

## Terms and Conditions – Sales

### I.

#### Scope

1. These Terms and Conditions ("TCs") apply to all business relationships between 5M s.r.o., having its registered office at Na Záhonech 1177, 686 04 Kunovice, IČ (Company ID Number): 46969250, registered with the Regional Court in Brno, File C 7093 ("Supplier") and the other party ("Customer"). The Supplier and the Customer may be also jointly referred to as the "Parties".
2. If the business relationship between the Supplier and the Customer is arranged in a specific contract, the contract shall take priority over the Terms and Conditions.

### II.

#### Definitions

Purchase order – a set of information about the supplier, identification of the product/service required, quantity, required delivery period, packaging, shipping, or any other information important to the customer.

Order acknowledgement – a binding document regulating the terms of the purchase contract such as the description of the product/service, price, quantity, delivery terms etc.

Product – the outcome of the Supplier's production process after it has been released by the Supplier's final inspection.

Goods – a product intended for resale that is not the outcome of the Supplier's production process.

PN-5M – a set of the Supplier's standards setting the technical and qualitative parameters of a product, goods or a service in relation to the Customer.

ERP – the Supplier's electronic information system.

### III.

#### Conclusion of the Contract

1. An offer to make a Purchase Contract is the delivery of a purchase order in writing, by e-mail, fax or orally to the Supplier. The Customer's purchase order must include at least the following information:
  - a) Company name, registered office or place of business of the Customer
  - b) Identification number of the organisation and DIČ (Tax Identification Number) if the Customer is registered for VAT
  - c) Contact person (name, phone, e-mail)
  - d) Unambiguous name of the product or service

- e) Identification number of the Supplier's product
  - f) Required quantity
  - g) Required delivery date or dates of partial deliveries
  - h) Place of delivery
  - i) Shipping method and method of payment of the purchase price of the product, goods or service
2. The e-mail address for delivering the purchase order is [obchod@5m.cz](mailto:obchod@5m.cz), fax: +420 572 433 700.
3. The Supplier will issue an order acknowledgement to the Customer on the basis of a purchase order that meets the above requirements within 5 working days. The Supplier shall send the order acknowledgement to the Customer's contact person's e-mail address. The Customer is entitled to submit to the Supplier a written proposal to change or cancel the purchase order within 2 working days after the delivery of the order acknowledgement. The purchase contract shall be deemed to have been made upon the acceptance of the terms set out in the order acknowledgement.
4. The order acknowledgement will be delivered in a form generated by the Supplier's ERP system or via e-mail.
5. The Customer acknowledges that some of the production technologies listed below do not allow all the required products to be produced in the exact quantities listed in the order acknowledgement. Such a deviation from the required quantity shall not be considered a non-conformity and cannot be subject to a complaint. The Customer is obliged to accept such deliveries as follows:
- a) Pultruded profile in quantities up to 500 m - permitted quantitative deviation  $\pm 15\%$
  - b) Pultruded profile in quantities up to 1,000 m - permitted quantitative deviation  $\pm 10\%$
  - c) Pultruded profile in quantities over 1,000 m - permitted quantitative deviation  $\pm 5\%$
  - d) LFX Technology and Semipreg up to 500 m<sup>2</sup> - permitted quantitative deviation  $\pm 10\%$
  - e) LFX Technology and Semipreg over 500 m<sup>2</sup> - permitted quantitative deviation  $\pm 5\%$
- The Supplier will charge the Customer the purchase price only for the quantity actually delivered.
6. The Supplier does not issue an order acknowledgement for products or goods that are in stock and intended for immediate consumption.

#### IV.

##### Purchase Price

1. The Customer agrees to pay the agreed purchase price to the Supplier. If the costs (material, exchange rate etc.) relating to the product/service ordered significantly increase after the contractual relationship has been established, the Supplier is entitled to charge the Customer a purchase price adjusted for these costs by no more than +10%. A significant increase is an increase in cost equal to or exceeding 3%. The Supplier shall notify the Customer of an adjustment to the purchase price in writing, by e-mail to the address of the Customer's contact person on or before the day before the date of handover of the product/service ordered to the carrier.

