

GENERAL PURCHASING TERMS

ZEZ SILKO, s.r.o. Žamberk

These General Purchasing Terms (hereinafter referred to as GPT) shall be an integral part of each purchase contract for the goods purchased by the firm ZEZ SILKO Žamberk (hereinafter referred to as the Buyer).

The contracting parties, which are in business connection, have agreed between themselves that their purchase contracts concluded in the future shall be governed by the following General Purchasing Terms.

1. Creation of contract

- 1.1. A written order of the Buyer represents the draft of a purchase contract. The order must be made in writing in the form of regular letter, or by electronic mail (e-mail). The purchase contract is concluded when the Seller confirms the purchase order.
- 1.2. The Seller shall send to the Buyer a written response to an order (acceptance, rejection, reservations) by registered letter or e-mail within three working days. If within this period a written answer is not sent to the Buyer, it is considered that the purchase contract has not been concluded. The delivery period confirmed by the Seller in the confirmation of order is binding.
- 1.3. The order can be cancelled by the Buyer no later than 2 working days after its dispatch to the Seller, without the possibility of penalties or other sanction from the part of the Seller.

2. Delivery conditions

- 2.1. The Seller shall hand over documents to the goods – bill of landing, dispatch note, delivery note, instruction manuals, certificates, protocols etc. at each, even partial delivery, in the time and in the way, which shall sufficiently enable the Buyer to take over the agreed goods.
- 2.2. The place of delivery means the registered office of the Buyer, unless otherwise agreed in the purchase contract.
- 2.3. The term of delivery is specified in the purchase contract. If the delivery date is not specified in the purchase contract, the Seller is obliged to deliver the goods to the Buyer within 21 days from conclusion of the purchase contract.
- 2.4. The Seller is not entitled to withhold goods by reason of any claims of the Seller towards the Buyer, or set off the Buyer's claims towards the Seller unilaterally against the price of the goods.
- 2.5. If the Seller is not able to deliver the goods properly (in the agreed quantity, quality and design) and in time, it shall promptly notify the Buyer, at the same time is obliged to inform the Buyer about the reason of the delay and its expected length. The delay of the Seller with the delivery of the goods is always considered a substantial breach of the purchase contract and the Buyer is entitled to withdraw from the contract, without prejudice to other rights of the Buyer.
- 2.6. If the expected manner of package of the goods is not apparent from the buyer's order, the Seller is obliged to pack the goods according to habitual practice; if such practice does not exist, then in the manner necessary for the preservation and protection of goods in order to prevent its injury.

2.7. The Seller is responsible for injury to the goods until its delivery to the Buyer at the point of delivery.

3. Warranty

3.1. The Seller grants to the Buyer a warranty on the delivered goods. The Seller guarantees that during the warranty period, the goods delivered according to the purchase contract will be eligible to be used for the purpose specified in the purchase contract, otherwise for usual purpose, and that it retains the qualities stipulated in the purchase contract.

3.2. Unless agreed otherwise in the purchase contract, the warranty period (warranty) shall be 24 months from the date of due receipt of the goods by the Buyer.

4. Liability for defects

4.1. The Seller is obliged to inform the Buyer without delay in case of finding out that defective material has been dispatched. Then the Seller shall send a proposal of a solution within 2 working days.

4.2. Defects to the goods must be claimed after their detection, however, at the latest by the end of the warranty period. Complaints must always be in writing. The defects shall be described therein by the Buyer or, as the case may be, the Buyer shall describe how they are demonstrated.

4.3. The Seller shall send a proposal for the solution of a particular complaint within 2 working days.

4.4. The choice of claim from liability for defects to the goods, as well as the choice of the way in which the defects are to be removed, belongs exclusively to the Buyer, and the Buyer is not bound by the proposal of the Seller.

4.5. Within 5 working days from the date of the Seller's notice, the Buyer shall communicate its consent to the proposed solution for the removal of defects and shall set a deadline for the removal of defects, or that it does not agree with the proposed way and shall determine the manner and the time limit, or shall apply a different claim from the liability for defects.

4.6. The goods under complaint shall be stored separately until the complaint is settled.

4.7. Regardless to the nature of defect and severity of the breach of a purchase contract due to the occurrence of defect, the Buyer is always entitled to:

- a) require rectification of defects by delivery of substitute goods for defective one, or delivery of missing goods,
 - b) require rectification of legal defects,
 - c) require rectification of defects by repairing the goods, if the defects are repairable,
 - d) request a reasonable discount from the purchase price,
 - e) withdraw from the purchase contract,
- while the choice between these claims belongs exclusively to the Buyer.

