

# General Terms and Conditions

## **1. Use of the General Terms and Conditions**

- 1.1 These general terms and conditions (hereinafter the „**T&C**“) govern all contracts for the sale of goods, orders, offers, order confirmations and acceptance thereof in connection with products sold by the company VITRABLOK, s.r.o., with its registered seat at Duchcov, Bílinská 42, Postcode 419 01, the Czech Republic, ID No.: 06494315, registered in the Commercial register maintained by the Regional Court in Ústí nad Labem under file no. C 41329 (hereinafter the „**Seller**“). Any references to general terms and conditions other than these T&C made by the purchaser in the order or in the acceptance of an order confirmation are ineffective.
- 1.2 The contract is deemed to be executed at the moment when the purchaser accepts the Seller’s proposal for the conclusion thereof that contains the specific conditions for the delivery of goods which the Seller has sent to the purchaser based on its order (hereinafter the „**order confirmation**“). The purchaser is not entitled to carry out any changes or modifications whatsoever to the order confirmation in its acceptance.
- 1.3 By placing any order or by accepting any order confirmation, the purchaser declares that it has read and agrees with these T&C and with the fact that the information contained in the catalogues or on the Seller’s Website shall not constitute an offer to conclude a contract.

## **2. Delivery of the Goods**

- 2.1 Unless stated otherwise in the contract or herein, the delivery of goods is governed by the Incoterms 2010 clauses specified in the order confirmation. The dispatch date will be prolonged in objectively justified cases for the duration of unforeseen events and, if in such case the goods are not dispatched on the original dispatch date, the purchaser is neither entitled to withdraw from the contract nor to make compensation claims for any damage or late payment interest.
- 2.2 Where the purchaser’s driver or a carrier authorised by the purchaser takes over the goods, it is deemed that the goods were duly handed over to and taken over by the purchaser. The goods are deemed to be taken over without reservations, unless the Seller is notified by the purchaser in writing with a list of specific reservations within 48 hours following takeover of the goods.
- 2.3 Upon takeover of the goods, the purchaser is fully and solely responsible for the use and storage and other handling of the goods, and is also responsible for compliance with legal standards relating to environmental protection in connection with the goods, packaging and packing material. The risk of damage to the goods and liability for any loss and damage which the goods may incur, whether it is partial or complete shall pass to the purchaser upon takeover.

## **3. Withdrawal from the Contract by the Purchaser**

- 3.1 Unless stated otherwise, the purchaser shall not be entitled to withdraw from the contract or to amend the order once it has accepted the order confirmation. In case of withdrawal from the contract or modification of the order made more than 5 working days before the intended dispatch of the goods, the Seller is entitled to request that the purchaser pay a contractual penalty in the amount of 50% of the purchase price for the originally ordered goods that were not taken over by the purchaser. In case of withdrawal or modification made 5 or less working days before the intended dispatch of the goods, the contractual penalty shall amount to 100% of the purchase price for the originally ordered goods that were not taken over by the purchaser.

## **4. Retention of Title**

- 4.1 The delivered goods shall remain the Seller’s property until full payment of the purchase price and all ancillary payments are made by the purchaser (hereinafter the „**Purchase Price**“). Until full payment of the Purchase Price, the Seller reserves the right to reclaim the goods at the expense of the purchaser, regardless of where or in whose possession the goods are. The purchaser acknowledges that the goods must always be clearly identifiable under all circumstances, and until full payment of the Purchase Price has been made to the Seller. Such goods shall be considered as security for debts which the purchaser has towards the Seller.
- 4.2 Where the purchaser has yet to pay the Purchase Price to the Seller and is selling the goods within the normal course of its business, the purchaser hereby assigns all receivables towards the

new acquirer of the goods to the Seller. In the event the purchaser has yet to pay the Purchase Price to the Seller and is further processing the goods, the purchaser hereby assigns its rights to the newly created thing to the Seller to the extent of the Purchase Price of the processed goods. If the goods are sold by the purchaser together with other goods which are not owned by the Seller, the purchaser hereby assigns such part of its receivables that has arisen based on the further sale, which is equal to the amount charged for goods delivered by the Seller.

- 4.3 The purchaser is revocably empowered by the Seller to enforce the Seller's receivables from the further sale or processing of the goods. If the purchaser is called upon to do so, it must notify the new acquirer of the assignment of receivables and provide the Seller with all necessary cooperation in enforcing its rights, in particular to provide the Seller with all necessary information and to deliver the necessary documents.

## **5. Securing of Debts**

- 5.1 The Seller reserves the right to request sufficient security for the purchaser's debts from the purchaser in order to ensure due performance of all agreed contractual terms and conditions. For example, the Seller may require advance payments, prepayments, a letter of credit or a bank guarantee. Where in specific cases the Seller agrees to payment or securing by means of promissory notes, all costs incurred therewith shall be borne by the purchaser.

