

## **General Trade Conditions**

General Trade Conditions of ZEO TRADE, s.r.o., a company based at Záhoří 11, post code 398 18 Záhoří u Písku, registered in the Company Register conducted by the Regional Court in České Budějovice, section C, file 6837  
Reg. No.: 25159623, VAT No.: CZ25159623

### **I. General Provisions**

1. These General Trade Conditions arrange the rights and obligations of ZEO TRADE, s.r.o. (hereinafter referred to as the “Purchaser”) and a Seller in supplying goods from the Seller’s range to the Purchaser upon its order.
2. The Seller as in the previous paragraph means a domestic legal entity or an individual or a legal entity or an individual not having its headquarters at the territory of the Czech Republic.
3. These General Trade Conditions are binding for all sellers supplying goods to the Purchaser upon its written or telephonic order.
4. These General Trade Conditions become valid on the day of their publication on the Purchaser’s website ([www.zeotrade.cz](http://www.zeotrade.cz)). The Purchaser reserves the right to modify these General Trade Conditions at any time. A reference to these General Trade Conditions is mentioned in each Purchaser’s order and if an order is placed by telephone such a reference is attached to each confirmation of goods summary sent by the Purchaser to the Seller. By order confirmation or by confirmation of a summary of goods the Supplier confirms that it has been acquainted with the General Trade Conditions and agrees with them.
5. All relations between the Seller and the Purchaser not explicitly arranged by these General Trade Conditions are subject to the appropriate provisions of the Commercial Code. The Seller is aware of the fact that the substantial-law as well as procedural-law relations with the Purchaser are exclusively governed by the Rule of Law of the Czech Republic even if a rule of law of another country were appropriate according to the international law standards or according to European Community standards.

### **II. Ordering Goods**

1. An order may be sent to the Seller by post, placed by telephone to a phone number of any of the Seller’s operations, as presented on the Seller’s website, or by e-mail to an electronic address presented on the Seller’s website.
2. The Purchaser is obliged to state the following data in an order:

- a. Its identification, i.e. company trade name or name and surname, headquarters/residence, Reg. No., VAT No., contact (telephone, fax, e-mail address), contact person authorized to act on behalf of the Seller.
  - b. Code of ordered goods according to an offer, or also their description.
  - c. Delivery address (unless this information is given the Purchaser's headquarters/residence address will be understood the delivery address).
  - d. Working hours for delivery of goods.
3. Unless an order includes the data mentioned in the previous paragraph it may be considered incomplete. In such a situation the Seller will try to contact the Purchaser and invite him to specify it and/or complete it. Such an order is considered complete at the moment of delivery of the specification and/or completion to the Seller.
4. The Seller is obliged to check whether the required goods are on store immediately after receipt of a complete order. Unless the required goods are on store or are not available in the required quantity, the Seller will contact the Purchaser to offer alternative performance. The Purchaser is obliged to confirm acceptance of alternative performance delivery to the Seller in written or by telephone. If delivery of required goods is only possible within longer delivery term the Seller will inform the Purchaser about this fact, however the Purchaser is entitled to reject the alternative performance in such a situation.
5. If the Purchaser sends the first order to the Seller, it is obliged to enclose identification documents, i.e. an extract from the Company Register, a copy of the Trade Licence etc, and the VAT No. Confirmation.

### **III. Purchasing Price of the Goods**

1. The purchasing price will be set according to the Seller's current pricelist. The Seller will provide the Purchaser with a printed pricelist valid for the current period upon request. The Seller must not change the purchasing price of goods unilaterally without Purchaser's consent.

### **IV. Entering into a Purchasing Contract**

1. Delivery or telephonic communication of a complete order to the Seller according to Article II par. 1 represents a proposal for entering into a purchasing contract pursuant to sec, 43a and the following of Act No. 40/1964 Col., the Civil Code.
2. A purchasing contract is entered into:
  - a. at the moment of delivery or telephonic communication of a complete order to the Seller provided that the Purchaser orders the goods for current price,
  - b. at the moment of Purchaser's consent with delivery of alternative performance or with delivery of goods within longer delivery term pursuant to Art. II.4, whichever occurs later.

## **V. Purchasing Price Payment and Payment Conditions**

1. The Purchaser is obliged to pay the purchasing price for delivered goods by non-cash transfer to the Seller's account stated on the invoice or in cash on delivery of goods.
2. In the instance of non-cash transfer the purchasing price is understood settled at the moment when the amount is credited to the Seller's account stated on the invoice. As a document of cash payment a receipt on which the cash payment is confirmed is understood.
3. Purchasing price of the goods that the Seller supplies to the Purchaser upon an order is payable by the date stated to the invoice issued by the Seller to the Purchaser. The day from which the purchasing price payability is counted must not precede the day when the Purchaser confirmed the parameters of the purchased goods in written, particularly with regard to quality and quantity of the goods.
4. The Purchaser is obliged to settle all obligations to the Supplier according to the rules stipulated in these General Trade Conditions, unless individual payment conditions are agreed upon with the Seller. If the Purchaser fails to pay the purchasing price or its part in time it loses the title to possible discounts provided by the Seller and is obliged to pay a contractual penalty of 0.05 % from the due amount per each started day of delay and the interest of delay at the statutory level pursuant to the statutory instrument - Government Regulation No. 142/1994 Col.

