

General Business Terms and Conditions
of THERMACUT, k.s., Company ID No.: 469 63 715, with its registered office at: Sokolovská ul. 574, Uherské Hradiště –
Mařatice,
postal code 686 01
pursuant to Section 1751 of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as the “CC”)

1 Applicability of the General Terms and Conditions

- 1.1 These General Business Terms and Conditions (hereinafter referred to as the “GBTC”) govern mutual contractual relations in delivering goods (hereinafter referred to as the “Goods”) established by a purchase agreement (hereinafter referred to as the “Agreement”) between THERMACUT, k.s., Company ID No.: 469 63 715, with its registered office at: Sokolovská ul. 574, Uherské Hradiště – Mařatice, postal code 686 01 (hereinafter referred to as the “Seller”) and the other party, as a recipient of the Goods (hereinafter referred to as the “Buyer”). Upon conclusion of the Agreement, these GBTC shall become an integral part thereof.
- 1.2 Individual provisions of the concluded Agreement shall take priority over these GBTC when applied to transactions agreed between the Seller and the Buyer. Where the Agreement is a general one referring to these GBTC and providing for the conditions or certain contractual limits to partial agreements concluded under the Agreement, it shall apply that the Seller as well as the Buyer consider these GBTC an integral part of each partial agreement concluded under the general agreement.
- 1.3 Legal relations and possible disputes arising from the Agreement concluded between the Seller and the Buyer shall be governed by Czech law. The contractual language shall be Czech and it shall prevail over any other language version.

**2 Creation of the Agreement
Purchase Order**

- 2.1 The Agreement shall be concluded as follows upon fulfilment of both conditions:
 - 1) the Buyer places a purchase order with the Seller for the Goods offered by the Seller within its business in any of the following forms: (i) by phone, (ii) by fax, (iii) by mail, (iv) by e-mail sent to obchod@thermacut.cz (for communication in Czech) or to sales@thermacut.cz (for communication in a language other than Czech), (v) via an internet form at www.thermacut.cz or (vi) in writing handed over in person at the Seller's establishment, at the free discretion of the Buyer (hereinafter referred to as the “Purchase Order”). Purchase Orders can be placed only by the person expressly authorized to do so; and
 - 2) the Seller expressly accepts Buyer's Purchase Order in accordance with clause 2.3 hereof.
Detailed requirements for the Purchase Order and contact details of the Seller for individual forms are specified at the Seller's website www.thermacut.cz in the section “How to order”. In the Purchase Order the Buyer shall specify its contact e-mail address for sending a Purchase Order confirmation.
- 2.2 By placing its Purchase Order with the Seller, the Buyer confirms that it is familiar with these GBTC, unconditionally agrees with the GBTC in their wording valid at the time of receipt of the Purchase Order by the Seller, accepts them and will comply with them.
- 2.3 Within 1 business day of the date of receipt of the Buyer's Purchase Order pursuant to clause 2.1(1) hereof, the Seller shall send the Buyer its response to the Buyer's e-mail address specified in the Purchase Order. If the Buyer did not specify its contact e-mail address in the Purchase Order, the Seller shall send a written confirmation of the Purchase Order to the address of the Buyer's registered office/place of business (in case the Buyer is an entrepreneur) or to the address of the Buyer's residence (in case the Buyer is a consumer). The Agreement is concluded as soon as the Seller delivers acceptance of the Purchase Order to the Buyer in accordance with these GBTC, confirming at the same time the kind and quantity of the Goods ordered and their total purchase price and stating the estimated delivery date for the Goods (taking into account whether the Goods will be transported). If the Seller accepts the Buyer's Purchase Order with amendments, reservations, restrictions and/or other changes, the Buyer shall confirm its disagreement with those changes to the Seller via a person authorized to represent the Buyer at the address obchod@thermacut.cz (for communication in Czech) or sales@thermacut.cz (for communication in a language other than Czech) within one business day of the date of delivery of the confirmed Purchase Order containing amendments, reservations and/or other changes. Should the Buyer fail to do so, the Seller shall consider the changes approved and accept the Purchase Order including those changes. If the Seller expresses its reservations about the changes specified by the Seller in the Purchase Order acceptance, those reservations shall be considered an impulse to further negotiate the content of the Agreement pursuant to clause 2.7 hereof.

