

### **1. The Scope and Validity of the General Terms and Conditions**

- 1.1 These General Terms and Conditions (the "Terms") govern the contractual relationships in deliveries of goods from the range of products by LABARA CABLES s.r.o. (the "Seller") to third parties (the "Buyer") based on the Framework Purchase Contract or a separate purchase contract (the "Contract").
- 1.2 Individual provisions of concluded Contracts for agreed business cases between the Seller and Buyer shall prevail over these Terms. By concluding the Contract referring to the Terms, the Seller and the Buyer acknowledge the Terms as an integral part of the Contract concluded. As regards the Framework Purchase Contract referring to the Terms, governing the terms or certain contractual limits for individual contracts negotiated on the basis thereof (the "Framework Purchase Contract"), the Seller and the Buyer acknowledge the Terms as an integral part of not only the Framework Purchase Contract but also of individual contracts concluded on the basis thereof, unless the parties agreed otherwise.
- 1.3 The legal relations arising from the Contract concluded between the Seller and the Buyer not covered by the Contract or these Terms shall be governed by Czech law.

### **2. Purchase Contracts**

- 2.1 In relation to conclusion of the Framework Purchase Contract, the Buyer shall provide the Seller with proof of its legal personality, its authorization to carry out business activity (legal entities shall submit a copy of an extract from the Commercial Register not older than three months, natural persons shall submit a relevant trade or other business license, identity card), as well as a certificate of registration of the tax payer, and is aware of its obligation to keep such data up to date.
- 2.2 Individual Purchase Contracts or implementing contracts negotiated in relation to the Framework Purchase Contract shall be concluded on the basis of firm orders placed by the Buyer sent to the Seller, in particular by phone, fax, mail, email, or submitted in person in the place of business of the Seller.
- 2.3 A firm order of the Buyer should include:
  - The Buyer's identification information (name, surname or business name, domicile, registered office or place of business, birth certificate No. or Company ID No. or Tax ID No.) delivery address, contact phone No., and email address;
  - exact specification of the type and quantity of the goods ordered;
  - delivery method (personal collection, cash on delivery, delivery provided by the Seller, delivery provided by the Buyer, etc.);
  - requested delivery date;
  - order No., date and signature of the order with a clear indication of the name (and position) of the signatory.In the absence of the above data, the Seller may not accept the order.
- 2.4 In the event the Seller does not inform the Buyer within three working days of receipt of a firm order that it does not accept the order, modifies it, or cannot perform it, the firm order placed by the Buyer shall be considered accepted by the Seller. Accepting a firm order by the Seller establishes a valid Contract.
- 2.5 If the Seller is unable to perform a firm order, partly or wholly, the Contract shall be considered to be concluded for the part of the order that the Seller is able to perform. This applies particularly to situations where the ordered goods are no longer produced, supplied, or currently sold out. In such cases, the Seller shall immediately inform the Buyer in order to agree on how to proceed with the performance of the part of the order which the Seller was unable to perform.
- 2.6 Within 24 hours of the receipt of a firm order by the Seller, the Buyer may notify the Seller of a change of the order, by any of the methods specified in Article 2.2 of these Terms. The Seller agrees to accept

such changes only if in the meantime the Seller has not issued an invoice for such an order or the ordered goods have not been dispatched or delivered to the Buyer. If the Buyer fails to make such a change in the order, the order shall remain accepted by the Seller in accordance with Article 2.4 of these Terms and shall be considered as binding upon the Parties and thus a valid purchase contract

### **3. The Rights and Obligations of the Parties**

- 3.1 The obligation of the Seller is to deliver the goods ordered properly (in accordance with an accepted firm order or part of such a firm order in which the Parties reached a consensus) in the agreed time and at the agreed place. The obligation of the Buyer is to properly collect the ordered goods, which shall be confirmed in writing, and to pay the purchase price for the goods in good time according to pre-agreed terms (maturity, form of payment).

