

General Terms and Conditions

1./ Introductory Provisions

1.1./ These General Terms and Conditions (hereinafter referred to as GTC) arrange contractual relationship between the Seller and the Buyer.

1.2./ The subject of the contractual relationship is the obligation of the Seller to hand the goods specified in this Purchase Contract over to the Buyer and enable him to get the proprietary right to them and the obligation of the Buyer to accept these goods and pay the Seller purchase price for them.

1.3./ Different arrangements in the Purchase Contract take priority over the wording of these GTC.

2./ Contractual Relationship

Contractual relationship between the Seller and the Buyer is based on the Purchase Contract which comes into existence:

2.1./ By concluding the written Purchase Contract between the Buyer and the Seller.

2.2./ When the Seller accepts the order and confirms it.

2.3./ When accepting the order and handing the ordered goods over.

2.4./ When the Seller sends the draft contract and the first request for the goods delivery is made.

3./ Subject of Fulfilment

3.1./ The subject of fulfilment is mainly the goods specified in the Contract.

3.2./ The Buyer is always responsible for the final specification of the goods and for the fact that the goods will be suitable for the purpose intended by the Buyer. With respect to the fact that the goods manufacturers / the Seller do not have to know all needed information about the way of their use, the possible consultations and the opinions resulting from them and the Seller's declarations are always only approximate and not binding. The final selection of the goods and their specification must be always performed by the Buyer. Thus, the Seller / goods manufacturer is not responsible for the suitability of the goods for the purpose intended by the Buyer.

3.3./ If for the duration of contractual relationship based on the Purchase Contract the deliveries of the quantity given in the Purchase Contract are realized and the Buyer wants to continue in purchasing the goods and services under the agreed conditions, the Purchase Contract will be automatically changed to the Framework Agreement on Purchase of Goods of which conditions (except for the quantity), including the determination of price, terms of payment, these GTC, etc., will apply to other deliveries for the duration of this Contract or Framework Agreement. However, the Contracting Parties explicitly determine that in such case the Seller is entitled to refuse required individual deliveries.

4. Claiming the Request for a Delivery by the Buyer

4.1./ The Buyer is entitled to claim the requests (orders) for particular deliveries according to the relevant Purchase Contract for the period of duration of contractual relationship based on the relevant agreement.

4.2./ In case that the Seller delivers the goods to the agreed place the Buyer is obliged to notify the Seller about the persons who are authorized to accept the subject of fulfilment in the place of fulfilment on his behalf. The Buyer is obliged to make sure that some of these persons will be present and accept the subject. The consequences resulting from the non-fulfilment of this obligation will be charged to the Buyer. If there are any doubts, it is presumed that a person ordering the goods and a person accepting the fulfilment in the place of fulfilment and confirming this on behalf of the Buyer are the persons authorized to do this.

5. Performance of Deliveries

5.1./ Deliveries are carried out on the basis of the contract and in compliance with particular requests (orders) of the Buyer confirmed by the Seller.

5.2./ The place of fulfilment is:

- The Seller's place of business unless explicitly agreed another place;
- Other place – which is explicitly given in the contract.

5.3./ If the place of fulfilment is other than the Seller's place of business then it applies that the Seller will provide transport from the Seller's place of business and the Buyer is obliged to pay costs of this transport

5.4./ The Seller will issue a bill of delivery (or other similar document of goods delivery, e.g. statement) (hereinafter referred to as "bill of delivery") to each delivery which contains at least the name of the Seller and the Buyer, type and quantity of delivered goods.

After handing the goods over to the Buyer, the risk of damage to the goods is passed over to him.

6./ Consequences of Failure to Accept Delivery or Refuse It

6.1./ In case that the Buyer will not take the goods or the supplier will not be able to deliver the goods according to the agreed specification within 30 days after the agreed date of delivery, the Seller will charge the Buyer with the contractual penalty amounting to 60 % of the total not delivered quantity of the goods VAT excluded and at the same time, he is entitled to withdraw from the contract.

