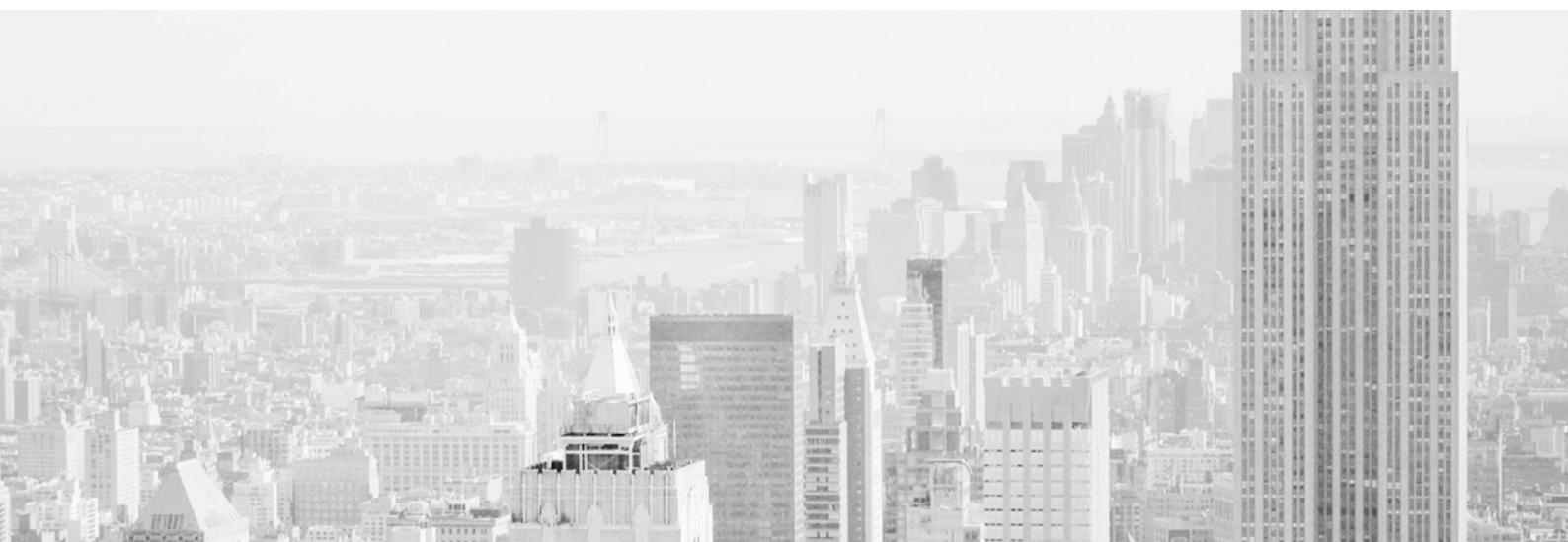


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General Terms and Conditions of Business

December 2017

Please note that this is an English translation of the original Czech version. Both language versions shall have the same legal effect. In case of any conflict, the original Czech version shall prevail.



Content

I. Validity	3
II. Offers, scope of performance	3
III. Special arrangements regarding written communication by fax or e- mail	4
IV. Price	4
V. Retention of title	4
VI. Payment conditions	5
VII. Terms and dates of delivery and performance	5
VIII. Delivery of software	6
IX. Transfer of risk of damage to goods and takeover of performance	6
X. Liability for defects	6
XI. Liability for damage	7
XII. Other obligations of the purchaser, export control	7
XIII. Confidentiality	8
XIV. Final provisions	8

General Terms and Conditions of Business of ZIEHL-ABEGG s.r.o.

