

# **General Conditions of Sale**

## **General Provisions**

1. These General Conditions of Sale shall be entirely applicable unless the contracting parties in the respective purchase contract (hereafter simply referred to as the "purchase contract" or "contract") agreed some conditions different or deviating of these General Conditions of Sale.
2. Any changes to this contract must be documented in a written agreement of both contracting parties.

## **Delivery Conditions and Contractual Performance**

3. The place of performance shall be the place specified in the purchase contract – agreed delivery parity according to the appropriate clause of INCOTERMS 2010.
4. Passing of risk takes place in compliance with the agreed delivery parity according to the appropriate clause of INCOTERMS 2010.
5. The contract is regarded as fulfilled if the goods were delivered within a quantity tolerance of +/-2%, unless otherwise stated according to procedures customary in commercial transactions or required by the contract.
6. Provided that this contract does not stipulate otherwise, the details provided by the seller determine the quantity and quality of delivered goods.

## **Terms of payment**

7. The purchase price shall be paid on the day of posting the credit of invoiced carrying amount to the seller's account.
8. The buyer is not entitled to offer the purchase price or parts thereof for the purpose of a set-off of mutual claims including compensation for possible claims or damages.
9. If the buyer defaults on the payment of the purchase price, the seller is entitled to withdraw from the contract and to claim compensation for the damage incurred. In the event that the seller does not withdraw from the contract, he is not obliged to deliver the goods during the length of stay under initial or new contract.
10. If the buyer defaults on the payment of the purchase price, the seller is entitled to withhold the still not performed deliveries resulting from other contracts concluded with the buyer without signifying violation of these contracts or violation of obligation by the seller and in these cases a right of the buyer to withdraw from the contracts does not arise.
11. If an instalment payment of the purchase price has been agreed, the entire purchase price shall become due and payable if the buyer shall be in arrears with one instalment.
12. If the buyer defaults on the payment of the purchase price, he is obliged at seller's request to confirm the acknowledgement of debt, to acknowledge a debt if necessary and to agree a payment schedule in the form of a notarial record.
13. In case of repeated default due to coverage for commitments of the buyer or in case of detected circumstances that would mean the deterioration of the economic situation of the buyer, the seller is entitled to change the payment term. He is obliged to notify the buyer of this in writing.
14. In case of default due to coverage for financial commitment, the buyer is obliged to pay a contractual penalty amounting to 0,045% of the amount due for each day of default. The contractual penalty is due within 20 days after receiving a contractual penalty invoice. Payment of the contractual penalty by the buyer does not affect the seller's title to reimbursement of damage.

## **Complaints**

15. The seller is liable for damages occurred to the goods up to the time when the risk of damage to the goods passes on to the buyer.

16. The buyer shall inspect the goods immediately after the risk of damage to the goods passed on to the buyer.

17. All claims of the buyer will be forfeit as far as they have not been notified to seller immediately in writing as follows:

- Within a period of three days from the date when the risk of damage to the goods passes on to the buyer,
- Within a period of thirty days from the date when the risk of damage to the goods passes on to the buyer in the case of hidden defects, all of these unless otherwise provided by a contract.

The complaint has to be made immediately by fax or by e-mail of the seller and subsequently confirmed in writing by registered letter. The assertion of a complaint and specification of complaint faults must be documented in a proper manner.

18. After the assertion of a complaint has been made, the buyer may without prior written approval of the seller only dispose of the goods in the manner that might not make it difficult or impossible to verify the justification of the complaint or its part by impartial personnel responsible for the control.

19. At the request of the seller the buyer is obliged to solve the complaint under participation of seller's representatives at the place where the defect was detected or at the place where the goods for which a complaint was made are to be found.

20. If the complaint is correct, the seller shall, at his discretion, be entitled to:

- make delivery of the missing quantity of goods or to perform a replacement delivery according to the original terms or to grant a discount.

### **Delivery of goods in another EU member state and export of goods outside the EC**

21. The buyer is obliged to inform the seller before the realization in writing as follows:

- Indication of VAT registration (hereafter simply referred to as the "VAT") in EU member state and tax identification number,
- Territorial destination of the goods (i.e. if the goods are destined for direct transportation from Czech Republic in another EU member state = delivery in another EU member state or outside the EU area = export),
- In the case of the export of goods (outside the EU) must the buyer submit a written statement to the seller declaring that the buyer does not have in the Czech Republic any registered offices, place of business in the context of regulation in the area of VAT or business address.

22. The buyer is obliged immediately inform the seller in writing of any changes of the facts mentioned in the previous article of these General Conditions of Sale.

23. Should the transport of goods not be secured by the seller, the buyer who has to ensure the transport is obliged, not later than ten days after delivery of the goods to produce evidence that the goods were actually transported from the territory of the state where the dispatch of goods was realised to another EU member state (i.e. bill of lading or another document certifying this fact).

24. If the conditions for granting an exemption from value added tax in accordance with the provisions of the VAT Act being valid on the territory of the state where the dispatch of goods was realised are not fulfilled, the tax that is valid on the territory of this state will be added to the price of the goods.

25. In case of non-compliance with articles 1. and 2. set out in this point of General Conditions of Sale, or when the above obligations have been otherwise violated by the buyer, the buyer is obliged to pay the VAT amount and amount of related penalties to the seller within 15 days from the day of notification of these amounts.

**Force majeure**

26. The force majeure clause (Force majeure) of the International Chamber of Commerce (ICC publication No. 421) shall be an integral part of this contract.

**Final provisions**

27. The circumstances not regulated by this contract or by General Conditions of Sale shall be governed by the legal system of the Federal Republic of Germany.