#### V.

**Date of Delivery**

1. The date of delivery is the date of shipping or handover of the products/services ordered for transport or of their acceptance by the Customer from the Supplier's shipping location.
2. If the Customer fails to accept the products/services ordered by the agreed deadline, the Supplier shall be entitled to charge the Customer a storage fee of CZK 1,000 per month per each m<sup>2</sup> storage area up to 100% of the value of the products or goods not removed from the storage.

**VI.****Quality of Design and Packaging**

1. The product, goods or service is considered compliant at the moment of their release by the Supplier's final inspection.
2. The products/services ordered shall be delivered to the Customer in the agreed technical and qualitative design and the required quantity with a possible adjustment according to Art. III, item 5. The qualitative and technical parameters (tolerance etc.) of the products/services ordered that were not agreed before the purchase contract was made shall be delivered to the Customer in accordance with the Supplier's company standards PN-5M.
3. The Customer acknowledges that potential deviations in colour, particularly on pultruded profiles, caused by colouring during the production process shall not be considered defects.
4. Unless agreed otherwise, the products/services ordered shall be packaged in accordance with the Supplier's standard packaging regulation OS-360.
5. Unless agreed otherwise, the product or goods shall be marked in accordance with the Supplier's regulation MP-500.

**VII.****Warranty**

6. The product, goods or service shall be subject to the Supplier's 12-month warranty starting from the acceptance of the products/services ordered by the Customer, unless agreed otherwise.

**VIII.****Defective and Late Delivery**

1. When picking up the goods at the Supplier's shipping location, the Customer shall check the product or goods (in particular in terms of the quantity and condition thereof) immediately after their acceptance. If the product or goods are found defective, the Customer shall notify the Supplier of the defect found at the pick-up location immediately. If the defect is recognised by the Supplier, the Supplier shall remove the defect free of charge and without undue delay by delivering the missing products or goods, by delivering replacement products or goods that are free of defects, or by granting an adequate discount. If the defect cannot be remedied or replacement products or goods cannot be delivered immediately, the Supplier shall do so as soon as possible. The Supplier shall notify the Customer of the relevant date in writing. Later complaints regarding the quantity of the products or goods delivered will not be taken into account.

2. In the event that the products/services ordered are handed over to the Customer through a carrier, the Customer shall inspect the products, goods (in particular with regard to quantity and condition) and notify the Supplier of the defect within 3 working days after the delivery to the Customer's destination specified in the order acknowledgement. If the defect is recognised by the Supplier, the Supplier shall remove the defect free of charge and without undue delay by delivering the missing products or goods, by delivering replacement products or goods that are free of defects, or by granting an adequate discount. If the defect cannot be remedied or replacement products or goods cannot be delivered immediately, the Supplier shall do so as soon as possible. The Supplier shall notify the Customer of the relevant date in writing. Later complaints regarding the quantity of the products or goods delivered will not be taken into account. The Customer shall notify the Supplier and make a written record of any damage to the product or goods apparently caused by the carrier immediately without any delay. Liability for damage caused during transport shall be split between the Supplier and the Customer according to the international rules Incoterms 2000.
3. The Customer shall be entitled to charge the Supplier a contractual penalty in the amount of 0.05% of the value of undelivered products/services for each day of default up to the value of the undelivered products/services.

#### IX.

##### **Terms of Payment, Retention of Title and Accompanying Documentation**

1. Unless payment in cash at the Supplier's cash desk is agreed or the amount is paid via cash-on-delivery upon the handover to the carrier, the Customer shall pay the invoice in full by bank transfer to the Supplier's account specified in the invoice.
2. Unless agreed otherwise, the invoices shall be due 14 calendar days after the invoice issue date.
3. In case of doubt, the Customer shall be deemed to have received the invoice on the 3rd working day after the issue date.
4. The Supplier shall be entitled to charge the Customer a contractual penalty of 0.05% of the amount invoiced for each day of default and, starting from the 14th day of default, of 0.5% per day for each day of default until the amount invoiced has been paid.
5. The products/services ordered shall remain property of the Supplier until the purchase price has been paid in full, including contractual penalties. If the invoices are not paid by the due date, the Supplier may decide to remove the products/services ordered. The Customer agrees to allow the Supplier's personnel to remove the products or goods. The Customer's obligation to pay a contractual penalty, interest on late payment, compensation for damage as well as other costs associated with the removal of the goods and withdrawing from the contract shall remain unaffected.
6. The Supplier shall be entitled to require the Customer to reimburse other damage incurred by the Supplier as a result of its failure to comply with the due date or to accept the products/services ordered.
7. If tools or devices owned by the Customer must be used for the production of the products/services, the Customer agrees to lend them to the Supplier free of charge. The Supplier shall take due care of the borrowed tools and devices and keep them operational. Any cost of the standard maintenance of tools and devices owned by the Customer shall be borne by the Supplier. The cost of maintenance indicated as non-standard by the Supplier shall be borne by the Customer. If non-standard maintenance is required, the Supplier shall notify the Customer of the expected price and deadline for the completion of maintenance in writing. If the Customer does