- 2.4 Until the Seller confirms the Buyer's Purchase Order pursuant to clause 2.3 hereof, the Buyer shall be entitled to notify the Seller in writing of any change of the Purchase Order at the address obchod@thermacut.cz (for communication in Czech) or sales@thermacut.cz (for communication in a language other than Czech), which the Seller shall accept provided that it has not issued a tax document (invoice) for the originally ordered Goods. Any Purchase Order confirmed by the Seller pursuant to clause 2.3 hereof can be cancelled by mutual agreement between the Seller and the Buyer.
- 2.5 If the Buyer has its registered office and/or place of business (in case the Buyer is an entrepreneur) or its residence (in case the Buyer is a consumer) in the Czech Republic, it shall present evidence of its legal personality as well as a taxpayer registration certificate to the Seller along with the Purchase Order in connection with the establishment of a legal relationship with the Seller. Should the Buyer fail to present the evidence along with its Purchase Order, the Seller shall be entitled to ask the Buyer to present it any time during the term of the contractual relationship.
- 2.6 The Seller shall not be responsible for potential data transfer errors.
- 2.7 The Seller shall consider changes, amendments or variations of the confirmed Purchase Order suggested by the Buyer only an impulse to further negotiate the content of the Agreement. The Seller shall bear no liability whatsoever if the Agreement is not entered into as amended by the Buyer. The concluded Agreement, including the agreed purchase price, can be amended only by agreement between the Parties or on legal grounds.

3 Rights and Obligations of the Parties **Warranty Provisions**

- 3.1 It shall be an obligation of the Seller to (i) deliver the ordered Goods to the Buyer on a due and timely basis to the agreed place of delivery, (ii) provide the Buyer with documents relating to the Goods, (iii) enable the Buyer to acquire the title to the Goods.
The Seller shall send the documents relating to the Goods, particularly confirmations and certificates, to the Buyer immediately after acceptance of the Goods, no later than within two business days of the Goods receipt by the Buyer.
- 3.2 It shall be an obligation of the Buyer to duly accept the ordered Goods and to pay the purchase price on a timely basis in accordance with the conditions arranged in advance in the Agreement.
- 3.3 Parties' rights and obligations relating to the claiming of defects of the Goods, particularly differences in quality, quantity, price or other agreed parameters of the Goods compared to the conditions agreed in the Agreement, shall be governed by these GBTC and the warranty document forming an annex to and an integral part of these GBTC. Terminology used in the warranty document shall be identical with the terminology of these GBTC.
- 3.4 The Seller shall sell the Goods to the Buyer free of defects. The Buyer shall be entitled to exercise rights ensuing from a defective delivery in accordance with Section 2079 et seq. of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as the "CC"). The Buyer shall check the Goods upon acceptance as soon as possible. The Buyer shall report (complain about) any defects of the Goods with the Seller's commercial department at the e-mail address: podpora@thermacut.cz (for communication in Czech); support@thermacut.cz (for communication in English) without delay of discovering the defect. At the same time, the Buyer shall enclose a copy of a proof of purchase for the Goods. On request, the Buyer shall provide the Seller with an original proof of purchase for the Goods. In its complaint, the Buyer shall specify its contact details, defect description and required settlement of its complaint.
The Buyer shall inform the Seller of the right of its choice when reporting the defect or without undue delay. The Buyer shall not be entitled to change its choice without the Seller's consent unless the Buyer demands removal of a defect that subsequently proves impossible to rectify
The Seller shall not be liable for defects that have occurred as a result of normal wear and tear or failure to follow instructions for use of the Goods.
At the Buyer's request, the Seller shall confirm in writing the extent and duration of its obligations from the defective delivery and the way in which the Buyer may exercise its rights from the defective delivery.
- 3.5 In case of a defect representing a minor breach of the Agreement (regardless of whether the defect is rectifiable or unrectifiable), the Buyer shall be entitled to its rectification or reasonable discount from the purchase price.
- 3.6 The Seller shall decide on the complaint within 30 days and inform the Buyer of the complaint status at the e-mail address used to file the complaint with the Seller.
- 3.7 Where the Buyer is a consumer, the contractual relationship shall be also subject to special provisions on the sale of goods in shops pursuant to Section 2158 et seq. of the CC.

