

I. General Provisions

1. These General Business and Delivery Terms and Conditions (hereinafter the "GBDTC") are commercial terms pursuant to the provisions of Section 1751 et seq. of Act No. 89/2012 Coll., the Civil Code. The purpose of these GBDTC is a detailed regulation of contractual obligations between the Seller - Retězárna a.s. and the Buyer - a legal entity or an individual running a business in the sale of goods and the provision of services related to the sale of goods.

2. These GBDTC together with the specific conditions of sale contained in the General Agreement, Purchase Agreement and Confirmation of Order, hereinafter the "Agreement", constitute the entire agreement between the Parties concerning the conditions of sale, and supersede any previous conditions proposed by the Buyer and any previous oral or written agreements. In the event there is a discrepancy between the Agreement and these GBDTC, the Agreement shall take precedence over these GBDTC.

3. The GBDTC are binding on the Parties as of the date of signing the Agreement, provided that the relevant Agreement contains a written reference to these GBDTC and these GBDTC are attached to the Agreement or the Buyer affirms, in the Agreement or otherwise, that the Buyer is familiar with the content of the GBDTC.

4. Any changes and supplements to the GBDTC as well as any changes, supplements and amendments to the Agreement must be made in writing and be approved by both Parties in advance.

5. Written legal acts include legal acts made by electronic or other technical means, enabling the capture of content and the identification of the acting person, provided that the content of such legal acts is specific and clear and such legal acts are made by a person referred to in the Agreement. This provision does not apply to the legal acts under Clause 4 of this Article of the GBDTC.

6. All data specified in the Agreement and any information, documents and other materials provided by the Seller to the Buyer in connection with the Agreement which are not generally available constitute the trade secret of the Seller (hereinafter the "Confidential Information"). The Buyer undertakes that, without the prior consent of the Seller, the Buyer will not use this Confidential Information for its own use contrary to the purpose of the Agreement, provide the Confidential Information to third parties or allow third parties to access the Confidential Information.

7. In the event the Buyer fails to fulfil any of its contractual or statutory obligations, the Seller may insist on their fulfilment or withdraw from the Agreement. In both cases, the Seller is entitled to a compensation for the damage incurred by the Seller in this context.

II. Packaging

1. If the Parties do not agree on a special method of packaging of the goods on the basis of a request of the Buyer, the Seller is obliged to provide the goods with packaging according to the usual practice for the given type of goods supplied, suitable for shipping and transporting the goods supplied, otherwise in a manner needed to preserve and protect the goods (the so-called industrial packaging pursuant to Act No. 477/2001 Coll., on Packaging, as amended).

2. Unless a different agreement is made between the Seller and the Buyer, the packaging is considered to be non-returnable packaging which remains at the Buyer's /the Buyer becomes the owner of the packaging upon the takeover of the goods/, with the exception of packaging for which the Parties agree on the conditions of its return to the Seller. If an agreement is made concerning returnable packaging, the Seller remains the owner of such packaging, and the Buyer bears the risk of damage to the packaging for the entire period during which the packaging remains at the Buyer's.

III. Price and Terms of Payment

1. An agreement on the amount of the purchase price of the goods or the method of determining the purchase price is a requirement for the conclusion of the Agreement.

2. The Agreement states the price of the goods as a price without value added tax (hereinafter "VAT"). The Buyer is obliged to pay the price of the goods after its increase by the currently applicable VAT rate. This does not apply if the transaction is made under the reverse charge regime and the Buyer has the obligation to declare VAT.

3. The Seller is entitled to increase the purchase price of the goods in the event some crucial costs necessary to produce and supply the goods (i.e. in particular the costs of the input material, energy, fuel and transport costs) significantly increase at any time during the period for which the price was agreed, including the period following the execution of the draft purchase agreement (the so-called offer) by the Seller, until the delivery of the goods. The Seller will inform the Buyer of the adjusted amount of the purchase price in writing, demonstrating the method of calculation of the price change.

4. If the price of the goods is agreed per weight unit (e.g. price for 1 tonne/CZK/EUR), the figure weighed by the manufacturer will determine the total purchase price of the goods. If the purchase price of the goods is determined by other units (units of measurement, e.g. a metre) or by the number of items, the price will be determined according to the information on the goods shipped included in the relevant consignment document.

5. The Seller has the right to charge the purchase price of the goods on the basis of an invoice issued as of the date of the taxable supply, i.e. as of the date on which the obligation to supply the goods is fulfilled in accordance with the content of the agreed delivery clause under the ICC Rules for the use of clauses in national and international trade, INCOTERMS 2010 or other agreed version of INCOTERMS (hereinafter "INCOTERMS"), unless the Agreement stipulates otherwise.

