

General Terms and Conditions effective from 1.6.2014

I. Basic provisions:

1. The General terms and conditions mentioned below („hereinafter referred to as the „Terms and Conditions“), shall constitute an integral part of purchase order. Arrangements different from these terms and conditions shall be valid only in the case:
 - a) these are stated directly in the wording of the purchase order
 - b) these are stipulated in the frame purchase agreement this purchase order refers to.
2. These terms and conditions shall be applied for legal relations arising in the course of purchase of the goods and raw materials/feedstock by company (hereinafter referred to as the „Buyer“), if the parties to the purchase agreement, the frame purchase agreement or the purchase order (hereinafter referred to as the „Purchase agreement“ or „purchase order“) explicitly agree on application thereof. The purchase agreement, annexes to the purchase agreement and these General terms and conditions constitute a complete and integral purchase agreement which represents a body of the rights and obligations of the parties to the agreement in relation to the delivery of the goods pursuant to purchase agreement terms. In the case that a purchase agreement or an agreement is mentioned anywhere in these terms and conditions, it applies to the purchase order as well, unless content of such a provision expressly stipulates otherwise.
3. These terms and conditions have precedence over the provisions of a law which are not of a peremptory nature.
4. The purchase contract is considered concluded at the moment when the parties to the agreement agree in writing upon all the requirements stipulated in the agreement. If any of the parties to the agreement has any comments regarding supplementing or amending the draft of the other party, such comments shall be considered a new draft of the party. The buyer excludes acceptance of the purchase order by the seller with amendments or deviation and / or acceptance of the purchase order by the seller with reference to the terms and conditions of the seller or conclusion of the agreement by electronic or any other technical means pursuant to provisions of § 562 of the Civil Code.
5. The seller is obliged to confirm the purchase order and to send the confirmed copy of the purchase order back to the attention of the person who executes the purchase order.
6. By confirming the purchase order, the seller undertakes to deliver the goods in the scope, specification, quality and term stipulated in this purchase order and the buyer undertakes to accept the delivery and pay under conditions stipulated in this purchase order.
7. Information regarding hazardous substances, within the meaning of the statutory regulations of the European Parliament and Council No. 1272/2008, shall be a part of the delivery, if the goods contains such substances. The given information has to constitute a part of the delivery note.

II. Price and payment terms:

1. The price stated in the purchase order is exclusive of VAT that shall be added in compliance with the law valid on the day of the taxable supplies.
2. The seller shall draw the invoice that shall function as an accounting document pursuant to the Accounting Act No. 563/1991 Coll., as amended, and shall contain all accounting document requirements pursuant to VAT Act No. 235/2004 Coll., as amended, aptly pursuant to other legal regulations.
3. The invoice has to contain number of the purchase order of the buyer.
4. The delivery note confirmed by the buyer has to be an annex of the invoice.
5. Invoice delivery address: UNIPETROL RPA, s.r.o., Litvínov, Záluží 1, PSČ 436 70.
6. In the case the invoice does not contain all necessary essentials, or in the case the term of taxable supplies stipulated in the invoice is earlier than delivery of the goods, the buyer is entitled to return the invoice. The seller undertakes that the corrected or new invoice will have prolonged due date so that the maturity period would be from the day of issuance of the corrected or new invoice in the agreed number of days listed in the purchase order.

7. The invoice has to be delivered to the buyer within ten (10) calendar days from the date of issuance.
8. Payment of the purchase price is understood as debiting the purchase price from the buyer's account.
9. The buyer shall pay all financial amounts only onto the account of the seller (service provider) published by the tax administrator by remote access and conducted by the payment service provider in the Czech Republic. The seller (service provider) is obliged to notify the buyer of the account number that meets the above mentioned criteria. Until the account number is notified, that is published by the tax administrator by remote access, the buyer shall not be in default with payment of invoice.
In case the seller (service provider) becomes an unreliable payer within the meaning of Act No. 235/2004 Coll., on Value Added Tax, this fact is considered as a reason for withdrawal from the agreement on the part of the buyer.
Invoices for already rendered services/delivered goods will be settled in a way that a part of the invoices of the seller corresponding to the amount of VAT will be settled directly onto the tax administrator's account as described in § 109a Act No. 235/2004 Coll., on Value Added Tax; the taxable amount will be settled onto the seller's account.
10. The seller is not entitled to transfer the rights and obligations arising from this purchase order onto the third party without the consent of the buyer.

