

**Terms and Conditions of UnionOcel, s.r.o. (hereinafter referred to as "General Terms and Conditions")**

**- Valid from 1 December 2016**

**I. Scope of the General Terms Conditions, the conclusion of individual contracts**

1. These Terms and Conditions apply pursuant to the provisions of § 1751 of the Civil Code, no. 89/2012 Coll., as amended (the "Civil Code"), for all current and future purchase contracts and reasonably well also for other contracts and performances, including consulting and information services, under which UnionOcel, s.r.o. acts as a Seller (supplier). Using business conditions of the Buyer (customer) is hereby excluded.

2. The Seller's offers only are indicative and do not form any draft contract. Only a written purchase order of the Buyer shall be deemed a draft contract. Each contract only is concluded upon the written acceptance (confirmation) of the purchase order of the Buyer by the Seller in the form of the so-called Order confirmation - the purchase contract. Signed contracts and other agreements, in particular ancillary agreements and commitments that have been made orally, are only binding if confirmed in writing by the Seller.

3. In case of any doubts, for the interpretation of legal acts the relevant provisions of the Civil Code and as a support also the provisions of international rules for the interpretation of the terms of delivery (INCOTERMS 2010) shall be applied.

**II. Prices**

1. Unless agreed otherwise in a particular case, the prices and conditions in accordance with Seller's price list, which will be in effect at time of the contract conclusion, shall apply.

2. The purchase price means the purchase price for the goods taken from the plant or warehouse. The amount corresponding to the current statutory rate of value added tax (VAT) shall be added to this price.

3. If the goods are to be shipped, the Seller may specify the forwarding rates according to his price list or the price list of a third party that the Seller uses at the transportation (i.e. tariffs of the Carrier), which is valid on the day of delivery. Any and all other costs (fees, customs duties, etc.) that are not explicitly included in the freight costs will be borne by the Buyer.

4. Also the supplied unprocessed (raw) materials shall be considered goods pursuant to these General Terms and Conditions.

**III. Payment Terms**

1. Payments / reimbursement of fees will be made without deduction of discounts. The date of payment shall be the date on which the Seller may have the appropriate amount at his disposal, i.e. basically, when the relevant amount is credited to the bank account of the Seller.

2. The Seller only accepts bills of exchange for the purpose of payment if it has been explicitly agreed. The legal status of bills shall be governed by the Exchange and Cheque Act, no. 191/1950 Coll., as amended.

3. In case of Buyer default with the payment of the price the Seller is entitled to charge any related fees and statutory interests on arrears, from the first day of the delay. This does not affect the right of the Seller to the compensation of losses caused in causal relationship to the delay of the Buyer.

4. In the case of non-payment of the purchase price and the Buyer's default in payment of the price, the Seller is entitled to prevent further alienation and processing of the delivered goods. In addition, the Seller is entitled to take the delivered goods back, or to enter into the operation premises of the Buyer further to an agreement, and to take the goods back

5. Legal consequences referred to in paragraph 4 of this Article can be averted by the Buyer by the provision of security in the amount of endangered claim of the Seller.

6. The Seller is entitled to offset by statement all claims he has against the Buyer. The Statement can be used to offset receivables including pecuniary receivables against non-pecuniary ones or also due receivables against receivables that have not been due yet. The claims, which are considered by one of the parties in dispute cannot be the subject of settlement if the respective party advises the other party of this fact without undue delay after the notification of settlement.

**IV. Delivery and acceptance of goods**

1. The Seller is obliged to deliver the goods within the period specified in the contract, or which is specified in the manner determined in the contract. The delivery periods shall run from the date of receipt of the order confirmation by the Seller, but not before detailing all the relevant details of the purchase order and not before all necessary permits are issued.

2. If the Goods are collected by the delivery term is met by the Seller if the Buyer is invited in time to collect the goods from the plant or from the warehouse of the Seller.

3. If the goods are to be shipped, the delivery of the goods is carried by their handing over to the first carrier for the transportation for the Buyer. The Seller's obligation is also fulfilled in a timely manner, if the first carrier is enabled to take over the delivered goods, but the takeover has not happened without any fault of the Seller.

4. If the goods are to be shipped, the Seller may determine the route, means of transport, as well as the carrier, unless otherwise agreed in writing.

5 If the Seller determines the route, means of transportation or the carrier and the goods are not shipped, the Seller may in case of force majeure proceed in accordance with Article IV., par. 12.

