**Business and Delivery Terms and Conditions of PARAMO, a.s.,**

**2018**

**for product purchase and framework agreements**

# Preamble

Unless explicitly agreed otherwise in writing, the mutual relations between the parties based on a purchasing or framework agreement and/or a confirmed order shall be governed by these business and delivery terms and conditions (hereinafter the BDTC). The BDTC take precedence over the provisions of Czech laws which are not of a cogent nature. All other relations not adjusted in writing are governed by generally binding legal regulations of the Czech Republic. Unless specified otherwise, purchase agreements also refer to contractual relations arising from a confirmed order.

1. Orders

**1.1**

All orders of the buyer become binding for the seller only after their written confirmation by the seller or after the corresponding contract enters into validity.

An order must include the following data:

* Exact name of the client, address of the buyer, their Company Reg. No., VAT Reg. No. and banking information
* Type and quantity of goods
* Delivery conditions as per Incoterms 2010, item from the TARIC customs tariff list
* Place and method of dispatch, place of delivery of the goods
* Phone or fax number for contacting a company representative.

During the first purchase, it is necessary to present an excerpt from the trade register or the trade license and attach a copy of this document to the order. The minimum value of an order is CZK 5,000 and/or an equivalent amount in a foreign currency.

1. Payment conditions, maturity

**2.1**

The maturity of invoices is 14 days from the day of the issue of the tax document (invoice), unless the parties agree otherwise.

**2.2**

Payment refers to the transfer of the appropriate amount to the seller’s account specified on the invoice. In case of doubts, it is assumed that the invoice was delivered on the 3rd calendar day following the day of its sending. If the buyer does not receive an invoice in the specified deadline, they are obliged to immediately inform the seller of this fact, whereas otherwise the buyer commits to pay the invoiced amount including interest from delay calculated from the 4th day following the sending of the invoice by the seller, without any objections.

**2.3**

The date of payment refers to the date when the financial resources were transferred to the designated receiving bank account. If a discrepancy is discovered between the invoiced amount and the actual amount specified in the contract, the buyer is obliged to immediately notify the seller of any such discovered discrepancies. The buyer is obliged to pay the remaining part of the invoice (i.e., the part without discrepancies) in the maturity period specified on the issued corrected tax document. The seller is obliged to verify the disputed facts within five workdays, and in case of a justified complaint also to provide a settlement for the discovered difference (discrepancy) or propose a different procedure leading to the immediate settlement of the discovered discrepancy.

**2.4**

The buyer’s banking fees, including the fees of all of the buyer’s correspondent banks associated with the delivery of payments to the benefit of the seller, are covered by the buyer. The banking fees of the seller’s bank, including the fees of all of the seller’s correspondent banks, are covered by the seller. If the payment is made to a different bank account than the one listed on the invoice due to an error on the side of the buyer and if this gives rise to additional costs for the company, then any and all such costs shall be covered from the sent payment first and foremost and the remaining unpaid amount shall then be considered an unpaid part of the original claim.

**2.5**

The seller shall issue an invoice which shall have the function of a tax document as per Act 563/1991, on Accounting, as amended, and which shall contain all the essentials of a tax document as per Act 235/2004, on VAT, as amended, and/or other applicable legal regulations.

**2.6**

If an invoice is issued in a foreign currency and the buyer is a natural person or a legal entity with a domicile in the Czech Republic, then the following provision shall be applied: The invoice issued in a foreign currency will include a VAT calculation. The VAT will be converted into CZK, whereas prices shall be converted using the CNB foreign exchange market rates valid on the day of taxable performance of the obligation to declare taxes. The buyer shall pay the price for the goods in the foreign currency to the foreign currency account specified on the invoice and the VAT in CZK to the CZK bank account listed on the invoice.

**2.7**

The buyer explicitly authorizes the seller to, regardless of the specified order of payments by the Buyer, offset these payments to cover any and all overdue obligations towards the seller due to a concluded purchase or framework agreement and the associated partial purchase agreements, in the following order: i) contractual fines, ii) interest from delay with the payment of the purchase price, iii) security for the purchase price; in any case, this shall always apply to the overdue obligation which matures earlier.