I. Validity

1. Our deliveries, performance and offers shall be governed exclusively by these business terms and conditions (GBTC). These GBTC constitute an integral part of each purchase contract concluded with us (as the seller) in which reference is made to these business terms and conditions. We shall confirm our orders with reference to our business terms and conditions, which shall then become an integral part of the respective contract concluded with us. The purchaser is made familiar with these GBTC no later than upon the conclusion of the contract and these GBTC shall then be attached, as a rule, to each purchase contract. Our current GBTC can be downloaded at www.ziehl-abegg.cz, which the purchaser acknowledges. Ziehl-Abegg reserves the right to change or amend these GBTC, even on a regular basis. The rights and obligations of the purchaser shall at all times be governed by the version of the GBTC effective at that time. Conditions of the purchaser that are different from or contradict the GBTC shall not be accepted by Ziehl-Abegg, unless explicitly acknowledged in writing.
2. These GBTC shall be deemed acknowledged at the latest upon the takeover of the goods or other performance by us. Subject to the provisions of Section 1740 Para 3 and Section 1751 Para 2 of the Civil Code, the conclusion of a contract with an amendment, deviation or reference to business terms and conditions other than ours is excluded; the acceptance of an offer under these circumstances shall always constitute a new offer, even if the conditions have not changed significantly. Purchase contracts concluded by us, as the seller, and referencing these GBTC (be it in one document or via order confirmation) require written form or a signature and a fax transmission. The same shall apply to all changes and contract amendments.
3. All statutory rights belonging to us outside the scope of these GBTC shall remain unaffected.
4. These GBTC apply to business relations with business-persons.
- acceptance within the time period, delivery is governed by the offer if the order confirmation is not available in due time.
2. Illustrations, drawings, dimensions, data on weight, output or consumption, as well as other descriptions in documentation attached to our offers are illustrative, unless they are explicitly identified as binding. This data does not constitute any guarantee of the properties of the goods. Data on the properties of the goods is descriptive only; these properties are mandatory only if explicitly declared as such in the contract or order confirmation. We reserve the right to change or amend the properties of goods, as long as these changes or amendments do not significantly affect the usual purpose of the goods in question.
3. For operational and technical reasons, deviations in quantity within 5% are acceptable in the case of consumables or very small parts; the purchaser is not entitled to any compensation for deliveries of smaller amounts within this tolerance.
4. The purchaser is obliged, unless reference is made in their order to particular catalogue data, to provide the seller with information on the purpose of use, method of installation, operational conditions and other information which must be considered to process the order.
5. Protective agents will be delivered with the goods according to an explicit agreement.
6. The purchaser is entirely responsible for ensuring that the goods ordered are suitable for the intended purpose, unless we declare the same explicitly in writing. If areas of application are defined for particular goods, they must only be used within these areas. We shall not be liable for any damage or other claims arising from any breach of this provision by the purchaser.
7. The seller reserves unlimited rights of title – as owner, originator and entitled user – with respect to all cost calculations, drawings and other documentation; these documents cannot be disclosed to third parties. If an order is not placed, all relevant drawings and other documents must be returned to us at our request without an undue delay.
8. All additional arrangements are only valid upon our written acknowledgement. This provision shall also apply to the waiver of this requirement for written form.

II. Offers, scope of performance

1. A written contract or our written confirmation of an order shall govern the scope of the respective delivery or performance, in the case of limited-time offers and

III. Special arrangements regarding written communication by fax or e-mail

1. If a notice (declaration of will) is sent electronically, it is deemed received once it has been delivered to the device of the recipient.
2. Should the recipient fail to activate the message received via e-mail the next business day after its receipt in their communication device, the receipt is deemed to have been thwarted.
3. The contracting parties jointly declare that notices sent in accordance with clauses 1 and 2 shall be legally effective.
4. In the event of correspondence via fax, the delivery of our notice is deemed proved upon the presentation of a message stating that the fax message was successfully sent.

IV. Price

1. In the absence of any different agreement between the parties, agreed-upon prices shall apply under the "ex works" rule, including loading, but excluding packaging. The costs of any special requirements of the purchaser with regard to transportation shall be charged separately. The agreed-upon prices do not include VAT; VAT shall be calculated accordingly pursuant to the applicable legislation in force as at the date of taxable supply.
2. If the agreed-upon delivery date or date of other performance is more than four months after the contract date, we reserve the right as seller to charge a reasonable increase in the price, if the conditions determining the price (especially our production costs, delivery costs, material costs, personnel costs etc.) have since significantly changed.