7./ Other Conditions and Facts Related to Fulfilment

7.1./ If the place of fulfilment is the Seller's place of business, the Buyer undertakes to:

- Pay attention to generally binding regulations on the Seller's premises and proceed according to the instructions of the Seller;
- Become familiarized with traffic and operating rules of the place and procedure for goods transport and follow them;
- All obligations given in this article will be also fulfilled by all the employees of the Buyer as well as by other persons which are used for the fulfilment of this contract and thus carriers and drivers;
- Provide the drivers of carriers with the proper and valid authorization to accept the goods and make sure that the drivers will submit this authorization when accepting the goods; if the Buyer does not fulfil this obligation, the Seller is entitled to refuse to hand over the goods on condition that in such case the Buyer is obliged to pay the Seller the contractual penalty according to article 6.1 given above.

8./ Quality, Compliance, Guarantees, Rights Resulting from Defects

8.1./ Goods quality is given and checked according to the relevant technical specifications.

8.2./ Where required by legal regulations, the Seller issues for the goods the Declaration of Conformity or the declaration of properties in compliance with the Act no. 22/1997 Coll., on Technical Requirements for Products, as amended, and with valid Government Decree or the declaration of properties according to the regulation of the European Parliament and Council (EU) no. 305/2011 (CPR).

8.3./ The Buyer's rights resulting from invalid fulfilment are governed by relevant provisions of legal regulations unless the Purchase Contract or these GTC stipulate otherwise.

The Seller draws the Buyer's attention to the fact that any modification of the delivered goods is the intervention having an impact on final properties of the goods. The Buyer takes into account that any modification of the goods is not in compliance with the agreed specification and relevant standard and the Buyer has no rights resulting from goods defects unless the Buyer proves that the defects were caused solely by breaching the obligations when manufacturing the goods.

The Seller does not provide quality guarantee unless it is explicitly agreed in the Purchase Contract. If the quality guarantee is granted, then the Buyer does not have the rights resulting from such guarantee in following cases:

- The goods were manufactured upon the Buyer's request and of the material he supplied himself;
- The Buyer ordered (specified) the goods in contradiction with the conditions of its use;
- The Buyer does not provide proper use of the goods in compliance with the requirements of valid technical regulations;
- The Buyer does not observe the conditions for granting the guarantee agreed in the contract.

8.4./ The Buyer is obliged to notify the Seller of the goods defects immediately after finding them. The Buyer is obliged to exercise the rights resulting from faulty fulfilments with the Seller without undue delay after finding them. There will be made a record of defects found whereas each record will contain the specification of the exercised defect, including the scope, date of the record, the Seller's statement and signatures of the persons entitled to act on behalf of the Buyer and the Seller. Defect record will become a part of documentation related to the defect claims.

9./ Prices and Terms of Payment

9.1./ All prices are agreed via the agreement concluded between the Seller and the Buyer. In case of not transferred obligation to pay VAT the Seller can add legal VAT.

9.2./ The Seller is entitled to bill goods deliveries paid otherwise than in cash upon the acceptance of the goods on a pay-as-you-go basis after their realization. Term of invoices payment is fourteen days and is counted from the date of the invoice issue unless agreed otherwise.

9.3./ A financial amount is settled as soon as the relevant amount is credited on the Seller's account given in the invoice. If the Buyer is late with the payment of purchase price or any other payment, the Seller is entitled to ask the Buyer for payment of late interests at the agreed amount of 18 % p.a. from the outstanding amount. This does not affect the Seller's right to the payment of damage in full.

9.4./ If the Buyer is late with his payment, the Seller is also entitled to require the payment of contractual penalty amounting to 0.3 % of the outstanding amount for each day of delay. The arrangement for

contractual penalty has not impact on the right to the payment of damage occurred by non-fulfilment through the contractual penalty of confirmed obligation. The Seller and the Buyer affirmatively declare that the contractual penalty agreed in this way is adequate with regard to the value and importance of the provided obligation and with regard to the agreed Terms of Payment.

9.5./ Delay in the payment of purchase price is considered the substantial breach of the Purchase Contract. If the Buyer is late with his payment even though it is a part of purchase price, the Seller is entitled to:

- Require advance payment or payment in cash when handing over the goods in case of all other deliveries on the basis of all agreements concluded between the Buyer and the Seller, and if the Buyer does not accept this, to refuse fulfilment of deliveries resulting from all the contracts concluded between the Seller and the Buyer;
- Refuse any other fulfilments until the debt is paid namely from all the contracts concluded between the Seller and Buyer;
- Terminate contractual relationship based on the Purchase Contract as well as all other legal relationships based on the contracts concluded between the Buyer and the Seller with the effect on the date when the notice was delivered to the Buyer.

