

Sales and delivery conditions of the company ALFUN a.s.

version 2023/01en

I. Introductory provisions

1. The purchase and sale of goods is governed by an agreed Contract of Purchase (hereinafter referred to as the "CP"). These General Sales Conditions and Delivery Terms (hereinafter referred to as the "GSCDT") are a part of the "CP".
2. These GSCDT apply to all purchases from ALFUN plc (hereinafter referred to as the "Seller").
3. The purchaser shall immediately, however, until the date this draft of the CP enters into force at the latest, return the confirmed draft of the CP or send a counter-offer to the Seller for confirmation. In case that the Seller does not receive this, the proposal to conclude a CP expires and the Seller shall not be bound by it, only if the Seller does not confirm the delivery of goods.
4. The confirmed proposal of CP shall be sent to the Seller by post, e-mail or fax by the purchaser.
5. Different provisions in the CP take precedence over any modifications included in the GSCDT.
6. Any obligatory character of all tentative negotiations and correspondence (declared intentions) regarding the scope of the CP shall expire after signing the CP.

II. Basic Contractual Conditions

1. The Seller shall deliver, and the buyer shall accept the delivered goods and pay the agreed purchased price in accordance with the agreed conditions.
2. Information about prices is considered confidential under § 1730 of Commercial Code.
3. The Seller is not obliged to deliver the goods to the purchaser under the terms stated in the CP, if the purchaser delays any payment; the delivery time on the side of the Seller shall automatically be extended to the time equal to the period of the payment's delay.
4. The purchaser shall inform the purchaser of any changes of address, collection and tax data without any delay (however until 15 days at the latest) as soon as any of these changes happen.
5. In case of a breach of obligations arising from the CP or GSCDT, the purchaser shall pay a contractual penalty of 30 % from the price of the goods which are subject of the CP. If the Seller withdraws from the Contract following art. VI. Point 1, art.VI., point 3 shall be applied.

III. Price and Payment Terms

1. Unless otherwise stated in the CP, the prices are based on business parity EXW the Seller's headquarters including shipping packaging. INCOTERMS 2020 shall be applied for the agreed clauses.
2. The Seller shall issue a tax invoice in accordance with the actual amount of delivered goods. The information regarding quantity at the moment of accepting delivery by the carrier is decisive for price calculation.
3. The purchaser pays the purchase price stated in the tax invoice (hereinafter called "invoice") issued by the Seller.
4. If the method of payment is stated in the CP – advance (advanced payment); the purchaser pays the purchase price stated in the pro forma invoice issued by the Seller. If an advanced payment had been agreed, the Seller is not obliged to deliver the goods until the advanced payment is made.

5. If a payment instrument was agreed in the CP (e.g. bank guarantees bill of exchange etc.) the Seller is not obliged to deliver the goods to the purchaser until complete and exact documents are given to the Seller.
6. The due date is stated in the CP and is bound to the issuing of the invoice.
7. The Seller is entitled to charge a contractual penalty in case of a payment delay in the amount of 0,05% from the outstanding amount for every day of delay.
8. The purchaser is not entitled to withhold the purchase price or its part, or the claimed goods which should be returned for any reasons, or to include these claims unilaterally, that is including the claims from the complaints already made. Loss, theft or damaged goods resulting from the change of danger to the goods moved to the purchaser, not any claim made before does not exempt the Seller from the obligation to pay the purchase price.