V. Retention of title

1. Until the settlement of all our claims, including balances and overdrafts, to which we are or will be entitled for whatever legal reason, we are entitled to request a reasonable security against debts up to an amount corresponding to 120% of our claims excluding VAT.
2. The title to the goods delivered (including packaging and protective agents, as long as they are included in the subject matter of the delivery) shall pass to the purchaser after the payment of the purchase price in full and the settlement of any debts arising from the purchase contract. The purchaser is obliged to take good care of the goods

while they remain our property. The purchaser is obliged to insure our goods against loss, theft or destruction up to the amount corresponding to their value, and name our company as the beneficiary of the insurance benefits, if instructed to do so.

3. The transfer of title to packaging entails, pursuant to Section 13 Para 1 Letter b) of Act No. 477/2001 Coll., on Packaging, the transfer to the purchaser of the obligation to repurchase and dispose of packaging wastes pursuant to Section 10 and 12 of the Act on Packaging, as well as other obligations stipulated by the Act for entitles who are obliged to repurchase and dispose of packaging waste.
4. The purchaser is not entitled to dispose of or further process the goods while they are still our property, nor can they encumber them or make them part of another thing. If the purchase price is not paid in due time, we shall have the right to enter the premises of the purchaser and remove goods that are still our property. Should the goods be processed or mixed, we shall have the rights stipulated by Section 1074 et seq. of the Civil Code.
5. Should the purchaser wish to transfer the goods still owned by us to a third person, the purchaser must acknowledge our title to the goods in writing, with authenticated signatures. In the event of resale, the purchaser shall assign to us, in lieu of the return of the goods, their claim towards their customer up to the amount of our claims towards the purchaser.
6. Should we become aware, after the conclusion of the contract, of circumstances suggesting that the purchaser may be insolvent, or should the purchaser be in default with regard to their obligations towards us, we are entitled to hand over the goods (co)owned by us, as a precaution, only after the settlement of our claims in full.
7. Should a third person assert a claim towards goods (co) owned by us or a receivable, especially as a result of the execution of judgment, the purchaser is obliged to prove to that third person/executor our ownership or title; furthermore, the purchaser shall be obliged to inform us immediately about these measures and support us in the defense of our rights. Should the goods be relinquished to us, this does not constitute a waiver of title or contract withdrawal.
8. In the event of deliveries in accordance with other legal frameworks, where the settlement of ownership issues according to clauses 1 to 7 is not possible, the purchaser is obliged to provide security which is as similar as possible to the retention of title and carry out all legal acts towards the creation and effect of these rights.



VI. Payment conditions

1. In the absence of other agreements, our invoices are due without any deductions within 10 days of receipt, in any event within 15 days of issue. Payments in cash or by BOE will only be accepted pursuant to a special agreement. We are entitled to set off a payment against the purchaser's oldest debts, even if the purchaser's conditions dictate otherwise. The purchaser shall be informed about the set-off of their payment.
2. Any payment shall be deemed made once we have the funds at our disposal. In the event of payments by cheque, a payment is deemed made once the cheque has been cashed.
3. In the event of any delay with payments, the purchaser undertakes to pay a contractual penalty corresponding to 0.05% of the amount owed for each day of the delay. The payment of the contractual penalty does not affect the right to claim damages exceeding the contractual penalty and statutory late interest. Should the purchaser fail to pay the purchase price within the reasonable grace period, we are entitled to withdraw from the contract and claim damages due to non-performance. We are not obliged to supply to the purchaser any goods while the supplier is in default with payments.
4. Should we become aware of circumstances suggesting insolvency of the purchaser, especially if a cheque bounces or the purchaser suspends payments, we are entitled to claim immediate settlement by the purchaser of all outstanding payments even though they are not yet due according to the original agreement. The same condition also applies in the case we have received a cheque.
5. The purchaser is only entitled to set off, withhold or reduce the agreed-upon price, even in the case of a complaint or counter-claim, if the counterclaim was granted by a final court resolution or acknowledged by us. The purchaser is entitled to assert their right of lien as long as their counterclaim is based on the same contractual relationship.

