

FANS, a.s. General Terms of Trade to the Purchase Contract

Set down in accordance with the provisions of Act No. 1751 No. 89/2012 Coll., the Civil Code,
as amended

General Purchase Terms and Condition (VNP)

- A.** stipulate the conditions under which an individual contract of purchase (hereinafter referred to only as the contract) is concluded on the basis of a confirmed written contract of purchase or acceptance of a written order, in compliance with the provisions of Section 2079 and subsequent section of the Civil Code, as amended.
- B.** A written order by FANS shall stipulate arrangements for purchase of the item (the goods) and other conditions of trade and shall be expressly accepted by the supplier. Also in case, the order is sent by e-mail or by fax, it is accepted as the written form. The provisions of the individual purchase contract are accepted jointly together with these General Terms of Trade to the Purchase Contract (VNP).
- C.** The provisions of the individual contract shall enjoy priority over different wording of the VNP. Provisions in VNP shall enjoy priority over the non-mandatory provisions of the generally binding legal regulations in force.

I. Subject of the Purchase

- 1. The definition of the subject of the purchase (goods) includes the specification and their amount and quality. The subject of the purchase can be specified by a reference to the respective offer of the supplier. The supplier shall be entitled to implement any changes relating to the subject of the purchase confirmed in the original order or contract only after the change is properly agreed and a new price is agreed in an amendment to the contract.
- 2. Unless the quality of the item (goods) and terms of the purchase are otherwise agreed, the supplier is obliged to deliver the goods new, top quality and suitable for the purpose that is evident from the individual contract of purchase, otherwise, for the usual purpose.
- 3. In case FANS shall require a delivery based on the quality or performance of the sample, the supplier is obliged to comply with the quality of the goods in full, in accordance with the sample quality. In the event of a conflict with sample and the contract, the contract takes precedence, if the FANS does not specify otherwise after approving of sample.
- 4. Should FANS have specific requirements for packaging and transportation, the supplier is obliged to comply with such requirements.

II. Delivery Period

- 1. The supplier undertakes to deliver the subject of the purchase (goods) within the deadlines stipulated in individual contract of purchase. Possible changes in the delivery period shall be agreed in an amendment to the contract. If the delivery term is not arranged, it applies that it must not exceed 30 days from entering into the individual purchase contract.
- 2. The Physical delivery of the subject of the purchase (goods) will be confirmed by signing the bill of delivery. FANS reserves the right to inspect the goods or perform a test arranged by the contract within the term agreed on, otherwise within 10 business days from physical delivery of the goods. The goods are considered duly delivered by signing the hand over protocol, whereupon FANS assumes the risk of damage or ownership right to the goods.

III. Obligations of the Contracting Parties

1. FANS undertakes to accept the goods and pay the agreed price for them.
2. FANS is not obliged to take over the goods, which have obvious or quantitative defects or which are delivered late.
3. The supplier undertakes
 - to observe the written instruction of FANS in accordance with the modification and changes in the contract,
 - to hand over to FANS the subject of the purchase (goods) that will have the properties complying with the valid regulations, particularly technical standards at the time of its handover as well as for the set period of guarantee pursuant to Article VII, Sub-section 4.
 - to hand the goods over to FANS at once or in stages according to the individual contract of purchase
 - to hand over to FANS a the necessary documents, such as operating instructions, quality certificates, attestations, declaration of conformity, etc. together with the subject of purchase (goods)
 - to bear the risk of possible changes in circumstances affecting the execution of Work, as per s. 1765 of the Civil Code, especially any changes connected with increased expenses.

IV. Price of the purchase

1. The fixed contractual unit prices are basis for price determination. All tests, samples, packing, servis of guarantee and transport are included in the prices, if this obligation of the supplier is agreed.
2. In accordance with Price Act No. 526/1990 Coll., as amended, the total price of the subject of purchase is agreed and it is always specified in the contract (order). The price shall always include possible customs expenses and is exclusive of VAT.
3. The contracting parties are entitled to demand an increase or reduction of the total price solely in the form of a written amendment to the contract only in case of changes in quantity or modifications of the subject of the contract. The agreed fixed contractual unit prices are constant, valid also for possible amendments to the contract. The price in amendments to the contract shall be determined as a sum of multiples of fixed unit prices and the quantity.

V. Terms of payment

1. The supplier is obliged to invoice the purchase price upon the date of delivery of the goods, unless agreed otherwise by both parties.
2. Each invoice must be issued in 2 counterparts and has to contain the following particulars:
 - the business name and the address of the supplier, his tax registration number and Company registration no.
 - the business name, address, account no. and identification code of the banking institution, to which the billed sum is to be transferred
 - FANS contract no. /FANS order no.
 - own numerical identification
 - the date of issue and due date
 - the invoiced sum is structured as follows: price exclusive of VAT, specification of the tax rate (21 % or 5 %) and the price of customs duties if applicable
 - list of attachments
 - indication, that this is a duplicate billing if applicable

Address for bill deliveries: FANS, a.s., Ležáků 231, 539 01 Hlinsko v Čechách, Czech Republic

E-mail address for bill deliveries: uctarna@fansct.com.

