



GENERAL COMMERCIAL CONDITIONS APPLICABLE TO DELIVERIES OF ELIS PLZE , a.s.

1. Applicability

1.1 These General Commercial Conditions (hereinafter referred to as "the Conditions") apply to all deliveries of the company ELIS PLZE , a.s. (hereinafter referred to as "the Supplier"). Said deliveries are governed by purchase contracts, contracts for work or other contracts executed in observance of Czech Civil Code or in reference thereto where the Supplier assumes the position of the seller, manufacturer or a similar function of a supplier nature. The other principal party of such contracts is for the purposes of the Conditions referred to as "the Buyer".

1.2 The Conditions complement the contracts in cases where specific provisions are missing in the contracts. Any particular provisions agreed to and expressed in writing deviating in meaning from those in the Conditions shall prevail.

1.3 For the purposes of the Conditions, a contract is understood to be a standard purchase contract, contract for work or other similar contract referred to in section 1.1 above.

1.4 The Conditions are commercial conditions as identified and referred to in §1751 of Czech Civil Code (Act 89/2012 Coll., as amended).

2. Order placement and contract execution

2.1 By sending their order to the Supplier, the Buyer confirm their agreement with and acceptance of the Conditions.

2.2 A contract shall be executed upon the order confirmation by the Supplier.

3. Delivery conditions

3.1 Unless agreed otherwise, the place of delivery shall be the Supplier's workshop at the address Soukenická 3, 320 22 Plze , Czech Republic (the contact person: Petr Mareška, mobile phone No: +420 604 230 656, Tel: +420377454394, +420604230656, Fax: +420377454391, E-mail: petr.mareska@elis.cz, <http://www.elis.cz>).

3.2 Unless agreed to otherwise between the contract parties, the Supplier shall notify the Buyer of their readiness to deliver the subject of the contract (also referred to as "the goods") at least three days ahead of the intended delivery date.



3.3 The acts of the handing and taking over of the subject of the contract shall be documented in the form of a handing-over report or a certificate of delivery to be signed by both contract parties.

3.4 Should the Buyer fail to appear and take over the subject of the contract or, without any material reasons communicated in writing to the Supplier prior to the delivery term, fail to accept the same, the subject of the contract shall be deemed duly delivered and taken over upon expiry of the term specified by the Supplier in their notice inviting the Buyer to take over the subject of the contract provided such notice does not provide for another arrangement. At the same time, the Supplier shall be free to sell in a suitable manner the subject of the contract to another buyer provided they have informed the Buyer of their intention to sell the subject of the contract ahead of the intended sale date and specify an alternative term for taking over the subject of the contract by the Buyer.

3.5 In cases where the contract conditions require that the Supplier dispatch or hand over the subject of the contract to a carrier company, the subject of the contract shall be considered delivered at the moment when the same is handed over to the first carrier responsible for the goods delivery to the Buyer.

3.6 In cases where the Supplier is responsible for transport of the subject of the contract to the agreed destination, it shall be deemed to be delivered at the moment when the Buyer's representative add their signature to the delivery note or handing-over report where the provisions of section 3.4 above apply in a congruous manner.

3.7 Should the Buyer fail to take over the subject of the contract within the specified term, they shall pay to the Supplier a storage fee amounting to 0.5% of the goods price (but no less than CZK 500) for each if incomplete day of delay in accepting the subject of the contract.

3.8 When taking over the subject of the contract from the Supplier, the Buyer's representative shall demonstrate to the Supplier their powers to act in the Buyer's name; unless this condition is met, the Supplier may refuse to hand over the subject of the contract and proceed as in cases of delayed performance on the Buyer's side.

3.9 The Supplier shall arrange for the goods packaging in observance of the valid legal regulations. Should the Buyer require special packaging, the parties shall agree on arrangement to provide for such goods packaging including extra costs that shall be covered by the Buyer.

4. Price, invoicing and payment

4.1 Unless specified to the contrary in the contract, the goods price is quoted net of VAT.

4.2 The price of the subject of the contract shall be paid based on an invoice issued by the Supplier.

4.3 Unless agreed otherwise, the Supplier may issue the invoice immediately after the subject of the contract is delivered to the Buyer.



4.4 Should the subject of the contract be not delivered within the agreed term due to reasons on the Buyer's side (in particular a failure to provide the necessary assistance), the Supplier may still issue the respective invoice and the Buyer shall be obliged to pay the invoiced amount.

4.5 The invoice shall be payable within 14 days of the date of issue.

4.6 Should the Buyer be in delay with their payment, they shall be obliged to pay to the Supplier a contractual penalty amounting to 0.1% of the aggregate goods price for each calendar day of delay.

4.7 Bank details are provided on the invoice. Payment must include all bank transfer charges (including intermediary bank charges) as defined under SWIFT instruction codes OUR or SHA. Wire transfers received with BEN code or reduced by intermediary bank will be charged back to the buyer on the separate invoice or in the next payment in the form of bank transfer fee corresponding to a difference between the invoiced amount and the amount received on our account.

