

# GENERAL BUSINESS TERMS

## 1. INTRODUCTORY PROVISIONS

- 1.1. These General Business Terms (hereinafter referred to as "**Business Terms**") amend mainly the rights and obligations established on the basis of or in relation with purchase agreements executed between business organization GELPO s.r.o., company identification number: 293 70 035, having registered address at Vazová 2143, Uherský Brod, ZIP code: 688 01, company registered in the companies register maintained with the Regional Court in Brno, Section C, Insert 76014 (hereinafter referred to as "**GELPO**") as the seller and third persons as the purchaser (hereinafter referred to as "**Purchaser**").
- 1.2. Third persons pursuant to the preceding clause of these Business Terms are understood exclusively as natural persons and legal entities fulfilling the definition of an entrepreneur in accordance with Section 420 et seq. of Act No. 89/2012 of the Civil Code, as amended. These General Terms are this way applied solely to the legal relations between GELPO and entrepreneurs.
- 1.3. Divergent provisions in an agreement prevail over these General Terms; the General Terms prevail over the provisions of an act having no coercive nature.

## 2. EXECUTION OF AN AGREEMENT

- 2.1. An agreement arises on the basis of a Purchaser's order made in writing to the registered address of GELPO or electronically to the corresponding addresses of GELPO specified on GELPO webpages [www.gelpo.cz](http://www.gelpo.cz), and based on a written confirmation of the given order by GELPO (a written confirmation is understood as a confirmation made via electronic mail). The Purchaser is obliged to include in the order (i) the identification of himself/herself, (ii) type of the inquired goods, (iii) quantity of the inquired goods, (iv) the required date of delivery, and (v) requirements for the method of packaging of goods.
- 2.2. Changes made by GELPO in the Purchaser's order lay no basis for the creation of an agreement; such changes are considered to be a draft agreement presented by GELPO to the Purchaser and the agreement is created and the changes performed in the original order are confirmed by the Purchaser.
- 2.3. Unless the Purchaser receives a written confirmation of his/her order by GELPO, he/she may withdraw the order (cancel it). The withdrawal may be made via telephone, too, and then confirmed in writing without undue delay.
- 2.4. All offers made by GELPO are valid for thirty (30) days from the day, on which they were made.

## 3. PAYMENT TERMS

- 3.1. The price for the goods is reimbursed against an invoice issued by GELPO; the invoice is issued after the delivery of the goods; delivery is for the purposes of this provision of the GBT understood as the moment of the handover of the goods by the Purchaser or by Purchaser's carrier. The deadline for the issuance of an invoice by GELPO is fifteen (15) calendar days from the day of delivery of the goods.
- 3.2. All invoices issued by GELPO contain all necessities needed to be in accordance with the relevant legal regulations.

- 3.3. Neither prices for goods defined in a specific partial agreement nor an order confirmation include VAT, or other taxes or duties; those must be added to the prices for the goods in compliance with relevant legal regulations. The price for the goods includes costs for standard packaging of goods. Should the Purchaser require other than standard method of packaging of goods, the price for the given package must be added to the total purchase price for the goods.
- 3.4. GELPO is a VAT tax payer.
- 3.5. The maturity of invoices is always fourteen (14) calendar days from the day of their issuance, unless agreed otherwise.

#### **4. DELIVERY TERMS**

- 4.1. The date of delivery of the goods defined in the GELPO's confirmation of Purchaser's order is regarded as binding.
- 4.2. As a consequence to the circumstances beyond GELPO's influence arisen independently on GELPO's will (so-called force majeure), GELPO may postpone the sending of the goods to the Purchaser until the time, when such force majeure ceases. In such cases it is not regarded as a delay in the delivery of the goods at the GELPO's party, and the Purchaser is not entitled to claim damages or withdraw from the agreement. GELPO is obliged to appropriately inform the Purchaser of all such cases according to its possibilities.
- 4.3. Should the Purchaser ask for the postponement of sending of the goods or should the sending of the goods be postponed for the reasons at the Purchaser's party against the date of sending of the goods under the executed agreement, commencing on the 31<sup>st</sup> day from the arranged date of sending of the goods GELPO is entitled to charge a storage fee amounting to 0.02% of the total purchasing price for the goods up to the total amount of 20% of the total purchasing price for the goods.
- 4.4. Should the Purchaser be in default in the handover of the goods, GELPO sends to the Purchaser a written request for the takeover of the given goods. Should the Purchaser fail to take over the goods within thirty (30) days from the delivery of this written request, the (i) Purchaser is obliged to pay GELPO a contractual penalty amounting to 15% of the purchase price and (ii) after the expiry of other fifteen (15) days GELPO is entitled to handle the goods at its own discretion, including of their further selling.
- 4.5. Partial deliveries are unacceptable, unless explicitly agreed otherwise.
- 4.6. Unless explicitly agreed otherwise, EXV delivery term applies (Uherský Brod, Vazová 2143, Czech Republic) INCOTERMS 2020.
- 4.7. GELPO reserves the right to change or amend the colored samplers of the sold goods, including of color shades and color preparations used for coloring of the goods. In the case, when there is a time lapse between the execution of an agreement between GELPO and the Purchaser and the estimated date of delivery of the goods to the Purchaser, GELPO must not guarantee a consent between the ordered color of the goods and the delivered color of the goods. If this is the case, GELPO agrees to inform the Purchaser of such situation appropriately.