4.8. In the event that defects of the goods subsequently transpire to be beyond repair, the Buyer may request delivery of substitute goods, or apply a different claim from the liability for defects.

4.9. The warranty period shall not include the period, when the Buyer cannot use the goods due to the defects thereof, which have been duly claimed at the Seller and which are within the responsibility of the Seller. This period shall start running from the day of delivery of a due complaint of defects to the goods.

4.10. In case the complaint is settled with replacement of the goods, the warranty period shall start running anew. If only a part is replaced, the warranty period shall start running again only for that part of the goods.

5. Ownership right, passing of risk in the goods

5.1. The right of ownership, as well as the risk of damage to the goods shall pass to the Buyer on the date of signature of its handover and takeover.

6. Price

6.1. The price of goods is determined by the price list of the Seller, unless in a particular case a different price follows from the purchase contract or a specific price quotation.

6.2. Unless agreed otherwise in the price agreement, the prices of goods include packaging and transport to the place of delivery.

6.3. The agreed price of goods can be changed only by written agreement between the Buyer and the Seller.

7. Payment conditions

7.1. The right to the payment of purchase price shall arise to the Seller by due performance of its obligation in the way and in the place of performance in compliance with the purchase contract.

7.2. Any payments hereunder shall be realized on the basis of payment documents, which are, in case of the payment of the price of the goods in a cashless way – pro-forma invoice, invoice. In case of other payments (e.g. punitive interests, sanctions) the payment document shall be the calculation bill.

7.3. Unless agreed otherwise, maturity period of all invoices shall be 90 days and it shall start running from receipt of the respective invoice.

7.4. In the event that incorrect goods or incorrect price is accounted for by the Seller or the invoice does not contain any of the formalities required by the law, the Buyer is entitled before the date of maturity to return the defective invoice without payment to the Seller for correction.

7.5. The reason for return shall be indicated in the returned invoice.

7.6. The Seller shall issue a new faultless invoice. If the Buyer returns a defective invoice to the Seller, the original maturity period ceases to run and begins to run again on the date of delivery of the newly issued invoice.

7.7. The payment is deemed to be completed on the date when relevant amount is deducted from the Buyer's account.

8. Compensation of damages, contractual fine

8.1. In case the Seller fails to comply with the period of performance agreed in the purchase contract, it shall pay a contractual fine to the Buyer at the amount of 0.05% of the price of the undelivered goods for each day of the delay.

8.2. The Seller further undertakes to pay in full any costs applied by third parties against the Buyer in connection with the late delivery of the goods, or delivery of goods of poor quality.

- 8.3. In case of a delay of the Buyer with the payment of the invoice for the delivered goods, the Buyer shall pay a contractual fine to the Seller at the amount of 0.05% of the outstanding amount for each day of the delay.
- 8.4. The contractual fines agreed herewith shall be paid by the obliged party independently of the fact if and at what amount the damages, which can be enforced separately, are incurred by the other party in that context.
- 8.5. In the case of defective performance or other breach of one of the obligations arising from the contract or from these GPT, the buyer is entitled to withdraw from the contract with immediate effect. This is without prejudice to the Buyer's claim for compensation for injury or lost profit.

9. Other provisions

- 9.1. The Seller undertakes, till the period of the complete settlement of all obligations resulting for it from the concluded contract or GPT, to announce all changes of its bank accounts to the Buyer, including the identification of financial institutions, change of its business name and registered office etc. If the Seller fails to meet this information obligation towards the Buyer always within 14 days from the day of the occurrence of the change and thereby makes difficult or impossible for the latter to meet the obligations pursuant to the contract, the Buyer shall be relieved from liability for damages incurred by the Seller wherewith.
- 9.2. The Seller is obliged to inform the Buyer in case of any changes of the manufacturing technology of the purchased product.
- 9.3. The Seller is obliged to enable the Buyer, at request, to access its manufacturing premises for the purpose of an audit or monitoring of an order.
- 9.4. The Seller is obliged to deliver samples of a new material or a material produced with a new technology for verification.
- 9.5. The Seller is obliged to deliver complete documentation concerning the delivered material pursuant to the valid legislation (reports, certificates, instructions for use etc.).

10. Final provisions

- 10.1. Legal relationships which are not covered by these GPT shall be governed by the relevant provisions of the Act No. 89/2012 Coll., the Civil Code.
- 10.2. The invalidity of any provision shall not affect the validity of the other provisions.
- 10.3. All modifications and amendments to the GPT can be made only in written form.
- 10.4. The contracting parties declare that they are familiar with the GPT and are obliged to abide by them.
- 10.5. The validity of the GPT was determined for an indefinite period.

In Žamberk on 1.11.2019