5. Liability for defects

5.1 The Supplier shall deliver the subject of the contract to the Buyer free of any physical or legal defects and in the agreed (or if not specified, in the usual) quantity and quality.

5.2 Upon taking over the subject of the contract, the Buyer shall inspect it using adequate technical expertise.

5.3 The Buyer shall raise any claims concerning the goods defects without any unnecessary delay and in any case within 48 hours of the defect identification (or of the time when the defect should have been detected in inspection using the adequate expertise) where the claim shall be placed in writing with the authorised representative of the Supplier. The Buyer shall describe the claimed defect in sufficient detail, i.e. specify, among other things, the production series number of the product concerned, the defect nature and manifestation, the product application circumstances, the operation medium characteristics, photographs of the product and application site and others. Within the claim processing, the Supplier may require that the Buyer provide photographic documentation of the defect concerned. Unless the defect can be removed by means of telephone instruction or consultation, the Buyer shall, at their own costs, send the defective product to the Supplier who shall diagnose the defect and decide about the justifiability of the claim raised.

If the Supplier finds the defect eligible for being accepted under the warranty conditions, the Supplier shall take over the repair and the transportation's costs back to the Buyer headquarters at its own expenses. The Supplier will issue "Service Protocol" for every particular repair. The service protocol is mutually binding. If the Supplier travels to the place of installation, the Service Record Sheet will be issued. In the Service Record Sheet the Supplier states the nature of the reparation – whether it is or it is not under the provision of warranty service. The Service Record Sheet will be signed at the place of repair by the both parties' representatives, the Supplier and the Buyer, and in some cases also by the user of the defective device. If the Supplier finds that the defect is caused of improper handling of the instalment, manipulation, usage, and the like, the Supplier's visit of the customer may turn into a paid service even within the warranty period.



5.4 In cases where the subject of the contract is delivered by a carrier, the Buyer shall, when taking over the delivery, check the packaging integrity, number of packages etc. Any claims regarding the goods damage during transport shall the Buyer raise against the carrier company.

5.5 The Supplier shall announce their position regarding the claim justifiability within 30 days of the claim placement by the Buyer.

5.6 If the Supplier accepts a claim as justified, they shall commence work on the defect removal without any unnecessary delay and in any case within 5 days of the claim acknowledgement.

5.7 The Buyer may, acting in observance of the above terms and conditions, place claims concerning the goods defects during the period of 12 months counted from the day of the goods handing over.

6. Transfer of ownership rights and transfer of risks concerning the subject of the contract

6.1 The ownership rights to the subject of the contract shall be transferred to the Buyer only upon payment of the full agreed goods price to the Supplier.

6.2 As long as the subject of the contract is found at the manufacturing shop or the Supplier's premises, the risk of damage to the same shall be on the Supplier's side. Such risk shall be transferred to the Buyer at the moment when they take over the goods from the Supplier (see also the provisions of section 3.4 above).

6.3 With the exception of cases referred to in the preceding section 6.2, the risk of damage to the subject of the contract shall be from the beginning on the Buyer's side.

7. Final provisions

7.1 The parties have agreed, acting in observance of the provisions of §89 of the Czech Code of Civil Procedure, that any disputes or issues concerning the contract shall be resolved by the District Court of Plzeň the City or the Regional Court in Plzeň, should the nature of the contested matter require a higher-court jurisdiction.

7.2 The Buyer shall not be permitted to assign their claims, if any, towards the Supplier to any third party unless the Supplier grant their prior permission to such step in writing.

7.3 The Supplier reserve to themselves the right to withdraw from the contract in cases where they have good reasons to doubt that the Buyer will be able to meet their contractual liabilities due to, among other things, insolvency or debts in excess resulting in discontinued or delayed payments to the Supplier or any third person where the Buyer's payments are more than 30 days overdue.

7.4 The Supplier shall be entitled to withdraw from the contract in cases where the Buyer are in delay with any of their liabilities from the contract or these Conditions for more than 20 days.



7.5 Throughout the contract term and for three years following the contract termination the Buyer shall be silent towards third parties concerning confidential information of the Supplier with the exception of cases where such information is required by the court or any duly authorised national administration or the territorial self-government bodies. Confidential information is understood to be any information including commercial information (in particular information constituting trade secret), information on technology and manufacturing processes, and any other information disclosed to the Buyer prior to or after the contract signing during personal negotiations or through any other means of communication, with the exception of the information in public domain. The Buyer shall arrange for the confidential information to be communicated only to such their employees that need to know it for professional reasons, and ensure that such employees are bound to observe the information confidentiality. The Buyer shall also make sure that the information confidentiality is observed by any third parties engaged in the contract execution.

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