**General Business Terms and Conditions**

The company **Kovo Staněk, s.r.o.**

Brumovice 412, 691 11 Brumovice, Czech Republic, ID No.: 269 36 313, registered in the Commercial Register of the Regional Court in Brno, Section C, File 46775

**1. Scope and validity**

1.1. These General Contractual Terms and Conditions (hereinafter as the “GBTC”) shall be applied on all relationships between the company Kovo Staněk, s.r.o. and third parties during the business activities of the company Kovo Staněk, s.r.o. based on a contract after the negotiation and duly conclusion of a job order, if it includes any performance of the company Kovo Staněk, s.r.o. for such third party and/or if this contract concluded between the company Kovo Staněk, s.r.o. (hereinafter as the “Seller”) and this third party (hereinafter as the “Customer”) contains any reference to these GBTC.

1.2. For all agreed business cases between the Seller and the Customer, the General Business Terms and Conditions specified below form the integral part of each concluded contract and agreed amendments, which are concluded with the reference to these GBTC of the company Kovo Staněk, s.r.o. and which are agreed and confirmed by the Customer in writing.

**2. Conclusion of the contract**

2.1. The contract is concluded upon the receipt and the written confirmation of Customer’s binding order, which is delivered to the company Kovo Staněk, s.r.o. by fax, e-mail, mail or personally in the business premises of the company.

2.2. If there are necessary any technical or price modifications or specifications of Customer’s binding order, then the Seller shall highlight such modifications and send them back to the Customer for their approval. The contract with this modified content is concluded upon the delivery of Customer’s written confirmation of these modifications to the company Kovo Staněk, s.r.o., which is considered to be an offer which will be accepted by the manifestation of Seller’s will (confirmation) about the acceptance of the modified binding order.

2.3. Any deadlines related to the performance of the contract shall be binding only, if all payment terms and conditions, contractual terms and conditions, and terms and conditions anticipated by this GBTC are met.

2.4. Based on these concluded contracts, the Seller shall manufacture, sell, create or perform the other contractually specified activity (according to the nature of Seller’s obligation), and the Seller shall further transfer their title to the work or goods, which is the subject matter of the contract, to the Customer in the agreed quantity, term and for the agreed price, while the Customer shall take the goods over and pay the contractual price for them, or the Customer shall perform only their part of the obligation specified in the particular contract.

**3. Prices and payment terms**

3.1. All prices of goods, services, packaging etc. are defined by Seller’s pricelist or by an agreement of the parties, and they are **always** mentioned **excluding VAT.**

If it is not stipulated otherwise in the individual partial contracts, then the price shall not include any transport.

3.2. The Seller and the Customer may agree on an advance payment of the price; such advance payment shall be paid based on a proforma invoice issued by the Seller. Unless the parties agree otherwise in the contract, it is assumed that the Seller and the Customer agreed on the issuance of such proforma invoice. The proforma invoice may be issued up to the amount of 100 % of the price of the goods. If such payment of the whole price of the goods is not required by the proforma invoice, then the remaining part of the price shall be paid by the Customer based on a duly issued invoice.

3.3. The payment for any collection of the goods and other contractually specified activities, or an additional payment to the proforma invoice, is always defined by the Seller as follows:

a) cash payment at Seller’s registered office,

b) with due date of the invoice no more than 14 days, unless the parties agree otherwise by a written amendment to this document.

**4. Delivery of the goods**

4.1. The Seller shall deliver the goods to the buyer only in the case, when the Customer does not have any unpaid and overdue obligations to the Seller, even from other contractual relationships.

4.2. The Seller may reserve delivery of the goods after the full payment of all Customer’s due obligations to the Seller.

4.3. Unless the parties agree otherwise in the contract, the place of performance shall be Seller’s registered office – warehouse.

4.4. If the contract defines that the place of performance is the collection point at the Customer and for any reasons on the part of the Customer, the goods is not taken over on the agreed date, then Seller’s registered office becomes the place of collection. In this case, the Seller shall be entitled to charge the Customer with any costs of transport to Seller’s registered office and any costs of storage until the day, when the goods are taken over by the Customer.

4.5. The day of delivery of the goods is considered to be the day on which the Seller allows the Customer to handle the goods at the place of performance.

4.6. The Customer shall collect the goods from the warehouse on the agreed date.

4.7. During the takeover of the goods, the Customer and the Seller shall execute a delivery note which will be the proof of the takeover of the goods. If the goods are delivered (incl. transport) by the Seller to the agreed address, the Customer shall ensure the personal takeover of the goods on the agreed delivery time or the takeover by an authorized person. If such duly takeover is not ensured by the Customer and the Seller vainly tried to deliver the goods, then the Customer shall bear the related costs.

4.8. The Customer shall be entitled to unpack the goods during their takeover and to check quantity and quality of the delivered goods. If there are discovered any differences as for the quality or the quantity, they must be mentioned in the delivery note. If the goods are taken over without the unpacking and inspection, the Customer is at risk that later complaints about obvious defects may not be considered justified. The risk of damage to the goods is transferred to the Customer by delivery of the goods.

**5. Warranty period – complaints, rights arising from defects**

5.1. Unless the parties agree otherwise, the warranty period for the purchased goods shall be 12 months since the day of delivery of the goods in compliance with Article 4 of these General Business Terms and Conditions.

5.2. A complaint about the goods may be submitted within the warranty period and after the payment of all unpaid and overdue obligations, which existed before the date of this submitted complaint against the Seller.