6. The Buyer is obliged to pay the purchase price of the goods to the account of the Seller specified in the tax document within 30 days of the date of the invoice, unless the Agreement stipulates a different maturity. The Buyer shall raise any justified objections concerning the content of the issued tax document within 5 days of the receipt thereof.

7. The day of payment means the day on which the billed amount corresponding to the full amount of the purchase price /net and effective/ or other pecuniary debt of the Buyer is credited to the bank account of the Seller.

8. In the event the Buyer is in default with the payment of any pecuniary debt or a portion thereof, the Seller is entitled to claim interest on late payment in the agreed amount of 0.03 % of the outstanding amount for each day of delay.

9. The Seller may request an advance payment of the purchase price for the goods; the basis for the payment of this advance will be an advance invoice payable within 30 days of the date of issue, unless the Parties agree on a different maturity in the Agreement. Upon entering into the Agreement, the Seller is further entitled to request the Buyer to secure the debt in an acceptable manner (a letter of credit, bank guarantee, guarantee by another entity, a promissory note or blank note, a lien or other suitable security). In the event the Buyer fails to comply with this request by the agreed date, the Seller is entitled to suspend the production/shipment of goods or withdraw from the Agreement.

10. If circumstances arise or the Seller receives information on circumstances from which it can be concluded that the Buyer is or may become unable to pay its debts towards the Seller, or if the Seller receives any other information which may undermine the credibility of the Buyer (a poor financial situation, liquidation, overindebtedness, bad payment history, default longer than 30 days etc.), the Seller is entitled to ask the Buyer to immediately pay any pecuniary debts arising from the invoices issued, regardless of the due dates of such invoices, or ask the Buyer to provide a sufficient security in the scope under Article III(9) of the GBDTC. The Buyer is obliged to comply with this request of the Seller within 5 days of the receipt thereof. The Seller is also entitled to require the payment of the price for any outstanding supplies in advance regardless of the agreed terms of payment, or withdraw from the Agreement.

11. If the Seller has arranged insurance of the risk of the non-payment of pecuniary debts by the Buyer with a relevant commercial insurance company (EGAP, Hermes etc.) and the commercial insurance company makes changes to the credit limit of the insurance of the Buyer's pecuniary debts (reduction, termination etc.) in the period of duration of the contractual relationship between the Seller and the Buyer, the Seller is entitled to take any actions necessary to secure the Buyer's debts as follows (depending on the procedure of the commercial insurance company):

11.1. The commercial insurance company reduces the credit limit:

(i) If, as of the date of receipt of the notification of a reduction of the credit limit by the insurance company, the current amount of all pecuniary debts of the Buyer under all contractual relationships is lower than the current reduced credit limit, the Seller is obliged to supply the goods under the Agreement only up to the amount of the currently applicable reduced credit limit; the Seller is entitled to suspend any other supplies of the goods beyond the currently applicable credit limit, unless the Buyer provides a security (bank guarantee, lien etc.);

(ii) If, as of the date of receipt of the notification of a reduction of the credit limit by the insurance company, the current amount of all pecuniary debts of the Buyer under all contractual relationships is higher than the current reduced credit limit, the Seller is entitled to suspend all supplies of the goods beyond the currently applicable credit limit with immediate effect. At the same time, the Buyer is obliged, at the request of the Seller (within 10 days of receipt of the request), to provide an additional security (bank guarantee, lien etc.) in the amount of the purchase price of the goods that have already been produced by the Seller but not yet delivered to the Buyer or that have been delivered and billed by the Seller in invoices which are not covered by the insurance credit limits;

11.2. The commercial insurance company terminates the credit limit:

(i) The Seller is entitled to suspend the supply of the goods with immediate effect and at the same time the Buyer is obliged, at the request of the Seller (within 10 days of receipt of the request), to provide an additional security in the amount of the purchase price of the goods that have already been produced by the Seller but not yet delivered to the Buyer, and provide a security with respect to any future supplies of the goods.

12. If the Buyer requires supplies of the goods beyond the credit limit or the credit limit is reached (i.e. the total amount of the pecuniary debts of the Buyer reaches the current credit limit), the Seller is entitled to suspend the supply of the goods to the Buyer (without being in default with the supply of the goods) until the limit is decreased (through the payment of the pecuniary debts by the Buyer) or until the Buyer provides a sufficient security of any future debts.