4 Protection of Industrial Property and Copyrights, Technical Requirements

- 4.1 By entering into the Agreement, the Buyer shall not acquire any right to use registered trademarks, business names, company logos and patents of the Seller. The Buyer also acknowledges that by purchasing products (Goods) included in the Seller's commercial offer, it shall not acquire any copyright to the Seller's offers, drawings, descriptions and other documents of the Seller or samples placed at the Buyer's disposal unless agreed otherwise.
- 4.2 The Seller represents that it fulfils its obligations arising from Act No. 22/1997 Coll., as amended, on Technical Requirements for Products, when placing the Goods on the market.

5 Methods of the Goods Delivery and Handover to the Buyer

- 5.1 The Goods shall be considered delivered to the Buyer with its registered office/place of business (in case the Buyer is an entrepreneur) or with its residence (in case the Buyer is a consumer) in the Czech Republic:
 - (i) if transport of the Goods is agreed in the Agreement,
 - a) in case the Buyer is an entrepreneur, the Goods shall be considered delivered upon their handover to the first carrier for transport,
 - b) in case the Buyer is a consumer, the Goods shall be delivered as soon as they are handed over to the Buyer by the carrier offered by the Seller, or
 - (ii) at the moment when the Buyer takes delivery of the Goods in person (or via a person authorized to do so) at the Seller's registered office or establishment, or
 - (iii) at the moment when the Seller makes it possible for the Buyer to take delivery of the Goods and notifies the Buyer thereof in good time.
- 5.2 The moment of the delivery of the Goods to an entrepreneur with its registered office/place of business or a consumer with its residence outside the Czech Republic is determined by the INCOTERMS clause specified in the Buyer's Purchase Order confirmed by the Seller unless the Agreement stipulates otherwise. Where no INCOTERMS clause is agreed, one shall act in accordance with clause 5.1 hereof.
- 5.3 Where the Goods are delivered via a carrier, the Buyer shall check whether the information stated in the way bill correspond to the Purchase Order before the Buyer confirms acceptance of the Goods in writing. If the information stated in the way bill does not correspond with the reality under the Agreement or if the original package is not intact or is otherwise damaged, the Buyer shall state this fact in the carrier's way bill and make a damage record with the carrier, or refuse the Goods as a whole, and subsequently inform the Seller thereof in writing without undue delay, however, only if the risk of damage to the goods passes to the Buyer later than specified in clause 9.7 hereof.
- 5.4 If the Goods are accepted by a Buyer – natural person, acceptance shall be confirmed in the delivery note containing inter alia the Buyer's first name, surname, identity card (or other certificate of identity) number or other identification data and signature of the Buyer. In case of a Buyer – legal person, the Buyer shall confirm acceptance of the Goods in the delivery note by specifying its business name, registered office, Company ID No. and the first name and surname of the person authorized to accept the Goods and the authorized person's signature. Upon acceptance of the Goods, the Buyer's representative shall reliably prove his/her authorization to accept the Goods.
- 5.5 The Buyer shall inspect the Goods as soon as possible after the transfer of the risk of damage to the Goods in accordance with Section 2104 of the CC. Should the Buyer refuse to accept duly delivered Goods, it shall reimburse the Seller for any and all costs relating to the business case in question. This shall be without prejudice to compensation of the Seller's material and immaterial damage.

6 Delivery Times

- 6.1 The Seller shall specify delivery dates in accordance with clause 2.3 hereof. . Delivery time shall be extended accordingly where the delivery is delayed due to unforeseeable events (e.g. force majeure) or reasons for which the Seller is responsible. In such a case, the Buyer shall not be entitled to claim damages on the grounds of delayed delivery of the Goods.
- 6.2 The Goods shall be considered delivered by the Seller by the agreed deadline provided that the Seller hands the Goods over to the Buyer on the last day of the agreed delivery time in the way agreed in clause 5.1 hereof.
- 6.3 If the Buyer has outstanding due financial as well as non-financial debts to the Seller, the Seller shall be entitled to suspend future deliveries of the Goods until the debts are fully settled by the Buyer, even if the Seller has confirmed Purchase Orders. For the time of the suspension, the Seller shall not be considered in delay in the fulfilment of its obligations to the Buyer. The

time of delivery of the suspended deliveries of the Goods shall be extended by the time of the Buyer's default in payment of the purchase price. This shall be without prejudice to the provision of clause 10.2 hereof.

