

# **General Terms and Conditions of Sales and Delivery**

## **1. General Provisions**

**1.1.** These general terms and conditions (hereinafter referred to as "GTC") govern the sale of metallurgic products between the buyer and the seller. These GTC apply in their entirety, unless the parties agree otherwise in the purchase contract; the content of the purchase contract is superior to the GTC.

**1.2.** An integral part of each purchase contract between the seller and the buyer are valid GTC as in effect on the date of conclusion of the purchase contract.

**1.3.** The seller is bound by his draft of the contract for a period of 5 days from the date of shipment, unless another period is given in the contract. The purchase contract is concluded when the seller receives a properly signed draft of the contract accepted by the buyer without reservations.

**1.4.** Changes and amendments to these conditions and the purchase contract are only possible in the form of a written amendment signed by both parties.

## **2. Delivery Terms**

**2.1.** Unless agreed otherwise in the purchase contract, the delivery of the goods is put into effect by handing it over to the first carrier for transport to the buyer, on the grounds that the shipment is properly labeled as a package appointed for the buyer.

**2.2.** In the event that the buyer refuses to accept the goods, he is obliged to pay the seller a storage fee of 1% of the purchase price of the stored goods for every day. Uncollected goods within a period longer than 30 days are considered a material breach of the buyer's contractual obligations.

**2.3.** Unless agreed otherwise in the contract, the decisive unit for the performance and billing of the delivered goods are kilograms. However, the buyer is obliged to pay the seller the price of the actual delivered goods. It is not a performance defect and the goods are properly delivered in the tolerance given by the technical conditions, or in the tolerance given by the relevant ČSN.

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

## **3. Price and Terms of Payment**

**3.1.** The price of the goods is arranged by agreement of the parties in the contract as a price per unit. In the purchase contract, the price is given without VAT, the rate and amount of VAT, and the price including VAT. If the goods are delivered in accordance with Item 2.1., then the buyer shall reimburse the seller for the transportation costs of the delivery of the goods to their destination.

**3.2.** The right to charge and invoice - the tax document for the agreed purchase price arises upon the delivery of the goods, unless otherwise agreed in the purchase contract. Invoice - the invoice is due within 14 days after it is sent to the buyer, unless agreed otherwise in the purchase contract.

**3.3.** The seller is entitled to demand an advance payment of the purchase price, in which case the basis for

the payment of the purchase price is an advance payment receipt, which is payable within the period agreed upon in the purchase contract. Until the advance payment is received by the seller, the seller is not obliged to deliver the goods according to the contract, and this will not be considered a delay by the seller in meeting his commitment.

**3.4.** The seller is not obliged to deliver the goods on the basis of concluded purchase contracts until the payment of all financial obligations of the buyer to the seller, and this will not be considered a delay by the seller in meeting his commitment.

**3.5.** Failure to pay the seller the agreed purchase price or the advance payment before the due date is considered a material breach of contractual obligations.

**3.6.** The buyer is not entitled to withhold payments or a part thereof, by reason of any counterclaims. Minor defects that do not affect the use of the goods, or claims after the receipt of the goods, do not entitle the buyer to withhold or delay the payment of the purchase price.

**3.7.** The buyer must notify the other party about legitimate objections to the payment document without undue delay, within 10 days from the date of the issue of the document.

#### **4. Quality Assurance and Liability for Defects**

**4.1.** The buyer must check the delivered goods immediately, especially the quantity (according to original documents).

**4.2.** In the event of visible defects, the buyer must file a complaint immediately after he performs an inspection of the goods, or when he should have performed an inspection of the goods, but no later than 15 working days from the date of the delivery by the seller. A quantitative defect is considered an obvious defect. Late complaints about obvious defects will not be taken into consideration.

**4.3.** The seller provides quality assurance, with the exception of obvious defects, for a period of 24 months from the date of delivery of the goods to the buyer.

**4.4.** The buyer is obliged to submit a report of the defects to the seller (claim) immediately after the defects were found, but no later than the end of the warranty period. The defect notification must be made in writing, and must be accompanied by documents certifying the validity of the claim. In the event of a claim, the seller reserves the right to check the condition of the goods on the site of the discovery. Outside circumstances excluding liability under the Commercial Code, the seller is not responsible for improper handling, use, transportation, and storage of the goods by the buyer, or for defects caused by third parties.

**4.5.** The claimed goods must be stored separately until the settlement of the claim, and any disposal of these goods that could hinder or prevent the verification of the claimed deficiencies without prior consent of the seller is inadmissible. The violation of this obligation terminates the rights from the liability for defects.

**4.6.** If there is evidence that the claim is justified, then the seller must give the buyer a reasonable discount

from the purchase price, remove the defects within an agreed period by repairing the goods, deliver a replacement of the goods for the defective goods, or deliver the missing goods.

## **5. Other Agreements**

**5.1.** The title to the goods passes to the buyer upon full payment of the purchase price. The buyer is entitled to sell goods subject to the reservation of a title of ownership only with the consent of the seller.

**5.2.** A material breach of the contract entitling the seller to withdraw from the contract is the fact that the buyer is in arrears with the payment of his financial obligations, even from other contracts concluded with the seller.

**5.3.** Either party is entitled to cancel the contract without cause, by paying a severance payment equal to 40% of the agreed purchase price. The contract shall be canceled upon the receipt of a written notice of the cancellation by the other party, and upon the payment of compensation.

## **6. Final Provisions**

**6.1.** The buyer is only entitled to export the purchased goods outside the Czech Republic and Slovakia with a specific written consent by the seller. If the buyer fails to comply with this obligation, he must pay the seller a penalty of 30% of the value of the exported goods. This does not affect the right to compensation for damage.

**6.2.** This obligation also applies to any subsequent purchaser of the goods. If the buyer does not negotiate the obligation cited above in writing in the purchase contract with the new buyer, then he is obligated in event of a breach of this obligation to pay the new buyer the penalty himself under the previous item of the contract.

**6.3.** Legal relations not conditioned by these GTC or the purchase contract shall be governed by the relevant provisions of the Commercial Code and the related regulations.

**6.4.** In the event of a delay in the payment of the purchase price, the buyer is obliged to pay a contractual penalty in the amount of 0,05% of the unpaid purchase price.