

## GENERAL TERMS AND CONDITIONS FOR THE SUPPLY OF MECHANICAL, ELECTRICAL AND ELECTRONIC PRODUCTS

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BY **ELEKTROLINE A.S.**, SEATED AT K LÁDVÍ 1805/20, KOBYLISY, 184 00 PRAHA 8, COMPANY ID NO.: 45312338, RECORDED IN THE COMMERCIAL REGISTER HELD BY THE MUNICIPAL COURT IN PRAGUE, SECTION B, INSERT 9880 (THE „**SUPPLIER**“)

### INTRODUCTORY PROVISIONS

1. These General Terms and Conditions (the "**GTC**") govern the legal relationships relating to the supply of the Supplier's mechanical, electrical and/or electronic products (the "**Product**") to non-consumer third parties (the "**Purchaser**") (Supplier and Purchaser also referred to as the "**Parties**").
2. These GTC form an integral part of any Contract between the Supplier and the Purchaser (regardless of its form) for the supply of the Product, unless otherwise agreed in the Contract signed by both Parties. The Customer by any action from which the intention to buy the Product is evident confirms that he has become acquainted with the wording of the GTC and accepts them without reservation, regardless of his own purchase, delivery general or other terms and conditions.
3. Any modifications of or deviations from the GTC shall be agreed by the Parties in writing. Any modification of or deviation from the GTC agreed outside the text of the Contract signed by both Parties must be manifestly and demonstrably agreed by both Parties.
4. Wherever the GTC use the term "**Contract**", it shall mean a purchase contract for the supply of the Product concluded between the Parties in any form and in any manner whatsoever in accordance with the applicable law. Wherever the GTC use the term "**Contract signed by both Parties**", it shall mean a Contract drawn up on the document signed by both Parties. Wherever the GTC require a written form, this shall mean by document signed by both Parties, or by letter, fax, electronic mail and by such other means expressly agreed by the Parties.
5. The Supplier is entitled to modify the GTC. The Supplier shall notify the Purchaser of the modification in writing, no later than the date on which the modified GTC come into effect. If the Purchaser does not agree with the modification of the GTC, he is entitled to terminate the Contract for repeated supplies of the Products affected by such modification, to the extent that it has not yet been fulfilled, by a written notice delivered to the Supplier within 5 days of the notification of the modification of GTC, with a notice period of two months. This is without prejudice to the right of the Supplier to state that the current version of the GTC shall apply to the affected Contract even after the modification of the GTC.

### CONCLUSION OF THE CONTRACT

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6. The Purchaser shall make a Product order in writing, by telephone or in person through a Supplier's employee or sales representative. The order shall contain at least the identification and quantity of the ordered Products (the "**Order**"). The Supplier shall acknowledge receipt of the Order in writing within 5 business days and notify the Purchaser at least of the total purchase price for the Products and the expected delivery date (the "**Confirmation**").
7. The Contract is concluded in the moment of delivery of the Confirmation to the Purchaser. If the Order also contains the required purchase price, delivery date of the Products and/or other conditions not regulated by these GTC, and the Confirmation contains a different purchase price, delivery date, identification or quantity of the Products than the Order, the Contract is concluded once the Parties agree on such matters in writing. If the Order contains a reference to the Purchaser's purchase, delivery general or other terms and conditions, the Contract is concluded when the Purchaser accepts these GTC in writing and without reservation.
8. If the Purchaser makes a Product order through the Supplier's internet store at <https://www.elektroline.cz>, the Contract is concluded by sending the Product order.
9. All Product presentations on the Supplier's website are informative. Section 1732 (2) of the Civil Code does not apply.

#### **DRAWINGS AND DESCRIPTIONS**

10. Basic Product information is available on Supplier's website <https://www.elektroline.cz>. The Supplier shall provide the Purchaser, at his written request, with the information and drawings necessary for the Purchaser to assemble, commission, operate and maintain the Product, if necessary in view of the nature of the Product. This information and drawings will be supplied in one copy of each. The Supplier is not obliged to provide manufacturing drawings of the Product or spare parts.
11. Drawings, technical documents, or other technical Product information provided by the Supplier to the Purchaser may not be used for any purpose other than to which they were provided, copied, reproduced, transmitted, made available or disclosed to a third party without the Supplier's consent. However, the Purchaser is entitled to make these documents available to a person authorized to perform the installation or maintenance of the Product if such documents are necessary for proper installation or maintenance of the Product. In such a case, the Purchaser must ensure that the person who has received the documents under this Article of the GTC does not retain the documents and/or does not make or collect copies or other records from them.