Any invoice without the particulars stipulated herein shall entitle FANS to refuse the payment and to return the invoice to the supplier stating why payment was refused.

3. The invoice is due in 60 days after its delivery, unless agreed otherwise in the contract. The invoice shall be considered as paid on the date on which the amount was debited from the account of FANS.
4. The contracting parties have agreed on payment by a bank transfer to the supplier's account.

VI. Contractual Penalties, Withdrawal from the Contract

1. In case of failure to meet the deadline for the delivery, the FANS shall be entitled to charge the supplier a contractual penalty amounting to 0,5 % of the total price per each day of delay, however no more than 20% of the total price for the entire period of delay.
2. In case of FANS's delay with invoice payment, the supplier shall be entitled to charge FANS a contractual penalty amounting to 0,035 % of the due amount per each day of delay, however no more than 5 % of the total price for the entire period of delay.
3. Contractual penalties shall be paid by the liable party on the basis of a proper invoice submitted by the entitled party, substantiated with relevant conclusive evidence. The due date of the contractual penalty invoice shall be 30 days from the date of invoice delivery. Contractual penalties must be invoiced separately.
4. FANS shall be entitled to withdraw from the contract in case of a gross breach of the contract by the supplier, Particularly delivery of goods being in delay exceeding 10 days, delivery of goods with defects, which prevent proper use of the goods, or delivery of goods with recurring defects, shall be deemed to be gross breaches of the contract.
5. FANS also shall be entitled to withdraw from the contract if insolvency proceedings were initiated against the supplier or if the supplier entered into liquidation.

VII. The rights of defective performance, guarantee

1. The supplier shall be liable for defects of the goods at the time of handing it over to FANS and for defects occurring during the guarantee period. Also any defects in the documents necessary for utilization of the goods and/or delivery of other goods shall be considered a defect.
2. The rights of defective performance shall be governed by the provisions of section 2099 of the Civil Code.
3. FANS shall deliver a written complaint regarding any possible hidden defect of the goods in writing to the supplier. A complaint sent by an email will be accepted as well. The supplier shall communicate his opinion of the complaint to FANS in writing or will arrange a meeting to discuss the complaint in the presence of the contracting parties' representatives within 3 business days from receiving the complaint. A defect has to be rectified within 15 days from the notification, unless otherwise agreed by the parties. In the case the supplier fails to supply his opinion within 3 days or should he fail to rectify the defect within the relevant period time, FANS shall be entitled to assign the repair to another entity or to carry out the repair itself and charge the cost to the supplier. Obligations of the supplier resulting from the guarantee are not affected by this.

4. The supplier provides the FANS guarantee for the quality of the goods, this for the period specified in the individual contract of purchase. The guarantee period begins upon the takeover of the goods. If the guarantee period is not specified, it shall be 24 months from the receipt of the goods. In case of claims, the guarantee period shall be extended by the number of days that elapse from the claim until the defects are remedied.

VIII. Special provisions

1. FANS reserves the right to inspect and / or test the quality and functionality of the material (subject of the order) to make sure that it complies with the contractual conditions.
2. FANS reserves the right to check the compliance schedule, delivery performance and quality, the supplier is obliged to allow access to the authorized personnel of FANS for inspection, including sub-suppliers, at any time without written notice.
3. The contracting parties shall be bound to inform one another immediately in writing about the changes in their business company and address, as well as the possible transition of their obligations from the contract to a different legal entity. The change in the business company (title of corporation) shall be noted down in an amendment to the contract.
4. The change in persons authorized to negotiate in compliance with the contract shall be noted down in the amendment to the contract.
5. The rights and obligations from the contract cannot be transferred to another entity without the consent of the other party.
6. The rights and obligations of the contracting parties which are not explicitly regulated in the contract, shall be governed by the relevant provisions of Act No. 89/2012 Coll., the Civil Code, as amended.
7. The contract may be amended only by mutually adopted amendments.
8. All the correspondence relating to the legal acts of the contract, particularly amendments or supplements, or withdrawal notices shall be signed by authorized persons and sent by registered letter to the other contracting party. This does not exclude the personal delivery of correspondence.
9. The contractual parties oblige to resolve any disputes by negotiations of their representatives. If the dispute is not be resolved even by negotiations on the level of the statutory representatives of the parties, a competent court shall resolve the matter.

IX. Environment, and safety at work

1. FANS declares to be bound to meet requirements of the standard CSN EN ISO 9001 and 14001 and the Directive OHSAS 18001 (www.fans.cz).
2. The supplier is obliged to deliver the goods in the manner that avoids damage to the environment, and technical condition of his means must meet the quality requirements for execution of the given type of work, safety at work, and environmental protection.
3. In case of delivery or assembly of the goods, the supplier is obliged to follow the emergency plan for respective event and building, and he must ensure compliance with regulations of the safety at work, health protection, and fire protection by his employees and other partners, and to provide them with corresponding protective devices.