
GENERAL TERMS AND CONDITIONS OF SALE

TECHO, a.s. (the “Terms and Conditions”)

Valid from 1st August 2018

1. TECHO, A.S.

TECHO, a.s. with registered address Prague 10, U Továren 770/1b, postcode 102 00, Reg. No. 492 40 056, VAT no. CZ49240056, is recorded in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1952 (hereinafter “**TECHO**”). These General Terms and Conditions of Sale (the “**Terms and Conditions**”) set out the conditions and legal relationships between TECHO and the purchaser. The Terms and Conditions are terms and conditions pursuant to Section 1751 of Act no. 89/2012 Sb, the Civil Code, as amended (the “**Civil Code**”).

2. DEFINITION OF TERMS

Customer means any natural or legal person that has an interest in the purchase of any products or services from TECHO.

Purchaser means any customer that concludes with TECHO a purchase agreement or places a binding order on TECHO for any product and/or service.

Subject of sale is the sum of all products and/or services that a purchaser has purchased or ordered from TECHO.

3. APPLICATION OF THE TERMS AND CONDITIONS

The contractual relationship between TECHO and the purchaser is based on a contract or order, whereas a contract in this case is concluded at the moment of a written order confirmation from TECHO or the direct supply of products and/or services. The Terms and Conditions are binding for both the purchaser and TECHO and form an indivisible part of the contract or order. By signing or sending the agreement or order, or sending confirmation by email the purchaser also signals acceptance of the Terms and Conditions. The Terms and Conditions relate to all legal relationships arising between TECHO and the purchaser in this context. These Terms and Conditions are binding from the moment the purchaser enters into a legal relationship with TECHO. Any divergence from the conditions must be agreed in writing in the contract or acknowledged order. The conditions set out in a relevant contract or order take precedence over these Terms and Conditions.

For the avoidance of doubt it is stated that where a purchaser’s terms and conditions are applied alongside these Terms and Conditions, these Terms and Conditions of TECHO will take precedence in the event of any conflict between them.

4. ORDERS AND THEIR AMENDMENT

An order is an offer from the purchaser for TECHO to supply it with specified products and/or services in a given quantity and quality and for a stated price. This information can be stated directly in the order or can be based on a quotation received by the purchaser from TECHO, or by referring to a TECHO pricelist valid at the time of placing the order. A quotation issued by TECHO is not a binding offer to conclude a contract, unless stated otherwise by TECHO in its quotation. If a purchase agreement has been concluded for the subject of sale to which these Terms and Conditions relate and the purchaser requests a change or addition to the order then the relationship arising on the basis of such order is governed by the existing conditions. An amendment of a binding order of the purchaser is only possible after the written approval of TECHO. In such case TECHO has the right to receive from the purchaser payment of costs connected with amending the order. TECHO is entitled to unilaterally change the scope of the subject of an agreement or accepted order in the event of circumstances preventing fulfilment for objective and operational reasons and this to the extent of the subject of sale affected by these limiting factors.

5. DELIVERY OF THE SUBJECT OF SALE

TECHO is obliged to deliver the subject of sale to the purchaser in the agreed quantity, quality and to the agreed place in one or more consignments depending on logistics capacity as determined by TECHO. If the quality of the supply is not explicitly specified it follows that the subject of sale will be supplied in a quality and finish that is suitable for the purpose stated in the contract, or the purpose for which such item is generally used. The delivery date stated in the order acknowledgement may be delayed by an appropriate period in the event that the consignment is delayed by unforeseen circumstances. In such case the purchaser is not entitled to request compensation due to the delay in supplying the subject of sale.

6. ACCEPTANCE OF THE SUBJECT OF SALE

The purchaser is obliged to accept the subject of sale at the agreed place and time. Acceptance of the subject of sale is the handover of the subject of sale, or its part, to the purchaser on the basis of a written document signed by TECHO and the purchaser or, in the event of the absence of a record of acceptance of the subject of sale or its part by the purchaser, acceptance is deemed to take place the moment when TECHO allows the purchaser to use the subject of sale or its part or on the handover to the first freight forwarder for transport on behalf of the purchaser. Minor defects, i.e. those that do not prevent use of the subject of sale, do not constitute grounds for refusing to accept the subject of sale. If the purchaser unjustifiably refuses to sign the handover document, the subject of sale will be deemed to have been handed over.