#### **ACCEPTANCE TESTS**

12. Acceptance tests are conducted only if expressly agreed by the Parties in writing. Acceptance tests shall, unless otherwise stipulated in the Contract, be carried out at the place of manufacture during normal working hours. If the Contract does not specify the technical requirements, the acceptance tests shall be carried out in accordance with general practice in the appropriate branch of industry concerned in the country of manufacture.

13. The Supplier shall notify the Purchaser in writing of the acceptance tests in sufficient time to permit the Purchaser to be represented at the tests. If the Purchaser is not represented, the test report shall be sent to the Purchaser and shall be accepted as accurate.
14. If the acceptance tests show the Product not to be in accordance with the Contract, the Supplier shall without delay remedy any deficiencies in order to ensure that the Product complies with the Contract. New acceptance tests shall then be carried out at the Purchaser's request, unless the deficiency was insignificant.
15. The Contract specifies the extent to which the Parties bear the cost of the acceptance tests. The Purchaser shall however always bear all travelling, living or similar expenses for his representatives in connection with such tests.

#### **DELIVERY. PASSING OF RISK**

16. The method of delivery of the Product and the passing of risk of damage to the Customer is governed by INCOTERMS 2010. Unless a specific clause is expressly agreed in the Contract, the delivery from the Supplier's premises - EXW K Ládví 1805/20, Praha 8, CZ INCOTERMS 2010, is agreed.
17. If the Supplier, at the request of the Purchaser, undertakes to send the Product to its destination, the risk of damage will pass to the Purchaser no later than when the Product is handed over to the first carrier.
18. Delivery of the Product by the Supplier may be subdivided into several parts, unless otherwise agreed in the Contract.

#### **TIME OF DELIVERY. DEFAULT**

19. The delivery time of the Product shall be stipulated by the Contract. If the Parties, instead of specifying a delivery date in the Contract, agree on a period of time on the expiry of which the delivery shall take place without identifying the start of that period, such period shall start to run on the day following the date on which all of the following conditions have been met: (i) the Contract was concluded (ii) all applicable public law requirements for delivery of the Product have been met; (iii) the Purchaser has provided the Supplier with all payments due upon the conclusion of the Contract; (iv) all warranties agreed in the Contract have been provided; and (v) other conditions for delivery of the Product stipulated in the Contract have been met.
20. If the Supplier assumes that he will not be able to deliver the Product within the time of delivery, he shall immediately inform the Purchaser thereof in writing stating the reason and, if applicable, the time of delivery of the Product. If the Supplier fails to give such notice, the Purchaser shall be entitled to any additional costs incurred and which he could have avoided had he received such notice.
21. If the delay of delivery of the Product is due to any of the circumstances referred to in Article 51 of the GTC, the act or omission on the part of the Purchaser or the suspension of performance,



the Supplier is not in default and the time of delivery of the Product shall be extended by the period of such circumstances. This provision applies irrespective of whether such circumstances occur prior to or after the agreed time of delivery.

22. If the Product is not delivered at the time of delivery, as defined in the Contract or in Article 19 or 21 of the GTC, the Purchaser shall be entitled to a contractual penalty. The contractual penalty shall be payable at the rate 0.2 % of the purchase price stipulated in the Contract for each completed week of delay, starting from the date when the delivery of the Product should have occurred. The total amount of the contractual penalty must not exceed 7.5 % of the purchase price stipulated in the Contract. If the delay concerns only a part of the Product, the amount of the contractual penalty shall be calculated from the part of the purchase price corresponding to a portion of the Product that cannot be used as expected by the Parties due to the delay. The contractual penalty is payable upon a Purchaser's written request, but not prior to the delivery of the Product or the termination of the Contract under Article 23 of the GTC. The Purchaser forfeits the right to claim a contractual penalty unless he submits a written request for payment to the Supplier within six months of the first time he could do so.
23. If the Supplier's delay in delivering the Product is such that the Purchaser is entitled to a maximum amount of a contractual penalty under Article 22 of the GTC, the Purchaser may request in writing the delivery of the Product within an additional reasonable period, which may not be shorter than one week. If the Supplier does not deliver the Product within such additional period and such delay is not due to any circumstances for which the Purchaser is responsible or any of the circumstances referred to in Article 51 of the GTC, the Purchaser may notify the Supplier in writing that he is withdrawing from the Contract in respect of such part of the Product which, due to Supplier's delay, could not be used by the Purchaser as intended by the Parties. If the Purchaser withdraws from the Contract, he will be entitled to compensation for the damage suffered as a result of the Supplier's delay. The sum of compensation for damages under this Article and the contractual penalty under Article 22 of the GTC shall not exceed 15 % of that part of the purchase price corresponding to the part of the Product for which the Purchaser withdraws from the Contract.
24. The contractual penalty provided for in Article 22 of the GTC and the withdrawal from the contract with limited compensation for damages under Article 23 of the GTC are the only claims of the Purchaser in the event of Supplier's default. Any other Purchaser's claims in the event of such delay shall be excluded, except when the Supplier has committed gross negligence. However, the compensation for damages may never exceed the agreed purchase price. In these GTC the gross negligence shall mean the act or omission of the Party which, in the light of all the circumstances known to it, has extremely breached the caution required and has failed to take due account of the serious consequences of such acts or omissions for the other Party, or deliberate failure to respect the serious consequences of such acts or omissions.
25. If the Purchaser assumes that he will not be able to take over the Product at the time of delivery, he shall immediately inform the Supplier in writing, stating the reason and, if applicable, the time he will be able to take over the Product. If the Purchaser does not take over the Product at the time of delivery, he is obliged to pay the part of the purchase price that would become payable upon delivery as if the Purchase had taken over the Product. In such a case, the Supplier shall arrange for storage of the Product at the risk and expense of the Purchaser. If the Purchaser so requests, the Supplier shall have the Product insured at the Purchaser's expense.