- 6.4 If the Seller delivers a greater quantity of the Goods than it is obliged to deliver under the Agreement, the Buyer shall be entitled to refuse to accept the excess Goods upon their acceptance. Should the Buyer fail to do so upon acceptance of the Goods, i.e. should it fail to specify this fact in writing in the delivery note or other certificate, the Goods shall be considered accepted by the Buyer and the Buyer shall pay the purchase price of the Goods determined according to the unit price of the Goods agreed in the Agreement or specified in the pricelist.

7 Packing of the Goods and Agreed Method of Transport

- 7.1 Unless the Buyer describes special packing in its Purchase Order, the Goods shall be packed in a manner standard for the type of product and quantity concerned and for the agreed method of transport. Where there is no established practice, the Seller shall pack the Goods as necessary in order to preserve and protect the Goods.
- 7.2 Unless agreed otherwise in the Agreement, the Seller shall select the most economical packing and type of consignment.

8 Purchase Price

- 8.1 The purchase price of the Goods delivered by the Seller to the Buyer shall be a contractual price in accordance with the Seller's pricelist valid on the date of ordering the Goods by the Buyer (at the time of receipt of the Purchase Order by the Seller); details shall be as agreed between the parties. The price shall be agreed by acceptance of prices fixed in this way in the form of a price reference in the Buyer's Purchase Order. Date of ordering the Goods shall mean the date of delivery of the Buyer's Purchase Order to the Seller in accordance with these GBTC unless agreed otherwise in the Agreement.
- 8.2 Unless agreed otherwise between the Buyer and the Seller in the Agreement, VAT at the statutory rate shall be added to the purchase price of the Goods.
- 8.3 The purchase price of the Goods shall not include the cost of transport, cash on delivery or insurance unless the Agreement determines otherwise. If the price of transport is not specified in the Agreement, it shall mean that transport was not arranged.
- 8.4 Price of transport shall be specified in the Agreement case-by-case in accordance with the Buyer's conditions and Seller's limits.

9 Invoicing, Terms of Payment and Transfer of Title and Risk of Damage to the Goods

- 9.1 In specific purchases of the Goods, the Buyer shall select the method of payment of the purchase price in the Purchase Order:
- a) cash payment upon delivery of the Goods at the moment of delivery of the Goods in accordance with clause 5.1(ii) and/or (iii) hereof, provided that the purchase price does not exceed the cash payment limit under Act 254/2004 Coll., on Cash Payment Limitation. The Buyer shall pay the purchase price beyond the limit in accordance with sub-clause d), or
 - b) bank transfer prior to the delivery of the Goods to the Seller's account on the basis of a proforma invoice issued by the Seller and sent to the Buyer along with the Purchase Order acceptance, or
 - c) cash on delivery upon delivery of the Goods by a carrier (the cash is collected by the carrier) as long as the transport is agreed, unless the purchase price exceeds the cash payment limit under Act 254/2004 Coll., on Cash Payment Limitation. The Buyer shall pay the purchase price beyond the limit in accordance with sub-clause d), or
 - d) bank transfer after the delivery (handover) of the Goods to the Buyer on the basis of an invoice issued by the Seller in accordance with this Article hereof.
- 9.2 The Seller shall be entitled to specify, at its discretion, in the Purchase Order acceptance under clause 2.3 hereof whether it accepts the selected method of payment of the purchase price. If the Seller does not accept the method of payment of the purchase price selected by the Buyer, it shall select another method of payment of the purchase price of the Goods specified in clause 9.1 hereof. Where no method of payment of the purchase price is agreed in the Agreement, the Buyer shall pay the purchase price in accordance with clause 9.1(a) hereof.
- 9.3 Unless the Agreement determines otherwise, the Buyer shall pay the purchase price of the Goods on the basis of an invoice. If payment on the basis of a proforma invoice issued by the Seller has been agreed, the Buyer shall pay the purchase price on the basis of a proforma invoice. In case of payment under clause 9.1(a), (c) and (d) hereof, the Seller shall hand the invoice over to the Buyer upon delivery (handover) of the Goods. The Buyer shall receive the proforma invoice as a request for

payment in advance along with the Purchase Order confirmation by the Seller under clause 2.3 hereof. Unless agreed otherwise in the Agreement, the purchase price shall be due in 14 calendar days of the issue date of the invoice and/or proforma invoice, if any. The Seller shall be also entitled to send invoices as well as proforma invoices to the Buyer in electronic form.

