

# **GENERAL BUSINESS TERMS AND CONDITIONS**

## **ZEZ SILKO, s.r.o. Žamberk**

### **1. Range of Validity**

- 1.1. The contracting parties, which are in business connection, have agreed between themselves that their purchase contracts concluded in the future shall be governed with the General Business Terms and Conditions agreed by and between them hereinbelow.
- 1.2. These General Business Terms and Conditions (hereinafter referred to as GBT&C) shall be an integral part of each purchase contract (hereinafter only referred to as “Contract”) for the goods sold by ZEZ SILKO, s.r.o. Žamberk (hereinafter referred to as the Seller).
- 1.3. All relationships arisen from this Contract as well as from the GBT&C shall be governed, unless established otherwise, with the legislation applicable in the Czech Republic.
- 1.4. The Contract as well as all the modifications and annexes thereto shall be in writing.
- 1.5. For the effect of these GBT&C, it is sufficient if the Seller send GBT&C together with contract (Confirmation of order) to the Buyer.

### **2. Creation of Contract**

- 2.1. On the basis of a written purchase order of the Buyer, the Seller shall send or hand over the purchase contract (Confirmation of order) within an adequate period.
- 2.2. The Contract is established therewith.
- 2.3. By making any changes in the purchase contract by the Buyer, the purchase contract shall cease to be valid. In the said case, it concerns a proposal for conclusion of the purchase contract submitted by the Buyer to the Seller and the Contract shall be only established on the day when the concurrent opinion of the Seller is delivered.

### **3. Essentials of Contract**

- 3.1. The Contract shall be established in the way specified in Article 2 if an agreement at least about its subject and price has been reached.
- 3.2. Unless anything contradictory results from the Contract, the Seller shall be authorized to provide the performance also before the agreed term of performance or in partial deliveries.

### **4. Delivery Conditions**

- 4.1. The Seller shall hand over documents to the goods to the Buyer in the time and in the way, which shall sufficiently enable the latter to take over the agreed goods. The delivery of the goods shall be governed according to the rules INCOTERMS 2010. The delivery shall be completed as of the day of takeover of the item by the Buyer at the registered office of the Seller (parity EXW) or, as the case may be, by handing over to the first public forwarding company for shipment in an economical way of transport suitable to the Buyer (parity FCA).  
Should there be a delay with the performance at the Seller due to reasons that could not be avoided by it (e.g. delay in deliveries of suppliers, strike, breakdown, natural disaster, bans on import or export or other events of Force Majeure), the Buyer shall not be entitled to the compensation of damages caused with such delay.
- 4.2. The Buyer shall confirm taking the goods over. If it fails to do so or it fails to take them over without reason, the Seller may bill them to the Buyer and store them at the risk and at the costs of the latter, even at a third party. If the Buyer fails to take the goods over in the way agreed in the Contract despite being called to do so by the Seller, the Seller shall be also authorized to withdraw from the Contract, sell the goods elsewhere and request a total compensation of damages incurred by it from the Buyer.
- 4.3. Meeting the delivery period shall be conditioned by a prior payment of all payment obligations of the Buyer to the Seller. Should such obligations not be paid, the Seller shall not be obliged to realize the deliveries and it shall not be in delay with the performance of such obligations. Consequently, the Buyer shall not be entitled to request a contracting fine for a delay in the performance of the deliveries.

## **5. Liability for Defects – Warranty**

- 5.1. The Seller guarantees that the subject of the delivery is fully compliant with the technical and qualitative indicators that are usual for such goods and agreed in the Contract.
- 5.2. Apparent defects to the goods (i.e. defects detectable during the transfer of the risk of damage to the goods to the Buyer, e.g. visible damage to the goods, quantity defects etc.) shall be notified by the Buyer to the Seller (hereinafter referred to as rejected) during a personal takeover immediately, otherwise within 15 days from the transfer of risk of damage to the goods on the Buyer.
- 5.3. Other defects to the goods shall be rejected immediately after the detection thereof, however at the latest by the end of the warranty period.
- 5.4. The rejection shall be always in writing. The defects shall be described in it by the Buyer or, as the case may be, it shall be identified how they are demonstrated and evidence proving eligibility of the rejection shall be submitted.
- 5.5. The rejected goods shall be stored separately till the settlement of the rejection and any handling thereof, which could hinder or disable the verification of the rejected defects, shall be impermissible without a prior agreement of the Seller.
- 5.6. If the rejection is justified, the Seller may, according to its discretion, either eliminate the identified defects within an adequate period or deliver new goods subjected to the original conditions. After an agreement with the Buyer, the rejection may also be solved by the provision of an adequate discount for the goods or in another way.
- 5.7. Unless agreed otherwise, the warranty period (warranty) for defects to the goods shall be 12 months and it shall start running on the day of the transfer of risk of damage to the goods on the Buyer.
- 5.8. The warranty period shall not include the period, when the Buyer cannot use the goods due to the defects thereof, which have been duly rejected at the Seller and which are within the responsibility

of the Seller. This period shall start running from the day of delivery of a due rejection of defects to the goods.