26. Unless the Purchaser's failure to accept delivery is due to any such circumstance as mentioned in Article 51 of the GTC, the Supplier may by notice in writing require the Purchaser to accept delivery within a final reasonable period. If, for any reason for which the Supplier is not responsible, the Purchaser fails to accept delivery within such period, the Supplier may by notice in writing terminate the contract in whole or in part. The Supplier shall then be entitled to compensation for the damage suffered as a result of the Purchaser's default. The compensation shall not exceed that part of the purchase price which is attributable to that part of the Product in respect of which the Contract is terminated.

#### **PAYMENT**

27. Unless otherwise agreed, the Purchaser shall pay 50 % of the purchase price within 3 days of the conclusion of the Contract and 50 % of the purchase price within 3 days of Supplier's notification to the Purchaser that the Product or a substantial part of it is ready for delivery. In case the purchase price in whole or in part is to be paid by the Purchaser after the delivery, it is due within 30 days from the date of receipt of the relevant invoice. Invoices may be sent electronically.
28. The Purchaser is obliged to pay the invoice in the amount and in the currency, which is stated on the invoice according to the agreement. If the Purchaser pays the invoice in a different currency, the Supplier is not obliged to accept the payment and may return it to the account from which the payment was made. In such a case, the invoice shall be considered unpaid. If the Supplier accepts payment of an invoice in a currency other than agreed, he shall inform the Customer of the increased costs of accepting the payment (such as exchange rate difference, bank charges, etc.), and the Purchaser shall be obliged to refund these increased costs to the Supplier within 3 days.
29. Regardless of the means of payment used, the payment of the purchase price shall not be deemed duly made before the amount corresponding to the purchase price is credited to the Supplier's account.
30. If the Purchaser is delayed with the payment of the purchase price, the Supplier shall be entitled to default interest. Unless the Parties otherwise agree, the default interest shall be 0.05 % of the purchase price for each day of delay.
31. In case of Purchaser's late payment of the purchase price in whole or in part the Supplier may, after having notified the Purchaser in writing, suspend performance of the Contract until he receives the payment. If the Purchaser fails to pay the purchase price within three months, the Supplier shall be entitled to withdraw from the Contract by a notice in writing to the Purchaser and to a compensation for the damage incurred. The compensation shall not exceed the amount of the purchase price.

#### **RETENTION OF TITLE**

32. The product shall remain the property of the Supplier until the Purchaser has fully paid the purchase price.

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33. The reservation of title does not affect the passing of risk of damage to the Purchaser under Articles 16 and 17 of the GTC.

#### **WARRANTY**

34. The Product warranty is governed by the Warranty Terms, which are published on the Supplier's website <https://www.elektroline.cz> and form an integral part of these GTC.

