General Terms and Conditions

1. Scope
These general terms and conditions ("terms") govern all business relations concluded between Moravskoslezské drátovny a.s., registered address in Ostrava, Syllabova 1263/60, 703 00 Ostrava Vítkovice, ID: 25886916 (hereafter referred to as "seller") and other parties (hereafter referred to as "buyer"). All business relations are governed by the laws of the Czech Republic and the Commercial Code. These terms form the basic conditions for the sale of the goods of the supplier, and if they deviate from the dispositive legal norms of the laws currently in force in the Czech Republic, they have precedence over these norms. Any dissimilar terms of the customer are valid only in the event of expressed written consent.

2. Conclusion of a contract
Each purchase contract is concluded on the basis of a written/email/telephone/on-line or verbal order from the buyer. The buyer's order must contain the following requirements:
   i) company name, registered office or place of business of the buyer
   ii) identification number (VAT number if registered as a VAT payer)
   iii) type of product (goods), which uniquely identifies the subject matter of the order
   iv) requested amount
   v) place and date of delivery
   vi) mode of transport and form of payment of the purchase price of the goods
   vii) for written orders, a legible signature from the representative of the buyer

On the basis of the buyer's order, which meets the above requirements, the seller issues a draft sales contract to the buyer, wherein the buyer confirms the type, purchase price, and quantity of the products that he undertakes to deliver to the buyer; the place and date of delivery; the mode of transportation and the form of payment of the purchase price. If written confirmation is received, the buyer has the right to submit to the seller a written draft to amend the sales contract or else cancel it, both within 5 working days of receiving the draft sales contract. If he does not within the stipulated period, a sales contract shall be considered concluded between both parties in the form of the draft sales contract. In the event of the buyer making a change in the draft sales contract, the seller issues an amended draft sales contract to the buyer, wherein the seller confirms the type, purchase price, and quantity of the products that he undertakes to deliver to the buyer; the place and date of delivery; the mode of transportation and the form of payment of the purchase price. The sales contract between the two parties, in the form of the amended draft of the sales contract, is then concluded at the moment when the buyer receives this sales contract and he makes no objections within 2 working days following the date of receiving the contract. The buyer's de facto compliance with the seller's terms can be regarded as confirmation of the order.

Before concluding the first sales contract between the seller and the buyer within the framework of their business relations, the buyer must provide proof of authorization for his business activities (a valid extract from the Commercial Register, business license or concession deed).

The customer undertakes to accept the articles or services subject to the performance of the contract and make proper payment within the agreed deadlines.

3. Prices
The purchase price is determined by agreement between the seller and the buyer and is listed in the draft of the sales contract, unless the parties agree otherwise in specific cases. If, after entering into the contract, a significant change occurs in the costs related to the performance of the subject matter of the contract, the contractual parties shall agree in writing on an adjustment in the price. In addition to packaging, the price of the goods includes transport in accordance with Incoterms 2010.

4. Deadline
The date of delivery is the day when the goods are sent or handed over for transport or are picked up by the customer at the supplier's outlet. Deliveries can be made in part by agreement with the customer.

If the customer does not accept a product within the agreed time and at the agreed location, the contractual parties are agreed that the supplier may require the customer to pay storage fees and costs of up to 100% of the agreed price, depending on whether the goods are fit for resale.

5. Dispatch and transfer of risk
The goods are dispatched in accordance with INCOTERMS 2010. The risk of accidental destruction passes to the customer at the moment the goods are handed over to the carrier or to the customer.

6. Defects and late performance
The supplier is responsible to the customer for defects in accordance with § 422 of Act No. 513/1991 Coll. The customer is obligated to inspect the goods as soon as possible after the transfer of the risk of damage to the goods. When collecting the goods in person, the buyer is obligated to immediately inspect the goods upon accepting them. If a defect in the goods is discovered, he is obligated to immediately notify the supplier about the defect at the place where the pickup is made. The supplier shall immediately remedy any fault discovered by the customer and confirmed by the supplier free of charge and without undue delay, in the form of delivering any missing goods or delivering replacement goods in
place of defective goods. If the defect cannot be remedied or replacement goods delivered immediately, the supplier undertakes to take such action in the nearest possible term. The seller shall notify the buyer about this term.