**2.8**

The buyer commits to duly pay their financial obligations and/or purchase price to the seller arising from the concluded purchase or framework agreement, and only afterwards pay their obligations arising from compensation for damage caused by the buyer due to a violation of the obligations arising from the purchase or framework agreement.

**2.9**

In case of a delayed payment for deliveries in the Czech Republic, the seller is authorized to require and the buyer is obliged to pay interest from delay; the interest from delay will be determined based on government directive no. 351/2013, determining the interest and fines from delay and as per the Civil Code, as amended, or based on the appropriate legal regulations replacing the aforementioned directive in the specified scope.

**2.10**

In case of delayed payment for deliveries abroad, the seller and buyer have agreed that the buyer shall be obliged to pay interest from delay in the amount of 0.02% from the owed amount for each day of delay.

**2.11**

If the buyer is in delay with the payment of invoices that are overdue by more than 10 calendar days, the seller is authorized to immediately interrupt the delivery of goods (services) and withdraw from the agreement. Not meeting the conditions for deliveries as per the previous sentence does not constitute a violation of purchase or framework agreement and the seller shall not be responsible for any damage caused due to this.

**2.12**

The buyer is not authorized to require the delivery of goods and the seller is not obliged to deliver goods if the amount of all owed payments by the buyer to the seller after the delivery of such goods would exceed the current credit limit specified by the seller, i.e., the maximum value of open claims allowed by the seller based on an evaluation of the buyer’s credit risk. The buyer shall be informed of their current credit limit without unnecessary delay after (or during) the signature of the purchase or framework agreement; the buyer will be notified in writing of each change of the credit limit by an authorized representative of the seller.

**2.13**

The obligation of the seller to supply the specified amount of goods to the buyer and the obligation of the buyer to accept such goods is considered met if the quantity of the actually delivered and collected goods differs from the quantity specified in the purchase or framework agreement by at most 10 %.

**2.14**

If the seller becomes an unreliable VAT payer as per Act 235/2004, on VAT, then the seller agrees that the buyer shall pay the part of the seller’s invoices corresponding to the value of VAT directly to the tax administrator’s account using the procedure specified in §109a of Act 235/2004, on VAT; the tax base will be paid to the seller’s account.

1. Securing the buyer’s obligations

**3.1**

The seller is not obliged to provide performance if the buyer does not provide appropriate coverage for payments of outstanding claims and claims arising from deliveries based on concluded purchase or framework agreements. This provision shall apply if the buyer is in delay with the payment of previous completed deliveries.

**3.2**

If the seller concludes an insurance contract covering the seller’s claims towards the buyer, then the seller can provide a credit limit to the buyer up to the total insurance coverage provided by the insurance company.

The buyer commits to provide the necessary information, documents as well as further cooperation for the purpose of insurance coverage of the obligations arising from this agreement.

If the insurance company cancels the insurance limit covering the buyer’s obligations or if the seller evaluates the buyer’s solvency to be insufficient, then the seller is authorized to cancel the buyer’s credit limit. This does not affect the buyer’s obligation to pay their obligations towards the seller arising before the cancellation of the credit limit. In such a case, advance payment for all ordered goods shall be required with immediate effect.

If the insurance company reduces the insurance limit covering the buyer’s obligations, then the seller is authorized to reduce the buyer’s credit limit to the level of the new insurance limit specified by the insurance company. The potential non-delivery from the date of reduction of the credit limit until the reduction of the buyer’s obligations corresponding to the reduced credit limit as per the previous sentence shall not be considered a violation of the purchase or framework agreement, and in this case the seller shall not be responsible for any damage caused by this. The seller is obliged to notify the buyer of the fact that the credit limit has been reduced or canceled without significant delay – here, an email or fax message is considered a sufficient means of notification of such a change.

The provisions of this paragraph shall apply analogously also for securing claims via bank guarantees.

**3.3**

If the seller provides a security for the payment of consumption taxes for the duration of the transportation of selected products as per Act 353/2003, on Consumption Taxes, as amended, to the appropriate customs office or other public body, then the seller is authorized to require the buyer to provide a financial security or a bank guarantee to the benefit of the seller in the amount of the total tax obligations secured for the duration of the transportation.