IV. Deliver of Goods

1. Delivery of goods is carried out by road truck transport in accordance with the requirement and dispositions of the purchaser stated in the CP.
2. The purchaser is therefore entitled to organize the transport by himself, at his own expenses; in this case the purchaser shall inform the Seller verifiably until the time of shipment of the goods by the Seller at the latest. The purchaser shall take over the goods no later than 7 calendar days after receiving the call from the Seller. If the purchaser fails to take over the goods after receiving the call from the Seller within the stated period and at a venue agreed in the CP, the Seller is entitled to request damages resulting from the delayed takeover; especially the Seller can sell the goods and request the difference between the originally agreed purchase price and the amount received from the sale of the goods.
3. The Seller reserves the right to deliver goods in the amount (weight) tolerance of +/-10% for the aluminium and stainless steel and +/-20% for the steel.
4. When the delivery date of the goods expires, the period for delivery shall be extended to additional 25 days from the original delivery date, if the Seller does not receive a written notice according to the art. VI.2.c. of GSCDT 5th day at the latest from the expiration of the original delivery date. If the delivery date is extended in accordance with this point, the Seller is not obliged to pay the contractual penalty resulting from the delay.
5. The Seller reserves the right, after a written notification to the purchaser, to stop all deliveries of goods to the purchaser until a full payment of purchaser's payable is made to the Seller. This Seller's action is not considered as the Seller's delay of the delivery of goods and it does not give the right to the purchaser to claim contractual penalties, compensations of damages and withdrawal from the CP.
6. The risk of damages is passed to the purchaser when the goods are loaded at the Seller's premises.
7. The Seller presupposes that the purchaser knows the basic rules for handling the goods and its protection against damage, especially corrosion; the purchaser shall at least respect the rules. The basic rules set by the Seller are also available on the web pages of the Seller www.alfun.cz.
8. In a case of Seller's delay with the delivery of goods, the purchaser is entitled to a contractual penalty in the amount of 0,05% of the purchase price of the undelivered goods, however, no more than 10% of the purchase price of the undelivered goods, whereby the provisions of § 2050 of Civil Code are to be applied.

V. Retention of Title

1. The Seller has proprietary right to the goods specified in the CP until the full purchase price for the goods and all the collectible debts of the Seller have been paid. The purchaser shall maintain, care and protect the goods against damage or theft until the full purchase price has been paid.
2. If the purchaser is delayed with the payment of the purchase price and handles the goods still owned by the Seller, the Seller has the right to:
 - a) a free access of the Seller's representatives into the purchaser's properties, as well as the right to access data concerning the handling of the goods,
 - b) any purchaser's profit resulting from an unauthorized handling and disposal of goods which occurred until the full payment of all Seller's receivables has been made. In this case, the purchaser's debtor shall perform to the Seller directly and the purchaser is entitled to claim the payment from the debtor to the Seller's account only.

In this case the purchaser's debtor is obligated to perform directly to the Seller and the purchaser is entitled to claim the payment from the debtor to the Seller's account only.

VI. Termination of the Contract of Purchase

1. The Seller is entitled to withdraw from the CP in a case that:
 - a) the purchaser delays the payment of any financial obligation to the Seller, or if the credit insurance refuses to provide a sufficient insurance limit of receivables towards the Seller;
 - b) an insolvency proceeding has been initiated;
 - c) the purchaser has breached the CP otherwise than according to the letter a) and despite the notification of the Seller to start corrective actions, he did not take any corrective actions for this breach within 20 days prior to the receiving of the notification.
2. The purchaser is entitled to withdraw from the CP in a case that:
 - a) the Seller is in delay with delivery of the goods for longer than 40 days;
 - b) the Seller has been declared bankrupt;
 - c) the Seller has breached the CP and in spite of a written notification of the purchaser to take corrective actions, the Seller did not take any corrective actions within 20 working days from the date of notification.
3. If the Seller withdraws from the CP for a reason stated in paragraph 1., the purchaser shall pay to the Seller a contractual penalty in the amount of 10 % from the agreed purchase price of the goods in accordance with the CP in a case of unproduced goods and a contractual penalty in the amount of 65 % from the agreed purchase price of the already produced goods, which are the subject of the withdrawal.
4. If the Seller withdraws from the CP, the purchaser has the right to receive compensation of the proved more costs which arise as a result of the withdrawal, in the amount of no more than 30 % of the goods' value, which was the subject of termination of the CP.

