

# General CONTRACT OF PURCHASE

*entered into pursuant to Section 409 et seq. of the Act no. 513/1991 Coll., Commercial Code, as amended by later regulations, by and between:*

## **LABARA CABLES s.r.o.**

having its registered office at Jindřichov 20, Velká Bíteš, Post Code No. 595 01

Administrative Id. No.: 283 40 965, Tax Registration No.: CZ283 40 965

Bank contact data – PPF Banka, a.s., account number 2014100028/6000

Electronic address:

The company is registered in the Commercial Register administered by the Regional Court in Brno, Section C, Insert no. 62307.

Acting through Mr. Radomír Holík, Executive Officer

(hereinafter referred to only as **“the Seller”**)

*and*

having its registered office at Str.

Administrative Id. No.: ----- Tax Registration No.:

Bank contact data – -----

Electronic address:

The company is registered in Register of

Represented by:/Acting through:

(hereinafter referred to only as **“the Purchaser”**)

I.  
**Introductory provisions**

1. The Parties declare that they are not debtors in insolvency proceedings, nor any insolvency proposal has been rejected for them due to the shortage of assets, irrespective of the fact whether such facts are registered in the insolvency register or not.
2. The representatives of the Parties declare that they are authorised to act on behalf of the Parties, to sign and make all legal acts connected with the concluding of the present Contract.
3. The Parties shall be mutually liable for the damage incurred by them as a consequence of incorrectness of the present declaration.

II.  
**Definitions**

1. The term “**Goods**” shall denote, for the purpose hereof, cable products and electrical installation materials manufactured and/or sold by *the Seller*.
2. The term “**Atypical Goods**” shall denote, for the purpose hereof, the Goods which do not correspond, in terms of their nature, to the common subject matter of the sale of *the Seller* and which cannot be considered as ordinary *Goods*, but for which *the Seller* is able to procure them for *the Purchaser*.
3. The term “**Packages**” shall denote, for the purpose hereof, movable things used for the handling of the *Goods* for the reason of simplification of transport and avoidance of damage to the *Goods* delivered. This concerns mainly pallets and cable drums.
4. The term “**Enquiry**” shall denote, for the purpose hereof, an enquiry of *the Purchaser made in writing, by fax, by phone or by e-mail*. The minimum content of the *Enquiry* is formed of the data concerning:
  - Identification of the *Purchaser* (company, registered office, Registration Number, Tax Id. Number)
  - Type and quantity of the **Goods** enquired
  - Term of deliveryThe enquiries shall be accepted:
  - a. **in writing** at the address: LABARA CABLES s.r.o. Jindřichov 20, Velká Bíteš, Zip Code 595 01
  - b. **by fax**, fax number: +420 566 533 111
  - c. **by e-mail**: objednavky@labaracables.cz
5. The term “**Price Offer**” shall denote, for the purpose hereof, a binding proposal for conclusion of a *Partial Contract of the Seller* addressed to *the Purchaser*, which contains at least the data concerning:
  - Identification of the *Seller* and of the *Purchaser* (company, registered office, Registration Number, Tax Id. Number)
  - Type and quantity of the *Goods* offered
  - Term of delivery
  - Place of delivery
  - Amount of the purchase price
6. The term “**Partial Order**” shall denote, for the purpose hereof, an order of *the Purchaser* made in writing, by fax, by phone or by e-mail, responding to *the Price Offer* and containing changes in *the Price Offer*, e.g. in the number and type of the *Goods* ordered. The minimum content of the *Partial Order* is formed of the data concerning:
  - Identification of the *Purchaser* (company, registered office, Registration Number, Tax Id. Number)
  - Type and quantity of the *Goods* ordered,
  - Term of delivery
  - Place of delivery
  - Manner of takeover and required type of transport
  - Amount of the purchase priceThe orders shall be accepted:
  - a. **in writing** at the address: LABARA CABLES s.r.o. Jindřichov 20, Velká Bíteš, Zip Code 595 01
  - b. **by fax**, fax number: +420 566 533 110
  - c. **by e-mail**: objednavky@labaracables.cz
7. The term “**Partial Contract**” shall denote, for the purpose hereof, a *Partial Order* accepted by *the Seller* in writing or by fax or e-mail, or a *Price Offer* accepted (confirmed) by the *Purchaser* in writing or by fax or e-mail. A *Partial Contract* is concluded by confirming (accepting) of a *Partial Order* by *the Seller* or of a

*Price Offer by the Purchaser.* A Partial Contract is binding on both the Parties and it cannot be cancelled except for the procedure according to provisions of Art. V. of the present Contract.

