 9001:2015 standards.

INSPECTIONS AND TESTS

The supplied products will be submitted to all routine tests as provided for in the European Union technical standards, and/or in other customer specifications previously agreed, with no obligations for the customer.

In the event the customer requests the accomplishment of a specific material test, whether in third party laboratories and/or official

laboratories, all related costs will be borne by the customer and the delivery date previously agreed to between OPTOKON and customer will be proportionally adjusted by the number of days necessary for the accomplishment of such test.

DELIVERIES

OPTOKON will deliver all products according to the delivery dates previously agreed to between OPTOKON and the customer (for exports, INCOTERMS 2020 issued by the International Chamber of Commerce will also apply). In the event of any change to the delivery address previously agreed, the customer is to inform OPTOKON at least fifteen (15) days in advance and OPTOKON will re-evaluate freight costs and new delivery dates.

FORCE MAJEURE

OPTOKON will not be held liable for any delay or failure of performance of obligations due to the occurrence of the following events of force majeure: strikes, lock-outs, deliberate acts of the workforce or other industrial disturbances, fires, explosions, floods or other natural catastrophes, civil unrest, riots, revolts, armed conflicts (whether declared or not), restrictions, rationing or forced allocations of common sources of labor, raw materials, components, transports, energy or utilities, accidents, acts of god, subcontractor or supplier delay, voluntary or mandatory compliance with government acts or regulations (valid or not), embargoes or any other cause, whether similar or dissimilar with the causes or categories above, that is beyond the reasonable control of OPTOKON. In the case of delay or non- performance

due to any of the events above, the period for compliance will be extended for a time period reasonably necessary to overcome the effects of the event of force majeure.

TERMINATION

After acceptance, this quotation may be terminated in whole or in part by OPTOKON should the customer fail to pay or execute any other term or condition of these general terms of sale. OPTOKON will have the right to suspend execution of its obligation in the accepted quotation, in whole or in part, instead of terminating such.

LIQUIDATED DAMAGES IN THE CASE OF TERMINATION

The customer shall pay OPTOKON reasonable and proper termination charges which shall include a portion of the price reflecting the amount of work completed up to the termination date plus any incurred or committed costs, additional expenses incurred by reason of termination of OPTOKON agreements with its suppliers and subcontractors, including but not limited to, the financing of costs related to raw materials in inventory, and liquidated damages:

WARRANTY

Warranty periods for OPTOKON products, unless stated in the quotation otherwise:

1. Cable management systems
 - a) Aluminum cabinets - 10 years
 - b) Metallic cabinets - 2 years
 - c) Accessories - 2 years
2. Passive fiber optic components - 2 years
3. Test equipment - 1 year, (batteries, power adaptors - 6 months)
4. Network equipment - 1 year, (batteries, power adaptors - 6 months)
5. Batteries, Power adaptors - 6 months
6. Goods for sale - 1 year

OPTOKON warrants: (i) that the supplied products will be free from defects in materials and labor for the period stated above according to the separate product lines from the date the products are considered delivered per this quotation, or the above stated period from the date of installation, whichever comes first; and (ii) that the products sold hereunder comply with OPTOKON product specifications.

The sole obligation of OPTOKON in the event a product is defective during the above warranty periods will be to repair or replace the defective product (at the discretion of OPTOKON), provided that the customer notifies OPTOKON in writing of the defect within thirty (30) days of the discovery of such defect. OPTOKON will not be liable for any disassembly, removal or reinstallation costs, nor for other associated costs. The claimed products will be checked, repaired or replaced in OPTOKON. The Customer is to pay the freight costs incurred when returning the goods to OPTOKON.

The above warranty will not apply to normal wear and tear, defects caused by accidents, improper or negligent handling, improper maintenance by the customer or third parties, defects caused by the customer's design, materials and/or technical specifications for the installation of the products, theft, sabotage and overload, unauthorized attempt to repair, damaged seal, as well as any and all defects due to force majeure, according to the applicable law. Defective products replaced by OPTOKON will become the property of OPTOKON.

OPTOKON reserves the right to inspect any and all defective materials that may eventually be detected by the client, before the removal and/ or return of such material. After detection of the defect by the client, the client must contact the OPTOKON Quality Department, so that OPTOKON may take the necessary measures to remedy the defect.

OPTOKON does not provide any other warranty to the products, whether express or implied, including but not limited to warranties of merchantability or fitness for a particular purpose. No claim regarding delivered products, lack of delivery or any other grounds for a claim will exceed the price of the products involved in such a claim.

Despite any other term or condition to the contrary, the customer agrees that OPTOKON will not be liable for any special incidental, indirect, consequential or punitive damages of any kind, including, but not limited to, loss of use, loss of profits, third party claims, or other expenses not expressly established in this proposal, and the customer will indemnify and will not hold OPTOKON responsible for any such liability.

TITLE TO TECHNICAL DOCUMENTATION

Title to drawings, plans, manuals, diagrams, schedules, information, documents etc. regarding the products to be supplied per this quotation is, and will remain with, OPTOKON. Should the customer receive any such documents, the customer agrees not to use such drawings and other documents without the previous written authorization of OPTOKON.

LIMITATION OF LIABILITY

The aggregate liability of OPTOKON arising out of or in connection with this quotation, whether based on breach of contract, strict liability in law, tort, negligence or otherwise, shall under no circumstances exceed 20% of the purchase price of the products with respect to which

a claim is made, in addition to the cost of repair or replacement of such defective products, except with regard to bodily injury or death of persons.

OPTOKON shall not be liable under any circumstances whatsoever (including but not limited to negligence) for any indirect, special, incidental or consequential losses or damage such as loss of use of the products, loss or alteration of data, damage to reputation, loss of profit or any other financial or economic loss or damage whatsoever as well as the financing of costs or increase in operating costs, howsoever these may arise.

NON-DISCLOSURE

The customer shall not disclose to any third parties without prior written approval of OPTOKON, any information regarding this quotation, nor will use such information for any purpose other than compliance with this quotation (if accepted). In addition to the foregoing, OPTOKON may disclose information regarding this quotation to third parties affiliates of OPTOKON for the purpose of compliance with this quotation, if necessary.

ASSIGNMENT

The customer may not assign or transfer this quotation (if accepted) to any third parties, in whole or in part, without the prior written approval of OPTOKON. OPTOKON may assign or transfer this quotation (if accepted), in whole or in part, to any affiliate company.

AMENDMENTS

All and any amendments that may be requested after order confirmation will only be valid if made via written document signed by OPTOKON and the customer. No verbal amendments will be accepted.

GENERAL INFORMATION



Considering the possibility of the use of imported raw materials in the product industrialization process, any alteration verified in the import conditions due to government actions, work strikes or delays in the emission of import permits by the competent government departments and/or restrictions imposed by the same departments that results in proven delays in our production, shall be considered, for all legal purposes, as force majeure.

DISPUTE RESOLUTION

The law of the Czech Republic applies to this quotation, before and after acceptance, without regard to any conflict with legal regulations. OPTOKON and the customer agree that the courts of the City of Prague, Czech Republic will be competent to settle any dispute between them, to the exclusion of all others.

The General Conditions of Sale were approved by the Board of Governors of OPTOKON a.s. in Jihlava, August 31st, 2012