

GENERAL TERMS OF TRADE (GTT)

PROMONT, a.s. – effective from 01/01/2019

(1) Definition

(1.1) These General Terms of Trade (hereinafter also "GTT") apply to all contractual relationships between P R O M O N T, a.s., based in Chemická 2122/3, 709 00 Ostrava – Mariánské Hory, Company Reg. No.: 00576638 (hereinafter also "PROMONT") and entities with whom a purchase contract is to be concluded (hereinafter also "the Supplier").

(1.2) The GTT is an integral part of any purchase contract concluded between PROMONT and the Supplier (hereinafter also "the Contract") and it applies to all legal relations established between PROMONT and the Supplier. Any deviations from GTT or its supplements shall be executed in a written agreement.

(1.3) No other terms and conditions than GTT shall be accepted upon the conclusion of the Contract and subsequently during its implementation, and their use is thus excluded in advance.

(1.4) In compliance with Section 1801 of Act No. 89/2012 Coll., the Civil Code (hereinafter also "CC"), the Parties have agreed to exclude the provisions of Sections 1799 and 1800 CC.

(2) Conclusion of Contracts, Withdrawal

(2.1) PROMONT can order the subject of the Contract by a written proposal to conclude the Contract (hereinafter also "the Order") that PROMONT shall send to the Supplier by e-mail or by post. PROMONT is bound by the Order for a period of 10 days after sending. If PROMONT does not receive consent or confirmation under Section (2.2) GTT within the aforesaid period of time, the Order becomes ineffective by a written notification of PROMONT sent by post or by e-mail. Unless agreed otherwise, PROMONT shall at least state the following in the Order: the product to be ordered, quantity, price, method of transport and delivery term, or reference to a received offer that will be an integral part of the order.

(2.2) The Contract is concluded as of the moment of the receipt of the Order by the Supplier, once PROMONT receives written consent of the Supplier with the Order, or order confirmation from the Supplier. The Supplier can indicate consent with the Order on the Order and send it back to PROMONT.

(2.3) Any deviations from the Order shall be considered a new proposal to conclude the Contract by which the Supplier is bound for a period of 7 days after the delivery of the proposal to conclude the Contract to PROMONT. If PROMONT fails to send a written confirmation of the acceptance of the proposal to conclude the Contract to the Supplier within the aforesaid period of time, the Contract shall not be concluded.

(2.4) The acceptance of the Order shall be executed in writing. The writing form includes any telegraphic and telex notifications as well as notifications via electronic means that enable

capturing the contents of legal acts and identification of the person who made the legal acts. The conclusion of the Contract renders any previous negotiations and correspondence related to the contents of the Contract null and void.

(2.5) When the Order is accepted after the deadline stipulated in Section (2.1) GTT, until which PROMONT is bound, the Contract shall only be concluded provided that PROMONT does not reject the delayed acceptance of the Order in writing.

(2.6) Both Parties may withdraw from the Contract under the legal terms and conditions in case of substantial breach of the Contract or GTT. A substantial breach is, in particular:

- On the part of PROMONT:
 - Default on payment of the price of the goods exceeding 30 days after the invoice maturity date
- On the part of the Supplier:
 - Delay in the delivery of goods exceeding one week

A substantial breach of the Contract shall not be any event caused by Force Majeure such as natural disasters, war, breakdown etc. that are independent of the will of the Parties.

(2.7) The Contract becomes ineffective upon the delivery of a written withdrawal from the Contract stating the reasons for withdrawal to the other Party.

(3) Transport

(3.1) Unless agreed otherwise, PROMONT shall decide on the method of transport in compliance with Section (2.1) GTT and notify the Supplier in the Order. When the Supplier determines the method of transport, the Supplier shall choose the most convenient means of transport for PROMONT with regard to costs and time. Unless agreed otherwise, the Supplier shall bear the risk arising from the transport of goods.

(3.2) PROMONT shall bear the cost of packaging and postage provided that it has been agreed beforehand in writing. The Supplier is responsible for delivering the goods in the quantity, quality and configuration stipulated in the Contract and the Supplier shall prepare the goods for transport as stipulated in the Contract.

(4) Checking and Inspection

(4.1) The Supplier shall inform PROMONT on their request of the progress of fulfilment of the delivery of the goods. PROMONT is entitled to check the Supplier at any time in order to determine the preconditions for the fulfilment of the Contract.

