

General Purchasing Terms and Conditions

1. GENERAL

- 1.1 These Terms and Conditions shall apply to all deliveries of products according to a separate written Contract and/or purchase order between the vendor and BRANTAL, spol. s r.o., hereinafter and in the Contract and/or purchase order indicated as the "Vendor" and the "Purchaser".
- 1.2 The Vendor shall deliver the products specified in the Contract and/or purchase order in the agreed quality and amount and on the agreed dates.
- 1.3 The Purchaser shall purchase the products and pay the Vendor the agreed price.
- 1.4 The Vendor shall not be entitled to transfer any of its rights or obligations from the Contract and/or purchase order to a third party without the Purchaser's prior written consent.
- 1.5 The Purchaser shall keep and process electronically information relating to the Vendor, to which the Vendor hereby agrees.

2. QUALITY

- 2.1 During production the Vendor shall proceed with maximum care according to the instructions it has received and shall respect the required quality of the products. It shall deliver the products in accordance with the approved documentation and the approved samples. The documentation is specified in the Contract and/or in the purchase order.
- 2.2 The Purchaser reserves the right to amend the documentation during the term of the Contract and/or purchase order depending on its customer's requirements. An amendment to the documentation shall be mutually approved and a date for the commencement of deliveries according to the approved new samples shall be agreed.

3. PACKING AND PACKAGING

- 3.1 The products shall be packed in the manner specified in the Contract and/or purchase order.
- 3.2 If the number of items on 1 pallet is clearly stated the Vendor shall ensure, before commencement of deliveries, that the individual packaging is specified and allocated with the weight amount for 1 product item or 1 pallet.

4. DELIVERY TERMS AND PURCHASE ORDER

- 4.1 Delivery terms - Vendor's FCA factory (unless it is stated otherwise in the Contract and/or purchase order) - according to INCOTERMS 2000. The Vendor shall place the ordered merchandise in the means of transport in such a way that the merchandise is not damaged during transportation.
- 4.2 The Vendor shall make a delivery if it receives an order 20 working days before the requested performance date, unless it is stated otherwise in the Contract and/or purchase order.
- 4.3 A purchase order may be dealt with in writing or electronically and shall be confirmed by the Vendor and returned to the Purchaser without delay. If the Vendor does not react to a purchase order within 3 working days, it shall be deemed by the Purchaser to have been accepted.

- 4.4 The Vendor undertakes to immediately notify the Purchaser in the event that the agreed delivery date cannot be met. If the Vendor does not deliver products on the agreed delivery date this shall be deemed a fundamental breach of contract according to Section 345 of the Commercial Code and the Purchaser shall be entitled to withdraw from the contract. The Purchaser may notify the Vendor that it insists on the Vendor meeting its obligation, providing it with an additional deadline. If the Vendor does not meet its obligation even by the additional deadline, the Purchaser shall be entitled to withdraw from the contract.
- 4.5 On the merchandise dispatch date the Vendor shall inform the Purchaser that the merchandise has been delivered. It shall send notification by fax or e-mail, stating the amount, number of pallets, weight, registration number of the means of transport.
- 4.6 The Vendor shall obtain at its own cost the relevant certificates and/or declaration of origin for the merchandise, including duplicates in the form requested by the Purchaser, and it shall hand these over to the Purchaser no later than when the merchandise is delivered.

5. GUARANTEE AND PAYMENT OF DAMAGES

- 5.1 The Vendor guarantees that all delivered products are free of defects and that the design, materials and processing are in accordance with the agreed specifications. This guarantee shall remain fully valid regardless of the inspection, receipt and delivery of products and payment for products by the Purchaser.
- 5.2 The Vendor's liability shall be restricted to defects that appear within 2 years of the date of delivery to the Purchaser.

6. COMPLAINTS AND DEFECTS

- 6.1 The Purchaser shall notify the Vendor in writing of any defects immediately on discovering them. In particular, defects or a defective product shall be deemed a breach of article 2, article 3 or article 5 of the General Purchasing Terms and Conditions.
- 6.2 The Vendor shall be entitled to check a defective product at its own cost at the end customer's address (including abroad). If it does not exercise this right within 10 days of the notification date, the Purchaser may return the defective product to the Vendor at the Vendor's risk and cost and it shall be assumed that the Vendor accepts that the product is defective.
- 6.3 The Vendor shall remove any defect in the products without delay at its own cost, including the cost of transportation. If the Vendor does not remove a defect this shall be deemed a fundamental breach of contract according to Section 345 of the Commercial Code and the Purchaser shall be entitled to withdraw from the Contract.
- 6.4 The Purchaser shall be entitled to set off or withhold the corresponding amount owed to the Vendor as a replacement for the defective products or as a way of dealing with the complaint.