not approve non-standard maintenance, the Supplier shall not be liable for non-compliance with the contractual terms and conditions.

8. Unless agreed otherwise, the products/services shall be accompanied by documentation consisting of an invoice and a delivery note when prepared for handover to the Customer.

#### **X.**

##### **Changes to the Purchase Contract, Withdrawal from the Contract**

1. The Supplier may propose a change to the purchase contract to the Customer in writing at any time before the date of delivery of the products/services. The change shall enter into force once approved by the Customer. In that case, the Supplier shall issue an updated order acknowledgement for the Customer.
2. The Customer may propose a change to the purchase contract to the Supplier in writing at any time before the date of delivery of the products/services. The change shall enter into force once approved by the Supplier. The Supplier shall assess the required change immediately with regard to the cost, production in progress, availability of resources, feasibility etc. and notify the Customer of the method of implementing the change, or refuse the change and continue with the delivery of the products/services in accordance with the valid order acknowledgement. In that case, the Customer is obliged to accept the products/services as agreed. If the change is approved by the Supplier, the Customer shall cover all costs that arise in connection with the implementation of the change (material, labour, production in progress, tests, certificates, extrawork etc.).
3. The purchase contract can be withdrawn from only in writing and with the consent of both Parties.

#### **XI.**

##### **Dispute Resolution**

1. Should there be any disputes, the Parties agree to make every effort to resolve the dispute by agreement.
2. Disputes that cannot be resolved by agreement shall be assessed according to the applicable legislation of the Czech Republic in the District Court in Uherské Hradiště. The language of proceedings shall be the Czech language.

#### **XII.**

##### **Force Majeure**

1. The Supplier shall not be liable for any default or violation of the agreed terms or other obligations in full if such circumstances were caused by an event outside the Supplier's control generally referred to as force majeure.

#### **XIII.**

##### **Trade Secrets**

1. Information shared between the Parties in connection with the purchase contract shall be considered confidential and must not be disclosed to any third party without the prior written consent of the disclosing Party. This restriction shall not apply to any information that can be obtained from public resources or information that were demonstrably acquired by the recipient from a source other than the Party.
2. The Supplier shall be entitled to claim compensation for damage resulting from the disclosure of confidential information without the prior consent in the minimum amount of CZK 100,000.

**XIV.**

**Final Provisions**

1. The Supplier reserves the right to change or amend the TCs, especially when the related legislation changes or when the trading method changes. The Supplier shall announce such changes or amendments and the effect thereof by publishing them at [www.5m.cz](http://www.5m.cz) , or using another suitable method.
2. Should the Customer disagree with the content of the changed or amended TCs, it shall communicate its disapproval to the Supplier within 7 calendar days after it has learnt of the changes. Should the Customer fail to do so, it shall be deemed to have accepted the changes or amendments.
3. Any legal relations not expressly regulated by these terms and conditions shall be governed by the relevant provisions of the Civil Code and related legislation as amended.
4. The Customer agrees to immediately notify the Supplier of any changes relating to the Customer's business licence, tax obligations, bank details and potential insolvency.
5. The Supplier reserves the right to assign any outstanding claims to a third party.
6. The Customer hereby acknowledges that the Supplier is entitled to process the Customer's personal data provided it has one of the legal reasons set out in the Regulation of the European Parliament on the Protection of Person Data (2016/679). The Supplier must request an informed consent of the relevant subject from the Customer in order to process any personal data for the processing of which the Supplier does not have a legitimate reason. The consent must be separate from other text and revocable.
7. These Terms and Conditions – Sales come into effect on 1 August 2018.