

General Terms and Conditions

I. Basic provisions

1. These General Terms and Conditions (hereinafter as „GTC“) govern the mutual rights and obligations of the parties in the sale of metallurgical materials and products where the Seller is a company EXPONO Steelforce, a.s., registered seat at Mlýnská 317/10, 702 00 Ostrava – Moravská Ostrava, ID: 26902401, VAT: CZ26902401, registered in the Commercial Register administered by the District Court in Ostrava, section B, insert 2917, (hereinafter as „Seller“) and the Buyer who has entered into an agreement with the Seller for the sale of metallurgical materials and products during the effectiveness of these Terms (hereinafter as „Buyer“).
2. The Seller concludes the purchase contract concerning the sale of metallurgical materials and products solely on the basis of these GTC. Parties may agree otherwise on individual rights and obligations arising from these GTC in purchase contract. Different arrangements in the purchase contract take precedence over the wording of these GTC.
3. Any agreements between the parties are divergent from these GTC or any amendments are valid only if they are approved in writing by both parties, i.e. by Seller and Buyer.
4. Writing form for the purposes of these GTC means the e-mail and fax, unless expressly provided otherwise.
5. If any of the rights and obligations are governed by either the contract or these GTC is governed by generally binding legal regulations of the Czech Republic, especially in accordance with Act No. 513/1991 Coll. (Commercial Code), as amended.

II. Conclusion of contract

1. The Buyer orders goods in writing from the Seller. Based on this order the Seller shall prepare a draft purchase contract which will be sent to the Buyer.
2. The contract is concluded at the moment when the Buyer confirms a submitted written offer for purchase contract without any changes and additions and send back to the Seller. Any amendments contained in the endorsement of the proposal are considered as a new draft treaty.
3. The purchase contract is valid only in written form with signatures of both parties.
4. Additions and changes in purchase contract are valid only in written form and provided a reconciliation of both parties. The parties expressly agree that the approval of changes or additions purchase contract are considered as well as written confirmation of acceptance by e-mail or fax.

III. Delivery and receipt of goods

1. To meet the obligations of the Seller occurs when the goods are supplied to the Buyer as provided in the purchase contract. Delivery of the goods will entitle the Seller to pay the purchase price and Buyer's obligation to accept the goods. At the moment of delivery, the risk of damage passes to the Buyer

2. Unless stated in the purchase contract any other method of delivery, the goods are delivered at the time when the Seller invites in writing the Buyer to take over a goods from the factory or warehouse.
3. Method of delivery can be arranged particularly so that it will happen at the moment when the Seller shall send the ordered goods to the Buyer or his authorized person in the place of delivery specified in the order or delivery can be set at a moment when the goods are delivered to the first carrier to transport, whereas the van must be marked as a consignment of the Buyer.
4. The Seller is entitled to deliver the goods even before the deadline, which was agreed in the contract and even in this case is the buyer required to take over ordered goods from the Seller.
5. If the Buyer delays the receipt of goods or pay the price when the supply of goods and payment of the cost is to take place at the same time, the Seller may store the goods by himself at the expense of the Buyer or a third party and retain the goods until the buyer fails to pay these costs. The Seller in this case is not responsible for any defects in goods which can not be avoided in the available ordinary course of storage (e.g. corrosion, etc.).
6. The parties agree to reservation of the title. The Buyer becomes the owner of the goods until the moment when the full purchase price is paid for delivered goods. The Seller is obliged to transfer the proprietary of goods to the Buyer, if the full purchase price will be paid
7. The Buyer is obliged while taking over the goods to make a tour of taken over goods. Delivery and receipt of goods between the Buyer and the Seller shall signify confirmation of the delivery note, which is made out by the Seller where is stated the goods, their quantity and species. Both parties shall mention any defects which are detected during the inspection of goods upon receipt, or which are otherwise as apparent defects. Specification of any defects in the delivery note, is not being used as a claim and is not considered as a made complaint. Written complaint in accordance with these GTC must be delivered to the Seller within 48 hours from receipt of goods. If the inspection fails immediately upon receipt of the goods, the Buyer is obliged to carry out by himself to potentially claim the obvious flaws in the period under this paragraph.
8. For delivery of the agreed quantity of goods, are the data crucial on the weight which is declared by the Seller. The delivery of agreed goods is considered as a delivery of goods within +, - 10% of the agreed amount in the purchase contract.
9. During a delay period of the Buyer with the fulfillment of obligation to the Seller, the Seller is not in default in delivering the goods.