8. The term "**Place of Delivery**" shall denote, for the purpose hereof, the warehouse of *the Seller* at the address: Jihlavská 624, 595 01 Velká Bíteš, unless stated otherwise in *the Partial Contract* – in such a case the information stated in *the Partial Contract* shall apply.

### III.

#### **Scope of the Contract**

1. The subject matter of the present Contract shall be the regulation of the relations of the Parties regarding the deliveries of *the Goods*.
2. *The Seller* hereby undertakes to deliver the *Goods* on the basis of *Partial Contracts* to *the Purchaser*, to the *Place of Delivery* and to transfer the ownership right to *the Goods* to *the Purchaser*, and *the Purchaser* undertakes to take over *the Goods* delivered and to pay the purchase price according to the *Partial Contract*.
3. Unless agreed otherwise by the Parties in *the Partial Contract*, *the Seller* undertakes to deliver *the Goods* within 10 (in words: ten) business days from the conclusion of the *Partial Contract*.

### IV.

#### **Price and payment terms**

1. The purchase price of the *Goods* is determined by *the Seller* in *the Price Offer*.
2. The prices of the *Goods* in *the Price Offer* are stated without VAT. The decisive price shall be the price provided for in the invoice.
3. Apart from the purchase price, the price of the packages shall be stated on the invoice separately.
4. The purchase price shall be paid by way of a wire transfer to *the Seller's* bank account on the basis of a tax document – invoice issued after the delivery of the *Goods*. The taxable fulfilment implementation date shall be the date of the delivery of *the Goods*.
5. The invoices shall meet the prerequisites of the tax document according to applicable generally binding law regulations, i.e. according to the Act no. 563/1991 Coll., on accounting, as amended by later regulations, the Act no. 235/2004 Coll., on Value Added Tax, as amended by later regulations, and the Act no. 513/1991 Coll., Commercial Code, as amended by later regulations.
6. The invoice shall be due within --- calendar days from its delivery to the registered office of *the Purchaser* provided that it is issued in accordance with the present Contract and shall meet all the above stated prerequisites concerning the invoice issued. If the invoice is not issued in accordance with the present Contract or if it does not meet all the prerequisites required, *the Purchaser* is authorised to return the invoice to *the Seller* by the due date of the invoice. Together with the invoice being returned, *the Purchaser* shall send to *the Seller* specification of the objections, or reasons leading to the returning of the invoice. *The Seller* is obliged, depending on the nature of the incorrectness, to correct or newly issue the invoice. The original due-date period shall stop running in the case of an authorised returning of the invoice; a new due-date period shall start running at the time of delivery of a new or corrected invoice to the registered office of *the Purchaser*.
7. For the purpose of the due date of an invoice or of an advance payment, a payment shall be considered as made on the day when it has been credited to *the Seller's* account.
8. In the case of a delay in payment of any invoice, *the Seller* is authorised to delay the delivery of other *Goods* to *the Purchaser*, until the full repayment of all the debts of *the Purchaser*, through which it is in delay towards *the Seller*. For that time *the Seller* is not in delay with the delivery of the *Goods*.
9. The Parties have agreed upon determination of a maximum amount of *the Seller's* receivables (even those whose due dates have not expired yet) to be paid by *the Purchaser* on the basis of the invoices issued and not paid yet, by using the so-called credit framework. The amount of the credit framework of *the Purchaser* shall be ----- EUR,-- and in the case that the amount of the invoices not paid exceeds

the credit framework amount, *the Seller* is authorised to condition the fulfilment of a *Partial Contract* by a direct payment of its purchase price according to *the Partial Contract*.

10. In the case of an order of *Atypical Goods*, *the Purchaser* is obliged to pay an advance payment amounting to 100 % of the price, by way of a wire transfer or in cash before the delivery of the *Atypical Goods*.
11. In the case of a delay of *the Purchaser* with settlement of the purchase price, the *Purchaser* is obliged to pay to *the Seller* an interest in delay amounting to 0.05 % of the amount due, for each day of delay.

## V.

### **Cancellation fee**

1. The Parties have agreed that either of the Parties is authorised to cancel a *Partial Contract* from the date of its conclusion, by payment of the cancellation fee amounting to 50 % of the purchase price according to *the Partial Contract*, with VAT. The effects of the cancellation fee of a *Partial Contract* shall occur at the moment of crediting of the cancellation fee to the account of the other Party.