6. If it is not possible to make the transportation along the intended route and on the expected date with no fault of the Seller, the Seller is entitled to transport the goods along a different route and to another destination; 7. The delivery periods are extended by the period, for which the Buyer is in default with the necessary assistance, if the Seller cannot deliver the goods correctly and timely as a result of such a delay.

8. If the Seller gets in default, the Buyer may, after a reasonable period of time agreed between the Buyer and the Seller withdraw from the contract if the goods are not delivered within this period.

9. The Buyer is obliged to collect the goods at the plant or in the warehouse of the Seller without delay after the call to collect the goods, unless agreed otherwise. If the goods are to be sent, the Buyer is obliged to accept the goods without undue delay after the delivery of the goods to the place of destination.

10. If the Buyer is in default with the takeover of goods or the payment of the price in cases when the delivery of goods and payment of the price is to take place at the same time, the Seller may store the goods at the Buyer's expense and retain the goods until the Buyer pays the purchase price and the costs incurred.

11 The force majeure entitles the Seller to postpone the delivery term by the duration of the restrictions and reasonable time to restore the operation. The force majeure includes all factors, which significantly complicate the delivery of the Seller or make it impossible (such as fire, destruction of equipment or war, lack of energy and raw materials, natural influences), as well as the barriers on roads, regardless of whether these circumstances are with the Seller, in the plant of the supplier or subcontractor.

12. The Seller is entitled to partial deliveries within the agreed or technically or operatively required range.

13. The delivery of Goods is confirmed by the Buyer by signing the delivery note

## V. The transition of ownership and risk of damage to property

1. The Buyer shall only acquire the title to the delivered goods until after the fulfilment of all its obligations under the contract, in particular after full payment of the purchase price (hereinafter referred to as subject goods).
2. If the Buyer processes the delivered goods with reserve or mixes or merges it with foreign subjects, the Seller is the owner of the ownership interest in this new thing in the ratio of the value of the reserved goods to the value of the foreign thing. Such a co-ownership is also considered as goods with reserve. Upon the full payment the ownership interest of the Seller is transferred to the Buyer.
3. The risk of losses to the goods passes to the Buyer upon delivery.

## VI. The quality, size and weight

1. Unless otherwise agreed in writing in advance, the quality, dimension tolerance and other technical specifications are governed by the applicable version of EN. If they are not available, business practices apply.
2. The Goods will be delivered unpacked and without any corrosion protection. If commercial customs require so, the Seller delivers the goods in containers. In this case, the Seller provides packaging, protective equipment and auxiliary transport means at the expense of the Buyer. The packaging material, protective and transportation aids will not be returned unless agreed otherwise.
3. For deliveries from own warehouses the commercial customs for the determination of the weight of goods use the specific weight of steel of 8 kg/dm<sup>3</sup> relative to the nominal dimensions of the goods. For direct sales the weight determined by the manufacturer – supplier applies. The gross weight with the container and the net weight without a container usual in the steel industry in the EU remain unaffected. The quantity of sheets of metal, cut parts, products, etc., specified in the certificate of transport is due to the goods according to the weight informative. If individual pieces of goods are not weighted, the total weight of the shipment is always ruling. In this case, the difference in total weight of the product and the sum of weight of individual pieces of goods is distributed proportionally to individual pieces of goods. In case of sales of other commodities than sheets (burnouts, bars, profiles, etc.) the goods are delivered in specific units usual for these types of goods (m, pc).

## VII. Inspection of goods

1. The Buyer shall inspect the goods as soon as possible, however no later than two working days, after the risk of losses to the goods passes on to him. If the goods are to be sent, the Buyer shall only inspect the goods after the arrival of the goods at destination. If the Buyer fails to inspect the goods with due diligence and in a timely manner, he will not be able to claim defects detectable during this inspection, regardless of the fact that these goods were defective at the time of the risk of damage to the goods.
2. The Buyer by his confirmation of the delivery note confirms that he has accepted the goods in the quantity and quality corresponding to the respective Purchase order confirmation – purchase agreement.

## VIII. Liability for defects

1. The Buyer is only entitled to claim the liability for defects if he submits to the Seller a report on the defects of the goods without undue delay after:

- defects are found

- with due diligence he should be able to check the defects at the examination, he is obliged to make according to the section VII.
- defects could be detected later upon the professional care inspection by other goods processing. In such a case the Buyer shall evidence the provable goods identification.

Obvious defects can be made within 7 days from goods delivery to the Buyer.