#### **5. RESERVATION OF OWNERSHIP, RISK OF PROPERTY DAMAGE**

- 5.1. Ownership title to the goods is transferred to the purchasing party in the moment of the full payment of the purchase price for the given goods. If the payment for the goods is made via a bank transfer, the day of payment of the price for the goods is understood as the day, on which the relevant amount of the purchase price was credited to GELPO's bank account.

- 5.2. A risk of property damage is passed to the Purchaser in the moment of takeover of the goods by the Purchaser; provided that GELPO is obliged to hand over the goods to the Purchaser's carrier in a given place, the risk of property damage is passed to the Purchaser in the moment of handover of such goods to the relevant Purchaser's carrier. The carrier is for the purposes of this provision of the Business Terms understood as the first carrier for the transportation of goods to the specified place (for cases, in which the Purchaser uses several carriers in parallel for the transportation of the goods).
- 5.3. Should the Purchaser fail to take over the goods in accordance with the executed agreement in time, the risk of property damage is passed to the Purchaser in the moment, when GELPO allowed the Purchaser handle the goods not taken over by the Purchaser in contradiction with the executed agreement.
- 5.4. Damage to the goods caused after the transfer of risk property damage (i.e. damage to the goods) to the Purchaser does not deprive the Purchaser of his/her obligation to pay GELPO the purchase price for the goods.

## **6. LIABILITY FOR DAMAGE, GUARANTEE**

- 6.1. GELPO provides a quality guarantee for the goods lasting twenty-four (24) months, the guarantee period commences on the first day following the day, on which the specific piece of goods was delivered to the Purchaser. The quality guarantee provides that the supplied goods will be fit for using for the agreed or otherwise usual purpose of use during the entire guarantee period, or that the goods keeps the arranged or otherwise usual properties.
- 6.2. An invoice issued by GELPO also represents a letter of guarantee for the supplied goods.
- 6.3. GELPO is responsible for the compliance of the supplied goods with the specification defined in the data sheet for the given goods.
- 6.4. The Purchaser is obliged to follow and abide by all GELPO's instructions as regards the handling, storing, assembly, laying and use of the goods. The instructions and technical specifications of the goods are described in an agreement executed between GELPO and the Purchaser and/or in data sheets and/or instructions provably announced by GELPO to the Purchaser.
- 6.5. The guarantee excludes the following:
  - 6.5.1.1. Defects to the goods caused as a consequence to the misuse of the goods, erroneous storing method, saving, laying, assembly and use of the goods;
  - 6.5.1.1.1. Defects to the goods resulting from the assembly, storing, saving, laying and use of the goods in contradiction with GELPO instructions for assembly and use of the goods and/or data sheet of the goods;
  - 6.5.1.1.2. Defects to the goods caused as a consequence to laying of the goods on a wrongly prepared sitting or unsuitable floor;
  - 6.5.1.1.3. Defects to the surface wear and tear of the goods caused as a consequence of usual use of the goods and ageing of material, and/or caused as a consequence of unsuitable climatic conditions;
  - 6.5.1.1.4. Defects to the goods consisting in the changes in color of the goods as a consequence of ultraviolet radiation and climatic or weather conditions;
  - 6.5.1.2. Defects to the goods caused by the use of unsuitable chemical cleaning agents;
  - 6.5.1.2.1. Defects to the goods originating from mechanical damage to the goods at the Purchaser's party or at the party of third persons;

