

GENERAL TERMS AND CONDITIONS OF SERENUM
for the provision of services, the production of a work and the sale of products
valid from 01/01/2014

Company name: SERENUM, a.s. (hereinafter called "SERENUM")
registered: in the Commercial Register of the Municipal Court in Prague, Section B, Insert 18932 Company Reg. No.:01438875
Registered Office: Beranových 130, 199 00 Prague – Letňany *VAT Reg. No.: CZ01438875*

I. General

1. These General Terms and Conditions of SERENUM pursuant to Section 1751 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended, shall apply to cases where SERENUM provides services or produces a work or sells a product (hereinafter called the "deliverables") to a customer, sometimes also referred to as a purchaser, client or buyer (hereinafter called the "Customer").
2. All contractual terms and dates relating to the deliverables are included exclusively in the present General Terms and Conditions of SERENUM. Any deviations from the General Terms and Conditions of SERENUM may only be agreed by contract, in written form. Deviations agreed in this way in writing shall then be superior to the applicable provisions in the General Terms and Conditions of SERENUM.
3. A contractual relationship is established by the conclusion of a contract or confirmation of a Customer's order by SERENUM.
4. The rights and obligations of the Customer arising out of the contractual relationship are not transferable or assignable to a third party without the prior written consent of SERENUM.

II. Deliverables and place of performance

1. The deliverables must be set forth in writing and approved by both Parties.
2. Unless stipulated otherwise, the place of performance shall be the registered office of SERENUM.

III. Price and terms of payment

1. The price of contract performance must be set in writing and must be approved by both Parties. A change in an agreed price may only be possible by agreement in writing of both Parties.
2. The price shall always be set exclusive of value-added tax (hereinafter called "VAT").
3. The price does not include the cost of packing and transport of the deliverables to the Customer.
4. SERENUM shall add VAT to an agreed price amounting to rates in compliance with an applicable legal regulation of the Czech Republic. In the case of foreign customers and customers-VAT payers from EU countries, the price is usually exempt from VAT in accordance with an applicable legal regulation. A customer-VAT payer in EU countries is obliged to provide SERENUM with an international tax identification number (hereinafter called "ITIN") and is also obliged to pay VAT under its national law.
5. After the deliverables are delivered and accepted by the Customer or under conditions agreed differently, SERENUM shall issue an invoice meeting the requirements of a tax document. An invoiced amount shall equal the total agreed price increased by VAT and by agreed extra works, if any. An exception applies to foreign customers and customers-VAT payers from EU countries that provided SERENUM with their international tax identification number (ITIN), in which case the price is usually stated exclusive of VAT, see Article III/4.
6. The time for payment of advance, partial as well as final invoices shall be 14 days from the date of issue of the invoice, the due date of foreign invoice is 30 days from the date of issue of the invoice.
7. The Customer shall use the invoice number as a variable symbol of the payment.
8. If the Customer defaults in the payment of invoices that have been legitimately issued, SERENUM may impose late charges on the customer amounting to 0.05% of the sum owing a day.
9. If an invoice does not meet the agreed requirements or is issued without justification, the Customer is entitled to return or complain about the invoice by the due date thereof by post, fax or email (info@serenum.cz) to SERENUM. In the event that SERENUM has a legal claim to the payment of an invoice and only technical and content-related deficiencies of the document are involved, SERENUM is obliged to issue a new invoice with a new due date. In such a case, the Customer is not in default in the payment of the invoice.
10. Title to the deliverables shall only pass to the Customer after the price of the deliverables has been paid in full.

IV. Time of performance

1. The time of performance must be set in writing.
2. The necessary condition for meeting an agreed time of performance is the fact that the Customer performs all of its obligations towards SERENUM. The Customer must supply SERENUM with information, objects and documents necessary for the correct and complete performance of the order. The Customer is obliged to advise SERENUM of extraordinary risks that may, in connection with the deliverables, cause damage to the property or to the health of the SERENUM employees or to the property and health of third parties.
3. In the event that the Customer defaults in its performance which will prevent the performance on the part of SERENUM, the Customer is obliged to indemnify demonstrable damage that have been incurred by SERENUM. The agreed time of performance shall be extended by the duration of default on the Customer's part (delay in approving background documents, late delivery of inputs for the performance, default in advance payment and so forth).
4. If SERENUM defaults in the delivery of the deliverables by more than two weeks against the agreed time of performance, the Customer may exercise a contractual penalty amounting to 0.05% of the contract price a day up to the maximum amount of 10% of the total contract price.