9.6./ If the Buyer accepts delivery and does not exercise the rights from defect fulfilment or from the guarantee, if granted, or he does not exercise these rights properly and/or on time, or if these claims are not recognized as entitled, the Buyer is obliged to pay the invoices for accepted deliveries in full and on due date.

9.7./ Purchase price will be paid by the Buyer on the basis of the invoices issued by the Seller. The invoices will be issued by the Seller and will contain all requisites of the proper accounting and tax document.

9.8./ To determine the quantity of the delivered goods and services which will be invoiced there is decisive the quantity given on the bill of delivery or in the Purchase Contract.

9.9./ If the Buyer gets into liquidation or insolvency proceedings starts, he is obliged to notify the Seller about this immediately. In this case, the Seller is entitled to terminate the contract with the effect on the date when the notice is delivered to the Buyer. The Seller is also entitled to require advance payment or cash payment with all other deliveries when handing over the goods or require the guarantee of security of all debts of the Buyer towards the Seller in relation to goods deliveries. If the Buyer does not accept this, the Seller has the right to refuse the fulfilment of deliveries from all the contracts concluded between the Seller and Buyer.

9.10./ The Buyer is obliged to compensate the Seller for all costs related to the recovery and claims of the Seller's receivables for payment of the outstanding purchase price, including the costs of the third party's remuneration which will collect the receivable for the Seller on the basis of the contractual relationship, as well as court costs / costs of arbitration, costs of legal representation, etc. Instead of the costs given in the previous sentence the Seller is also entitled to require only the costs related to the exertion of the receivable at the amount given by legal regulations.

9.11./ The Buyer is not entitled to set off unilaterally his receivables against the Seller's receivables. The Buyer must not transfer his receivables towards the Seller resulting from the contract or related to it to the third parties without the previous written consent of the Seller.

10./ Complaints Procedure and Compensation of Damage

10.1./ The defects obvious upon the acceptance of the goods, so all defects which can be found when handing over and accepting the goods - mainly quantity of the goods and the difference between properties (specification) of the goods as agreed and as stated in the bill of delivery, the Buyer is obliged to notify this in writing ("lodge a complaint") when accepting the goods and this complaint can be also made on the given bill of delivery.

This provision will be also used adequately in case of other defects.

10.2./ The Buyer has the right to the compensation of damage caused by goods defects only in case that he notifies the Seller of the relevant defects properly and on time and enable him to check these defects.

11./ Jurisdiction

11.1./ The Contracting Parties agreed that this Contract is governed by the legal order of the Czech Republic. In case of a dispute resulting from this contract or based on this contract, including disputes regarding the contract validity, the proceedings will be carried out by the relevant general courts of the Czech Republic with jurisdiction according to the Seller's place of business.

12./ Final Provisions

12.1./ The arrangement for contractual penalty has no impact on the right to the compensation of damage caused by non-fulfilment by the contractual penalty of confirmed obligation namely in full.

12.2./ If the Buyer is a physical person, he agrees that the Seller can proceed all data provided by him in compliance with relevant provisions of the Act no. 101/2000 Coll., on Protection of Personal Data. The Seller will proceed provided personal data in the scope and for the purpose of negotiation of this as well as of all other contractual relationships with the Buyer, fulfilment of the Purchase Contract, offer of trade and services, entitled publishing of personal data and protection of the Seller's rights. The Buyer explicitly agrees that if he owes anything to the Seller on the basis of the Purchase Contract, the Seller is entitled to hand over such data to other members of the group or to the subjects which will provide collection services related to the enforcement of the Buyer's debt. The Buyer will be provided with the list of the group members upon his written request. The Buyer explicitly agrees with proceeding of identification data and data on the order by the external supplier providing such services for the Seller.

12.3./ The Purchase Contract can be changed or terminated only by the written agreement of both parties. The Purchase Contract can be changed only in the form of written, numbered, dated and properly signed amendments to the contract.

12.4./ If there is a reason for withdrawal due to the delay of one of Contracting Parties, this withdrawal must be made explicitly and in a written form.

12.5./ The parties declare that they have concluded the Purchase Contract freely, seriously and under no constraint and its content corresponds to their free and true will. In witness whereof, they set their hand.