VII. Terms and dates of delivery and performance

1. Delivery terms and deadlines are binding only if they are explicitly agreed as such; these terms require a written agreement or a signature and fax transmission. In the absence of another agreement, the place of delivery is the factory of the seller, including loading in the factory (packaging not included).
2. We shall not be responsible for the delayed deliveries of

goods or other performance if such delays are caused by force majeure or other circumstances that significantly hinder or render impossible such deliveries, e.g. strikes, lockouts, measures of state authorities, which shall also apply to binding deadlines and terms. These provisions shall also apply where the same circumstances affect our contractors or subcontractors. Force majeure is a legitimate reason to postpone the date of the delivery or other performance for a period corresponding to the duration of the obstacle, plus a reasonable start-up period. Should the force majeure event significantly change the economic significance or the scope of the delivery or other performance by us, we are entitled to request a reasonable contract amendment. Should the aggravating circumstances of force majeure last for more than one month, we shall be entitled to withdraw from the part of the contract which has yet to be performed. Should we assert the right to withdraw from the contract we shall, having reviewed the scale of the consequences of the force majeure, inform the purchaser about our intentions. If, due to force majeure, the deadline for the delivery is postponed, or should we waive this obligation, we shall not be liable for any resulting damages. However, our entitlement to relate non-performance to force majeure is subject to previously having given immediate notice to the purchaser about such event.

3. In the case of our breach of binding deadlines or delayed performance, the purchaser is entitled to a contractual penalty corresponding to 0.05% of the value of the performance or delivery for each day of the delay, but in any event no more than 5% of the value of the affected delivery or performance. Other claims or compensation due to delay exceeding the aforementioned amount are excluded.
4. We are always entitled to perform, in whole or in part, earlier than agreed.
5. The fulfilment of our obligations with regard to the delivery of goods or other performance is based on the proper and timely fulfilment of obligations by the purchaser. The deadlines for our deliveries and other performance shall always be postponed to reflect the delay on the part of the purchaser with the fulfilment of their obligations towards us (including advance payments), plus a reasonable start-up period.
6. Delivery dates are deemed met once the goods have left our factory or once we have informed the purchaser that the goods are ready to be shipped.
7. In the event of a delay with the delivery of goods on our part and upon the expiry of a grace period granted by the purchaser, the purchaser is entitled to withdraw from the contract via a written notice of termination.

8. In the event of a delay on the part of the purchaser with the takeover of our performance, we are entitled to claim damages; in the event of a delay on the part of the purchaser with their obligation to take over the performance, the risk of damage or accidental destruction of the affected goods shall pass to the purchaser.

VIII. Delivery of software

1. For deliveries of software, we shall grant to the purchaser non-exclusive and non-transferrable rights to use the software and its documentation in order to operate goods to which the software was attached. The purchaser may not make any copies or duplicates with the exception of one backup copy. Information on copyright, serial numbers and other identification data may not be removed or changed.
2. The purchaser is obliged to adopt appropriate measures so as to prevent unauthorised access to the software and its documentation. The original data carriers and the backup copies must be kept at a secure location. The purchaser is obliged to instruct their employees to abide by these delivery conditions and the relevant copyright legislation.
3. Our liability with regard to the loss or change of data is limited to the usual costs of renewing data which would normally have been incurred had backup copies been made on a regular basis as a precaution.

IX. Transfer of risk of damage to goods and takeover of performance

1. The risk of damage to goods shall pass to the purchaser upon the shipment of goods to the purchaser at the latest, even in the case of partial shipments, or if we have assumed obligations for additional performance, e.g. the costs of shipment, transportation or installation. Should the shipment of the goods become impossible due to circumstances beyond our control, the risk of damage to the goods shall be transferred upon our notice that we are ready to ship the goods to the purchaser.
2. In the event of delayed shipment of goods due to circumstances beyond our control, the risk of damage to the goods shall pass to the purchaser on the day we are ready to ship the goods.
3. The purchaser is obliged to accept the goods, even with minor defects.