## VI.

### **Risk of damage to the Goods, reservation of the title**

1. The risk of damage to *the Goods* shall pass to *the Purchaser* at the moment of their handover and takeover.
2. The title to *the Goods* shall only pass to *the Purchaser* upon the full payment of *the Purchase Price*, VAT inclusive.

## VII.

### **Delivery terms**

1. *The Goods* shall be considered as delivered at the moment of their handover to *the Purchaser* in *the Seller's* plant or of their transport to the destination place specified by *the Purchaser* in *the Partial Contract*.
2. *The Goods* shall be handed over by *the Seller* only to the persons who are entrusted with takeover of *the Goods* by *the Purchaser* on the basis of a Power of Attorney which is an integral part of the present Contract (Annex no. 1 – Authorised Persons of the Purchaser). The representative of *the Purchaser* is obliged, on the takeover of the Goods, to prove his or her identity to the Seller with the identity card, and if the matter does not concern a person stated in Annex no. 1, then also with the authorisation to take over *the Goods*.
3. *The Purchaser* is obliged to confirm the takeover of the delivery of *the Goods* according to individual *Partial Contracts* on the delivery note and is obliged to state the following prerequisites on the delivery note:
  - Legible name of the person taking over *the Goods*,
  - Signature of the person taking over *the Goods*,
  - Date of takeover,
  - Stamp of the Purchaser or the number of the identity card of the person taking over *the Goods*
4. The delivery note furthermore contains the following data: identification of *the Seller* and of the person taking over *the Goods*, identification of *the Purchaser*, quantity and type of *the Goods* handed over; in the record the representatives of the participants, authorised to handover and takeover of *the Goods*, shall mark the corresponding data concerning apparent defects of *the Goods*, which were revealed within the framework of the acceptance of *the Goods*. The delivery note serves as a confirmation of the handover of the Goods by *the Seller* and of their takeover by *the Purchaser*, and also as a document of the exercise of defects according to Art. II(2) of the present Contract.
5. If *the Goods* are transported according to the transport instructions of *the Purchaser* at the expense of *the Purchaser*, the risk of loss, damage or destruction shall pass to *the Purchaser* at the moment of the handover of *the Goods* to postal transport or to the first carrier for the purpose of the transport of *the Goods* to *the Purchaser*.

6. If *the Purchaser* fails to take over *the Goods* within 30 days from the date of delivery specified in the *Partial Contract* for the reasons on *the Purchaser's* side, *the Seller* is authorised to require storage costs at an amount of 0.05 %, for each commenced day, of the total price of *the Goods* not taken over, beginning on the 31<sup>st</sup> day after the determined delivery date of *the Goods*.
7. On the takeover of *the Goods* or without any unnecessary delay afterwards, *the Purchaser* is obliged to make a visual inspection of *the Goods*, especially whether their quantity, quality and workmanship correspond to *the Partial Contract*, and to mark possible defects of the *Goods* either in the delivery note or to exercise corresponding claims in writing from *the Seller*. *The Seller* shall not be liable for the defects of *the Goods* which are not reported by *the Purchaser* without any unnecessary delay, not later than within 3 days, unless the matter concerns the defects which could not have been discovered by *the Purchaser* even in the case of exercising professional care.
8. The Seller reserves the right to deliver the goods with a deviation of + / -5% of the ordered quantity of individual items. The amount contained in the invoice shall match the delivered quantity with the tolerance of measuring devices of +/- 1%. The deviations within this tolerance shall not be subject to quantitative complaints.

### **VIII.** **Containers**

1. For transport, handling, and storage of goods, the Seller uses such Containers which under adequate treatment prevent damage to the delivered goods. If the Buyer does not specify special packaging in its partial order, the goods will be packed in the usual manner and type of packaging customary for the type of product, the amount, and negotiated method of transportation.
2. For transport, handling, and storage of goods, it is necessary to protect all the goods and shipping Containers against water, excessive moisture, and other atmospheric influences.
3. The Seller buys back only the Containers delivered together with its supplied goods.
4. The price for the Containers bought back is determined by the Seller depending of the time after which the Buyer makes such Containers available for buying back and its amount is specified in Annex 2 hereto.
5. The term for buying back the Containers is up to 11 months from delivery of the goods with which such Containers were supplied. After this period, Containers cannot be bought back.
6. Containers must be returned undamaged, clean, and not re-labelled. The Buyer must always indicate the number of the invoice on which the Containers are included.
7. The settlement of the amount for the Containers bought back shall be made by issuing a credit note. The maturity of the issued credit note shall be the same as of a regular invoice issued by the Seller to the Buyer. Credit notes shall be settled either by direct financial payment or by mutual setting off claims.