**3.4**

The buyer (recipient) is also obliged, as per §27a of Act 353/2003 and in relation to securing the transportation of selected products as per Act 353/2003, on Consumption Taxes, as amended, to present a notice of the receipt of selected products in conditional tax exemption mode using the EMCS (Excise Movement and Control System) system to the customs office with jurisdiction at the location of receipt of the selected products; this must be carried out within at most 5 workdays after the end of transportation.

The essentials of the notice of the receipt of selected products in conditional tax exemption mode are specified in COMMISSION REGULATION (EC) No 684/2009 implementing Council Directive 2008/118/EC as regards the computerised procedures for the movement of excise goods under suspension of excise duty (hereinafter e-AD).

If this notice is not provided by the buyer (recipient) duly and within 30 days from the day of goods dispatch, then the seller shall be authorized to stop further deliveries of goods to the buyer until the end of transportation via the presentation of such a notice of receipt of selected products as per the above act.

As per §2890 and following of the Civil Code, and without affecting the rights of the seller specified in the previous sentence, the buyer is obliged to compensate the seller for all costs and damage arising due to the buyer’s delay in case of a violation of the buyer’s obligations specified above. Such damage especially includes a potential obligation of the seller to pay consumption tax.

1. Transfer of rights

**4.1**

The risk of damage to goods and delivery conditions are governed by INCOTERMS 2010, as amended.

In case of the delivery of goods abroad based on FCA or EXW parity, the buyer declares that the goods shall be carried by them or their authorized carrier in compliance with Act 235/2004, on VAT, as amended. Damage to goods that occurs after the transfer of risk of damage to goods from the seller to the buyer does not affect the buyer’s obligation to pay the purchase price for such goods.

**4.2**

Ownership

The buyer receives ownership of the goods upon the full payment of the purchase price, specifically upon its transfer to the seller’s account.

If the buyer processes the goods before the transfer of ownership to the buyer or the complete payment of the purchase price of such goods, then the seller shall become the owner of the buyer’s products made from the seller’s goods. If during the processing of goods the buyer also uses the goods of other parties or goods owned by the buyer, then the seller becomes a co-owner of the completed products in a ratio corresponding to the ratio between the value of the seller’s goods and the value of goods of the buyer and/or third parties participating in the process.

If the buyer is in delay with the payment of any obligations towards the seller, then the seller shall be authorized to request the release of goods or products owned by the seller as per this provision; this shall not constitute a withdrawal from the purchase or framework agreement.

The buyer is authorized to sell goods or products only if they meet their obligation to fully pay the purchase price of goods to the seller or if the buyer’s right to require the payment of the purchase price for the goods or products towards a third party is transferred to the seller.

The buyer is not authorized to apply a lien or mortgage on the products or goods owned or co-owned by the seller to the benefit of a third party; similarly, the buyer is not authorized to burden such goods or products by any other rights which would in any way exclude or limit the seller’s ownership rights or give rise to a right of retention for such goods or products; this shall apply until the full payment of the buyer’s obligations towards the seller. The buyer is also not authorized to burden any claims for the payment of the purchase price by third parties as long as the seller is the owner or co-owner of goods or products as per this provision.

**4.3**

The risk of damage to goods is transferred to the buyer upon the transfer of goods from the seller; alternatively, if this is not carried out in a timely manner, then the transfer takes place as soon as the seller allows the buyer to handle the goods and the buyer violates the purchase or framework agreement by not accepting the goods.

If, based on the purchase agreement, the seller is obliged to transfer the goods to a carrier at a specified location in order to ensure transportation to the buyer, then the risk of damage to goods is transferred to the buyer upon the transfer of such goods to the carrier at the specified location.

If, based on the purchase agreement, the seller is obliged to send the goods but is not obliged to transfer the goods to a carrier at a specified location, then the risk of damage to goods is transferred to the buyer upon the transfer of the goods to the first carrier for transportation to their destination.

Damage to goods caused after the transfer of the risk of damage to the buyer does not affect the buyer’s obligation to pay the purchase price to the seller.

1. Warranty claims

**5.1**

The buyer is obliged to plausibly and clearly demonstrate defects of the goods to the seller.