Upon delivery of the goods to the customer via a carrier, the customer is obligated to file any claims for defects in the quantity and type of the goods within 5 working days from the delivery of the goods by the carrier. The customer is obligated to file a written claim with the supplier for damages within the time limit, with a description of the defect. In case of a defect in the type of goods, the customer is entitled to require the delivery of replacement goods only if the defective goods are returned to the supplier in the original packaging. The supplier shall remedy the discovered and confirmed defect free of charge and without undue delay, in the form of delivering any missing goods or delivering replacement goods in place of the defective goods. If the defect cannot be remedied immediately, the supplier undertakes to do so in the nearest possible term. He shall notify the buyer about this term.

7. Payment terms and retention of title

Unless it has been agreed that payment shall be in cash at the cash desk of the supplier, the customer is obligated to pay the invoice in full by the date specified on the invoice.

The supplier issues an invoice to the customer during the delivery process. In cases of doubt, the invoice shall be considered received 3 days after the delivery of the goods. The invoice also serves as a delivery note and proof of delivery of the goods to the customer; it confirms dispatch in the case of a consignment.

In the event the customer fails to pay the invoice by the due date, he agrees to pay a penalty in the amount of 0.05% of the invoiced amount for each day of delay, and for cases of more than 7 days overdue, 0.2% per day for each day of the delay until the invoice has been paid in full.

Until the invoiced amount has been paid in full, including any contractual penalties, the goods, including the goods in following forms of processing, remains the property of the supplier. After the entire amount has been paid, the ownership rights are transferred to the buyer. The repossession of goods is an option for invoices that remain unpaid by the due date. The customer agrees to allow the supplier’s workers to remove the goods.

The customer’s obligation to pay a contractual penalty, interest for late payment, or compensation for damages, as well as other costs associated with repossessing goods and withdrawing from the contract, is not affected.

8. Withdrawal from the contract

In the case of withdrawal from the contract or a binding order by the customer, the supplier is entitled to a compensation charge in the amount of 10% of the agreed price. If the goods have already been dispatched, the supplier has the right to demand a contractual penalty in accordance with Article 4 hereof.

Withdrawal from the contract is only possible in writing and becomes valid on the third day after the date on which the other party received the written notice of withdrawal.

9. Other provisions

Arbitration Clause

The Parties have agreed in accordance with Act no.216/1994 Coll. that any disputes arising from or in connection with this contractual obligation shall be settled in arbitration proceedings by a single arbitrator ad hoc; the arbitrator appointed by them shall be Mgr. Sofie Pondikasová, registration number of ČAK 10348. The claimant shall serve the claim via the carrier or in case of a consignment at the address Brno, Cejl 91, postal code: 602 00. This address shall be the service address of the arbitrator as well as the place of arbitration. The Parties have agreed that the arbitration charge is a cost of proceedings and equals to the sum of the amount of six thousand Czech Crowns and a multiple of one and a half of the court fee which would have been charged for the case in question for proceedings in ordinary courts of the Czech Republic in accordance with applicable legislation, in case of a dispute worth up to one million Czech Crowns. In case of a dispute worth more than this, this arbitration charge shall be increased by the amount of a corresponding court fee for the extra amount. VAT shall be added to the total calculated amount of the arbitration charge. For disputes containing an international element, the arbitration charge shall be increased by one half; for proceedings with more than two parties it shall be further increased by one fifth for the third and for every subsequent party. In accordance with the manner of calculation of the arbitration charge, any claim raised as a counterclaim or as an objection of a financial settlement shall be charged in their full amount. Specific procedural acts in arbitration proceedings shall be charged according to their actual costs. The entitlement of the arbitrator to the payment of the arbitration charge is not extinguished by the termination of the proceedings, the paid arbitration charge shall not be refunded. The Parties hereby instruct the arbitrator to conduct the proceedings in Czech, in writing, without oral proceedings, to make a decision based on principles of fairness, to issue a decision without the statement of the reasons, and they agree that the arbitrator may authorize other third parties to perform administrative and economic activities in terms of the arbitration proceedings, in particular Union pro rozhodčí a mediační řízení ČR, a. s. (the Union for the Arbitration and Mediation Proceedings in the Czech Republic), with its seat at the address of the arbitration proceedings, and the Parties hereby absolve the arbitrator of the obligation of confidentiality. The Parties have agreed that the provisions of the Code of Civil Procedure (Občanský soudní řád) shall apply accordingly regarding the procedure for service; depositing documents with the court shall be replaced by depositing documents with the arbitrator and the posting on the notice board of the court shall be replaced by posting on the website.