X. Liability for defects

1. The purchaser is not entitled to refuse to accept goods due to minor defects that do not affect the functionality of the product. The purchaser is obliged to inspect the goods and check them for any defects (especially obvious defects, damage, the completeness of the shipment and its contents) immediately upon receipt. Should the purchaser discover an inconsistency during the takeover or later, they must inform us in writing within 5 days and describe the defect in the greatest detail possible. Should the purchaser fail to notify us about the defect, the goods will be deemed to be free of evident defects. A complaint regarding an evident defect can be accepted after the expiry of the aforementioned period, only if, based on the circumstances, it is clear that the defect existed prior to handover and only became apparent since. In the event of any dispute, the purchaser is obliged to prove that the defect already existed upon the transfer of risk of damage to the goods. The seller is entitled to verify the legitimacy and scope of the defect.
2. We shall assume responsibility for the usability of goods for a particular purpose, or for particular properties of the goods, as long as they have been agreed in advance. Other than that, the risks associated with the usability of the goods for the intended purpose shall be borne by the purchaser. Where we have informed the purchaser about certain general technical conditions or provided other instructions or data regarding the use of the goods, the purchaser must abide by them and furthermore forward them to their customers and ensure they abide by them. We shall not be liable for defects caused by a breach of user manuals and instructions. Our product liability especially does not apply if, and to whatever extent, damage to the goods or property of the purchaser occurs as a result of any of the circumstances listed below:
 - a. faulty further processing, assembly or other treatment, electrochemical or electrical issues not foreseen in the contract;
 - b. faulty installation of the subject matter of the delivery by the purchaser or a third person, unless caused by our erroneous instruction;
 - c. failure to abide by installation instructions and conditions of use and operation as stipulated by the documentation, user manual or other notices;
 - d. usual tear and wear which is not caused by defects in manufacture or material;
 - e. improper use or unauthorised changes and repairs by the purchaser or a third person who is not qualified to do so, or due to the use of non-original spare parts or equipment or fluids.



3. The return of goods in the event of a defect is subject to our prior consent, otherwise we shall not be obliged to accept the goods and the purchaser shall bear the costs of transportation.
4. In the event of repair or new performance as a result of a legitimate complaint, the provisions of article VII governing delivery terms shall apply accordingly.
5. In the event of a legitimate complaint where we are liable, the purchaser has the following rights:
 - a. The purchaser is entitled to claim for the defect to be removed. We shall decide, at our discretion, whether to repair the product or deliver a new product. We shall bear the costs associated with the procedure, unless the costs have risen owing to the goods having since been removed from their original delivery address; any additional costs incurred due to the goods being at a different address shall be borne by the purchaser.
 - b. We are entitled to hire a third person to repair the defect. If the defect is not repaired at the first try, we are entitled to a second attempt. If the defect is not repaired at the second attempt, the purchaser is entitled to withdraw from the contract or to claim a discount.
 - c. Should the complaint be dismissed, the purchaser shall reimburse us for all costs incurred by us in relation to the complaint procedure.
6. The limitation period with regard to claims arising from defective products shall be one year.
7. If a warranty period has been granted, the purchaser must assert their rights arising from a product defect during the warranty period.
8. Purchaser's claims exceeding the aforementioned liability for defects are excluded.
9. Should the purchaser assert their right to lodge a complaint, they can withhold or set off a payment up to the amount explicitly acknowledged by us.

XI. Liability for damage

1. Our liability for damage caused by wilful negligence or gross negligence, or for any harm to natural rights is not limited.
2. Damage caused by simple negligence is limited to one half of the purchase price of the affected goods, excluding VAT. The same shall apply to claims for damages arising from defects or the failure to meet the deadline of our performance, or the failure to fulfil an obligation.