(4.2) PROMONT undertakes to inspect the delivered goods within 5 business days from its acceptance in order to detect any visible defects and send a written complaint to the Supplier within the same period of time.



GENERAL TERMS OF TRADE (GTT)

PROMONT, a.s. – effective from 01/01/2019

(5) Delivery Term

(5.1) The delivery term indicated in the Order, or in the order confirmation, is determined as a specific date. If the Supplier finds out after the conclusion of the Contract that it is not possible to meet the delivery term, the Supplier shall immediately notify PROMONT, in writing or by telephone, of the causes and the estimated delay. If the delay is caused by Force Majeure, the Supplier shall submit a corresponding proof to PROMONT. PROMONT is entitled to give the Supplier an alternative term for the delivery of the goods.

(5.2) If the Supplier fails to meet the delivery term, or the alternative delivery term, the Supplier shall pay PROMONT a contractual fine in the amount arranged between the Parties for the particular case, per each day of delay, however, in the minimum amount of 0.5% of the price of the undelivered goods.

(5.3) The Supplier shall compensate PROMONT for any costs incurred in relation to the delay of the delivery of the goods, or in relation to a defective delivery, or related to a withdrawal from the Contract for such reasons. The title of PROMONT to compensation of damages, including loss of profit, is not affected by this provision. The delivery term is determined in favour of PROMONT.

(6) Delivery Conditions

(6.1) The Supplier is not authorised to retain the goods on the ground of any receivables towards PROMONT, or to unilaterally set off receivables of PROMONT towards the Supplier against the price of the goods.

(6.2) The point of delivery is the seat of PROMONT, unless agreed otherwise in the Contract.

(6.3) The Supplier shall supplement each, even individual delivery with a document – bill of lading, delivery note, dispatch form, bill of delivery, packing slip, loading list etc. (hereinafter also “the Documents”), sent to the address where the goods are to be delivered, or handed over personally at the address where the delivery is to be handed over. The Supplier shall send all the Documents required for a due acceptance of the delivered goods no later than with the delivery of the goods.

(6.4) The documents shall include, above all, the order number, gross and net weight, names and addresses of the contact persons of the Supplier and PROMONT, point of destination and date of dispatch of the delivery, catalogue item number, item designation, price per unit of the goods, information about packaging, specification and quantity of the delivery, and also the quantity to be delivered in case of a partial delivery.

(6.5) The Supplier shall identify all deliveries (individual, postal, railway etc.) with a precise address and order number on the outside of the packaging of the goods.

(6.6) If the Supplier combines goods delivered

within several contracts in a single consignment, the Supplier shall advise each delivery separately and provide a separate invoice, unless agreed otherwise.

(7) Terms of Payment and Invoicing

(7.1) The Supplier shall bill the price of the goods in an invoice that will either be handed over to PROMONT upon the delivery of the goods, or sent to PROMONT separately after the delivery of the goods. When the invoice is sent separately without the goods, a document of the acceptance of the goods confirmed by PROMONT shall be enclosed.

(7.2) The invoice shall contain all the particulars of a tax document. The invoice shall include the order number.

(7.3) If the Supplier fails to meet these terms and conditions, PROMONT shall consider the invoice to be incomplete and send it back for correction, specifying the deficiencies. PROMONT shall not be in default on payment until PROMONT receives the corrected invoice and the maturity starts again when the corrected invoice is delivered.

(8) Maturity Date

(8.1) Unless expressly agreed otherwise, the Supplier's invoice matures within 60 days from the date of the delivery of the invoice, or from the delivery date, whichever occurs later.

(8.2) Any interest on default payment shall be determined at the legal rate according to the Commercial Code.

(8.3) Payments shall be executed by a bank transfer to the Supplier's account specified in the heading of the Contract. The invoice is considered paid when the corresponding amount is credited to the Supplier's account.

(8.4) If PROMONT fails to pay the Supplier's invoice by the maturity date, the Supplier is entitled to claim the payment of interest on default payment at the rate stipulated by legal regulations.

(9) Warranty

(9.1) The Supplier warrants the quality of the goods to PROMONT. Unless stipulated otherwise in the Contract, the warranty period shall be at least 24 months.