V. Delivery terms

1. The place of delivery must be set in writing.
2. The standard delivery terms of SERENUM are EX WORKS (EXW) pursuant to INCOTERMS 2010.
3. The risk of loss shall pass to the Customer upon the acceptance of the deliverables by the Customer.
4. Along with the deliverables, SERENUM shall also hand over to the Customer all documents associated with the delivery and, at the Customer's request, the documentation provided by the Customer as well.

VI. Termination of contractual relationship

1. The contractual relationship can be terminated by written agreement of both Parties.
2. In the event of serious breach of obligations by any of the Contracting Parties the rectification of which is not commenced within 30 calendar days of the delivery of a notice in writing, the other Contracting Party may terminate the contractual relationship.
3. SERENUM is entitled to withdraw from the contract if:
 - the Customer has failed to effect an overdue payment even after being sent a written reminder
 - the Customer is not fulfilling contractual or other obligations.

In such cases, the Customer shall refund demonstrable costs, within 30 days of a demand in writing, incurred by SERENUM as a result of the termination of the contractual relationship. The right of SERENUM to assert further claims arising from applicable legal regulations of the Czech Republic shall remain hereby unaffected.

4. SERENUM is entitled to terminate the contractual relationship if the performance being supplied by the Customer represents a great risk of possible damage to the health or property of its employees or to the health and property of third parties.
5. SERENUM is also entitled to terminate the contractual relationship at any time if it fails to obtain all licenses and statutory permits of any type that are necessary for the performance of the contract.

VII. Warranty period and claims

1. SERENUM gives a warranty for the quality of a work for a period of 6 months.
2. The validity of the warranty is conditional upon the deliverables being used in a correct manner and only for the purposes for which it was made, and the warranty shall not cover shortcomings due to improper use, inadequate maintenance, repairs carried out by an unauthorized person, overloading and other improper use. The warranty does not also cover cases where the deliverables are altered by the Customer or by third parties.
3. In the event of a claim, the Customer is obliged to notify SERENUM in writing of reasons therefore after the defect has been found. If a deliverable supplied is demonstrably defective, SERENUM must supply a replacement to the Customer or ensure that the work is repaired. If SERENUM is unable to arrange for the repair or removal of a defect or secure a replacement delivery for objective causes, the Customer is entitled to arrange a price reduction, the acceptance of financial compensation with SERENUM or to withdraw from the contract. However, the amount of financial compensation is limited by the price of the contractual order.

VIII. Liability and exclusion of liability

1. SERENUM is liable for the correct execution of the deliverables.
2. SERENUM shall protect the Customer's work and property taken over.
3. SERENUM is not liable for damage or a defect in a work that has occurred in connection with errors in documentation taken over from the Customer or through the use of improper data handed over by the Customer or through the following of improper instructions given by the Customer as well as for damage incurred in connection with actions or errors of the Customer or its employees.
4. If damage is inflicted on a work or other property of the Customer for which SERENUM is not liable, SERENUM may only repair the damage if the Customer requests it.

IX. Limits of liability

1. Unless stated otherwise below, in the event of a professional mistake, product defect, defect in work performed or mistake due to negligence, the liability of SERENUM shall be limited to the amount of CZK 5 million. In other respects, the liability of SERENUM is excluded in terms of the amount and reason.
2. The above limitation of liability shall not apply to personal injury or property damage incurred as a result of gross negligence or willful misconduct.
3. SERENUM shall not be liable for unforeseeable damage, force majeure, lack of economic success, indirect or consequential loss (especially financial loss) and it shall not be liable for any damage arising from the claims of third parties provided that such liability is not laid down by the law.
4. The liability of SERENUM for material damage caused due to a professional error or negligence to test samples and devices that are provided by the Customer to SERENUM under the contract shall be limited by the amount of CZK 10 million.
5. If the price of samples and devices provided is higher than CZK 10 million, the Customer is obliged to inform SERENUM of such fact in writing before the contract is concluded. In this case, the Contracting Parties shall agree on liability or insurance cover on a case-by-case basis. If this does not happen, the liability of SERENUM shall be limited by the amount of CZK 10 million.