13. The Seller is not obliged to supply the goods, has the right to suspend the production of the ordered goods or is entitled to withdraw from the Agreement or exercise other rights under these GBDTC if the Buyer fails to comply with the terms of payment with respect to any pecuniary debts towards the Seller, if the Buyer fails to provide a sufficient security to the Seller, or if the Buyer fails to fulfil any other obligations under this Article of the GBDTC. Such actions of the Seller are not considered a breach of the Agreement or a delay of the Seller in the supply of the goods.

14. The Buyer is not entitled to assign any of its receivables from the Seller arising from or in connection with this Agreement to another entity, or set up a pledge on such receivables to secure its debts or the debts of third parties, without the prior written consent of the Seller. If the Buyer breaches this obligation, the Buyer shall pay a contractual penalty in the amount of 20 % of the nominal value of the receivable which has been assigned or pledged without authorisation. The Buyer is not entitled to unilaterally set off its receivables against any liabilities towards the Seller.

IV. Terms of Delivery of Goods

1. Unless the Agreement stipulates otherwise, the Seller will fulfil its obligation to hand over the goods to the Buyer (i.e. the obligation to supply the goods) by delivering the goods in accordance with the content of the agreed delivery clause under INCOTERMS. The Seller will label the goods clearly and sufficiently as a shipment to the Buyer. The risk of damage to the goods (i.e. the risk of loss and damage) passes to the Buyer according to the content of the agreed delivery clause under INCOTERMS.

2. The Seller will deliver the goods within the period agreed in the Agreement as the period of performance. The Seller is entitled to deliver the goods early unless the Buyer rejects such a delivery after having been informed by the Seller of the readiness of the goods for dispatch. The Buyer may not require an early delivery of the goods.

3. The period of performance may be reasonably extended by the Seller by a period necessary to remove any obstacles that hinder the performance of the Seller or make it impossible. The Seller will inform the Buyer of any such situation without delay and make every effort to swiftly remove such obstacles. If the production of the goods is terminated by the manufacturer towards the end of the period agreed as the period of performance, the Seller is entitled to supply the goods within 10 calendar days of the end of the agreed period of performance without being in default with the supply of the goods.

4. The Seller is also entitled to extend the period of performance by a period for which the Buyer is in default with the payment of its pecuniary debts towards the Seller, even under other agreements.
5. If the Agreement stipulates that the Seller concludes or procures a transport agreement, the Buyer is obliged to provide the Seller with written instructions concerning the transport of the goods to the destination when negotiating the terms of the relevant Agreement but no later than 10 days before the expected date of shipment of the goods, unless the Parties agree otherwise in the Agreement. The transport instructions will include any relevant information necessary to transport the goods, in particular the identification of the recipient and the place of unloading, the working hours in which the shipment will be accepted, and the specification of public holidays and other limitations or exclusions on the part of the recipient concerning unloading. In the event the Seller does not receive the instructions by the agreed date, or the instructions are incomplete or inaccurate, the Seller is entitled to postpone the date of shipment of the goods without violating the Agreement. The Seller is also entitled to require a compensation for any damage incurred by the Seller due to the breach of the Buyer's obligation to provide proper and timely instructions concerning the goods transport.
6. The Seller will inform the Buyer of the shipment of each consignment of the goods (hereinafter the "advice of dispatch") within 24 hours of shipment under the agreed INCOTERMS delivery clause.
7. If the Seller has no obligation towards the Buyer to make a transport agreement, the Buyer is obliged to take over the goods or arrange the takeover within 10 days of the notification by the Seller of the readiness of the goods for dispatch.
8. The Seller is entitled to make a partial delivery of the goods and the Buyer is obliged to take over such a partial delivery.
9. If the goods have been prepared by the Seller to be purchased by the Buyer "from stock" (i.e. goods manufactured and ready to be dispatched to the Buyer within the agreed delivery period), the Seller shall send the Buyer a notification (information) of the readiness of the goods for shipment - dispatch (hereinafter the "Notification"), and the Buyer shall be obliged to send to the Seller the so-called "order reference" acknowledging the dispatch (hereinafter the "Order Reference") so that the goods are handed over to the carrier for transport to the Buyer within 10 days of the Notification. In the event the goods are not dispatched within 10 days following the date of the Notification (hereinafter the "Dispatch Period") for reasons on the part of the Buyer (inaction of the Buyer, failure to send the Order Reference, request to dispatch the goods after the expiry of the 10-day period etc.), the Seller is entitled to charge a contractual penalty in the amount of EUR 0.75/CZK 20 per 1 tonne of goods/day in the first 30 calendar days following the Dispatch Period until the day of the actual dispatch of the goods. If the goods are not dispatched for reasons on the part of the Buyer even in this 30-day period, the Seller is entitled to increase the contractual penalty to EUR 1.5/CZK 40 per 1 tonne of goods/day for the following period, sell the goods in a suitable manner at the expense of the Buyer after a prior warning and provision of a reasonable additional period to the Buyer to send the due Order Reference (at least 5 business days), or withdraw from the Agreement.
10. A prerequisite for the dispatch of the goods by the Seller is the due payment of all outstanding pecuniary debts by the Buyer under all contractual relationships. In the event the goods are ready for dispatch and the Seller is not obliged to supply the goods for reasons on the part of the Buyer (see Article III of these GBOTC) or for other reasons agreed or stipulated by the law, and these deficiencies preventing the dispatch are not removed within the Dispatch Period, the Seller is entitled to demand a contractual penalty in the amount and manner as set out in Article IV(9) of these GBOTC.
11. In the event the goods are supplied to the Buyer - an entity registered for VAT in another EU Member State, the sale of the goods is subject to the reverse charge regime (where the Buyer is obliged to declare VAT) upon the fulfilment of the statutory requirements. The delivery documents in such a Member State are the relevant transport documents, in particular the consignment note CMR, CIM, B/L etc. If the supply of the goods is carried out under a delivery clause under which the Seller has no obligation towards the Buyer to make a transport agreement, the Buyer agrees to provide the Seller with sufficient evidence of having taken over the delivered goods, or take over the delivery document provided by the Seller, proving delivery.
12. The Buyer agrees to immediately inform the Seller in writing of any changes to its tax identification (VAT number) or any changes to the VAT registration regime (payer - non-payer). If the Buyer breaches this obligation, the Seller is entitled to demand a compensation for any loss incurred by the Seller due to the payment of VAT, penalties or other sums to the tax administrator.
13. The Buyer agrees to inform the Seller immediately after the takeover of the goods from the carrier of any damage to the goods caused during transport, and to list its objections in the relevant transport document. The Buyer is then required to proceed according to the instructions in the relevant Certificate of Insurance.