III. Contractual penalty, default interest:

1. In the case of default of payment, the seller is entitled to demand and the buyer is obliged to pay the default interest, amount of default interest shall be determined pursuant to Government decree No. 351/2013 Coll., determining the amount of default interest and payment for delay pursuant to the Civil Code, as amended, or pursuant to respective legal regulation, that would, in the future, substitute the above mentioned decree in the scope involved.
2. In the case that, for reasons the seller is held responsible for, the delivery term specified in this purchase order is not kept, the buyer is entitled to a contractual penalty in the amount of 0,05% of the total price of the delivery for each day of the default, unless stipulated otherwise.

IV. Risk of damage to the Goods and proprietary right

1. The buyer acquires the proprietary right to the goods as soon as the goods delivered is handed over to and accepted by the buyer. The buyer acquires the proprietary right prior to handover, when the buyer acquires authority to dispose of the delivery.
2. The buyer acquires the proprietary right even in the case, when the seller is not the owner of the goods sold, unless the seller was in good faith authorized to transfer the proprietary right onto the other party to the agreement.
3. Risk of damage to the goods passes to the buyer at the moment of acceptance of the goods from the seller, or if not in time, at the moment when the seller allows the buyer to dispose of the goods and the buyer breaches the purchase agreement by failure to accept the goods.
4. The seller guarantees to the buyer that acquisition of the proprietary right to the subject-matter of purchase and its usage do not violate the intellectual property rights of third parties (especially industrial rights, copyright etc.). Should usage of the subject-matter violate the intellectual property rights (especially industrial rights, copyright etc.), the seller hereby undertakes to settle all damage incurred to the buyer as a consequence of the given violation of intellectual property rights and to ensure the buyer undisturbed execution of the proprietary right to the subject-matter, especially its usage.
5. The seller undertakes and guarantees that the subject-matter will be delivered in quality and design that is suited for the purpose determined in the purchase agreement, that it will comply with all valid permissions, approval, legal regulations, Czech standards and terms and conditions of the purchase agreement along with the annexes.
6. The seller undertakes and guarantees that all delivered or manufactured machines, their parts and attachment thereof and all other materials and equipment and work constituting the subject-matter of the respective purchase will be new (unless agreed in writing otherwise by the buyer) and wholesome from the point of view of technical solution, provided materials and professional design.

V. Liability for defects

1. Goods is defective, if
 - 1.2. it does not have properties/parameters agreed in the purchase agreement by the parties to the agreement, if such an arrangement is missing, such properties/parameters that the seller or the manufacturer described, or that the buyer had anticipated with respect to the nature of the goods or on the ground of an advertisement executed by the seller or the manufacturer,
 - 1.3. the goods is not suited for the purpose defined in the agreement, if the purpose is not defined then for the purpose the seller declares or for the purpose the goods of this kind is commonly used for,
 - 1.4. the goods does not conform to the agreed sample or template what concerns quality or design, if the respective quality and design had been determined according to the agreed sample or template,
 - 1.5. the goods is not in corresponding amount, extent or weight, packaging,
 - 1.6. the goods does not meet the requirements of respective legal regulations.
2. The seller hereby undertakes that the delivered goods will be applicable for the agreed, otherwise common purpose or it will maintain agreed otherwise common properties throughout the warranty period. The warranty period shall be defined in the purchase agreement or in the certificate of warranty or on the packaging of the goods also as an applicability period or serviceability, or in the advertisement.
3. If the goods is defective, the buyer is entitled to request removal of the respective defect of his own free choice either in form of delivery of compensatory goods to replace the defective goods or delivery of missing goods and to request removal of legal defects, to request removal of the defect by repair of the goods in the case the defects are removable, to request adequate deduction from the purchase price, or to withdraw from the agreement in case of substantial breach of the agreement.