- 9.4 Invoices as well as proforma invoices shall contain identification of the Seller and the Buyer, specification of the type and quantity of the Goods, the issue date of the invoice, the amount of the purchase price, the due date of the purchase price, the amount of the cost of transport if arranged and the signature of the person authorized to act on behalf of the Seller.
- 9.5 The Seller shall issue a correction tax document (credit note) only subject to the conditions below:
- a) in case of a complaint admitted by the Seller in writing where, due to the Seller's inability, it is impossible to arrange or provide identical or adequate substitute goods and the Buyer has claimed a discount from the purchase price of the Goods, or
 - b) if the Goods delivered do not correspond with the Purchase Order and the Seller admits this fact in writing.
- 9.6 The Seller shall be entitled to unilaterally set off the correction tax document (credit note) against any of its outstanding and due claims against the Buyer. Besides the setoff, correction tax documents (credit notes) shall be paid only to the Buyer's written request delivered by e-mail to the financial department of the Seller, e-mail: podpora@thermacut.cz (for communication in Czech) or support@thermacut.cz (for communication in a language other than Czech). Payment will be made only provided that the Seller has no overdue debts owed to the Buyer. The request shall specify the bank account number, bank code and credit note number.
- 9.7 The Buyer shall acquire the title to the Goods upon full payment of the purchase price, including any related costs (VAT, carriage, packing charges etc.). The purchase price shall be considered paid as soon as the purchase price is credited to the Seller's bank account if the purchase price is paid by bank transfer.
- 9.8 Risk of damage to the Goods shall pass to a Buyer – entrepreneur with its registered office/place of business and to a Buyer – consumer with its residence **in the Czech Republic** on the date of handover/delivery of the Goods under clause 5.1 hereof.
- 9.9 Transfer of the risk of damage to the Goods to a Buyer – entrepreneur with its registered office/place of business and to a Buyer – consumer with its residence **outside the Czech Republic** is determined by the INCOTERMS clause specified in the Buyer's Purchase Order confirmed by the Seller. Where no INCOTERMS clause is agreed, one shall act in accordance with clause 9.8 hereof.

10 Sanctions and Withdrawal from the Agreement

- 10.1 In case of Buyer's default in payment of the purchase price or its part, the Seller shall be entitled to charge the Buyer for interest on late payment at the statutory rate. This shall be without prejudice to the Seller's right to compensation of material and immaterial damage (loss).
- 10.2 In case of the Buyer's default in payment of the purchase price or its part, the Seller shall be entitled to charge the Buyer a contractual penalty in the amount of 0.05% of the due amount for each commenced day of the default. This shall be without prejudice to the Seller's right to compensation of material and immaterial damage (loss).
- 10.3 In the event that:
- (i) the Buyer is in default in payment of a financial debt to the Seller for more than 60 days past due, or
 - (ii) a motion to initiate insolvency proceedings with respect to the Buyer's property is filed, or
 - (iii) the Buyer goes into liquidation,
- the Seller shall be entitled to withdraw from the Agreement. Any and all of the Seller's claims against the Buyer shall become due on the date of withdrawal from the Agreement. In such case, the Seller shall be entitled to request immediate returning of the Goods which have not been paid for yet. Withdrawal or any other method of termination of the Agreement shall not cause expiration of (i) any rights to compensation of damage caused by a breach of the Agreement, (ii) rights to payment of contractual penalties or interests on late payment under the Agreement or these GBTC, (iii) the Seller's financial claims against the Buyer created on the basis of or in connection with the Agreement, (iv) the agreement on the choice of law and dispute settlement, (v) provisions dealing with the relations between the Seller and the Buyer in case of withdrawal from the Agreement.
- 10.4 In case of any Buyer's delay in acceptance of the Goods, the Buyer shall also compensate the Seller for any damage (loss) incurred thereby.
- 10.5 In case of any Buyer's delay in acceptance of the Goods on the agreed date, the Seller shall become entitled to suitably sell the Goods at the expense of the Seller, after a prior warning, pursuant to Section 2126 of the CC once it has provided an adequate grace period for acceptance. An adequate period shall mean (i) 5 calendar days if the Goods are delivered within

the Czech Republic, and (ii) 14 calendar days if the Goods are delivered outside the Czech Republic. The same applies if the Buyer is in default in payment by which handover of the Goods is conditioned.

