

General business conditions

1. Basic Provisions

1. The General Business Conditions (hereinafter referred to as the "GBC") regulate the relationships arising from the supplies of goods and services (materials, products, intermediary products, spare parts, documents, etc., hereinafter referred to as the "Subject of Performance") between Fontana R, s.r.o. (hereinafter referred to as the "Supplier") and the Client and are binding for all the business contacts with the Supplier. The GBC form an integral part of the contracts made and entered into by and between the Supplier and the Client. The Contracting Parties are entitled to amend or exclude the individual provisions of the GBC by an express agreement in the Contract.
2. By signing the legally binding acts with a view to establishing the obligation relationship between the Supplier and the Client in the matter of supply of the Subject of Performance by the Supplier, the Parties accept that their mutual obligation relationship not falling under the relationships mentioned in § 261 of the Commercial Code shall be governed within the meaning of § 262, Paragraph 1 of the Commercial Code by the quoted Act. The establishment of the stipulated obligation relationship shall always be subject to the Client's Order acceptance by the Supplier.
3. Definition of basic terms. The payer is the Client who enters into the obligation relationship with the Supplier and purchases the Subject of Performance to be used by the consignee/customer. The consignee/customer is as the user of the Subject of Performance authorised in writing by the Client to take delivery of the Subject of Performance and to perform all acts in connection with its usage. The seller is an employee authorised to represent the Supplier in the course of trade negotiations.

2. Price of Subject of Performance

1. The basic price is the EXW price according to INCOTERMS 2000, unless otherwise specified in the Contract.
2. For the purpose of specification of the price and the Subject of Performance, the Client shall be entitled to ask for the binding quotation (hereinafter referred to as the "Quotation") valid for 60 calendar days from the date of its issue, unless otherwise specified.
3. The price of the Subject of Performance mentioned in the Quotation does not include any related services, unless otherwise expressly specified. The requirement for the provision of related services shall be mentioned expressly in the Order.
4. The Supplier expects usual use of the Subject of Performance. Any specific requirements for the Subject of Performance shall be mentioned expressly in the Order.
5. The buyer who collects the Subject of Performance for the first time or who is repeatedly in default of payment of invoices shall make an advance payment at least in an amount of the value of material, unless otherwise specified.
6. The Contracting Parties agree that the payment for the goods shall be made in a predetermined currency by one of methods given in the Order Acceptance:

- a. By the advance payment on the basis of an advance payment invoice issued by the Supplier. Should the Client not settle the invoice issued by the Supplier by the due date mentioned on the invoice, the Supplier is not in delay of delivery of the goods. The agreed time of delivery shall be extended by the period of the default of payment of the invoice on the part of the Client.
 - b. By the payment following the delivery of the goods performed on the basis of an invoice issued by the Supplier. The invoices are due within 14 (as for the foreign clients, within 30) days of the day of their receipt. In case of any doubt, it shall be deemed that the invoice is delivered on the third day following its sending.
7. The interests on late payments are agreed in an amount of 0.1 % of outstanding sum for each day of default. If any payment is not settled by the due date, the agreed interests on late payments shall be billed immediately after the payment of the invoice. The right to claim compensation for damages shall not be affected by the payment of interest

3. Conclusion of Contract

1. The individual contracts shall be made and entered into on the basis of written orders of the Client sent by post, fax or e-mail while complying with the provision of Paragraph 14.4. The issue of the Order is usually preceded by the Quotation of the Supplier made on the basis of inquiry of the Client. Unless otherwise specified in writing, the obligation relationship between the Supplier and the Client shall be governed by the GBC herein. The respective parts of the GBC shall be in effect until a complete settlement of rights and obligations between the Supplier and the Client. The pricing of the Subject of Performance shall comply with the prices mentioned in the valid written Quotation of the Supplier or the prices valid at the moment of the acceptance of the Order.
2. The Order shall include the following information:
 - a. Business name and registered office of the Client including the telephone and fax numbers,
 - b. Name of person authorised to act in the given matter on behalf of the Client, ID No. and VAT No. of the Client,
 - c. specific name of the Subject of Performance and its quantity (including the provision of related services or performance), the terms of delivery (place and date), the name of the person authorised to take delivery of the Subject of Performance, and other specific requirements concerning the Subject of Performance, if any, and
 - d. Name of the competent court or the respective trade office, indicating the number and file of registration.
3. After the receipt of the Order of the Client, the Supplier shall send the Client the Contract of Purchase, or the Contract for Work, in writing, by fax or by e-mail, while complying with the provision of Paragraph 14.4; the Supplier shall be entitled to accept also the Order delivered after the expiration of the period of validity of the Quotation. The Order may be confirmed by signing the Order, if it is agreed with the Client. If the basic data (the quantity and characteristics of the Subject of Performance, the terms of delivery and payment) in the Order Acceptance issued by the Supplier comply with the text of the Order of the Client, the Supplier shall confirm by delivering or sending the Order Acceptance its will to accept the Order of the Client as binding and the Contract is concluded when the Client receives the duly confirmed Order.