VI. Warranty

1. Unless provided otherwise by the agreement or stated in the purchase order accepted by the seller, the seller shall provide warranty for the goods being subject-matter of performance of the agreement these terms and conditions relate to, for the period of 24 months. In the case that the contractual documents modify the warranty differently, the arrangements stipulated in the purchase agreement/order take precedence over the arrangements stipulated herein.

VII. Technical documentation

1. As an inseparable part of the goods, the seller is obliged to provide the technical documentation (i.e. certificates, drawing copies for drawing items, passports etc.) requested and specified in the purchase order / agreement concurrently with delivery of the goods to the address specified in the purchase order.
2. The obligation to deliver the documentation to the goods arises for the seller automatically in the cases when this documentation is not admittedly mentioned in the contractual documents pertaining to the performance the business terms and conditions relate to, but necessity of disposition with such documentation results from the nature of the goods delivered and it is necessary for its usage and disposal.

VIII. Packaging and designation

1. The seller shall package the goods and secures it for transportation as per conventions related to deliveries of such and similar goods, and if not as per conventions, then in a way necessary for preservation and protection of the goods, and such a protection and package have to correspond with generally binding legal regulation.

PACKAGING INSTRUCTIONS

1. All packaging has to be designated with trade name, shipping address and purchase order number of the buyer.
2. The seller is obliged to attach the delivery note with a number for quick completeness check **outside** the packaging.

If these documents are not accessible without damaging the packaging, the delivery will not be accepted.

3. The seller is obliged to carry out obligations determined by the directive of the European Parliament and Council 94/62/ES on packaging and packaging waste in current wording and to hand over packaging data in writing in the delivery note, in the following scope:
 - a) specification of packaging material type: paper and cardboard, glass, plastics - PET, PE, PVC, PP, PS, other plastics, metals – Al, Fe, other metals, wood, composite material, others
 - b) weight of individual packaging types
 - c) possible ways of individual packaging type disposal (recycling, organic recycling, energetic utilization or removal)
 - d) applicability of packaging (one-way or reusable packaging, returnable packaging, returnable packaging with an advance)
 - e) in case of the returnable packaging, manner of returning the used packaging to a person who put the packaging into motion
4. Furthermore, the delivery has to be designated with data regarding the amount or weight (gross or net) and tare, and other designation or data as per potential requirement of the buyer. The designation has to comply with all local or international regulations, including designation of hazardous and risk materials. Unless explicitly agreed otherwise, the seller must not charge the buyer the cost for packaging and related expenses.

IX. Withdrawal from the purchase agreement

1. The seller and the buyer are entitled to withdraw from the purchase agreement, except for other cases stipulated herein, in the case the other party to the agreement substantially breached obligations arising for the party from the purchase agreement. Substantial breach of contractual obligations is understood mainly as:
 - 1.2. Default of the buyer in payment of the purchase price for more than thirty (30) days, if the seller notified the buyer in writing of the fact that the buyer finds itself in the default.
 - 1.3. Default of the seller in delivery of the goods or delivery of documents related to the goods and necessary for enjoyment and use of the goods.
 - 1.4. Default of the seller in removal of defects within the time limit specified herein.
2. Withdrawal from the purchase agreement shall be effective upon delivery of written notice of termination by the party withdrawing from the agreement to the other party. The notice of termination must contain a concrete reason for the withdrawal.
3. All right and obligation of the parties to the agreement become extinct upon withdrawal from the purchase agreement, except for the right to indemnity and right to pay the contractual penalty and provisions of the purchase agreement and these general terms and conditions concerning selection of the law, solution of disputes between the parties to the agreement and modification of rights and obligations of the parties in case of purchase agreement termination. If the debt was secured, the withdrawal does not affect the security.

X. Damage compensation

1. The party to the agreement which breached any obligation arising from this agreement is obliged to compensate the other party to the agreement for the damage incurred by this respective breach of obligation or the person, to whom the performance of agreed obligation should have clearly served.
2. Liability to compensate for damages shall not arise, in the case failure to fulfil the obligation by the liable party was caused by act of the injured party or by lack of cooperation the injured party was obliged to. The party to the agreement which caused the breach of obligation arising from this agreement is not obliged to compensate the other party to the agreement for the damage caused, if this party proves that such a breach of obligation was the result of an extraordinary unforeseeable and insurmountable obstacle or of force majeure.