### **IX.** **Liability for defects, claims of the Goods, warranty period**

1. *The Seller* shall provide warranty for the functionality of *the Goods*, properties of *the Goods* agreed upon and also for the fact that *the Goods* are fit for use according to the conditions specified by the manufacturer. *The Seller* shall not be responsible for fitness of *the Goods* to any purpose other than the purpose which is usual for the *Goods* in question.
2. The warranty period shall be 12 months, if *the Purchaser* is a consumer then it shall be 24 months, and it shall start running from the takeover of *the Goods*. In the case that *the Purchaser* is in delay with the takeover of *the Goods*, the warranty period shall start running at the moment when *the Purchaser* was obliged to takeover *the Goods*.
3. *The Purchaser* is obliged to make a visual inspection of *the Goods* upon the takeover thereof, and to notify *the Seller* immediately of any defects of *the Goods* delivered, which are identifiable at such an inspection. The representatives of *the Seller* and of *the Purchaser* shall make a record about the defects discovered this way, stating the date and place of the takeover, description of the defects identified and

signatures of the representatives of both the Parties. This record can also form a part of the delivery note. The Seller shall not be liable for any defects about which the Purchaser knew or which were identifiable through a visual inspection at the takeover of the Goods and which were not reported during such an inspection.

4. *The Purchaser* is obliged to notify *the Seller* of the defects which are not identifiable during the acceptance of *the Goods*, in writing and without any unnecessary delay after their discovery, however not later than by the end of the warranty period. *The Purchaser* is obliged to immediately notify *the Seller* of any defects of *the Goods* which can cause damage. The written notification of a defect of *the Goods* must contain a description of the defect, possibly information describing the effects of the defect. The Purchaser shall bear the risk of damage arising as a consequence of a breach of its obligations according to the present article.
5. In the case of a justified complaint, *the Purchaser* is entitled to require the delivery of replacement *Goods* in the extent of the defective *Goods*, within 30 days from the delivery of the written claim of defects to *the Seller*.
6. The warranty shall not apply to the defects of *the Goods* caused by tampering on the part of *the Purchaser* or a third person and to the defects of *the Goods* for which it is not possible to prove that they arose due to the use of defective material, defective design or incomplete workmanship, especially the defects of *the Goods* arising due to improper maintenance, non-compliance with operational regulations, excessive stress, use of unsuitable operation means, chemical and electrolytic impacts, building and assembly work of other persons than *the Seller* and all other causes without any fault of *the Seller*. In connection with liability for defects and liability resulting from the warranty, *the Seller* is not obliged to remove the defect of the Goods free of charge in any other place than in its operation plant marked or in the place agreed upon for the delivery of *the Goods*.
7. In the case that the Purchaser notifies the Seller of defects of *the Goods* according to the present article and if no defects for which the liability would be borne by the Seller are found on *the Goods*, the Purchaser shall reimburse to the Seller all the expenses incurred by the latter in connection with determination of the non-substantiation of the claim.
8. Concerning other aspects, the claims resulting from the defects of the Goods shall be governed by Section 422 et seq. of the Commercial Code.

#### **X.** **Severability**

1. If any provision of the present Contract or a part thereof is or becomes invalid or unenforceable through a decision of a court or another competent authority, such an invalidity or unenforceability shall not have any impact on the validity or enforceability of the other provisions of the present Contract or any parts thereof, unless it directly implies from the content of the present Contract that this provision or a part thereof cannot be separated from other content.
2. In the above mentioned case the Parties undertake to replace the ineffective and invalid provision with a new provision which is, through its purpose and economic importance, as near as possible to the provision of the present Contract which is to be replaced.

#### **XI.** **Delivery**

1. During the delivery (sending of written materials) of notices and any other materials to the other Party, the delivery is made to the address specified in the present Contract (identification of the Parties). E-mail messages are considered as delivered if the delivery is confirmed by the other Party, not only through an automatic confirmation of the answer, but through an explicit confirmation of the delivery of the e-mail message by means of a separate e-mail message, in which the other Party repeats the identification of the subject matter and confirms the date of the e-mail message acceptance. A fax message is considered as delivered if it is addressed to the Executive Officer, representative or attorney of the Party and if the transmitting instrument issues a receipt of its successful transmission. All the news and communication to which the other Party responds shall be considered as delivered.
2. For the purposes of the present Contract, the day of delivery shall be considered as follows:
  - at latest the third day of deposition of the consignment at the corresponding post office in the

case of delivery through the postal licence holder, even in the case that the addressee did not learn of the deposition,

- in the case of a personal delivery these effects occur on the takeover or refusal of that written instrument.