V. Title to the Goods and Prohibition of Re-Export

1. The goods remain the property of the Seller until the payment of the purchase price including VAT in full (the so-called "retention of title").
2. The Buyer is entitled to sell or process the goods under the retention of title only in the normal course of business and under normal business conditions and if the Buyer is not in default with payment; however, the Buyer shall inform its customer of the existence of the retention of title when selling the goods. The Buyer is not entitled to dispose of the goods in any other way, such as establish a lien or provide other security for the benefit of a third party.
3. In the event the Buyer is in default with the payment of the purchase price of the goods, the Seller is entitled, under the retention of title, to ask the Buyer to return the goods immediately and to come to the place where the goods are stored to take the goods back. The Buyer is obliged to allow the Seller to take over the goods and to provide the Seller with any necessary assistance. Any costs associated with the exercise of the retention of title shall be borne by the Buyer.
4. The Buyer may export the goods outside the European Union only with the prior consent of the Seller. The Buyer is obliged to inform the Seller in writing of any further export of the goods to another EU Member State or of any re-import to the Czech Republic in advance, no later than the moment of entering into the Agreement. In the event the Buyer breaches these obligations, the Buyer is obliged to pay a contractual penalty in the amount corresponding to 20 % of the purchase price of the goods (excl. VAT) that were exported outside the EU or to another EU Member State or re-imported to the Czech Republic without authorisation. The provision on the contractual penalty does not affect the right of the Seller to a compensation for any damage incurred.

VI. Force Majeure

1. If an extraordinary, unforeseeable and insurmountable obstacle arises during the term of the contractual relationship independently of the will of either Party and such an obstacle temporarily or permanently prevents one of the Parties from fulfilling its obligations under the Agreement, the Parties agree to inform the other Party of such obstacles as well as of the estimated time of their duration in writing without undue delay and to consider further actions. These "obstacles" are understood by the Parties as the so-called force majeure events, e.g. in particular a strike, war, other riots of a similar nature, trade, monetary, political or other actions of the authorities, natural disasters such as fire, flood, earthquake, lightning, arctic frost preventing or restricting the transport of goods etc., delays in the delivery of materials and components not caused by the Seller, road closures or delays, theft of goods in transit, accidents in the manufacturing facility or a part thereof and similar force majeure events, including decisions or directions of a competent state authority which limit or disallow the performance of contractual obligations. The Party on whose part such a force majeure situation occurred is not liable for the failure to fulfil its obligations under the Agreement or for any delay.
2. If the obstacle due to the force majeure event lasts less than 30 calendar days, the Parties are obliged to fulfil their obligations arising from the Agreement as soon as the effects of the force majeure event pass; the delivery periods and any other periods will be extended by the length of the duration of the force majeure event. If the obstacle due to the force majeure event lasts more than 30 calendar days, either Party may withdraw from the Agreement.