4. If the Supplier is not able to meet any of the requirements mentioned in the Order of the Client, the Supplier shall again send the Client the Quotation specifying possible variants of the Order and ask the Client for its opinion. If the Client places an order for a non-standard Subject of Performance, the Supplier will request, before the Order acceptance, the advance payment in the agreed amount on the basis of the advance payment invoice. The time of delivery given in the Order Acceptance shall begin to run upon the settlement of the advance payment by the Client.
5. In case of supplying a large quantity of the Subject of Performance or specific conditions under which the performance should be executed, or if it is required by any of the Parties, the Parties shall make and enter into the Contract for the Subject of Performance with reference to the GBC herein.

4. Terms of Delivery

1. The deliveries of the Subject of Performance shall be executed as soon as possible depending on availability of product and operation possibilities of the Supplier.
2. The agreed date of performance is given in the Order Acceptance or in the respective Contract. If the Supplier is forced to extend the period of performance in extraordinary circumstances, it shall notify the Client of such a change immediately after finding out the respective circumstances.
3. The obligation of the Supplier shall be deemed performed by delivering the Subject of Performance to the Client at the distribution point of the Supplier or by its delivery by an authorised employee of the Supplier (when the Supplier uses its own means of transport) to the place of performance or by handing over the Subject of Performance to the first domestic forwarder for its transport to the Client, unless otherwise agreed.
4. If a personal collection by the Client is agreed, the date of performance shall be deemed complied with when the Client is notified that the Subject of Performance is ready for dispatch. If the collection of the Subject of Performance is postponed, it shall not have any effect on complying with the date of performance.
5. Except as otherwise agreed, the place of performance is the respective distribution point of the Supplier. If the Client requires any other place of performance, the place of performance is the registered office of the Client or the place of performance given in the Order and the Order Acceptance.
6. The costs and expenses connected with the delivery to other place of performance than the distribution point of the Supplier shall be borne by the Client, unless otherwise agreed. If the Client requires the transport of the Subject of Performance, the Supplier shall select, as per the nature of the Subject of Performance and data given by the Order or Contract, the adequate method of transport (by postal transport, forwarding agent or own means of transport of the Supplier). If the Subject of Performance is transported according to the transport instructions of the Client, the risk of loss, damage or destruction shall pass to the Client at the moment of hand-over of the Subject of Performance for postal transport or to the first forwarder for the purpose of transport of the Subject of Performance to the Client.
7. Should the Client not take delivery of the Subject of Performance due to fault of the Client (e.g. the person authorised by the Client is not present despite the date has been agreed in advance), the Client shall bear the expenses connected with the repeated delivery in full.
8. The Client shall take delivery of the Subject of Performance and immediately check for the compliance of the quantity and type of the Subject of Performance with the bill of delivery and apparent damages of the transport containers or products.
9. If the Client finds out any inconsistency with the bill of delivery or apparent damages of the transport containers or products, it shall immediately notify the Supplier and/or the carrier of the consignment of this fact and put this fact in writing on the bill of delivery or the bill of delivery of the forwarding agent.

10. In case of any difference in the quantity and type of the Subject of Performance or its apparent damage, the Client shall complain of such a defect by notifying the Supplier at the latest within 2 working days of the delivery. The Supplier shall be entitled not to consider the complaints filed after due date.
11. When taking delivery of the Subject of Performance, inspecting it, and putting it into operation, the Client shall also check consistency of the serial numbers of the Subject of Performance with the records on the bill of delivery. It shall notify the Supplier of any found difference at the latest within three working days of the acceptance of the Subject of Performance. The Supplier shall then ensure correction and sending of a new bill of delivery or issue slip within 10 working days.