7. TERMS OF PAYMENT

- 7.1 Prices and other terms of the delivery of products are laid down in the Contract and/or purchase order. Packaging and labelling costs are included in the price.
- 7.2 The purchase price shall be payable within 60 days of the dispatch date on the basis of an invoice, unless it is agreed otherwise.

- 7.3 The invoice shall meet the requirements of a tax document and the invoiced amount shall equal the price for the merchandise agreed upon in the Sales Contract and/or purchase order. If the invoice does not contain the necessary requirements or if it is issued prematurely or without authorisation, the Purchaser shall be entitled to return such a document to the Vendor and in such a case the Purchaser shall not be in default of payment of the invoice. The Purchaser shall return the invoice in a registered letter sent to the Vendor's registered office or place of business. In cases of doubt regarding delivery it shall be assumed that the letter was delivered on the 3rd working day after it was sent.
- 7.4 For payment of a purchase price the Purchaser may set off the receivable (debt) which has arisen (is due) to the Vendor in respect of the Purchaser on the basis of any contract between the Vendor and the Purchaser, including a statute-barred receivable.

8. CONTRACTUAL FINES

- 8.1 In the event of a delay in the delivery of merchandise according to a confirmed order, the Vendor shall be obliged to pay the Purchaser a contractual fine equal to 0.05% of the price of the merchandise that has not been delivered for each commenced day of the delay.
- 8.2 If the Purchaser fails to pay duly and in time the agreed purchase price, it shall be obliged to pay the Vendor default interest equal to 0.05% of the amount owed for each commenced day of the delay. This obligation shall not affect the Purchaser especially in the case the Purchaser is not in delay with payment of an invoice according to article 7.3 of the General Purchasing Terms and Conditions.

9. CONFIDENTIALITY

- 9.1 Both during the validity of the Contract and after it ceases to be valid, the Vendor may not disclose to any third party any technical or business information pertaining to the Purchaser nor may it use this information other than for the agreed purpose.

10. INTELLECTUAL PROPERTY RIGHT

- 10.1 Regardless of anything contained in these Terms the Vendor shall never acquire, nor shall it be granted the right to use, any rights of any kind arising from the results of intellectually creative activities belonging to the Purchaser or in any way handed over or communicated to the Vendor by the Purchaser.
- 10.2 All models and products supplied to the Purchaser shall be the exclusive property of its customers and therefore it is not permissible to provide any information (whether of its own free will or through neglect) to third parties. It is not permissible to manufacture or have manufactured for its own needs or for a third party products or components that are identical or very similar to the products requested by the Purchaser even if they are manufactured from different materials.
- 10.3 No products supplied according to these Terms may be used for any purpose other than for delivery to the Purchaser and they may not be copied or imitated.
- 10.4 In the event that the above provisions in article 10 of the General Purchasing Terms and Conditions are not adhered to, the Vendor shall pay the Purchaser a contractual fine of 10,000,000 CZK.
- 10.5 This obligation shall be valid for the entire period from the date of the signing of these Terms and for a period of two years from the date of the last order for the product in question by the Purchaser.

11. AMENDMENTS

11.1 Any amendments to or deviations from these Terms must be approved in writing and signed by both contracting parties.

12. SEVERABILITY

12.1 If any provision of these Terms or part thereof is or becomes invalid or unenforceable, the remainder of these Terms shall not be affected and the provisions shall be valid and enforceable in full.

13. DISPUTES

13.1 All disputes arising from the contracts according to these General Purchasing Terms and Conditions or in connection with the application of these Terms or legal matters arising from them shall be settled definitely in the Court of Arbitration attached to the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic, with its registered office at Dlouhá 13, 110 00 Prague 1, in accordance with its Rules and Regulations, by one arbitrator appointed by the president of the Court of Arbitration using the substantive law valid at the place of the Purchaser's registered office.

13.2 These Terms shall be governed by the substantive law (regardless of its conflict with legal provisions) valid in the country of the Purchaser's registered office.