**5.2**

The buyer is obliged to inspect the goods without unnecessary delay upon their delivery to the place of designation. Defects that can be discovered during such an inspection must be applied in a warranty claim immediately upon the receipt of the goods.

**5.3**

The buyer is obliged to notify the seller of defects that can only be discovered by a laboratory analysis within 14 calendar days from the day of the inspection. The seller is not responsible for defects whose notification took place after this deadline.

**5.4**

The seller shall either propose how to proceed within the warranty claim or reject the warranty claim, and shall specifically do so within 3 workdays from receiving the buyer’s notice describing the discovered defects. The seller is also authorized to reject the warranty claim even after this deadline if the claim is shown to be unjustified.

**5.5**

The buyer is obliged to store the goods that are the subject of a warranty claim separately from other goods; such goods cannot be processed in any way which could prevent or hamper the inspection of the warrantied defects by the seller.

**5.6**

The seller is authorized to send their representatives to the buyer in order to inspect the warranty claim, and the buyer is obliged to allow the seller’s representatives to inspect the warrantied goods.

**5.7**

If the seller’s warranty claim is acknowledged as justified in writing, then the buyer can require the delivery of the missing or defective goods or a discount from the purchase price. The buyer is only allowed to withdraw from the purchase or framework agreement if the delivery of the defective goods constituted a gross violation of the purchase or framework agreement. However, the buyer is not entitled to withdraw from the purchase or framework agreement if they cannot return the goods in the same state in which they received them.

**5.8**

In case of the delivery or replacement goods or in case of the buyer’s withdrawal from the purchase or framework agreement, the buyer is obliged to return the goods to the seller in the same state in which they received such goods. The buyer is not authorized to return the goods to the seller before the end of the warranty proceedings, unless the seller explicitly consents to such a return.

If the buyer violates their obligations pertaining to the timely inspection of the goods or the notification of the defects to the seller as per these BDTC, then the seller is authorized to reject the warranty claim; in this case the buyer loses any and all rights arising from responsibility for the defects.

The seller is not responsible for defects which were caused after the transfer of the risk of damage to the buyer and which were not caused by the seller or persons through which the seller met their obligations. The buyer is obliged to apply warranty claims for defects of the purchased items at the seller, and to do so via the “Warranty Claim Protocol” describing the defects of the purchased item, product batch, delivery sheet number and invoice number.

1. Packaging

**6.1**

Goods are sold to the buyer together with packaging, which is also considered to be part of the goods; in particular, packaging is non-returnable. The price of packaging will be charged to the buyer separately within the delivery of goods, in the agreed upon value:

 CZK 6 000 / pc and appropriate VAT for plastic containers

 CZK 5 000 / pc and appropriate VAT for metal containers

 CZK 380 / pc and appropriate VAT for pallets (120x120)

 CZK 228 / pc and appropriate VAT for EURO pallets

The prices of packaging for export deliveries are determined by the supplier on an individual basis.

**6.2.**

The buyer is authorized to sell undamaged pieces of packaging (as specified above) back to the seller, at most within 6 months from the purchase of such packaging for the prices listed above for individual types of packaging; the amount of packaging sold in this manner cannot exceed the amount of purchased pieces of packaging, unless the seller and buyer agree otherwise. The buyer shall issue a tax document for the seller documenting the sale of this packaging; this tax document will include all the essentials as per the VAT Act, as amended. The day of taxable performance is the day of handover of packaging back to the seller. The tax document will include a confirmation of the receipt of the packaging by the seller as an attachment.

The sale of packaging after the aforementioned deadline, including their quantity, state, pricing and other delivery conditions, may be negotiation in a separate agreement between the seller and buyer outside the scope of this agreement.

**6.3**

Collection of waste oils and packaging

The collection of waste oils delivered by the seller in the Czech Republic is secured, in compliance with the appropriate generally binding legal regulations, by REKLA.

The collection of packaging sold in the Czech Republic is secured and pre-paid within the EKO-KOM system.

When exporting abroad, the buyer is responsible for adherence to binding legal regulations which apply to the seller’s waste oils and packaging.