5. Cancellation of Order of Client

1. After the signing of the Contract by the Client under Paragraph 3.3, any modification of the Order or its cancellation shall be discussed with the respective sales representative.
2. The Supplier shall be entitled to charge the Client the cancellation fee in an amount of up to 50 % of the price of the Subject of Performance or its cancelled part to cover the costs reasonably expended in connection with the modification or cancellation of the Order unless otherwise agreed on the basis of specific conditions of the business transaction.

6. Installation of Subject of Performance

1. If the Client requires the installation of the Subject of Performance or if the Subject of Performance requires to be installed at the Client's premises, the installation shall be performed for a consideration usually at the moment of delivery of the Subject of Performance or on the date agreed with the person authorised by the Supplier. The Client shall ensure proper storage of the Subject of Performance in a manner corresponding to its nature and value until the moment of installation.
2. If the Client requires the installation of the Subject of Performance, it shall provide the persons authorised by the Supplier with access to the premises in which the Subject of Performance is to be installed and ensure the conditions necessary for the installation. The scope of conditions is based on usual practices and shall be specified by the person authorised by the Supplier.
3. If the Client does not provide the Supplier with required cooperation or if it does not ensure the conditions required for the successful installation of the Subject of Performance within the meaning of the foregoing paragraph, the Supplier shall be entitled to charge the Client for all costs provably expended. If a new attempt of the Supplier to install the Subject of Performance at the Client's premises is unsuccessful due to fault of the Client, the Supplier shall be entitled to refuse the performance of the installation of the Subject of Performance. The obligation of the Supplier to install the Subject of Performance shall be deemed fulfilled on the day on which the repeated attempt to install the Subject of Performance at the Client's failed.
4. The installation at the Client's premises is usually performed during normal working hours, i.e. Monday to Friday from 8.00 a.m. to 5.00 p.m. If for operation reasons on the part of the Client, it is necessary to perform the installation outside the said hours, such requirement shall be mentioned in the Order or the Order Acceptance and thus included in the agreed price. If the Client additionally requires the installation of the Subject of Performance outside the standard working hours, the Parties of this obligation relationship shall agree on the terms and conditions of the installation.
5. The installation of the Subject of Performance shall be deemed completed by demonstration that the respective product works correctly as per the submitted

documentation or by other demonstration of the standard operation conditions, with the exception given in Article 6.3. The Parties shall execute the completion certificate concerning the installation of the Subject of Performance at the Client's premises.

7. Serviceability of Subject of Performance

1. The Supplier shall deliver the goods in quality and workmanship suitable for the purpose specified in the Contract or, if the purpose is not specified in the Contract, for the purpose for which such goods are usually used.
2. If the Client requires the installation of the Subject of Performance in conflict with usual method of application, despite being notified of this fact by the Supplier, the Supplier shall be entitled to:
 - a. Propose a feasible method of installation of the Subject of Performance,
 - b. Propose the complementing of the Subject of Performance or to take necessary system measures with a view to putting the Subject of Performance into operation,
 - c. Refuse the delivery due to unfeasibility. The costs expended by the Supplier in connection with the solution of such situation shall be borne by the Client.
3. Impossibility to perform the installation of the Subject of Performance in a manner that is not agreed in advance and not mentioned in the Order Acceptance shall not be a reason for the Client's withdrawal from this obligation relationship.

8. Passing of Risk of Damage to Goods and Title

1. The risk of damage to the goods shall pass to the Client at the moment of their delivery, i.e. upon the acceptance of the goods from the Supplier, unless otherwise specified in the Contract.
2. The Client shall acquire the title to the goods at the moment the supplied goods are delivered to it provided that it has paid the full agreed price in advance. Failing that, the Client shall acquire the title to the goods only after the full payment of the purchase price.
3. The requirement of the Client for the extension of the time of delivery may be met by agreement of the Contracting Parties.