1. If the Buyer finds defects of the goods, he must immediately stop the processing of goods.
2. If the goods have defects that pose a substantial breach of the contract, the Buyer is entitled to demand delivery of substitute goods or repair of the goods. If the Seller fails to do so, the Buyer has the right to reduce prices or to withdraw from the contract.
3. Unless the Buyer provides the Seller with an immediate necessary cooperation and the real possibility of ascertaining the defects of goods and unless he immediately provides the claimed goods or samples of the goods at the request all his claims arising from liability for defects shall cease to exist.
4. For goods that were sold as a discarded such as with no design documentation the Buyer has due to these characteristics and features which are usually taken into account no claims arising from general liability for defects or warranty. Such goods are sold "as-is".
5. The Seller is responsible for repairs of the goods in the same way as for the delivered goods.

## IX. General limitation of liability for defects and limitation

1. Unless these conditions state otherwise, the Seller is not liable for any losses due to the breach of contractual or non-contractual obligations only in the event of wilful misconduct or gross negligence. The Seller's liability shall not apply - except in case of wilful misconduct and the gross negligence - for such damage, which could not be expected with a particular trade under normal conditions and for which the Buyer is usually insured or usually can be insured.
2. All claims are barred in statutory limitation periods.

## X. Place of performance, place of jurisdiction and applicable law

1. The place of performance is the delivery plant of the Seller in case of ex works; otherwise it is a warehouse. If the goods are to be sent, the place of performance will be the place of handover to the first carrier for transport to the Buyer.
2. Parties pursuant to the Act no. 216/1994 Coll. agree that all disputes arising from this contractual relationship or in connection with it shall be resolved by arbitration ("AP") before a single arbitrator ad hoc; they appointed Mgr. Tereza Vašíčková, certificate MSp of the Czech Republic No. 492 such an single arbitrator ad hoc. The place where the arbitration procedure will take a place is Brno, Cejl 91, ZIP Code 602 00. The parties agree that the fee for the arbitrary proceedings is the costs of the proceedings and is the sum of the amount of five thousand Czech crowns and one and quarter multiple of the court fee, which would be charged for proceeding in a given case at common courts of the Czech Republic according to the applicable law up to the value of the dispute up to CZK one million. If the value of dispute is higher this fee for the arbitrary proceedings is further increased by the respective amount of the court fee from the overlapping amount. The total amount of the calculated fee for the arbitrary proceedings will be furthermore increased with VAT. With disputes with an international element the fee of AP increases by half in arbitrary proceedings with more than two participants it is increased for the third and every other participant by one fifth. According to the method of the calculation of the AP fee even the claim made as a counterclaim or set-off objection are charged in their entirety. Special acts in AP may be charged according to the actual

costs. Upon the AP discontinuation the arbitrator shall not cease to be entitled to reimbursement of AP fee and the paid AP fee is not refundable. The parties authorize the arbitrator to conduct AP in Czech in the electronic version (on-line) without a hearing, to decide in accordance with the principles of justice, to make the decision without justification, and agree that he may delegate third persons to perform the administrative, technical and economic activities within AP, in particular the Unie pro rozhodčí a mediační řízení ČR, a.s., with the place of business at the place where the arbitrary proceedings will take a place and to that extent they free him from the confidentiality obligation. The parties have agreed that the AP fee is a cost of administration. The Parties agreed that AP will be conducted within an environment of Internet; an action, including its annexes shall be submitted electronically to the registry on [www.e-arbiter.cz](http://www.e-arbiter.cz). The parties have appointed the arbitrator to create at the e-arbiter portal for a given dispute a secure unique judicial forum with the electronic file ("SF"). The parties agreed that following the creation of SF submission can be validly and evidence submitted only electronically by inserting in SF; filing, calls and decisions shall be deemed delivered upon their posting on SF and acts of the parties and the arbitrator, with the exception of the arbitration award do not have to be equipped with an advanced electronic signature. The parties expressly authorize the arbitrator to decide upon his own discretion on the conversion of the on-line AP into the written form.

The arbitrator shall deliver the access data to SF to the parties electronically to their e-mail addresses or operators of post services; at that OSŘ provisions on the procedure at delivery shall be applied reasonably; the storage at court is replaced by the storage at the arbitrary; posting on the office board is replaced by publishing on [www.urmr.cz/vyvesni-deska](http://www.urmr.cz/vyvesni-deska).

3. For all legal relationships between the Buyer and the Seller the laws of the Czech Republic, in particular the Law No. 89/2012 Coll., Civil Code as amended will apply. Using the UN Convention on Contracts for the International Sale of Goods and the Convention on the Limitation Period in the International Sale of Goods is expressly excluded.