1. Force majeure

**7.1**

None of the parties shall be responsible for any violation of their legal obligations if this is caused by circumstances outside of the will of the party, assuming that it cannot be reasonably expected that the obliged party could have prevented or overcome such circumstances or their consequences and furthermore assuming that such circumstances could not have been realistically foreseen by the party (hereinafter “force majeure”). The responsibility for legal obligations is however not excluded by circumstances which occurred at a time when the obliged party was already in delay with their obligations or which occurred as a consequence of their economic situation.

**7.2**

For the purposes of these BDTC, force majeure constitutes events which meet the prerequisites specified in the previous paragraph such as:

* Natural catastrophes, fires, earthquakes, landslides, floods, hurricanes and other major weather phenomena;
* Wars, revolutions, rebellions, civil disorders or strikes, general strikes;
* Decisions or normative acts of public bodies, regulation, restrictions, prohibitions or other actions or public or state bodies;
* Shortages of primary resources for the production of refinery products that were not caused by the seller (e.g., stoppage or limitation of oil deliveries);
* Explosions or other damage or defects and/or unplanned stoppages of production or distribution equipment.

**7.3**

In case of any unplanned production restrictions, the seller shall reduce deliveries to all of their contractual partners in an equal ratio. The base for determining the reduction of deliveries will be the actually purchased quantities in the previous calendar month.

**7.4**

The party which violates, violates or expects due to known facts to violate their obligations arising from the purchase or framework agreement and/or a confirmed order due to a force majeure event, is obliged to immediately inform the counterparty of any such violation or event and to exert maximum effort to prevent or overcome such an event or its consequences.

1. Justified interests

**8.1**

The parties are obliged to work together and proceed carefully in view of their justified interests towards the performance of the subject matter of the purchase or framework agreement. In particular, they are obliged to inform each other of all important circumstances related to the implementation of the purchase or framework agreement, and upon a request of the counterparty to immediately provide an explanation of their actions. Both parties are obliged, in terms of their usual duties, to proceed in a manner minimizing potential damage, losses or risks arising from activities related to the implementation of contractual relations or use of products. Each of the parties shall carefully ensure the confidentiality of trade secrets shared between the parties as a consequence of the implementation of the purchase or framework agreement.

1. Information

9.1

The seller and the buyer commit to provide each other with all information related to any restrictions of the performance of the purchase or framework agreement, and to do so immediately upon learning of any such restrictions. If one party does not inform the counterparty of any such restrictions in spite of knowing of these, then such a party shall compensate the counterparty for all demonstrable costs arising to this party due to this oversight.

**9.2**

If the parties provide each other with any trade secrets or information marked as confidential, be it during the conclusion of the purchase or framework agreement or during the delivery of goods, directly or indirectly, in writing or orally, then such information cannot be provided to third parties and cannot be used to the party’s benefit at the cost of the justified interests of the original party or for other purposes than those for which such information was provided; any violation of these obligations shall be considered as unfair competition as per § 2976 par. 2 h) of the Civil Code, whereas this shall not affect the right to claim compensation for damage.

1. Withdrawal from the Agreement

**10.1**

The seller and the buyer are authorized to withdraw from the purchase or framework agreement, among other cases specified in these BDTC, if the counterparty grossly violates their obligations arising from the purchase or framework agreement.

**10.2**

A gross violation of the contractual obligations constitutes, among others:

Delay of the buyer with the payment of the purchase price or any overdue amounts as per the purchase or framework agreement or these BDTC;

Delay of the seller with the delivery of the goods by a period exceeding one month.

Delay of the buyer with the receipt of the goods.

**10.3**

Each party is also authorized to withdraw from the purchase or framework agreement if the counterparty submits a bankruptcy proposal as a debtor as per § 98 of Act 182/2006, on bankruptcy and its resolution (the Insolvency Act), as amended (hereinafter the Insolvency Act); a bankruptcy court does not reach a ruling concerning the bankruptcy of the counterparty as per § 136 of the Insolvency Act; a bankruptcy court rejects a bankruptcy proposal due to lack of property of the counterparty; a bankruptcy court declares the counterparty bankrupt; a ruling is adopted which requires the mandatory or voluntary termination of the counterparty (with the exception of company transformations).