#### **LIABILITY FOR DEFECTS**

35. The Supplier is only liable for defects that occur under normal operating conditions and operating conditions expressly stated in the Contract or technical documentation of the Product and under proper use of the Product.
36. The Customer shall only be entitled to claims resulting from the Supplier's liability for defects that the Product already had in the moment of passing of risk of damage to the Purchaser. Therefore, the Supplier's liability does not cover defects caused particularly but not limited to by installation, repair, replacement by non-original parts or maintenance not performed by the Supplier or by alterations carried out without the Supplier's written consent. The Supplier's liability for defects does not cover normal wear and tear or deterioration.
37. The Purchaser undertakes to inspect the Product within 3 days of its takeover. If the nature of the Product or the length of its shipment to the Purchaser so require, the Parties may agree to a longer term for the Product inspection in writing.
38. The defects of the Product that were or, with an adequate care, should have been identified during the inspection under Article 37 of the GTC, shall be notified by the Purchaser to the Supplier in writing at the latest on the next working day following the day on which the inspection was carried out under Article 37 of the GTC. If the Purchaser fails to do so, he shall be denied the right to assert claims for the defects found during this inspection.
39. The Purchaser shall notify the Supplier in writing of other defects of the Product without undue delay after having been able to ascertain the defects with a due care, but not later than two years after the takeover. If he fails to do so, he shall be denied the right to assert claims for such defects.
40. In case that the defect might cause damage to the Purchaser or to third parties, the Purchaser is obliged to notify the Supplier immediately in writing. The Supplier is not responsible for any damage that may be caused by the defect, including a damage caused by production failure, a loss of profits and other indirect losses caused by Product defect, which should have been revealed by the Purchaser with professional care and notified to the Supplier according to the previous sentence.



## **COMPLAINT**

41. The Purchaser shall claim a defect of the Product through a complaint form located on the Supplier's website <https://www.elektroline.cz>. The Purchaser shall duly describe the defect of the Product, or, as the case may be, to attach photographs.
42. The Purchaser is obliged to respond immediately to the Supplier's inquiries regarding the defect claimed and to provide him with all the assistance in determining the causes of the defect. If required so by the Supplier, the Purchaser is obliged to modify the Product's settings or parameters, if the Supplier considers it necessary for the proper functioning of the Product and the Supplier's presence in the removal of the defect or delivery of the Product to the Supplier is not necessary. The Purchaser is obliged, upon an explicit request, to allow the Supplier access to the Product for which the defect is claimed.
43. Within 5 working days of filling in the complaint form, the Supplier shall certify to the Purchaser the registration of the complaint and, if appropriate, shall require the Purchaser to deliver the defective Product to the Supplier's works or to another designated place.
44. The complaint shall be settled within 30 days of delivery of the defective Product to the Supplier's works or other designated place.
45. In case of redeemable defects of the Product, the Purchaser may require the Supplier to remove or repair the defect. The Supplier is entitled to supply the Purchaser with a new Product or part of it instead of a repair. The Purchaser is entitled to require an adequate purchase price reduction or supply of a new Product or a part of only in case that the defect prevents the Purchaser from using the Product or the same defect in the same Product occurred more than twice and has always been properly claimed.
46. The Purchaser may not claim for a defect previously claimed if the Product's purchase price has been reduced by the Supplier.
47. In case of irredeemable defects of the Product, the Purchase may require a supply of a new Product or a part of it or an adequate purchase price reduction. Should the Purchaser be entitled to withdraw from the Contract on supply of several pieces or kinds of Products, the Purchaser may withdraw from the contract only in relation to the defective Product, and the Contract remains valid and effective in respect of the other Products.
48. If the complaint (claim) is not legitimate, the Supplier shall be entitled to claim the costs incurred as a result of an unjustified claim.
49. The defective Product or its parts that have been replaced by the Supplier shall become the property of the Supplier.
50. When repairing the Product, the Supplier is authorized to make modifications and different designs of the Product that do not affect its functionality or value. Such modifications are not a defect of the Product.

## **FORCE MAJEURE**

51. Each Party shall be entitled to suspend the performance of its obligations under the Contract to the extent that such performance is hindered by circumstances beyond the control of Parties such as natural disaster, war, extensive military mobilization, rebellion, international embargo. The circumstances referred to in this provision may be grounds for suspension of performance only if their effect on the performance of the Contract cannot be foreseen at the time the Contract is concluded.
52. A Party claiming to be affected by force majeure shall immediately notify the other Party in writing without delay of the beginning and the foreseeable duration of such circumstance. In the event of force majeure preventing the Purchaser from taking over the Product, the Purchaser shall reimburse the Supplier for the costs incurred in storing the Product.
53. Notwithstanding other provisions of the GTC, each Party shall be entitled to withdraw from the Contract by written notice to the other Party if the performance of the Contract is suspended pursuant to Article 51 of the GTC for more than six months.

## **DISPUTES AND APPLICABLE LAW**

54. All disputes arising out of or in connection with the Contract shall first be settled amicably. If the Parties do not reach an agreement within a reasonable time, the Czech court in whose district the Supplier is seated shall be competent to deal with the dispute.
55. The rights and obligations of the Parties are governed by the laws of the Czech Republic.

## **FINAL PROVISIONS**

56. If any provision of the GTC is or becomes ineffective, the other provisions of the GTC remains unaffected. The Parties undertake to replace without delay the ineffective provision as soon as possible with provisions that are effective, in accordance with the economic and factual purpose of the replaced provision.
57. These GTC are effective as of 1 January 2019.