- 5.9. In case the rejection is settled with replacement of the goods, the warranty period shall start running anew. If only a part is replaced, the warranty period shall only start running again for that part of the goods.
- 5.10. The rejection shall have no effect on the obligation of the Buyer to pay the purchase price of the goods.

## **6. Payment Conditions**

- 6.1. The right to the payment of the price shall be established to the Seller by due performance of its obligation in the way and in the place of performance in compliance with the purchase contract.
- 6.2. Any payments hereunder shall be realized on the basis of payment documents, which are, in case of the payment of the price of the goods in a cashless way – pro-forma invoice, invoice, in case of the payment of the price of the goods in cash – tax document with a delivery note. In case of other payments (e.g. punitive interests, sanctions), the payment document shall be the calculation bill.
- 6.3. In case of an agreed payment in advance, which is an advance to the purchase price, the payment document in a cashless way shall be the pro-forma invoice and when the deposit is paid in cash, an income receipt of the Seller or an income receipt of a financial institution of the Seller.
- 6.4. Should the Buyer fail to pay the agreed advance to the payment price, the Seller shall not be in delay with meeting the obligation to deliver the goods.
- 6.5. Objections to the payment documents shall be submitted to the Seller in writing at the latest within their maturity period.
- 6.6. Maturity period of all payment documents shall always start running from the issue (dispatching) thereof to the Buyer and it shall be, unless established otherwise, 17 days. In case of doubts it shall be considered that the invoice or another payment document was delivered to the other party on the third day after the dispatching thereof.
- 6.7. The payment shall mean handing over the cash against a confirmation of the Seller or accrual of the amount on the financial account of the Seller.
- 6.8. The ownership right to the subject of the purchase contract shall be only acquired by the Buyer at the moment of the full payment of the purchase price. Till the period of the full payment of the purchase price by the Buyer, the subject of the purchase contract shall remain in the possession of the Seller.

## **7. Compensation of Damages, Contracting Fine**

- 7.1. Should the Seller not comply with the period of performance agreed in the purchase contract, it shall pay a contracting fine to the Buyer (with the exception of cases referred to in Article 4.1.) at the amount of 0.05% of the price of the undelivered goods for each day of the delay.  
In case of a delay of the Buyer with the payment for the realized deliveries, the Seller shall not be obliged to perform further deliveries till the settlement of the debt. In this case, the Buyer shall not be authorized to request a contracting fine.

- 7.2. Should the Buyer reject or otherwise disable the Seller to realize the delivery of the goods, it shall pay a contracting fine to the Seller at the amount of at least 50% of the price of the goods that were not taken over.
- 7.3. In case of the delivery of defective goods, the Buyer shall have no right to request a contracting fine. Article 5 shall be always followed.
- 7.4. In case of a delay of the Buyer with the payment of the invoice for the delivered goods, the Buyer shall pay a contracting fine to the Seller at the amount of 0.05% of the unpaid amount for each day of the delay.
- 7.5. The contracting fines agreed with this Contract shall be paid by the obliged party independently of the fact if and at what amount the damages, which can be enforced separately, are incurred by the other party in that context.
- 7.6. Should one of the contracting parties withdraw, after an agreement with the other contracting party or, as the case may be, should it withdraw on the basis of the provisions of the Civil Code or GBT&C from the Contract, the withdrawing party shall be obliged to compensate damages to the other party that are incurred by it therewith.
- 7.7. Indirect and consequential damages in connection with the delivery of goods are not obligated to pay by the Seller. These damages include in particular: loss of profit, substitute energy supplies costs, loss of use, late delivery of goods costs, deviations of the parameters / contract conditions of the delivered goods, etc.  
The Seller's total obligation and liability for damages, including contractual penalties and all other Buyer's claims, may not exceed the total value of the goods delivered.

## **8. Other Provisions**

- 8.1. For the following business cases, the prices pursuant to the Contract shall be non-binding.
- 8.2. The delivered goods may be only exported with the consent of the Seller. In case the seller gives consent to further export, the buyer undertakes himself that the goods will not be delivered to countries on which sanctions have been imposed by the Council of the European Union or by a resolution of the UN Security Council.
- 8.3. A failure to pay the purchase price within the agreed period shall be an essential violation of the Contract.
- 8.4. The Buyer (operator of the compensation equipment) undertakes that in case of reconstructions of such equipment, he is the originator of wastes and he is aware of all obligations that apply to it in compliance with the applicable Waste Act.
- 8.5. The Buyer undertakes, till the period of the complete settlement of all obligations resulting for it from the concluded Contract or GBT&C, to announce all changes of its bank accounts to the Seller, including the identification of financial institutions, change of its business name and registered office etc. If the Buyer fails to meet this information obligation towards the Seller always within 14 days from the day of the occurrence of the change and thereby makes difficult or impossible for the latter to meet the obligations pursuant to the Contract, the Seller shall be relieved from liability for damages incurred therewith by the Buyer.

In Žamberk, Date: 1.12.2024  
Ing. Vladislav Náhlík  
CEO and managing director of the company