VII. Rights Arising from Defective Performance - Complaints

1. The Seller is obliged to supply the subject-matter of the Agreement in the agreed quantity (weight), quality and workmanship according to the technical specification as set out in the Agreement, the technical conditions or other document approved by the Parties. No defect is deemed to exist and the goods are deemed duly delivered if the quantity (weight) and quality of the delivered goods correspond to the allowed tolerance under the Agreement, the GBOTC, the technical conditions, applicable standards or other generally binding regulations.
2. The Buyer is obliged to inspect the goods and check their properties and quantity immediately upon delivery.
3. The Seller provides the Buyer with a guarantee of the quality of the goods for the period of 12 months from the date of delivery, unless the Agreement stipulates a different warranty period.
4. Obvious defects of the goods which could be detected in the inspection upon delivery shall be notified by the Buyer to the Seller without undue delay, no later than 15 days from the delivery of the goods. Other defects of the goods shall be notified by the Buyer to the Seller without undue delay upon the detection thereof, no later than the end of the agreed warranty period.
5. Any complaint concerning defective goods must be made in writing and must contain the identification data of the supply under complaint (the number of the Agreement or order confirmation, the date of delivery, the number of the transport document, the melt number, the invoice number etc.), the description of the detected defects, accompanied by the relevant proof of the defects. The Buyer is obliged to allow the Seller to access the goods under complaint for the purpose of verifying the legitimacy of the complaint. A quantity complaint must be evidenced by a conclusive document (weighing ticket) provided by an independent entity.
6. The Buyer is obliged to store the goods under complaint separately until the complaint is settled. Free disposal of the said goods which might make the complaint procedure difficult or impossible is not allowed without the prior consent of the Seller. If the Buyer breaches the obligations and fails to allow the Seller to ascertain the existence of a defect or fails to allow the Seller to access the goods, fails to provide the Seller with samples of the goods under complaint at the Seller's request or fails to submit sufficient documents by the date set by the Seller in the Seller's opinion on the complaint for the Seller to be able to calculate a reasonable discount on the purchase price, the complaint will be rejected by the Seller and the Buyer will lose any claims in relation to such defective goods.
7. Immediately upon receiving a complaint from the Buyer, the Seller is obliged to initiate an investigation so that the Seller can communicate its opinion on the complaint to the Buyer within 30 days of the date of receipt of the complaint. In the case of a justified complaint, the Seller is obliged, at its discretion, to provide a discount on the price of the goods or make a new flawless performance under the originally agreed conditions or remove the defects by the agreed date. The Seller will inform the Buyer of its selected option along with communicating to the Buyer the Seller's opinion on the complaint.
8. No complaint entitles the Buyer to suspend (hold) the payment of the purchase price of the goods or refuse to take over further supplies of the goods. The claims of the Buyer in relation to defective goods expire if the Buyer fails to report the defects by the agreed dates and in the agreed manner.
9. The Seller is not liable for any defects caused by wear and tear in normal use or use that is contrary to the purpose of the Agreement or the documentation relating to the goods.
10. In the event the Buyer incurs a damage as a result of the breach of any obligations hereunder by the Seller (e.g. due to a supply of defective goods) without the existence of force majeure circumstances ruling out the Seller's liability, the Seller will be obliged to pay the actual demonstrable damage calculated by the Buyer but will not be obliged to compensate the Buyer for any lost profit; in any case, the Seller will not be obliged to make any payment to the Buyer in excess of the amount corresponding to 100 % (one hundred percent) of the purchase price of the goods. In the event of damage arising from the breach of multiple obligations of the Seller towards the Buyer, the aggregate liability of the Seller for damage incurred by the Buyer will not exceed 100 % (one hundred percent) of the total purchase price.

VIII. Final Provisions

1. Any disputes arising from this Agreement and in connection with it will be resolved by the Parties amicably by mutual agreement, if possible. If the Parties fail to reach agreement on an amicable resolution of any dispute, the dispute shall be settled by the competent courts of the Czech Republic with the relevant subject-matter and territorial jurisdiction under Czech law.
2. The Buyer has assumed the risk of a change in the circumstances upon entering into the Agreement and therefore is not entitled to exercise the rights set out in Section 1765(1) of Act No. 89/2012 Coll., the Civil Code, as amended.
3. The legal relationships established under or in connection with the Agreement, as well as any matters not addressed in the GBOTC, shall be governed by the laws of the Czech Republic, in particular by the provisions of Act No. 89/2012 Coll., the Civil Code, as amended.