3. In the case any contractual obligation is breached by any of the parties to the agreement and as a result of such a breach of obligation the other or both parties to the agreement suffer a damage the parties shall give all their effort and means to solve the damage compensation in an amicable extrajudicial manner.

XI. Force Majeure

1. None of the parties to the agreement shall be held responsible for any neglect of obligation arising from the purchase agreement, in the case this neglect or default was caused by an extraordinary, unforeseeable and insurmountable obstacle arising independently of the will of the liable party and prevented it from fulfilling the obligation (hereinafter referred to as „**Force Majeure**”). Any obstacle which incurred from personal circumstances or incurred at the time, when the liable party was in default with fulfilment of its liability, or any obstacle that the party to the agreement was obliged to overcome, however does not relieve the party from the liability.
2. For the purpose of this respective agreement, the following events, if these meet assumptions mentioned in the preceding paragraph, are understood as the Force Majeure:
 - 2.2. natural disasters, fires, earthquakes, earth slides, floods, gales or other atmospheric disturbances and effects of considerable extent or
 - 2.3. wars, uprisings, rebellion, riots or industrial actions or
 - 2.4. decisions or normative acts of the public authorities, regulations, restrictions, prohibition or other interventions of the state, state authorities or local authorities
 - 2.5. explosions or other damage or significant failures of respective production or distribution facilities.
3. The party to the agreement which has breached, is breaching or assumes to breach its contractual obligations with respect to all known facts in consequence of the force majeure event incurred is obliged to inform the other party to the agreement of the breach or such an event without undue delay and to make every endeavour to avert such an event or its consequences.

XII. Arbitration clause

1. Should any dispute between the buyer and the seller arise in relation to this purchase order, its application or interpretation, the parties shall give all their effort and means to solve such a dispute in an amicable manner.
2. If the dispute arising between the parties to the agreement in connection with this purchase order cannot be solved by the amicable settlement, it shall be finally arbitrated through an arbitration at the Arbitration Court of the Chamber of Commerce of the Czech Republic and the Agricultural Chamber of the Czech Republic in Prague pursuant to its Rules by three arbitrators appointed pursuant to these Rules, excluding jurisdiction of ordinary courts. The parties to the agreement hereby undertake to comply with the obligations imposed in the arbitrations within the time limit defined therein.
3. The legal relation, rights and obligations of the parties to the purchase order, their provision, modifications or extinction are construed exclusively in accordance with the laws of the Czech Republic, mainly pursuant to Act No. 89/2012 Coll., Civil Code, as subsequently amended.

XIII. Extension of period of limitation

1. In compliance with provision of § 630 of the Civil Code, the parties to the agreement hereby stipulate extension of period of limitation of any rights arising from this respective contract to a period of four years from the moment this period starts to run, and stipulate that the extension of period of limitation shall apply to the rights arising by withdrawal from the purchase order. The arrangements on the extension of period of limitation of the seller's rights may not be separated from the arrangements on the extension of period of limitation of the buyer's rights.

XIV. Final provisions

1. The parties to the agreement explicitly exclude application of provisions of § 1799 and § 1800 of the Civil Code, stating, that none of the parties feels and considers itself as the weaker party, that the contractual terms and conditions included in the purchase order or herein are comprehensible and clear to both parties to the agreement and provisions of these terms and conditions are not in contradiction with business practice and principles of fair trade.

2. The seller shall take over the risk of change in circumstances within the meaning of § 1765 of the Civil Code.
3. The parties to the agreement hereby declare, that none of the parties feels and considers itself as the weaker party as compared to the other party to the agreement and that they have been acquainted with the wording and content of the purchase agreement as well as of these General Terms and Conditions, they understand the content and want to be bound with the respective content and that they have sufficiently discussed the contractual arrangements. Furthermore, the parties to the agreement declare, that execution of the purchase agreement does not disproportionate one of the parties pursuant to § 1793 of the Civil Code.
4. The seller is not entitled to assign or transfer its rights and obligations arising from the agreement to the third party without prior written consent of the buyer. The buyer is entitled to assign its rights and obligations arising from the agreement to the third party.