**10.4**

The vain expiration of an additional deadline provided by one party to the counterparty for the meeting of contractual obligations, with which the counterparty was in delay, does not lead to a withdrawal from the purchase or framework agreement, even in cases where the authorized party notifies the counterparty that they shall not provide a further extension of this additional deadline.

**10.5**

A withdrawal from the purchase or framework agreement enters into effect upon the delivery of a written notice from the withdrawing party to the counterparty. If there are any doubts between the parties regarding the date of delivery of such a notice, then the day of delivery shall be defined to be the third day after the sending of such a notice. The notice of withdrawal from the purchase or framework agreement must specify the reason for the withdrawal.

**10.6**

Withdrawing from the purchase or framework agreement leads to the termination of any and all rights of the parties arising from the purchase or framework agreement, with the exception of right to claim compensation for damage, claim contractual fines, claim overdue payments as per the purchase or framework agreement, and the provisions or the purchase or framework agreement and these BDTC related to the jurisdiction, resolution of disputes and adjustments of rights and obligations of the parties pertaining to the termination of the purchase or framework agreement.

XI. Jurisdiction and resolution of disputes

**11.1**

The parties agree that the legal relations, and specifically the rights and obligations, arising from the purchase or framework agreement and/or a confirmed order, including their security, changes and termination, shall be governed exclusively by Czech law, notably Act 89/2012, the Civil Code, as amended.

**11.2**

If any dispute were to arise between the parties in relation to the purchase or framework agreement, its application or interpretation, then the parties shall exert maximum effort to find an amicable resolution to such an agreement.

If this fails, then the agreement shall be finally resolved, with the exclusion of jurisdictions of general courts, by arbitration proceedings at the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic, in compliance with their rules by three arbiters appointed as per their rules. The parties commit to fulfill all of the obligations assigned by the arbitration ruling within the deadlines specified therein.

**11.3**

The parties hereby exclude the application of the United Nations Convention on Contracts for the International Sale of Goods. The parties have also agreed that business practices shall not take precedence over any provisions of the law, not even provisions of the law which do not have enforceable effects.

XII. Exclusion of exclusivity

12.1

None of the provisions of the purchase or framework agreement or these BDTC shall be interpreted as the provision of any form of exclusivity from the seller to the buyer, for any area or specific customers of the buyer.

XIII. Compensation for damage

13.1

A party which violates any of the obligations arising from the purchase or framework agreement is obliged to compensate the counterparty for damage caused due to its violation of such obligations.

13.2

The seller is responsible for damage up to the amount of the purchase price specified in the purchase or framework agreement pertaining to the violation. This provision shall not apply if property damage was caused intentionally or due to gross negligence.

13.3

The obligation to provide compensation for damage shall not apply if violation of obligations was caused by the actions of the damaged party or due to lack of cooperation which the damaged party was obliged to provide. The party which violated their obligations is not obliged to compensate the counterparty for damage caused if the first party can demonstrate that such violation of obligations was caused by force majeure events or events excluding responsibility.

13.4

If any of the obligations arising from the purchase price were violated by any of the parties and this led to damage to the counterparty or both parties, then the parties shall exert maximum effort and resources to reach an amicable extrajudicial agreement on the compensation of caused damage.

If any of the parties withdraws from the purchase or framework agreement, then the right to claim compensation for damage and contractual fines arising due to the violations of obligations shall remain in effect. Any contractual fines that the seller is obliged to pay to the buyer shall not be applied if the buyer’s claim towards the payment of such contractual fines is based on the seller’s obligation to pay contractual fines due to delay or other violation of the seller’s obligations caused by force majeure events.

XIV. Buyer’s declarations

**14.1**

If the buyer is a tax payer in the EU and the goods are intended for delivery in the EU and are delivered with EXW, FCA or DAT, DAF/DAP parity (for CZ/EU borders), then the buyer declares that: the goods which form the subject matter of this agreement (order) shall be transported by them or their authorized carrier, not by a customer of the buyer.

In case of the initiation of tax proceedings at the seller, the buyer commits to immediately provide the seller with any and all documents demonstrating the fact that the goods have left the Czech Republic and that the transportation was carried out by the buyer or their authorized carrier.