3. Both the Parties undertake to immediately inform the other Party in writing about possible changes in the person of their responsible staff member and any other data essential for the delivery or mutual providing of information.

## XII.

### Force Majeure

1. Each of the Parties is authorised to suspend fulfilment of its obligations resulting from the present Contract for the time for which the circumstances excluding liability (hereinafter referred to as "Force Majeure") apply. The term "Force Majeure" shall denote an obstacle which has occurred independently of the will of the obliged Party and which prevents the obliged Party from fulfilling its obligation, if it is not possible to reasonably presuppose that the obliged Party would revert or overcome such an obstacle or its consequences, and also that it would have foreseen such an obstacle at the time of concluding of the Contract. The cases referred to as Force Majeure shall include without limitation to: strike, epidemic, fire, natural disaster, mobilisation, war, riot, forfeiture of the Goods, embargo, ban on transfer of foreign currency. In such cases any of mentioned parties will be responsible for loss caused the second party.
2. Force Majeure excludes claims for the exercise of contractual fines against the Party hit by Force Majeure.
3. The Party referring to Force Majeure is obliged to notify the other Party, in writing and without any unnecessary delay, of the fact that there have occurred circumstances of Force Majeure, of their nature and of the presupposed time of duration of Force Majeure, and to adopt all possible measures to mitigate the consequences of non-fulfilment of contractual obligations, otherwise it shall not be released from responsibility for the breach of obligations or responsibility for the damage caused by a delay as a consequence of Force Majeure.

## XIII.

### Term of the Contract and its termination

1. The present Contract shall be made for an indefinite term; it shall enter into force and shall become effective on the day of signature by both the Parties.
2. *The Seller* is authorised to withdraw from the present Contract or from the *Partial Contract* in the case that *the Purchaser* is in delay with payment of the purchase price according to *the Partial Contract* for more than one month. *The Seller* can withdraw from the Contract also in the case of a substantial deterioration of the assets of *the Purchaser*. The term "substantial deterioration of the assets" shall denote in particular: decision about bankruptcy of *the Purchaser* issued by the court in insolvency proceedings. The withdrawal from the Contract shall furthermore be governed by Section 344 et seq. of the Commercial Code.
3. Either of the Parties is authorised to terminate the present Contract without specifying a reason. The notice period shall be three months and shall start running on the day which follows after the delivery of the written notice of termination to the other Party.

## XIV.

### Transitional provisions

1. *The Purchaser* is not authorised to assign, without the previous written consent of *the Seller*, any of its receivables resulting from the present Contract or any rights to such a receivable to any third person.
2. *The Purchaser* expressly agrees with the processing of its personal data according to provisions of the Act no. 101/2000 Coll., on personal data protection, for the needs of *the Seller*.

**XV.**  
**Final provisions**

1. This Contract may be amended only by written numbered amendments.
2. This Contract was drawn up in two copies, of which each Party receives one.
3. The Parties agree that this Contract shall be governed by the General Terms and Conditions of LABARA CABLES s.r.o., Company ID No.: 283 40 965, registered office: Jindřichov 20, Velká Bíteš, Postal Code 595 01, which are known to the Parties, the current version of which is available at [www.labaracables.cz](http://www.labaracables.cz), and the Parties hereby agree with its contents (hereinafter referred to as the "Terms"). By signing this Contract, the Parties acknowledge the Terms as its integral part.
4. Pursuant to Act No. 216/1994 Coll., the Parties agree that all disputes arising between them under this Contract or in connection herewith shall be resolved by arbitration; the details of the arbitration are governed by the Terms.
5. By affixing its signature, the person signing this Contract on behalf of the Buyer also declares that it is authorized to conclude this Contract and arbitration agreement on behalf of the Buyer.
6. The Parties declare that they enter into this Contract based on their free, serious, specific, and clear will, and in witness of their consent with its contents, they affix their signatures.
7. The following annexes form an integral part of this Contract:
  - Annex 1 *Authorized persons of the Buyer and the Seller*
  - Annex 2 *Purchase prices of containers*

In Jindrichov on: 28.5.2013

In..... on: .....201...

.....  
**Seller**

.....  
**Purchaser**