9. Goods Quality Guarantees, Defects of Goods, Complaints and Removal of Defects and Liability of Supplier for Damages

1. The Supplier shall be liable for that the sold goods are not burdened with rights of third parties.
2. The Supplier shall guarantee the goods quality for the agreed guarantee period that begins to run on the date of the fulfilment of the obligation arising from the concluded Contract and for that period it shall guarantee usual properties of the supplied goods.
3. The Client shall be entitled to the free of charge removal of defects if the following conditions are met:
 - a. The defect has been detected within the guarantee period applying to the given type of the product,
 - b. The Client has complained, without unreasonable delay, of defects of the goods by means of notice to the Supplier in writing,

- c. The defect complained of exists and the Supplier's guarantee within the meaning of the GBC applies to the defect,
- d. The Supplier has expressed its opinion by notice and acknowledged the defect.
4. The removal of defect is possible at the discretion of the Supplier by a free of charge repair, replacement of defective goods or refund of the purchase price of the defective product.
5. If it is necessary due to circumstances, the Supplier shall examine the complaint on site. In case of foreign supplies (outside the territory of the Czech Republic and the Slovak Republic), the complaints are not examined at the customer's premises, but the Client shall execute the photo documentation and submit conclusive proof of defect. If the complaint proves to be justified, the Supplier shall bear all the costs and expenses connected with the examination on site; otherwise, the mentioned costs and expenses shall be borne by the Client. The repairs are usually performed on site of operations at the Client's premises. In case of foreign supplies, the guarantee shall apply only to defective parts. Their replacement shall be performed by the Client at its own expense.
6. The guarantee does not apply to the goods used in conflict with the instructions of the Supplier, subjected to an accident or negligence, and modified or repaired by a third party without the express written consent of the Supplier. The guarantee does not also apply to the goods parts of which have been in that manner faulted, damaged or destroyed. The guarantee does not also apply to defects of a product caused by its usage in conflict with the instructions/manual related to it. The guarantee does not also apply to defects of the goods caused by an incorrect installation or operation or unsuitable method of storage.
7. The Supplier does guarantee:
 - a. Functionality of the goods integrated without the written consent of the Supplier into a part of another functional unit,
 - b. The goods removed from the place of the original installation,
 - c. The development products, unless otherwise agreed in the respective Contract, and
 - d. The goods produced according to the specification of the Client.
8. Liability of the Supplier for direct damages caused by violation of its obligations establishes the right of the Client to compensation for damages in the maximum amount of the value of the purchase price settled by the Client for the goods the damages are directly related to. The Supplier shall not be held liable for other damages. The Supplier also does not bear the costs of possible reinstallation and repeated putting into operation.
9. The returned defective products shall become the property of the Supplier on the date of their receipt.
10. For the period of examination of the defect of the goods and its removal, the running of the guarantee period shall be stopped.
11. The removal of the defect by the replacement of the goods does not correspond to a claim for the provision of a new guarantee for the goods quality; the guarantee period begins to run on the date of purchase of the defective goods, while its running is stopped for the period of complaint procedure pursuant to the provision of Paragraph 9.10. of the GBC herein.

10. Use of Information by Contracting Parties

1. Information of business, technical, and other nature, recorded or unrecorded, provided by the Supplier to the Client in connection with the purchase of the goods hereunder (hereinafter referred to as the "Information") shall be regarded as confidential, unless it is publicly available information.
2. The Information may only be used for the purposes for which it is intended, shall be treated and protected as confidential, and shall not be disclosed to third parties without authorisation of the Supplier. By request of the Supplier and if the Client does not need the Information any more, the Client shall return the Information in the material form to the Supplier.
3. The Client shall ensure that all the persons to whom the Information is to be disclosed assume the obligation to maintain confidentiality of the Information.
4. If it is necessary to disclose the Information or to provide any information concerning the Contract to a court, public authority, administrative authority or any other entity requiring the Information in accordance with law, the disclosing Party shall notify the other Party of this fact.
5. The obligation to maintain confidentiality of the Information applies to the Supplier and the Client for an indefinite period of time, i.e. until the Information becomes publicly available not due to fault or action of the Client.