5.3. Complaints may be submitted for obvious and hidden defects of the goods which existed when the goods were sold to the Customer. Any discrepancies connected with the delivered quantity may be complained about immediately during the takeover, no more than within 3 working days since the takeover.

5.4. The Seller shall be liable for defects of the goods in compliance with the relevant provisions of the Civil Code. Unless the parties agree otherwise, the Customer shall be entitled to request a repair of the goods, an exchange for the goods without defects or a delivery of the missing quantity of the goods in case of a material breach of the contract due to the defect.

5.5. The Customer shall complain about the obvious defects immediately upon the takeover of the goods. Any defects related to the delivered quantity compared to the quantity specified in the delivery note may be complained about within 3 working days since the delivery of the goods. All hidden defects of the products may be complained about during the warranty period. The Seller cannot accept later complaints. The Seller shall not be liable for any defects caused by the usual wear and tear, unsuitable treatment, unprofessional handling or intentional damage. Any defects and damages caused by Customer’s own transport, handling, assembly, storage etc. cannot be complained about. The rights arising from the liability for defects shall be executed and all complaints shall be submitted at Seller’s registered office or according to a written agreement which is contained in a duly submitted complaint report with the exact description of the given discrepancy.

5.6. The Customer shall notify the Seller about any complaint in writing and they shall attach the documents proving the justification of such compliant or it must be confirmed by a report executed with Seller’s representative. The written notification about the given complaint relates to all obvious and hidden defects, and defects in the delivered quantity.

5.7. The goods connected with the given complaint shall be stored separately since the notification of the complaint and until its resolution, and any handling with such goods, which could hinder or thwart the complaint, is forbidden without Seller’s prior consent. If the goods connected with the given complaint is processed by the Customer before the resolution of such complaint, then Customer’s right to submit a complaint expires.

5.8. The Seller shall decide on a complaint within 30 days since its provable and duly notification by the Customer. The goods connected with the complaint shall be preferentially repaired or exchanged for the Customer free of charge. The Seller reserves the right to assess the repairability of the goods and the justification of the complaint.

5.9. When processing any complaint, each party shall bear its own expenses.

**6. Sanctions**

6.1. If any already manufactured order is not collected within 14 days since the agreed date, or if any already manufactured order is cancelled, the Seller shall be entitled to demand the contractual penalty in the amount of 100 % of the value of such not collected / cancelled order.

6.2. If the Customer is in default with payment of even a part of the Purchase price and the parties do not agree otherwise, the Seller shall be entitled to demand the contractual penalty in the amount of 0.05 % for each day of such default, if this claim is enforced by the Seller.

6.3. The Seller shall be entitled to take the goods back at Customer’s expense, if the goods is not paid within 30 days since the agreed due date of the given invoice. The Customer shall not prevent such takeover and they shall allow duly handover of the goods back to the Seller.

6.3. If the Seller is in default with any delivery of the goods compared to the agreed date, then the Seller shall pay the contractual penalty in the amount of 0.05 % of the price of the undelivered goods (contractual price) for each day of such default, if this claim is enforced by the buyer.

This claim expires, if the delivery date is prolonged in advance by an agreement of both parties.

**7. Withdrawal from the contract**

7.1. The Seller shall be entitled to withdraw from the contract in the following cases:

7.1.1. The Customer is in default with any payment of the advance payment of the price of the goods.

7.1.2. The Customer is in default with any payment of their obligations to the Seller.

7.1.3. Any insolvency proceedings are initiated against the Customer.

7.1.4. Any execution proceedings are initiated against the Customer.

7.1.5. The Customer is in default with the takeover of the goods.

7.2. A withdrawal from the contract shall be in writing. Any withdrawal from the contract shall not affect Customer’s obligation to compensate the damage in the form of Seller’s incurred expenses and lost profit, and it shall not affect Customer’s obligation to pay the contractual penalty to the Seller.

7.3. After any termination of the contract, the parties shall settle their obligations within 30 days since the given withdrawal from the contract.

**8. Force Majeure**

8.1. If any default of the Seller or the Customer is caused by any influences which exclude liability (typically, natural disasters, such as floods, fires, earthquakes, landslides etc., or a politically event, such as strike, revolution, terrorist attack, war etc.), and if such default is caused solely by the influences which exclude liability (hereinafter as the Force Majeure), then the party that breached the contract due to Force Majeure is not in any default with the performance of their obligations for the duration of Force Majeure.

8.2. In any case of Force Majeure, the party that is in default due to Force Majeure shall inform the other party about the existence of such Force Majeure without undue delay, no more than within 3 working days since the moment when the affected party learned about the existence of Force Majeure. If this obligation is not fulfilled, then the affected party is not considered to be influenced by such Force Majeure.

8.3. If the existence of Force Majeure is notified in compliance with the previous paragraph, then the deadline for the given performance is prolonged for the duration of Force Majeure.

**9. Other provisions**

9.1. All relationships between the Seller and the Customer shall be governed by the applicable Civil Code and other laws of the Czech Republic.

9.2. All paper documents (including rejected) are considered delivered on 3rd day after their dispatching. Even any e-mail communication sent to the addresses provided by the buyer is considered delivered without any confirmation of receipt.

These General Business Terms and Conditions revoke any previous agreements included in the GBTC and the Framework Contract of Sale (FCS), and they shall become valid on 1st May 2015.