If part of the subject of sale is defect free, or has just minor defects that do not prevent use of this part of the subject of sale, the purchaser is obliged to accept this part of the subject of sale. In the case of accepting the subject of sale with defects that prevent its use, TECHO will eliminate these defects within a stated adequate deadline. Confirmation of acceptance of the subject of sale or rejection of the subject of sale is the delivery note or handover protocol signed by TECHO and the purchaser; in the event of non-acceptance – signed just by TECHO. In the handover protocol or delivery note the purchaser is obliged to note all defects of the subject of sale determined during acceptance, or reasons for rejecting the subject of sale. If the purchaser does not state defects in the handover protocol or does not sign it, it is deemed that the subject of sale is without defect and that there are no grounds for the purchaser to reject it. If the purchaser arranges its own transport it is always obliged to accept the subject of sale before transport and arrange for the acceptance of the subject of sale so that the signing of the delivery note or handover protocol by an authorised person has the same effect as if the purchaser had signed it itself. In the event of doubt it is

assumed that the person who accepts the subject of sale and signs the delivery note or handover protocol was authorised by the purchaser to do this. With the acceptance of the subject of sale or commencement of use of the subject of sale by the purchaser or a third party, the risk of damage to the subject of sale passes to the purchaser. The purchaser is obliged to arrange inspection of the subject of sale as soon as possible after the transfer of the risk of damage to the subject of sale, but no later than 3 days from the acceptance of the subject of sale. If the purchaser does not inspect the subject of sale or arrange for the inspection, it can only make claims if it can demonstrate that any defects in the subject of sale were present at the time of the transfer of the risk of damage to the subject of sale. The purchaser is obliged to notify TECHO of defects that may be identified later whilst using professional care up to the end of the guarantee period.

7. CONSEQUENCES OF REJECTION

If the purchaser does not accept the subject of sale at the agreed time and place, or is not able to meet the agreed deadline or the agreed place for acceptance of the subject of sale, in particular due to lack of site preparation, or refuses to accept the subject of sale, TECHO has the right to charge the purchaser a storage fee of 0.1% of the purchase price excl. VAT for each m3 of the rejected subject of sale or its part for each commenced day of storage starting from the agreed delivery date, or withdraw from the agreement; it is at the discretion of TECHO whether to withdraw from the agreement in full or to the extent of the rejected part of the subject of sale. This does not affect TECHO's right to invoice the purchaser for costs and damage associated with the failure to accept the subject of sale, in particular, costs for transport, handling etc. of the rejected subject of sale.

8. USE OF THE SUBJECT OF SALE BY THE PURCHASER

The purchaser is entitled to use the subject of sale or its part from the day on which it duly accepts the subject of sale or its part (i.e. acceptance pursuant to point 6 of these Terms and Conditions). The purchaser shall not use the subject of sale or its part prior to its acceptance. If the purchaser starts to use the subject of sale or its part before its acceptance, or if it permits its use by any third persons or it is at risk from handling by third persons, the subject of sale is deemed accepted without defect and with all legal consequences, in particular the transfer of the risk of damage to the purchaser, TECHO has the right to payment for the entire subject of sale and any possible damage, the purchaser is obliged to pay for the subject of sale.

9. INVOICING CONDITIONS

With the acceptance of the subject of sale or its unjustified rejection by the purchaser, TECHO is entitled to issue an invoice and receive payment for the subject of sale or its part (i.e. the accepted part or unjustifiably rejected part). An invoice is issued on the basis of a delivery note or the handover protocol or other document mentioned in these Terms and Conditions as evidence of the handover of the subject of sale to a freight forwarder or allowing handling of the subject of sale.

10. PAYMENT PERIOD

Invoices are payable 14 days after their receipt. Invoices are deemed received 3 days after posting to a domestic address or 5 days to a foreign address.

11. PAYMENT

The date of payment is understood to be the day on which the applicable amount was credited to the bank account of TECHO.

12. THE USE OF PAYMENTS

The purchaser agrees that TECHO can use any payments from the purchaser for the payment any receivables due to TECHO from the purchaser on the basis of other legal relationships. All payments from the purchaser to TECHO are allocated with the following priority: 1. contractual penalties, 2. delay interest, 3. debt recovery costs, 4. the receivable principal.

13. SETTING OFF OF RECEIVABLES

TECHO has the right to set off any of its receivables due from the purchaser against any payables of TECHO to the purchaser.

14. CONTRACTUAL PENALTY

If the purchaser is in delay with the payment of the purchase price, it is obliged to pay TECHO a contractual penalty of 0.05% of the outstanding amount for each day of delay up to the 60th day inclusive; thereafter this rate increases to 0.1% of the outstanding amount for each additional day whilst the right to legally prescribed delay interest is not affected. The purchaser is also obliged to pay all costs associated with recovering the debt incl. legal costs. Payment of a contractual penalty does not affect the right of TECHO to compensation for damage.

15. ASSIGNMENT OF RECEIVABLES

The purchaser can only assign receivable due from TECHO or transfer any rights or obligations associated with this contractual relationship after obtaining explicit written approval from TECHO.

16. RETENTION OF TITLE

Ownership title to the subject of sale is acquired by the purchaser on the day that it pays the purchase price for the subject of sale including accessories and all receivables due to TECHO from the purchaser relating to the subject of sale. At the request of the purchaser TECHO will issue to the purchaser confirmation of payment and acquisition of ownership title. The purchaser is not entitled to transfer the subject of sale, whether for a consideration or not, to any third party until the acquisition of ownership title. In the event that the purchaser is in delay with fulfilling any of its obligations to TECHO, it is not permitted to dispose of the subject of sale (sell the goods, transfer to a third party, pledge etc.) or provide the subject of sale as a guarantee to any third party. If the purchaser has financial obligations towards TECHO from previous relationships, a condition for the transfer of the ownership title to the subject of sale is the proper settlement of all these obligations.

