

GENERAL TERMS OF DELIVERY AND TERMS OF PAYMENT OF ALU-S.V.,s.r.o.

These "General Terms of Delivery and Terms of Payment of ALU-S.V., s.r.o." apply to all our offers and deliveries

1. Price Quotes

Unless specified otherwise, we reserve the right not be legally bound by any of our price quotes.

2. Conclusion of Contract

The purchase contract can be concluded only by means of a Seller's written confirmation of the Buyer's order, in the manner described hereinbelow. The Seller must also confirm in writing the acceptance of any special conditions requested by the Buyer as well as any oral arrangement between the Parties for the contract to apply.

3. Liability for Damages

Any liability for the damages of the goods, i.e. the danger of the loss, destruction, damage or impairment of goods regardless of the cause automatically transfers to the Buyer as soon as the goods leave the Seller's manufacturing plant, or as soon as the goods are granted to the Buyer's disposal pursuant to the purchase contract; this provision does not apply, if the applicable provisions of Incoterms stipulate otherwise.

4. Delivery Deadlines

- a) The confirmation of the delivery deadline is the expression of the Seller's best intention, but the deadline is not deemed to be legally binding. The Seller's failure to comply with the delivery deadline does not constitute any claim on the Buyer's part, and particularly does not entitle the Buyer to claim any compensation on the grounds of the Seller's failure to perform or Seller's default with the performance of contract. Any obstacles lasting more than three months, caused by an Act of God, which prevent the Seller from implementing the contractual performance, entitle the Seller to withdraw from the purchase contract; at the same time, this does not entitle the Buyer to claim any compensation for damages;
- b) Partial deliveries are allowable
- c) If, due to an Act of God or other extraordinary circumstances, which the Seller cannot affect, the Seller is restricted in his capability to deliver, the term of delivery will be automatically prolonged by the duration of such restrictions. If the restrictions last more than 2 months, the Seller is entitled to withdraw from the purchase contract. In such case, the Buyer is also entitled to withdraw from the contract, as long as he compensates the Seller for the costs incurred in the course of the preparation for the delivery of

the goods.

- d) In the event of delay caused by the Seller, the Buyer is entitled to fix an adequate additional deadline for the delivery of goods. When this period lapses without performance on the Seller's part, the Buyer becomes entitled to withdraw from the purchase contract. With the exception of intentional breach or gross negligence on the Seller's part, the Buyer is not entitled to any additional claims from the Seller.

5. Prices, Payment and Maturity

- a) After the confirmation of the sale, the Seller is entitled to raise the price adequately as a result of a change in the post-sale prices of raw materials or prices of auxiliary substances, wages or salaries, prices of transport or taxes and duties.
- b) If the Buyer fails to pay the agreed price and/or to do so by the agreed deadline, the Buyer becomes obligated to pay interests on overdue payment, starting as of the day of maturity and ending until the full payment of the entire sum owing.
- c) The failure to comply with the terms of payment, the failure to pay the debts or the emergence of circumstances which decrease the credibility of the Buyer result in the immediate maturity of all Buyer's debts. In such case, the Seller is also entitled to demand that the Buyer pays a cash advance prior to placing a new order or demand that the Buyer grants him an additional security. Following the lapse of the adequate payment deadline on the Buyer's part, The Seller is likewise entitled to withdraw from the purchase contract. This does not affect the Seller's claim for compensation for damages.
- d) Payment is defined as the putting down of a sum corresponding to the entire purchase price including possible interests to the Seller's bank account or as the putting down of the sum in cash to the Seller's cash register.

6. Reservation of Ownership

The ownership of the delivered goods transfers to the Buyer only after the Buyer pays the full purchase price of the ordered goods; the payment is to be deemed made as of the moment when the sum corresponding to the entire purchase price was put down to the Seller's bank account or Seller's cash register.

