

# **DELIVERY TERMS**

## **1. General provisions**

1.1. These general terms and conditions (hereinafter referred to as the "GTC") regulate the terms and conditions of sale of metallurgical products between the buyer and seller. These GTC shall apply in their entirety, unless otherwise agreed in the purchase contract by the parties; the content of the purchase contract shall take precedence over the GTC.

1.2. The GTC in force as of the date of the entry into the purchase contract shall form an integral part of each purchase contract.

1.3. The seller is bound by the seller's draft purchase contract for five days of the date of sending, unless another period is set forth in the draft contract. The purchase contract is deemed as concluded at the moment when the seller receives a duly signed draft contract accepted by the buyer without reservation.

1.4. These terms and conditions and the purchase contract may be altered or amended only in a form of written amendments signed by both parties.

## **2. Delivery terms**

2.1. Unless otherwise agreed in the purchase contract, the goods shall be understood as delivered upon the handover of the goods to the first carrier for transport to the buyer, with the understanding that the shipment is duly marked as a shipment intended for the buyer.

2.2. If the buyer refuses to accept the goods, the buyer is obliged to pay to the seller a storage fee in the amount of 1 % of the purchase price of the goods stored for each commenced day. Failure to collect the goods within a period exceeding 30 days is considered a material breach of contractual obligations by the buyer.

2.3. Unless otherwise stipulated in the contract, kilograms of the goods delivered shall be decisive units for performance and billing. However, the buyer is obliged to pay to the seller the price of the goods actually delivered. Goods delivered within the tolerance specified in the technical conditions, otherwise within the tolerance specified in the relevant ČSN standard, shall not be understood as defective performance, and the goods shall be understood as having been duly delivered.

2.4. The seller is obliged to deliver all documents and papers necessary for the shipment of the goods.

## **3. Price and payment terms**

3.1. The price of goods shall be agreed upon by the parties in the purchase contract, specifically as a unit price. The purchase contract shall specify the price excluding VAT, the VAT rate and amount and the price including VAT. If goods are delivered as per item 2.1., the buyer is obliged to pay to the seller the costs of transporting the goods to their destination.

3.2. The right to make billing and to issue an invoice – tax document for the price agreed upon shall arise upon the fulfilment of delivery of the goods, unless otherwise agreed in the purchase contract. An invoice – tax document is payable within 14 days of the given invoice is sent to the buyer, unless otherwise set out in the purchase contract.

3.3. The seller is entitled to request an advance payment of the purchase price, in which case an advance payment note shall be issued, payable within the period agreed in the purchase contract. Until the advance payment is credited to the seller's account, the seller is not obliged to deliver the goods under the contract, and this shall not be understood as the seller's default in fulfilling the seller's obligation.

3.4. The seller is under no obligation to deliver goods on the basis of any purchase contracts entered into until all financial obligations of the buyer to the seller have been satisfied, and this shall not be understood as the seller's default in fulfilling the seller's obligation.

3.5. Failure to pay the purchase price agreed upon or an advance payment within a maturity period to the seller's account shall be considered as a material breach of contractual obligations.

3.6. The buyer is not entitled to retain payments or part thereof on account of any counterclaims. Minor defects that do not prevent the use of the goods or complaints lodged after the receipt of the goods shall not entitle the buyer to retain or suspend any payments of the purchase price.

3.7. The buyer is obliged to notify the other party of any justified objections to payments documents without undue delay, but no later than within ten days of the day of issue of the document concerned.

#### **4. Quality guarantee and liability for defects**

4.1. The buyer is obliged to check the delivered goods without undue delay, especially in terms of quantity (according to the original documents).

4.2. In the case of apparent defects, the buyer is obliged to lodge complaints of such defects immediately after the buyer has checked the goods or when the buyer should have checked the goods, but no later than within 15 business days of the day when the seller fulfils the obligation to deliver the goods. Defects in quality shall be understood as apparent defects at all times. Late complaints of apparent defects shall be disregarded.

4.3. The seller shall assume the guarantee for quality, except for apparent defects, for a period of 24 months of the day of delivery of the goods to the buyer.

4.4. The buyer is obliged to report defects (to lodge complaints) to the seller immediately after discovering the defects, but by the end of the guarantee period at the latest. Defects must be reported in writing and evidenced by documents proving the validity of the complaint. If a complaint of goods is lodged, the seller reserves the right to check the condition of the goods under complaint directly at the place of discovery. Apart from circumstances excluding liability under the Commercial Code, the seller is not liable for improper handling, use, transport and storage of the goods by the buyer, or defects caused by third parties.

4.5. The goods under complaint must be stored separately until the complaint is settled, and any use of such goods that might render it difficult or impossible to verify the defects claimed is permitted

only subject of the seller's prior consent. A breach of this obligation shall result in the termination of the rights arising from liability for defects.

4.6. If a complaint proves to be justified, the seller is obliged to provide the buyer with a reasonable discount off the purchase price, or to repair the defect of the goods within a period agreed upon, or to deliver replacement goods for the defective goods or to deliver any missing goods.

## **5. Miscellaneous provisions**

5.1. The title to goods shall pass to the buyer when the purchase price is paid in full. The buyer is entitled to sell the goods subject to retention of title only with the seller's consent.

5.2. A situation where the buyer is in default in payment of the buyer's monetary obligations, including from other contracts concluded with the seller, shall be considered as a material breach of the contract, entitling the seller to withdraw from the contract.

5.3. Either party has a right to terminate the contract, without a reason being stated, by paying a cancellation fee of 40% of the agreed purchase price. The contract shall be terminated upon delivery of a written notice of termination to the other party and by payment of the cancellation fee.

## **6. Final provisions**

6.1. The buyer is entitled to export the purchased goods outside the Czech Republic or the Slovak Republic only subject to the seller's express written consent. If the buyer fails to fulfil the above obligation, the buyer shall pay to the seller a contractual fine in the amount of 30% of the value of the goods exported. This shall be without prejudice to the right for damages.

6.2. The above obligation shall also apply to any future buyer of the goods. If the buyer does not agree in writing the above-mentioned obligation in the purchase contract with the new buyer, the buyer is obliged to pay the contractual fine agreed in the preceding paragraph hereof in the case the new buyer violates the above obligation.

6.3. Any legal relations not regulated by these GTC or the purchase contract shall be governed by applicable provisions of the Commercial Code and related regulations.

6.4. In the case of delay in payment of the purchase price, the buyer is obliged to pay a contractual fine in the amount of 0.05% of the outstanding purchase price.