IV. Payments and Settlement

1. The Buyer shall pay to the Seller the purchase price of the goods. The amount of the purchase price is agreed in the contract. The Seller is entitled to payment of the purchase price at the time of delivery of goods under the purchase contract. Unless otherwise agreed in the contract, the Seller will make out an invoice on receipt of goods to the Buyer for payment of the purchase price for the goods, with essentials of a tax document.
2. The Buyer is obliged to pay the purchase price even for the part of delivered goods in amount corresponding to the price of partial delivery. The purchase price of goods delivered for each delivery is due at the time receiving the goods, unless the Seller and the Buyer agrees in writing otherwise.

3. Unless all Buyer's due obligations are not paid to the Seller, including those that will arise from other agreements concluded between the parties, the Seller is entitled to withhold delivery of goods to the Buyer until the full payment of all such liabilities. If he will reach a delay of the Buyer with the repayment obligations for more than 21 days, the Seller shall be entitled to request payment for goods or cash advance, even if they are covered by obligations under the agreements between the parties which arise in the future.
4. The Seller is entitled to offset any claims against the Buyer, and even the monetary claims to the non-monetary ones and also due payables to the undue ones. In this case, the date of the due date of claims is considered as the date of their set-off. The object of the set-off claims can not be a claims, which one of the parties considers as dispute.

V. Warranty and Reclamation

1. The Seller provides a guarantee of quality goods for six months from delivery to the Buyer. The Buyer must immediately make a complaint about an identified defects after their discovery but no later than the end of the warranty period.
2. Complaints of goods are made in writing either by personal delivery of a written complaint of defective goods to the Seller or by postal or other delivery services, must be accompanied by documents certifying the validity of the claim and stating the proposal on how to resolve this case in justification of the complaint.
3. Claimed goods shall be stored separately until the settlement of the complaint and any disposal of such goods which could hinder or prevent examination of the claimed deficiencies without the prior written consent of the Seller is unacceptable. If the Buyer breaches an obligation under this paragraph, he may no longer lodge a claim arising out of alleged defects of the goods.
4. When claiming of goods, the Seller has the right to check the status of the claimed goods outright on the spot of detection.
5. If is determined that the complaint is justified, the Seller ensures the defect removal within a reasonable or agreed time or supply replacement of goods or offer a discount on the purchase price.
6. If the Buyer does not complain about defects found during the inspection of goods in accordance with Article IV., paragraph 3rd or during the warranty period in accordance with Article V., paragraph 1st. at the Seller in accordance with these GTC, it may not assert claims arising from them.

VI. Rescission from the contract

1. The Seller has the right to withdraw from the contract or to withhold fulfillment until such time as the total purchase price will be paid off, if:
 - a) The Seller receives after the conclusion of credible information about the loss of Buyer's solvency and its ability to meet obligations under the contract, that is particularly serious deterioration of the property situation, if the buyer stops a payment, will be commenced an insolvency proceedings against him, will enter into liquidation and so on;
 - b) The rating agency after the conclusion of the contract will make a Buyer's rating worse or the insurance agency of the Seller will reduce or terminate the Buyer's limit;

- c) The Seller has withdrawn from any other contract with the Buyer for the reasons mentioned in Article VI., paragraph 2nd.
2. The Seller or the Buyer has the right to withdraw from the contract in case of substantial breach of contractual obligations of the other party. Substantial compliance shall mean a particular Buyer's delay in paying the purchase price for the delivered goods, including payment of the purchase price for the partial delivery or Buyer's delay with an acceptance of the delivered goods. On the other hand, is considered as a substantial breach of contract by the Seller to delay in deliveries of more than 30 days.
3. The parties negotiate the Buyer's possibility to cancel the concluded contract by payment of compensation, in accordance with § 355 paragraph.1 of the Commercial Code:
- a) 30% of price of ordered goods (including VAT) if the goods have not been made yet
 - b) 100% of price of ordered goods (including VAT) if has already been started with the production of goods
- In this case, the contract is canceled on the day when the Seller received Buyer's notice of use of the right to cancel the contract and also agreed to be paid a severance pay, i.e. severance pay will be paid and credited to the account of the Seller.

VI. Final provisions

1. These General Terms and Conditions are effective from April 1, 2011.