3. Statutory liability for damage caused by defective products is not affected by the provisions of these GBTC.
4. Notwithstanding other provisions of this article, the amount of damage compensation in the case of simple negligence shall not exceed CZK 10,000.
5. Any remedy by us of a material defect or payment of compensation does not constitute acknowledgement of a debt, unless explicitly stated otherwise in writing.

XII. Other obligations of the purchaser, export control

1. The purchaser may not change the goods in aspects relevant to product safety. In particular, the purchaser may not remove warning labels informing about restrictions of use. Should the purchaser breach this provision, we shall be relieved of our obligations with regard to compensating damage caused by product defects.
2. In the event of any product recall due to defects, or any warning in this regard, the purchaser shall cooperate as necessary and comply with all measures adopted by us.
3. The purchaser undertakes to immediately inform us about all risks associated with the use of our goods, if any.
4. Deliveries of goods, software or technologies pursuant to the contract may be subject to export control or export restrictions. In the event of sale to a foreign country, the purchaser undertakes to abide by all relevant restrictions and regulations in this regard, including national, European and U.S. regulations on (re)export. In the event of the resale of our goods, the purchaser undertakes to inform their customer about the relevant provisions on export control regulations and assign to them the relevant obligations arising from these regulations.
5. In particular, the purchaser undertakes not to allow, directly or indirectly, the use of our goods with WMD or their carriers. Furthermore, the purchaser undertakes not to allow, directly or indirectly, the end use of our performance for military purposes in countries subject to weapons export embargoes. In particular, the purchaser undertakes not to sell, export, re-export, supply, provide or make available the performance, directly or indirectly, to persons, firms, institutions, organisations or entities in particular countries if the same were to constitute a breach of national, European or other applicable laws on export control, e.g. U.S. export regulations.
6. The purchaser undertakes to provide, at our request, documents on the final use of our performance, in order to prove the place and purpose of the final use of goods.

7. The purchaser is fully liable for damage incurred by us as a result of a culpable breach of export control rules or U.S. (Re)Export provisions.
8. The performance of our contractual obligations is based on the granting of relevant export or import permits, or other licenses required in accordance with the relevant cross-border trading legislation, or in accordance with the decisions of competent state authorities, and when we are not prevented from performing by legal restrictions according to relevant export control laws.
9. All taxes, charges and customs fees incurred in relation to our performance outside the territory of the Czech Republic shall be borne by the purchaser and the purchaser undertakes to reimburse us for these costs as incurred.

the event of any loopholes, the validity of the remaining provisions of the contract shall remain unaffected. The contracting parties have agreed to replace any such ineffective or unenforceable provision with an effective and enforceable provision as similar as possible to the original provision in terms of its purpose and meaning, and, in the case of a loophole, to the original intention of the contracting parties that would have been achieved had the parties considered the provision in question before concluding this contract.

XIII. Confidentiality

The contracting parties undertake to keep confidential all confidential information and trade secrets received from the other party and which have been identified as such or deemed confidential based on the relevant circumstances. The contracting parties shall not record, disclose or use this confidential information. The contracting parties shall conclude agreements with their employees and authorised persons to ensure that they do not disclose, use or record in an unauthorised manner the aforementioned trade secrets.

XIV. Final provisions

1. The purchaser is only entitled to assign the rights and obligations arising from this contract, or this contract as a whole, to third parties with our prior written consent.
2. The legal relationship established between the parties shall be governed by Czech legislation, especially Act No. 89/2012 Coll., the Civil Code. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.
3. All disputes arising from this contractual relationship, directly or indirectly, shall be settled before a court in whose jurisdiction is the registered seat of the seller. However, we are also entitled to file a lawsuit with a court in whose jurisdiction is registered the purchaser.
4. The registered office of our company is the place of performance of all performances by the contracting parties.
5. In the event of the partial or total invalidity, ineffectiveness or unenforceability of any provision of this contract, or in



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