Arbitration clause for online proceedings

The Parties and the guarantor have agreed in accordance with Act no.216/1994 Coll. that any disputes arising from or in connection with this contractual obligation shall be settled in arbitration proceedings by a single arbitrator ad hoc; the arbitrator appointed by them shall be Mgr. Sofie Pondikasová, registration number of ČAK 10348. The place
of arbitration proceedings shall be at Brno, Cejl 91, postal code: 602 00. The Parties have agreed that the arbitration charge is a cost of proceedings and equals to the sum of the amount of five thousand Czech Crowns and a multiple of one and a quarter of the court fee which would have been charged for the case in question for proceedings in ordinary courts of the Czech Republic in accordance with applicable legislation, in case of a dispute worth up to one million Czech Crowns. In case of a dispute of greater worth, this arbitration charge shall be further increased by a corresponding amount of the court fee from the extra amount. VAT shall be added to the total calculated amount of the arbitration charge. For disputes containing an international element, the arbitration charge shall be increased by one fifth for the third and for every subsequent party. In accordance with the manner of calculation of the arbitration charge, any claim raised as a counterclaim or as an objection of a financial settlement shall be charged in their full amount. Specific procedural acts in arbitration proceedings shall be charged according to their actual costs. The entitlement of the arbitrator to the payment of the arbitration charge is not extinguished by the termination of the proceedings, the paid arbitration charge shall not be refunded. The Parties hereby instruct the arbitrator to conduct the arbitration proceedings in Czech, online, without oral proceedings, to make a decision based on principles of fairness, to issue a decision without the statement of the reasons, and they agree that the arbitrator may authorize other third parties to perform administrative, technical and economic activities in terms of the arbitration proceedings, in particular Unie pro rozhodčí a mediační řízení ČR, a.s. (the Union for the Arbitration and Mediation Proceedings in the Czech Republic), with its seat at the address of the arbitration proceedings, and the Parties hereby absolve the arbitrator of the obligation of confidentiality. The Parties have agreed that the arbitration charge is a cost of proceedings. The Parties have agreed that the arbitration proceedings shall be conducted in the online environment; the claim including its annexes shall be filed electronically at the registry of the portal www.e-arbiter.cz. The Parties have authorized the arbitrator to create a secure unique judicial forum with an electronic file ("the judicial forum") on the e-arbiter portal for the given dispute. The Parties have agreed that after the judicial forum is created, it is possible to bring valid submissions and to present evidence solely electronically by entering them into the judicial forum; any submissions, notices and decisions shall be deemed to have been served upon their posting on the judicial forum; the procedural steps of the parties and the arbitrator, with the exception of the arbitration award, do not require an advanced electronic signature. The Parties hereby expressly authorize the arbitrator to decide at her discretion about whether the online arbitration proceedings shall be transferred into the written form. The arbitrator shall serve the access credentials for the judicial forum to the Parties electronically to their email addresses or via a postal operator, whereas the provisions of the Code of Civil Procedure (Občanský soudní řád) shall apply accordingly regarding the procedure for service, depositing documents with the court shall be replaced by depositing documents with the arbitrator and the posting on the notice board of the court shall be replaced by posting on the website www.urmr.cz/vyvesni-deska.

These terms become effective on December 1, 2017 and supersede the terms previously issued.