The ownership reservation applies even if the Buyer has already started processing the delivered



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goods or has processed the delivered goods, and last until the fulfillment of all Seller's claims toward the Buyer. The payment by bill of exchange is not considered a fulfillment of the Seller's claim and does not result in the transfer of ownership from the Seller to the Buyer. The Buyer is obligated to transfer to the Seller the proceeds from the resale of delivered goods (including the Buyer-processed goods) or from any other legal proceeds pertaining to the delivered goods to reimburse the Seller for his claims pertaining to the Buyer's failure to pay the purchase price.

If the laws governing the delivery of the Seller's goods do not allow for the reservation of ownership but allow for other rights which secure the Seller's claim to receive purchase price for the delivered goods, the Seller is entitled to assert all rights of this type. The Buyer is obligated to cooperate with respect to measures required for the successful implementation of the reservation of ownership or for the implementation of the rights specified above.

If the Buyer is delayed with the payment of the purchase price and the Seller sets to assert his right for the return of the delivered goods, the right for the payment of purchase price of the delivered goods or other claims after the Buyer, such as the right ensuing from liability or right from transferred claims, the Buyer nevertheless does not become entitled to withdraw from the contract as a result.

7. Tolerance of Dimensions

Our product are supplied with tolerance according technical documentation. We supply our product with tolerances according norm ČSN ISO 2768, except the special agreements. In the case aluminum profiles cut according the customer specifications are tolerances :+0-2mm.

8. Responsibility for Defects

The Buyer is obligated to ensure that the goods are handled and stored in accordance with the Seller's instructions, in the original intact packaging and at a location adequately protected against theft, damage or any other deterioration of the condition or specifications of such goods. Package supplied by us is intended for transportation and should be kept inside. Minimum required temperature for glue storing is 5°C. 24h before using the glue, it is necessary warm up till 18°C.

The Seller shall not be held liable for the defects of the goods caused by the Buyer's breach of the aforesaid obligation.

The Buyer is obligated to inspect the delivered goods as soon as possible after the transfer of the liability for damage from the Seller to the Buyer.

The Buyer is obligated to inform the Seller of the defects of the delivered goods immediately after the inspection.

The Buyer is obligated to inform the Seller without delay of any additional defects detected during the

inspection, as well as inform the Seller of any defects that the Buyer should have detected during an inspection performed with due diligence in compliance with the aforesaid provisions. The Buyer is obligated to inform the Seller of the defects covered by the Seller's warranty during the warranty period. The Seller shall not be held liable for the defects covered by warranty, if the defects were caused after the transfer of the liability for damages and at the same time if the defects were not caused by the Seller or by persons with whose aid the Seller fulfilled his obligations.

The Buyer is obligated to inform the Seller of the defects by means of registered letter delivered to the Seller's business premises, or by phone, or by fax or by e-mail.

If the Buyer breaches his obligation to inspect the goods within the aforesaid period or if the Buyer fails to inform the Seller as of the deadline and in the manner stipulated above, the Buyer's right to claim the defects of the delivered goods is deemed forfeited.

The Buyer is obligated to allow the Seller to check the claimed goods at the time specified by the Seller. Should the Buyer breach this obligation, his right to claim the defects of the delivered goods is likewise deemed forfeited.

9. Warranty

The terms of warranty are governed by the relevant statutory provisions of the Commercial Code.

10. General Provisions

- a) If the Seller delivers the goods in compliance with the Buyer's technical drawings or design, the Seller cannot not be held liable for the third parties' claims concerning the breach of copyright.
- b) Should the individual provisions of the General Terms of Delivery and Terms of Payment or the provisions of the purchase contract be or become invalid or inefficient, the invalidity or inefficiency thereof shall not affect the validity and efficiency of the remaining provisions of the purchase contract or the validity and efficiency of the remaining provisions of the General Terms of Delivery and Terms of Payment.
- c) The place of fulfillment of all obligations ensuing from the purchase contract is the Seller's business premises as specified herein.
- d) All disputes ensuing from and related to the present contract shall be brought before the Arbitration Court of the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic and decided by one arbitrator in compliance with the Rules of the Arbitration Court.
- e) The legal relationships constituted by the purchase contract and these General Terms of Delivery and Payment are governed by the applicable laws of the Czech Republic.



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