### **4. Distribution of Goods and Methods of Collection**

- 4.1 The place of delivery is the residence or registered office of the Buyer, unless otherwise provided for in the Contract.
- 4.2 The moment of delivery to the Buyer shall be deemed the handover of the goods to the first carrier to transport the goods to the Buyer or the moment when the Buyer took over the goods at the Seller's place of business or at the place agreed on in the Contract or when the goods were made available for collection by the Seller.
- 4.3 The Buyer is also obliged to accept partial deliveries of the goods. In the event that the Buyer refuses to accept duly delivered goods, the Buyer shall pay to the Seller all cost incurred in relation to the given business case.
- 4.4 In the event that the goods are not accepted directly by the Buyer at the Seller's place of business, the acceptance of the goods shall be confirmed by a delivery note, which contains, inter alia, identification and signature of the Buyer.
- 4.5 The Buyer is obliged to inspect the goods as soon as possible after the transfer of the risk of damage to the goods pursuant to Section 427, paragraphs 1 and 2 of Act No. 513/1991 Coll., the Commercial Code, as amended (the "Commercial Code") and to inform the Seller about any defects identified by exercising due care and diligence via email or fax, without undue delay after such inspection, and to do so within 24 hours. Obvious defects identified or notified after that period of time shall not be taken into account.
- 4.6 In the case of delivery of goods by the carrier or the Seller itself, the Buyer shall before a written confirmation of receipt of the goods check the information contained on the shipping or delivery note. In the event such information does not match the actual state, the original package is broken or otherwise damaged, the number of parcels is wrong, or the delivery is damaged, etc., the Buyer shall include such a fact on the shipping or delivery note and write a note of damage in cooperation with the carrier or refuse to accept the goods as a whole. After that, the Buyer shall timely and without undue delay notify the Seller (in the case of delivery of goods directly by the Seller), however, only when the risk of damage to the goods is transferred to the Buyer later than as specified in Article 7.8 herein.
- 4.7 The Seller reserves the right to deliver the goods with a deviation of +/- 5% of the ordered quantity of the goods. 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.

## 5. Delivery Time

- 5.1 Unless otherwise agreed in the Contract, the Buyer shall receive the goods in accordance with the accepted firm order or part of such an order in which the Parties reached a consensus within the following periods:
- a) goods that the Seller will have in stock is usually delivered within seven working days of receipt of a firm order by the Seller;
  - b) goods that the Seller will not have in stock shall be arranged by the Seller without undue delay. In such a case, the Seller shall inform the Buyer without undue delay, indicating the expected date of delivery. In the event that the Buyer does not submit a written objection against the expected delivery date as notified by the Seller, within a period without undue delay after receipt of the notice thereof, such a delivery date shall be considered accepted by the Buyer.
- 5.2 The Seller shall be considered to have performed the agreed delivery date if the Seller delivers the goods to the Buyer or hands over the goods to the first carrier to transport the goods to the Buyer no later than on the last day of such a delivery date.
- 5.3 If the Buyer has any outstanding financial obligations (invoices) against the Seller, the Seller may suspend further deliveries of the goods until full settlement of such obligations by the Buyer, even as regards already confirmed orders. During such a period, the Seller shall not be considered in default of performance of its obligations. The delivery time of suspended orders of the Buyer shall be extended by the time in default of payment of outstanding financial obligations of the Buyer. The provisions of Article 8.2 of these Terms shall not be affected.

## 6. Purchase Price

- 6.1 The purchase price of the goods is determined by the Seller in the Quotation.
- 6.2 The prices of the goods in the Quotation are exclusive of VAT. The final price shall be the price stated in the invoice.
- 6.3 Outside of the purchase price contained in the invoice, there shall be separately listed prices of containers used in accordance with Article 10 of these Terms.

## 7. Invoicing, Payment, Transfer of Ownership, and Risk of Damage to Goods

- 7.1 For individual purchases, the Buyer and the Seller shall agree on any of the following methods of payment of the purchase price, including VAT, or cost of transport and above-standard packing of the goods:
- a) payment in cash at the Seller's cash desk upon receipt of the goods at the registered office or place of business of the Seller or upon receipt of the goods directly by the Buyer at a place agreed on by the Parties;
  - b) payment by bank transfer to the account of the Seller based on an invoice issued by the Seller within the term contained in such an invoice;
  - c) advance payment based on a pro-forma invoice;
  - d) cash on delivery upon receipt of the goods at the billing or delivery address specified in the firm order; or
  - e) direct debit set up by the Buyer in favour of the Seller.
- If the Parties fail to agree on the method of payment, it shall be selected by the Seller and indicated on the invoice.
- 7.2 If the purchase price is paid by bank transfer to the account of the Seller, the payment is acknowledged only after the amount is credited to the bank account of the Seller.