## **6. Payment of the Purchase Price**

- 6.1 Unless agreed otherwise in a specific case, the price of the goods specified in the order confirmation shall not include shipping costs, packaging or any fees.
- 6.2 Unless agreed otherwise in a specific case, the purchaser is obliged to pay the full amount of the Purchase Price prior to the dispatch of the goods based on an invoice issued by the Seller, and exclusively by wire transfer to the Seller's bank account as stated on the invoice. The Seller is authorised to issue electronic invoices.
- 6.3 The Purchase Price is considered to be paid at the moment when the money is credited to the Seller's account. In case the agreed payment method is by cheque, the Purchase Price is considered to be paid after the cheque was cleared and the respective amount credited to the Seller's account. The Purchase Price must be paid in the currency specified on the invoice; otherwise the purchaser is obliged to reimburse the Seller for any and all costs which it incurs in connection therewith.
- 6.4 In the event the purchaser is obliged to carry out any deductions or other similar payments from the Purchase Price under the relevant legislation, arising out of or in connection with any taxes, fees or duties (including penalties and interest payable in connection with non-payment or late payment), the Purchase Price shall be paid in such an amount that, after all relevant deduction, the Seller receives an amount that is equal to the amount which the Seller would have received if the relevant deduction did not have to be made.
- 6.5 Unless agreed otherwise in the contract, the purchaser is obliged to pay late payment interest to the Seller in the amount of 0.05 % from the amount owed for each commenced day of default. Payment of any late payment interest shall not affect the purchaser's obligation to indemnify the Seller for any loss caused by breaching its obligations.
- 6.6 The Seller reserves the right to limit or cancel the agreed and prepared orders and to withdraw from any contracts entered into with the purchaser, if the purchaser fails to duly fulfil its payment obligations.

## **7. Withdrawal from the Contract by the Seller and Suspension of Deliveries**

- 7.1 The Seller reserves the right to suspend the agreed deliveries of goods or to withdraw from the contract without further notice and without the obligation to pay the purchaser any compensation or redress for any loss, particularly in case of non-performance of contractual obligations by the purchaser or where:
- insolvency proceedings have been initiated against the purchaser; the purchaser has been cancelled, it has merged with another entity or demerged, it has changed its legal form or the purchaser's registered office or activities have changed; or
  - the purchaser's goods are seized or detained by the state authorities; or

- in the event any other circumstances arise which could have an adverse effect on the purchaser's ability to duly fulfil its obligations under the contract.

## **8. Liability for Defects**

- 8.1 Any defects of the goods must be claimed in writing with the Seller's commercial department. Any defects which are already apparent upon takeover of the goods must be claimed as soon as possible, but no later than seven (7) days following takeover of the goods by the purchaser (the carrier). Defects which may be ascertained only following takeover of the goods and after the goods have been unpacked by the final beneficiary must be claimed within (6) months from the date of takeover of the goods by the purchaser (the carrier). Hidden defects must be claimed within two (2) years following takeover of the goods by the purchaser (the carrier). Rights to defects claimed late are not admissible.
- 8.2 When making a claim for defects it is always necessary to provide:
- a description of the defects being claimed and extent thereof;
  - data which are important for identifying the claimed goods (esp. invoice number, waybill number and delivery date);
  - the numeric code (specified in the side coat of paint) of at least several claimed pieces; and
  - appropriate evidence (photos, etc.).
- 8.3 The purchaser does not have the right to claim defects in case of incorrect usage, installation or handling of the goods, whether by the purchaser or by a third party. The Seller is not obliged to deliver new goods in case the purchaser is in default of payment of the Purchase Price. The purchaser is obliged to acquaint the final beneficiaries of the goods with the technical standards and conditions for use of the goods.

## **9. Limitation of Liability for Damage**

- 9.1 In the event the purchaser incurs any additional losses as a result of defects in the goods, the Seller's liability shall be limited by 300 % of the Purchase Price. The Seller shall not assume any liability for losses incurred by third parties. The purchaser assumes full liability for the goods in relation to the final beneficiaries.

## **10. Assignment of Receivables by the Seller**

- 10.1 The Seller shall be entitled to assign all of its receivables towards the purchaser to third parties, even without the purchaser's consent. Without the Seller's prior written consent, the purchaser shall not be entitled to assign any of its receivables against the Seller to a third party.

## **11. Communication between the Parties**

- 11.1 Any communication relating to orders, order confirmations or contracts, including invoices, shall be carried out exclusively by e-mail to the parties' addresses referred to in the order confirmation, unless the parties have agreed otherwise. It is deemed that e-mail satisfies the requirement of written form. Shipments which are sent by the postal service shall be deemed delivered on the third (3rd) working day following dispatch to an address in the same state, and the fifteenth (15th) working day following dispatch to an address in another state. E-mails are considered delivered upon notification of their receipt by the recipient's server.

## **12. Confidentiality**

- 12.1 The parties undertake to maintain confidentiality in relation to any information that they have learned within the context of performing the subject matter of any contract governed by these T&C.

## **13. Governing Law and Arbitration Clause**

- 13.1 Contracts concluded under these T&C shall be governed by the laws of the Czech Republic and all disputes arising from these contracts or in connection therewith shall ultimately be resolved by the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic, under its Rules by one arbitrator appointed by the Chairman of the Arbitration Court. The arbitration proceedings shall be conducted in Prague, Czech Republic, in the Czech language, unless the parties agree otherwise.

#### **14. Final Provisions**

14.1 For the contractual relationships governed by these T&C:

- an extended period of limitation to ten (10) years for exercising the parties' rights shall apply;
- the use of commercial practices is excluded; and
- the parties themselves take the risk of a change in circumstances, and thus cannot seek any changes in their contractual obligations by the court.