11. Use of Trade Names and Trade Marks

1. Resale of the goods supplied by the Supplier and bearing the trade names of the Supplier and the producer of the goods and the trade marks of the Supplier and the producer of the goods is possible on condition that the above-mentioned names and marks have not been changed or modified. The Client shall be entitled to add its own names or mark to the above-mentioned trade names and trade marks; however it shall not damage, depreciate or cause other damages to the above-mentioned trade names and trade marks. The Client shall not use within the promotion, in advertisements or anywhere else any symbols, abbreviations or imitations of the above-mentioned trade names and trade marks.
2. Use of the trade names of the Supplier and the producer of the goods and the trade marks of the Supplier and the producer of the goods by the Client in conflict with the Contract or for other purposes than those expressly allowed by the Contract without the written consent of the Supplier is not permitted. Likewise, the Client shall not use any imitation of the above-mentioned trade names and trade marks. Any violation of this provision establishes the right of the Supplier to claim a penalty in an amount of CZK 200,000 for each individual case of such unauthorised use. If the violation of this provision is related to the trade name or trade mark of the Supplier, the right to claim compensation for damages shall not be affected by the payment of the penalty.

12. Use of Software and Guarantees Related to Software

1. The software pertaining to the goods transferred hereunder is protected by copyright. The Supplier enables the Client to use the concerned software and to enable another party to use it solely in connection with the resale of the goods or a specific resold product.
2. The Supplier guarantees that the quality of the software complies with the standard quality; failing that, it shall replace it without charge if the Client complains of a defect within 90 days of the date of delivery of the goods. The Supplier does not provide other guarantees in connection with enabling the use of the software.
3. The Supplier does not guarantee that the function of the software will meet the requirements of the Client, that the operation will be faultless, and that there will be no interruptions.

4. On the basis of this agreement with the Client, the Supplier shall not be obliged to provide the software support and maintenance services and to participate in the removal of defects, if any

13. Force Majeure

1. Neither the Supplier nor the Client shall be held liable for any damages and failure to meet their obligations, unless otherwise specified herein, caused by events beyond their control, i.e. the Force Majeure events (e.g. wars, revolutions, fires, floods, other natural disasters, epidemics, strikes, and lockouts), and not caused by negligence or by wilful act by any of the Contracting Parties.
2. No event of Force Majeure exempts the Client from its obligation to pay the Supplier the agreed purchase price.
3. Should any event of Force Majeure occur, the Contracting Party that intends to claim the event of Force Majeure as an excuse for any defect of the performance of its obligations shall immediately notify the other party of the occurrence of such event.
4. If a Force Majeure condition exists for more than 2 months, the Parties shall be entitled to withdraw from the Contract or to agree on its termination and to settle their mutual rights and obligations.

14. Final Provisions

1. The cancellation of the Order after its acceptance or the termination of the Contract after its conclusion is possible by written notice to the other Contracting Party in the manner specified hereunder.
2. The Supplier shall be entitled to withdraw from the Contract by written notice to the Client in case of a fundamental breach of the Client's obligations, especially including failure to settle the price of the goods and accessions thereof in compliance with the provisions of the GBC herein.
3. The Client shall be entitled to withdraw from the Contract by written notice to the Supplier if the Supplier is in delay of delivery of the goods for more than one month after the date on which the goods should have been delivered, provided that the delay is not caused by any event of Force Majeure or by fault of the Client.
4. If to the Supplier, documents in writing shall be sent by post or by fax or e-mail confirmed within three days of its sending to the address: FONTANA R, s.r.o., Prikop 4, 602 00 Brno; if to the Client, documents in writing shall be sent in the same form to the address of its registered office, unless otherwise agreed in writing.
5. If the Client returns the Subject of Performance for various reasons, e.g. insufficient quality or non-compliance with the agreed parameters, the Supplier shall refund the already paid price, unless the Subject of Performance is damaged due to fault of the Client. The Client shall not be entitled to any increase in the price due to ancillary costs connected with the return of the Subject of Performance.
6. The General Business Conditions come into effect on the date of the signing of the Contract.
7. The Contracting Parties shall attempt to settle any disputes between them arising from the contracts governed by the GBC herein amicably through mutual consultation. If it is not possible to settle the disputes in this manner, they shall be referred to the competent courts for resolution in case of domestic entities. If any of the Parties is a foreign entity, all disputes arising from the contracts governed by the GBC herein and in connection with them, that cannot be resolved through mutual consultation, shall be finally decided with the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber

of the Czech Republic by one or more arbitrators in accordance with the Czech legal order.