- 7.3 An invoice or pro-forma invoice typically include identification of the Seller and the Buyer, the type and number of the goods, the date of the invoice, the purchase price, the due date of the purchase price, the price of transport, or other items not included in the purchase price, and the signature of the person authorized to act on behalf of the Seller.
- 7.4 The Seller is entitled to require the Buyer to make an advance payment for the purchase price if the goods ordered by the Buyer are non-standard or adjusted according to the Buyer's instructions. In that case, the Seller shall issue a pro-forma invoice for such an advance payment as a call for payment in advance. After payment of a pro-forma invoice, the firm order is processed by the Seller without undue delay.
- 7.5 The Seller shall issue a corrective tax document (a credit note) only under the following conditions, except as described in Article 10 herein:
- a) in the case a claim has been admitted by the Seller in writing when it is impossible for the Seller to ensure and provide the same or adequate replacement goods;
  - b) if the delivered goods do not match the order, and the Seller acknowledges this fact in writing.
- 7.6 The payment of a credit note is usually made as a set-off against outstanding invoices of the Buyer. The Parties agree that such a payment can be set off even against a claim of the Seller against the Buyer which is not yet due (unpaid invoices). The proposal to set off claims shall be submitted by the Seller to the Buyer. The proposal must include the Buyer's bank account number, bank code, and the number of the credit note.
- 7.7 The Buyer shall take title to the goods upon receipt of the goods and the full payment of the purchase price.
- 7.8 The risk of damage to the goods shall pass to the Buyer upon takeover of the goods from the Seller or upon the moment the Seller makes the goods available for takeover for the Buyer. In the event that the goods are delivered by the carrier, then at the moment the Seller hands over the goods to the first carrier.

#### **8. Penalties and Termination of the Contract**

- 8.1 In case the Buyer is in default of payment of the purchase price or its part, the Buyer shall pay to the Seller the interest for late payment as provided for in Section 369, paragraph 1 of the Commercial Code.
- 8.2 In case the Buyer is in default of payment of the purchase price or its part, the Buyer shall pay to the Seller a penalty of 0.2% of the outstanding amount for each day, including the commenced day.
- 8.3 In the event the Buyer is in default of payment of amounts owed to the Seller longer than 60 days or a petition to initiate insolvency proceedings against the assets the Buyer has been filed or the Buyer is in liquidation, the Seller shall be entitled to withdraw from the Contract. All claims of the Seller against the Buyer shall become due and payable on the date of the withdrawal. In such a case, the Seller shall be entitled to request immediate return of the goods for which the Buyer has not paid.
- 8.4 In case of default of the Buyer of taking over the goods, the Buyer shall pay to the Seller the cost incurred in relation thereto.
- 8.5 Either Party shall be entitled to cancel the Contract, in which case such a Party shall pay to the other Party a compensation equal to 50% of the purchase price, including VAT, agreed on in the Contract. The effects of termination of the Contract shall commence upon crediting of the compensation to the bank account of the other Party.

#### **9. Returns**

- 9.1 The Buyer may exchange or return the goods in perfect original packaging only after agreement with the Seller, and the Buyer shall bear all cost associated therewith. Opened packaging, special products,

special colours, and the products that are not included in the usual range of products of the Seller cannot be exchanged or returned.

#### 10. Containers

- 10.1 For transport, handling, and storage of the goods, the Seller uses such containers which under adequate treatment prevent damage to the delivered goods (the "Containers"). If the Buyer does specify special packaging in its firm 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.
- 10.2 For transport, handling, and storage of the goods, it is necessary to protect all the goods and shipping containers against water, excessive moisture, and other atmospheric influences.
- 10.3 The Seller buys back only the Containers delivered together with its supplied goods.
- 10.4 The price for the Containers to be bought back is determined by the Seller, depending on the time after which the Buyer makes such Containers available for buying back, and its amount is specified in the Contract or the Annex thereto.
- 10.5 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.
- 10.6 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.
- 10.7 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.