(9.2) The warranty period starts on the day of the delivery of the goods to the point of delivery. The warranty period does not include the period of time during which PROMONT cannot use the goods due to defects (after the delivery of the complaint to the Supplier).

(9.3) The Supplier is responsible for ensuring that the goods have the properties stipulated in the Contract, or regular properties during the warranty period. The Supplier is responsible for defects that the goods have at the time of delivery handover to PROMONT and for defects that become evident



GENERAL TERMS OF TRADE (GTT)

PROMONT, a.s. – effective from 01/01/2019

during the warranty period. PROMONT shall claim any apparent defects within the period of time under Section (4.2) GTT.

(9.4) A complaint shall be filed in writing or electronically without unreasonable delay after determination to the address of the Supplier's place of business, no later than on the last day of the warranty period; the complaint must be delivered to the Supplier within the warranty period. The complaint shall include a description of the defects and how they are manifested. At the same time, PROMONT shall state which method of elimination of the defect they request. The Parties have agreed that when the defect occurs in the warranty period, PROMONT is entitled to demand and the Supplier shall eliminate defects that the Supplier is responsible for by providing compensation in kind, free of charge, unless PROMONT and the Supplier agree otherwise.

(9.5) The Supplier shall notify PROMONT in writing, no later than 3 days after the receipt of the complaint, whether or not the Supplier accepts the complaint, what deadline (other than in Section (10.1) GTT) the Supplier proposes for the elimination of the defects, or why the Supplier does not accept the complaint. Failure to do so within the aforesaid deadline shall be considered an acceptance of the complaint.

(10) Quality and Protection

(10.1) If the delivered goods have any hidden defects after the lapse of the warranty period and the Parties have not agreed otherwise, the Supplier shall eliminate the defects within 15 days after the day of the delivery of the complaint by PROMONT, unless agreed otherwise.

(10.2) When it is not possible to repair the defects of the goods and the Parties have not agreed otherwise, the Supplier shall provide substitution goods for the defective goods within 10 days from the delivery of the complaint by PROMONT, no later than one month after the notification of the defects. If the Supplier fails to meet the one-month deadline, PROMONT shall be entitled to withdraw from the Contract and the Supplier shall return any paid price of the goods or its part, with any corresponding default interest, to PROMONT without unreasonable delay, unless PROMONT has exercised the right not to pay the price of the goods within the scope of the defects of the goods.

(10.3) If the Supplier fails to return the price of the

goods without unreasonable delay, no later than within 3 days, the Supplier shall pay a contractual fine to PROMONT, which the Parties have agreed to be 20% of the price of the defective goods for this case.

(10.4) Also, the Supplier guarantees that the goods are in compliance with the generally binding legal regulations of the Czech republic, namely the provisions concerning health safety and protection.

(11) Packaging

(11.1) The Supplier shall indicate in the Contract and in the invoice whether or not the delivery includes returnable packaging. The Supplier invoices the price of the returnable packaging to PROMONT. The Supplier undertakes to repurchase such packaging from PROMONT for the invoiced price reduced by the value of wear and tear provided that PROMONT returns the packaging within 18 months after the delivery of the goods.

(11.2) PROMONT shall pay for the transport of the packaging returned to the Supplier, unless agreed otherwise in the Contract.

(12) Final Provisions

(12.1) If any of the Parties incurs any facts preventing due fulfilment of the Contract, the Party shall notify the other Party without unreasonable delay.

(12.2) The wording of GTT as well as the wording of the Contract are also binding for the legal successors of PROMONT and the Supplier. PROMONT and the Supplier are entitled to assign their rights and liabilities arising from the terms and conditions and from the Contract to a third party only with the written consent of the other Party.

(12.3) The legal relations arising from the Contract and not regulated by the Contract and GTT shall be governed by the valid legal regulations of the Czech Republic, particularly by the corresponding provisions of the Commercial Code.

(12.4) The Contractor declares and confirms by signing the Contract that they have been acquainted with the contents of these General Terms of Trade, that they understand them and agree with their contents.

P R O M O N T, a.s., Chemická 2122/3, Mariánské Hory, 709 00 Ostrava

www.promont-as.cz; Company Reg. No.: 00576638; Tax Reg. No.: CZ00576638; Data Box ID: ivsfjck