- 10.6 The Seller and the Buyer agree that Seller's liability to the Buyer for any damage, including all contractual penalties to which the Buyer may become entitled in the course of fulfilment of the Agreement due to one or more breaches of contractual or statutory obligations by the Seller is subject to the limit of twenty five percent (25%) of the purchase price net of VAT.

11 Final Provisions

- 11.1 In order to improve quality of service provided by the Seller in the light of development of the legal environment and with regard to the Seller's business policy, the Seller shall be entitled to make unilateral changes or amendments of these GBTC. The Seller shall inform the Buyer about any change at its website www.thermacut.cz well in advance and announce the date of the expected effect date of the changed or amended GBTC. If the Buyer does not refuse the change hereof in writing no later than 10 days before the effect date of the change or amendment of these GBTC and terminate the obligation by a written notice by this deadline, the notice period being 1 month of the date of the notice delivery to the Seller, the change shall be considered approved by the Buyer and it shall be effective in relation to the Buyer as of the effect date of the change hereof.
- 11.2 Should any provision hereof or any provision of the Agreements containing these GBTC be reference be declared invalid or unenforceable or ineffective, it shall be without prejudice to the validity or enforceability of the other provisions of the GBTC in the Agreements containing these GBTC by reference.
- 11.3 Unless a particular Agreement determines otherwise, if a written document is not delivered or if its receipt is refused, the document shall be considered delivered on the third day after its sending in case it is delivered via a postal licence holder, courier or in person. Only the Seller shall be entitled to deliver documents via electronic means, except for cases specified herein. In case of delivery via electronic means, written documents shall be considered delivered on the third day after the date of sending unless the written document has been returned as undeliverable. Written documents shall be sent to the addresses specified in particular Agreements or to addresses notified to the other party within the contractual relationship.
- 11.4 The Buyer agrees that the Seller can process Buyer's personal data in accordance with Act No. 101/2000 Coll., on Personal Data Protection. The Seller shall be entitled to do so for the time and in the extent necessary to complete all activities relating to the conclusion of the Agreement. By entering into the Agreement, the Buyer grants its consent to distribution of Seller's information e-mails, SMS offers and mail concerning bargains, discounts, sales and interesting things related to the Seller's scope of activities.
- 11.5 The Buyer acknowledges that it may withdraw its consent to data processing any time and/or require correction, deletion or blocking of its personal data. This shall be without prejudice to the Seller right to compensation of damage, particularly in the event that the Seller could not meet its obligations arising from an agreed legal relationship with a third party as a result of withdrawal of the consent and/or as a result of correction, deletion or blocking of the personal data. The Buyer shall retain to right of access to all data regarding itself. The Seller shall provide the Buyer with information on the data any time at the Buyer's request against reasonable payment not exceeding the costs necessary for provision of the information.
- 11.6 The parties agree pursuant to Act No. 216/1994 Coll. that any dispute between them arising from or in connection with the contractual relationship under the Agreement which they fail to settle amicably shall be decided in arbitration. Any dispute arising from or in connection with the Agreement shall be finally decided by the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic by three arbitrators in accordance with the Rules of that Arbitration Court. The above-mentioned shall not apply to any disputes where the Buyer is a consumer.
- 11.7 The Seller and the Buyer declare that these GBTC are not agreed in duress or under strikingly disadvantageous conditions and that they are familiar with the content hereof.
- 11.8 The Buyer assumes the risk of changed circumstances in accordance with Section 1765 of the CC.

12 Force and Effect

12.1 These GBTC took force and effect on 1.1.2017 and they cancel any previous versions of GBTC.



Ing. Stanislav Sládek
Ing. Dušan Loukota
Managing Directors of the statutory body
(Thermacut Management, s.r.o.).

Annex: Warranty document on 1.1.2017