#### 11. Final Provisions

- 11.1 For ensuring better quality of services provided by the Seller and in relation to constant development of the legal environment and with regard to trade policy of the Seller, the Seller may make changes or modifications to these Terms. The Seller shall notify the Buyer about such changes or modifications on its website [www.labaracables.cz](http://www.labaracables.cz) in advance. The Seller shall notify the Buyer on its website [www.labaracables.cz](http://www.labaracables.cz) about the date such changes or modification to these Terms become effective. If the Buyer does not express its disagreement in writing with such changes or modifications of these Terms within 10 days before the effective date of such changes or modifications, such a change or modification shall be considered agreed by the Buyer and effective.
- 11.2 In the event that any provision of these Terms or any provision of the Contracts, which include these Terms, are invalid or unenforceable, it shall not affect the validity or enforceability of the remaining provisions of these Terms and the Contracts, which include these Terms.
- 11.3 Unless specified otherwise in the Contract, non-delivery of a document or refusal to accept a document shall be considered delivered or accepted on the 3rd day from the date of dispatching such a document, in case of delivery by post, courier, or in person. As for delivering via email, a document shall be deemed delivered upon sending it to the email address. Documents shall be sent to the address specified in the specific Contracts or to any other address communicated to the other Party.
- 11.4 According to the article 216/1994 Sb., the parties made an agreement that any argument originated in this contractual relationship or in connection with it will be decided in arbitration ("RŘ") of another arbitrator ad hoc who is Mgr. Tereza Vašíčková, with attestation of MSp ČR nr. 492. The arbitration will take place in Brno, Cejl 91, 602 00. The parties agreed that the fee for RŘ is an arbitration cost and it is a sum of the amount of CZK 5000 and 1 ¼ multiple of court fee which would be in a certain case paid for the arbitration before general courts of the Czech Republic according to the valid legislation and up

to the value of the argument up to CZK 1 million. In case that the value is higher, this fee for RŘ will be increased by an appropriate amount of court fee from the exceeding sum. Further, VAT will be added to the total amount of calculated fee for RŘ. Regarding arguments with an international element, the fee for RŘ is increased by a half, in arbitration with more than two participants the fee is increased for 3<sup>rd</sup> and every other participant by 1/5. According to the way of fee calculation, also a claim made as a mutual proposal or an objection of inclusion in their total amount is paid. Special acts in arbitration can be invoiced according to real costs. Arbitrator's claim on fee for RŘ does not expire with arbitration stopping, paid fee will not be returned. The parties entrust the arbitrator to negotiate in the Czech language, in an electronic way (on-line), without oral proceedings, decide according to principles of justice, render a decision without foundation and they agree that the arbitrator can entrust 3<sup>rd</sup> party with administrative, technical and economical activity in terms of RŘ. 3<sup>rd</sup> party can be mainly Unie pro rozhodčí a mediační řízení ČR, a.s. located at the address where the arbitration will take place and they relieve the arbitrator of discretion to this extent. The parties agreed that the fee for RŘ is an arbitration cost. The parties agreed that the arbitration will proceed on-line; a complaint including attachments is lodged electronically in a mail room on the portal [www.e-arbiter.cz](http://www.e-arbiter.cz). The parties entrusted the arbitrator to create a secured unique court forum with an electronic document ("SF") for the given argument on the portal e-arbiter. The parties agreed that after SF creation, the entry is possible to make and proofs can be presented only electronically by loading in SF. Entries, calls and decisions are considered for delivered at the moment of their posting in SF and participants' and arbitrator's acts do not have to be supplied with a guaranteed electronic signature except for arbitrator's finding. The parties expressly entrust the arbitrator to decide according to his consideration about the fact that online arbitration will be changed into a written form. The arbitrator delivers the access data for SF to both parties electronically to their e-mail addresses or via postal services; at the same time regulations of OSŘ about the process of deliveries will be seemingly used. Lodgment at the court replaces the lodgment at the arbitrator and posting on the official board of the court replaces publishing on [www.urmr.cz/vyvesni-deska](http://www.urmr.cz/vyvesni-deska).

11.5 These Terms shall prevail over contractual terms and conditions of contractual partners.

These Terms shall come into force on 1 September 2012.

V.1.

**VI. Doplnující ustanovení**