17. LIABILITY FOR DEFECTS

The purchaser is obliged to make a claim with respect to defects for which TECHO is responsible as soon as possible after they are identified. The claim must be in writing and contain precise identification data – e.g. invoice number, delivery note and specification of the product (according to the invoice/delivery note), a photo of the product label (if a TECHO product with label), and a precise description (photo) of the damage/defect, otherwise the rights of the purchaser arising from liability for defects will lapse. Liability for defects also lapses as a consequence of inexperienced assembly, disassembly and adjustment of the subject of sale performed by persons who have not been authorised by TECHO to undertake such work. It is necessary to order all moving of furniture, with the exception of seating, from TECHO or a person authorised by TECHO.

The date and method for resolving defects under liability for defects is governed by the applicable provisions of the Civil Code.

Responsibility for defects automatically lapses if the price for the supplied goods or provided service was not paid on time, i.e. by the date stated on the front of the invoice.

TECHO will not accept any further obligations or any other demands for compensation arising in connection with the subject of sale, or other damage arising in connection with defects in equipment (i.e. equipment installed or used in/on the subject of sale or in connection with it). The purchaser bears full responsibility for the selection of equipment installed on/in the subject of sale for a given purpose and use, and for damage caused by such equipment on the subject of sale. For equipment installed on/in the subject of sale specific guarantee conditions apply, which are those contained in the guarantee document supplied with the given equipment, whereas the guarantee conditions for individual types of equipment can vary. In connection with the application of responsibility for defects in equipment, the guarantee conditions in the applicable guarantee document have priority over those stated above in these Terms and Conditions.

18. GUARANTEE LIMITATIONS

The guarantee does not relate to:

- defects caused by incorrect use or handling of the subject of sale including use that contradicts the recommendations of TECHO or the manufacturer of the subject of sale,
- defects that arose due to incorrect or insufficient maintenance including maintenance that contradicts the recommendations of TECHO or the manufacturer of the subject of sale,
- defects that arise due to overloading or physical, chemical or thermal damage of the subject of sale (in particular, scratches, marks from impacts, damage from sharp objects or high temperature, damage resulting from a fall, contact with paint and chemicals, ionising radiation and other similarly caused defects),
- defects caused by placement in an unsuitable (damp or corrosive) environment,
- defects caused the moving, relocation, dismantling, assembly or repair to the subject of sale or its part by the customer or a third party,
- defects that were not identified early enough due to failure to perform the recommended guarantee inspections,
- any defects in the event the purchaser is in delay with paying applicable invoices by over 60 days,

- cases where the purchaser has failed to perform inspection of the subject of sale without delay after acceptance in accordance with these Terms and Conditions,
- cases where use of the subject of sale or its part has taken place before its proper acceptance.

Standard maintenance, cleaning and other similar tasks described by the manufacturer in the user manual are not covered by the guarantee.

In the event of an unjustified guarantee claim (where the reported defect is not identified or if the identified defect turns out not to be covered by the guarantee) TECHO can request the payment of costs incurred for transport, repair.

19. LIMITATION OF SANCTIONS

If TECHO is responsible on the basis of an agreement with the customer/purchaser for breach of obligation or for damage is obligation to compensate the damage is in all cases limited to 10% of the calculated damage. TECHO does not assume any higher limit or wider scope of liability for damage or breach of obligation on the basis of a contractual relationship with the customer/purchaser.

20. GOVERNING LAW

The parties have agreed that all contractual relations subject to these Terms and Conditions are governed by the laws of the Czech Republic and in particular the Civil Code. The parties have explicitly excluded the application of the UN Convention on Contracts for the International Sale of Goods and the Convention on the Limitation Period in the International Sale of Goods including all of their supplementary protocols.

21. ARBITRATION CLAUSE

The parties have agreed that any disputes arising in connection with a contractual relationship subject to these Terms and Conditions will be resolved with final effect by arbitration at the Arbitration Court of the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic in accordance with its code by three arbitrators.

22. COMMUNICATION

Written communication is delivered in person or sent by recorded delivery, fax or email. Unless stated otherwise in these Terms and Conditions, written material is deemed delivered 5 days after it was handed over to the provider of postal services for delivery to the purchaser at the last address known to TECHO. In the event of refusal to accept delivery then the documents are deemed delivered at the moment of refusal.

23. PROTECTION OF PERSONAL DATA

In connection with the conclusion and fulfilment of the contractual relationship between TECHO and the purchaser it is necessary for TECHO to process certain personal data (e.g. identification data, contact details, payment information etc.), and without their processing it would not be possible to conclude or duly perform the contractual relationship.

For further information on the processing personal data by TECHO please see the memorandum on data processing that you can find at website www.techo.cz.

24. VALIDITY

These Terms and Conditions apply from 1 August 2018.

In Prague dated

In _____ dated

TECHO, a.s.

Purchaser