## **VI. Delivery Conditions**

1. The Seller will supply the goods at its own expense and at its own risk to the address, on the day and at the time agreed upon. If a third person independent on either the Purchaser or the Seller is hired to transport the goods to the Purchaser the Seller is responsible for the risk of damage to the goods up to the due acceptance of the goods by the Purchaser.
2. Terms of delivery of above-standard goods that are not listed in the pricelist are determined upon agreement depending on the delivery terms from suppliers.
3. The Seller will always hand over a delivery note with delivered goods with exact identification of the goods delivered, their quantity, weight and/or calibration, depending on the goods character. The Purchaser is obliged to sign the delivery note after checking the goods (see Art. VII /“Complaints and Warranty Period”/) and thus confirm acceptance of the goods and the other conditions specified in these General Trade Conditions. If it fails to do that the Seller is entitled to refuse to give the goods to the Purchaser.
4. The Purchaser is obliged to inform the Seller immediately on any change of the delivery place or the person authorized to take the delivery. The Seller is not responsible for damage caused by incorrect or delayed delivery of goods if it was caused by breach of Purchaser's obligation according to this Article. By breaching the obligation according to this Article the Purchaser is responsible to the Seller for damage caused to him as a consequence of ordered transport of goods or damaged goods.

5. The risk of damage is transferred to the Purchaser at the moment of due acceptance of the goods.
6. The Seller will issue a tax document – invoice to the Purchaser, which it will hand over to the Purchaser at the goods acceptance with the delivery note or send to the company address after mutual consent on the goods parameters in terms of quality and quantity. Each invoice will include the following data among the other statutory features:
  - a. invoice identification and number;
  - b. name, address, Reg. No., VAT No. of the Seller and the Purchaser, the Company Register registration data (court, section, file number);
  - c. Seller's banking details;
  - d. purchasing price payment day;
  - e. description of delivered goods, their quantity, weight and/or calibration;
  - f. price excl. VAT, VAT, total price to be paid.
7. The Purchaser is entitled to return an invoice to the Seller (i.e. to deliver it to the Seller in a demonstrable way), if it includes incorrect pricing details or if any of the essentials is missing. The Purchaser is obliged to enclose a written specification of drawback the invoice includes in its opinion to the returned invoice. If such an invoice is really incorrect the Seller will issue a new one to the Purchaser. The Purchaser's obligation to pay the invoice by the deadline stated in the original invoice is not affected unless the fault of the invoice is based on incorrect purchasing price. In such a situation the payment term starts on the day of delivery of the corrected invoice.

## **VII. Complaints and Warranty Period**

1. The Purchaser is obliged to check the packaging and to perform visual check of the goods. It is also obliged to weight the goods. In case of discrepancy the weight detected by the Purchaser has priority to the weight declared by the Seller. The Purchaser is obliged to claim incorrect quantity and obvious failures immediately at acceptance, however within 48 hour from acceptance at the latest, unless otherwise agreed upon. The Purchaser is obliged to describe the failures on goods in detail or also to specify how these failures affect the overall quality of the goods, in the complaint. The Purchaser will not accept any later complaints. The Seller will assess the complaint in the statutory term and if it is substantiated it will deliver a replacement or will issue a credit note to the value of the faulty goods or will provide a discount or reduce the price by reducing the confirmed weight by the weight of the faulty goods, at its own discretion. The Purchaser reserves the right to hire an expert or a specialized expert organization for assessment of faults or drawbacks on the goods in disputable instances. In case of dispute between the Seller and the Purchaser on quality of delivered goods the Seller and the Purchaser agree that an opinion of an expert or a specialized expert organization will be decisive.
2. If the Purchaser has accepted goods and intends to reject them, it is obliged to take measures for preservation of the goods adequate to the circumstances. If deterioration of the goods threatens the Purchaser has the right to sell the goods and

use the proceeds for compensation of the costs arisen. The Purchaser will inform the Seller what the total proceeds from the sale of goods were and what the costs were. The Purchaser is obliged to return the remaining part of the proceeds to the Seller without unnecessary delay after the Seller has sent the Purchaser an invoice containing the data according to Art. VI par. 6 and upon the Purchaser's written documents mentioned in the previous sentence.

3. The Purchaser is provided the statutory warranty period to the delivered goods.

### **VIII. Jurisdiction and settlement of disputes**

1. The Seller and the Buyer have expressly agreed that all proprietary disputes that may arise in the future on the basis of the concluded contract or contracts or that will arise in relation thereto, including the issues of the contract validity, interpretation, implementation or termination of the rights resulting from or directly related to such legal relationship, shall be decided in the arbitration proceedings according to Act No. 216/1994 Coll. on arbitration proceedings and execution of arbitration awards, excluding the competence of general courts in such a manner that the Arbitration Court of IAL SE will decide according to its Rules of Procedure by a sole arbitrator appointed by the Chairman of the Arbitration Court of IAL SE. The arbitration proceedings will be held without ordering verbal hearing, and no justification of the arbitration award will be necessary. The Seller and the Buyer declare that they had the opportunity to make them familiar with the content of the applicable Rules of Procedure for the arbitration proceedings, the rules for the arbitration proceedings costs, the organisation rules and the office rules, applicable version of which is published at [www.rozhodcisoud.net](http://www.rozhodcisoud.net).

### **IX. Final Provisions**

1. These General Trade Conditions only apply to relations linked to purchase of goods from the Seller's offer. These General Trade Conditions will only apply to a supply of above-standard goods not listed in the Seller's offer as a supplement, in questions that are not individually agreed upon between the Seller and the Purchaser.
2. Applicability of individual provisions of these General Trade Conditions may be ruled out by a written agreement between the Seller and the Purchaser.
3. These General Trade Conditions have been issued in the Czech and English languages and the Seller and the Purchaser acknowledge that the Czech version has priority in possible contradiction or uncertainty.
4. These General Trade Conditions become effective on 15 April 2009.