- 6.5.1.2.2. Defects to the goods originating from unprofessional or wrongly performed repairs to the goods providing that such repairs were not performed directly by GELPO;
- 6.5.1.2.3. Defects to the goods caused by excessive loading of the surface or by biological factors (molds, fungi etc.).
- 6.6. GELPO expressly declares that any changes in the color of the goods or mechanical damage arisen by common use or ageing of the material cannot be considered as damage as such, whereas such facts have no effect on the functional properties of the goods and their further use.
- 6.7. Should the goods supplied by GELPO not be in conformity as regards their quantity, quality, design or package with the conditions set forth in the executed agreement, the goods are damaged. Apparent damage to the goods must be claimed by the Purchaser from GELPO without undue delay, however no later than within seven (7) calendar days from the takeover of the goods by the Purchaser or from the delivery of the goods to the Purchaser by its carrier, in form of a written complaint. In the moment of delivery of the goods, the Purchaser is obliged to perform a check of the goods, the nature, extent and exerted effort of which must correspond to the nature of the supplied goods. Defects that can be found during such check are always regarded as apparent. The Purchaser is obliged to sufficiently prove the complained defects, especially by making and delivering digital photographs of the complained goods.
- 6.8. Should the Purchaser's complaint stem in asserted defects to the goods material, the Purchaser is obliged to supply GELPO with a sample of the complained goods. Should GELPO give actual instructions to the Purchaser regarding the provision of a sample (including of the method of its provision, quantity of samples etc.), the Purchaser is obliged to follow such GELPO instructions for the purposes of settling its complaint. The Purchaser is obliged to deliver the samples to GELPO at its own expense (in the case of accepting the complaint GELPO agrees to pay the costs for the transportation of the sample to the Purchaser). Should GELPO ask for a personal check of the complained goods, the Purchaser is obliged to allow such check.
- 6.9. The Purchaser is obliged to store the complained goods separately from other goods and refrain from handling the goods in a manner that could harden or prevent from the check of the complained defects by GELPO. GELPO agrees to settle the applied complaint within thirty (30) days from the day of acceptance of the Purchaser's written complaint.

## 7. WITHDRAWAL FROM AN AGREEMENT

- 7.1. GELPO or the Purchaser are entitled to withdraw from an agreement, except for other cases defined by these Business Terms, in the case that the other contracting party substantially breaks the obligations resulting for it from the executed agreement. Such substantial breach of contractual obligations is understood especially as follows:
- 7.1.1.1. Purchaser's default in the payment of the purchase price or its part according to the executed agreement for longer than thirty (30) continual calendar days;
- 7.1.1.2. GELPO's default in the delivery of goods for longer than thirty (30) continual calendar days;
- 7.1.1.3. Purchaser's default in the takeover of the goods for longer than thirty (30) continual calendar days;
- 7.2. The relevant contracting party is also entitled to withdraw from the executed agreement, if (i) the other contracting party files an insolvency petition for itself in the position of a debtor pursuant to the provisions of Section 98 of Act no. 182/2006, on bankruptcy and means of resolution thereof, as

amended (hereinafter referred to as the "**Bankruptcy Act**"), (ii) insolvency court shall not decide on an insolvency petition filed to the other contracting party by a third person within three (3) months from the day of commencement of relevant insolvency proceedings, (iii) insolvency court decides on a filed insolvency petition by proclaiming the bankruptcy of the other contracting party, (iv) insolvency court denies an insolvency petition for the reasons of a lack of property of the other contracting party, or (v) if a decision is adopted leading to the cancellation of the other contracting party (either with liquidation or without liquidation); the termination of the other contracting party does not apply to the cases of company transformations.

- 7.3. Should one contracting party provide the other contracting party with an additional period for the fulfillment of some of the contracting obligations, in which the relevant contracting party is in default, there is no withdrawal from the agreement, nor in the case when the authorized contracting party informs the obligated contracting party of no more prolongation of the additionally provided period.
- 7.4. The withdrawal from an agreement must be made in writing and becomes effective in the moment of a notice of such withdrawal to the other contracting party. A written form is for the purposes of this provision not understood as an exchange of electronic mail. Should there be any doubts between the contracting parties regarding the day of delivery of the withdrawal notice, the delivery day is considered to be the third calendar day following the day, on which the withdrawal notice was provably sent to the other contracting party.
- 7.5. Should there be a withdrawal, either by GELPO or by the Purchaser, the force and effect of all covenants of GELPO resulting from any concluded exclusivity clauses or an exclusive sale clause expire.

## **8. FINAL PROVISIONS**

- 8.1. Legal relations arising from the agreements executed between GELPO and the Purchaser, to which these Business Terms apply, are subject to the legal regulations of the Czech Republic.
- 8.2. GELPO hereby represents to follow all obligations resulting from Act No. 477/2001 on Packaging, as amended.
- 8.3. These Business Terms come into effect on 1<sup>st</sup> May 2020.