VII. Goods Defects and Claims

1. The purchaser's right of defects of goods expires if he does not notify the Seller in writing about the characteristics of the defects in the following periods:
 - a) visual defects of the goods (e.g. corrosion) and defects in the quantity of goods at the time of delivery at the latest,
 - b) hidden defects – immediately after discovery of the defects but no later than 30 days from delivery.

2. The purchaser shall notify the Seller about the defects of the goods within periods stated in article 1 hereof. Together with the notification of defects the purchaser shall submit documentation and photographic documentation which prove the right to the claim and to deliver a completed claim protocol. Otherwise the purchaser's right arising from defects of goods expires.
3. When differences in quantity or damage of goods will be discovered during transportation, the purchaser shall submit to the Seller the original commercial deed concerning the takeover of the goods from the carrier, together with photographic documentation. At the same time, the purchaser shall, upon request of the Seller, prove the observance of the basic rules of handling with goods in accordance with article IV.7. of the GSCD.
4. Damaged, claimed goods must be stored separately, in the original state and the stated goods shall not be handled without the Seller's prior consent, until the claim has been solved completely.
5. If a claim is acknowledged, the Seller may of his own choice:
 - a) remove the defective material within an appropriate period of time,
 - b) perform an additional or alternative delivery under the original terms and conditions,
 - c) require the return of the goods followed by refunding of the purchase price,
 - d) to reduce the price.

VIII. Responsibility and Force Majeure

1. The Seller is entitled to damage compensation resulting from the breach of the CP, including the claim for the agreed contractual penalty. The contracting party which breached the obligations arising from the CP shall compensate to the other contractual party any damage, however, no more than up to the value of the goods.
2. The contractual party is not responsible for the damage if it proves that the failure to comply with the obligations was caused by a consequence of unpredictable and inevitable circumstances of an extraordinary nature, which was impossible to predict at the time of concluding the CO, and which were impossible to prevent and overcome (hereinafter referred to as "Force Majeure"). As Force Majeure shall be regarded the following events: war, declared and undeclared, civil wars, insurgencies and revolution, pirate acts and sabotage, natural disasters, explosions, fires, damage of machines, manufacturing and other facilities, boycotts, strikes and embargos of any kind, seizures of factories and their subsidiaries, which occurred at the Seller's plant, producer's or their subcontractors', intervention of government authorities. The circumstances of Force Majeure are possible to prove, e.g. by a confirmation of the Chamber of Commerce.
3. The contracting party, which suffered the circumstances of force majeure, shall inform the second contractual party without any delay after learning about such, otherwise it is responsible for any damage to the full. The exclusion of responsibility is in force for the period in which force majeure or its consequences last. If the force majeure prevents the Seller to comply with the terms and conditions of the CP, the Seller has the right to prolong the delivery term adequately.
4. The events of force majeure release the liable party from the duty to pay for damage, penalty or other sanctions agreed in the contract with the exception of paying the interests which the liable party owes to the second contracting party that is within the period of existence of reasons for their payment.
5. If the force majeure lasts longer than 3 month, either contractual party has the right to withdraw from the CP, or its part, without any other claims.

IX. Closing Provisions

1. Legal relations arising from the context of this contract is governed by the law of the Czech Republic, especially by the law n. 89/2012., Civil Code („CD“).
2. All disputes arising from the CP and in relation to it will be governed at the arbitration court of the Chamber of Commerce of the Czech Republic and Agrarian Chamber of the Czech Republic in accordance with its code, by an arbitrator appointed by the chairman of the stated Arbitration Court. The place of court is Olomouc. Instead of this, the Seller is entitled to address a judicial tribunal.
3. CP and its changes and additions shall be made in writing and signed by the responsible representatives of both contractual parties.
4. These GSCDT are also available at the Seller's web pages www.alfun.cz.

V Bruntále dne 26.6.2023



Ing. Václav Jízdný
Chairman of the board of the
company ALFUN a.s.