X. Force majeure

1. Neither Party shall be liable for default in the performance of its obligations arising from the contractual relationship if this was due to circumstances that exclude liability (hereinafter called "force majeure").
2. Force majeure shall be considered as extraordinary circumstances that prevent, permanently or temporarily, the fulfillment of set obligations provided that they occurred after the conclusion of the contract, independently of the will of the liable Party and provided that they could not be averted even if maximum effort that can be reasonably required in the given situation was exerted. Force majeure shall be considered to include in particular war, terrorism, earthquake, floods, accidents of widespread

extent and other catastrophic events. Shortages of material and labor shall not be recognized as an instance of the effects of force majeure.

3. Cases of force majeure shall extend the delivery times correspondingly.

4. If any instance of force majeure occurs, the affected Party shall notify the other Party in writing within 48 hours of the moment when force majeure manifested itself and shall subsequently present documents confirming that it is an instance of force majeure.

5. In the event of force majeure, both Parties shall jointly agree on what measures they will take. Should the force majeure occurrence last more than 60 calendar days without the Parties reaching any agreement, any of them may terminate the contract.

XI. Confidentiality

1. Both Parties are obliged to maintain the confidentiality of all facts relating to the contractual relationship or to the matters of the other Party of which they learn during the performance of this contract. This also includes the duty to do their utmost to protect such facts. The confidentiality obligation shall not apply to cases where the fact in question is generally known or there exists a statutory obligation to disclose such fact.

2. The Customer agrees that the name of its business company and other data or information be stated during the promotion of SERENUM and SERENUM's products in printed, electronic as well as verbal form without details being given about of the subject-matter of the contract. The Customer agrees that pictorial materials made during tests or during the making of products be exploited for the promotion of SERENUM unless a confidentiality agreement or similar agreement excluding the making of such pictorial materials has been concluded with the Customer.

XII. Intellectual and industrial property

1. SERENUM reserves the right to intellectual and industrial property and copyright relating to all of its documentation or transmitted information and, in particular, relating to technical drawings made by SERENUM in connection with an offer unless contractually agreed otherwise. The Customer may not use, reproduce or make available the abovementioned documents to third parties without the prior written consent of SERENUM.

2. If a delivery by SERENUM contains the intellectual and industrial property rights of third parties, the use of such rights by the Customer must be provided for in detail in the contract.

XIII. Governing law and dispute resolution

1. Other rights and obligations not provided for by these General Terms and Conditions of SERENUM shall be governed by Act No. 89/2012 Coll., the Civil Code, and by other generally binding legal regulations of the Czech Republic.

2. The governing law shall be the law of the Czech Republic.

3. In the event of a dispute where no agreement of the Contracting Parties is reached on the basis of mutual negotiations even within 30 days of the moment when it arose, the dispute shall be decided by a competent court according to the registered office of SERENUM based on the initiative of SERENUM or of the Customer.

XIV. Final provisions

1. All changes, amendments to and deviations from the General Terms and Conditions of SERENUM may only be made in writing.

2. If any of the Contracting Parties does not apply any of its rights that may belong to it in accordance with these General Terms and Conditions of SERENUM, this shall not mean that the given Party is waiving such right.

3. Should any of the provisions of the present General Terms and Conditions of SERENUM be or become invalid or ineffective, this shall not affect the validity and effect of the other provisions hereof.

4. By entering into a contract or by sending and confirming an order, the Customer agrees to the processing and collection of its personal data in a database, until it expresses its disagreement in writing about such processing. The Customer shall have the right of access to its personal data and the right to correct it including other statutory rights relating to such data. The data shall be secured as required by the law and used in communication with the Customer or, where appropriate, presented only to such inspection bodies that have appropriate authorization. Personal data (especially name, surname and address) of customers shall be stored in accordance with applicable legal regulations of the Czech Republic, particularly with Act No. 101/2000 Coll., on the protection of personal data, as amended. SERENUM shall use all data obtained from customers exclusively for its internal purposes and shall not disclose it to third parties, and it shall not be utilized for advertising purposes of business, either. An exception applies to carriers to whom personal data of customers are given to a minimum extent that is necessary for the trouble-free delivery of goods or if the customer expressed its consent in a contract to it being stated. The data shall be stored and not shared with third party applications.

* * * * *