The buyer is obliged to compensate the seller for any and all taxes and fees which were additionally applied due to violations of the buyer’s obligations specified in the previous two paragraphs.

**14.2**

If a customer originates from a 3rd country (outside of the EU) and the goods are intended for export and delivered with EXW, FCA or DAF/DAP parity (CZ/EU border), then the buyer declares that the goods which form the subject matter of this agreement (order) shall be transported by them or their authorized carrier, not by the buyer’s customer. The buyer also declares that they do not have a place of business or seat in the Czech Republic.

In case of the initiation of tax proceedings at the seller, the buyer commits to immediately provide the seller with any and all documents demonstrating the fact that the goods have left the EU and that the transportation was carried out by the buyer or their authorized carrier.

The buyer is obliged to compensate the seller for any and all taxes and fees which were additionally applied due to violations of the buyer’s obligations specified in the previous two paragraphs.

**14.3**

In case of deliveries abroad (EU), the buyer commits to return duly and fully confirmed shipping documents to the seller – specifically delivery notes for each delivery of goods, at the latest within 10 days from the day of transfer of goods. If the buyer fails to do so, then the seller shall notify the buyer of the fact that this obligation has not been met and shall provide a deadline for remedying this situation. The buyer is obliged to return the confirmed delivery notes within 5 days after the delivery of a notice from the seller; if they do not do so, then the seller is authorized to charge a fine in the amount equal to the VAT rate based on the purchase price specified on the appropriate tax document in addition to any additional expenses arising from the non-delivery of confirmed delivery notes.

**14.4**

In case of deliveries to 3rd countries (outside the EU), the buyer commits to return duly and fully confirmed shipping documents to the seller – specifically 3rd parts of AAD documents in compliance with customs requirements, at the latest within 10 days from the day of transfer of goods. If the buyer fails to do so, then the seller shall notify the buyer of the fact that this obligation has not been met and shall provide a deadline for remedying this situation. The buyer is obliged to return the confirmed delivery notes within 5 days after the delivery of a notice from the seller; if they do not do so, then the seller is authorized to charge a fine in the amount equal to any additional expenses arising from the non-delivery of such confirmed documents.

XV. Extended statute of limitations

## 15.1

## In compliance with § 630 of the Civil Code, the parties hereby agree on an extension of the statute of limitations for all rights arising from the purchase or framework agreement to 4 years from the moment the appropriate deadlines enter into effect; the parties also declare and agree that the extension of the statute of limitations also applies to rights arising from a withdrawal from the purchase or framework agreement. The provisions of the extension of the statute of limitations for the seller’s rights cannot be separated from the provisions of the extension of the statute of limitations for the buyer’s rights.

XVI. Additional provisions

**16.1**

All mutual relations not explicitly adjusted by the purchase or framework agreement and these BDTC, as amended, shall be governed by the appropriate laws of the Czech Republic. It is explicitly agreed, that in case of a different interpretation between the purchase or framework agreement and these BDTC, the interpretation of the purchase or framework agreement shall take precedence over these BDTC.

**16.2**

The buyer is not authorized to transfer any rights and obligations towards the seller to a third party without a previous written consent of the seller.

**16.3**

The parties exclude the application of § 1740 par. 3 of the Civil Code, specifying that a purchase or framework agreement may also be concluded even without a full agreement between the wills of the parties.

**16.4**

The parties exclude the application of § 1799 and § 1800 of the Civil Code, which adjust references to business terms and conditions in form contracts and define unintelligible or especially unfair clauses and conditions for their validity.

**16.5**

The buyer accepts the risk of change of circumstances as per § 1765 of the Civil Code.

**16.6**

The parties declare that none of them considers itself to be a weaker party in comparison to the counterparty, that they had ample opportunity to read the contents of the purchase or framework agreement and these business terms and conditions, that they understand their contents, wish to be bound by these documents, and have discussed these documents as necessary. The parties also declare that the implementation of the purchase or framework agreement does not represent a disproportionate disadvantage to one of the parties as per §1793 of the Civil Code.

**16.7**

These BDTC enter into validity on January 1st 2018.