



## General Terms and Conditions

### General Conditions of Supply

1. General Provisions 1.1 The General Conditions of Supply (hereinafter “Conditions”) govern the conditions under which PRAKAB PRAŽSKÁ KABELOVNA, s.r.o. concludes purchase contracts for the supply of cable products and their accessories, as well as the contents of such purchase contracts, and the rights and obligations of the buyer and seller in such contracts. They also govern, but not exclusively, claims for breaching the obligations under such contracts. These Conditions are an integral part of every purchase concluded by the company for the supply of cable products and accessories. Conditions other than these may only be used if expressly agreed in writing. The contracting parties may deviate from these Conditions solely on the basis of a mutual written agreement.

1.2 For the purposes of these GTC, the Seller is PRAKAB PRAŽSKÁ KABELOVNA, s.r.o., with its registered office at Prague 15, Ke Kable 278, CNR: 43873189, VATIN: CZ43873189, registered in the Commercial Register kept by the Municipal Court in Prague, Section C, File 173449. A Buyer is a natural or legal person who concludes a purchase contract with the Seller, in which the subject matter is the delivery of cable products and their accessories to the Buyer and the transfer of the ownership right to the Buyer against the Buyer’s obligation to take over the cable products and pay the Seller their purchase price.

1.3 Price information and other statements and commitments are only binding for the Seller if it is expressly agreed in writing.

1.4 A purchase contract may be concluded on the basis of an order submitted by the Buyer to the Seller, and it must meet the following essential requirements:

Accurate identification of the Buyer’s company (name and surname of the natural person or name of the legal entity), CNR, VATIN, address of the Buyer (residence and place of business of the natural person or registered office of the legal entity), bank details of the buyer  contact person, telephone, delivery address  designation of the Seller’s ordered product (dimensions, colour marking of wires according to ČSN 33 0166 ed. 2)  quantity ordered  shipping goods (cable drums, pallets, other transport material)  payment method  transport method  required delivery date (week).

1.5 An order delivered to the Seller is binding for the Buyer. If the order includes information other than the above-mentioned or information that is in conflict with these Conditions or with the written agreement between the Seller and the Buyer, particularly different requirements for the price of the ordered products than those arising from these Conditions or the written agreement between the Seller and the Buyer, such information shall be deemed to be unwritten for the purposes of the purchase agreement unless the Seller expressly approves this in writing.



1.6 The purchase agreement between the Seller and the Buyer is concluded when the Seller confirms the purchase order to the Buyer. If the Seller does not expressly confirm the order, the purchase agreement between the Seller and the Buyer shall be deemed to be concluded if the Seller delivers the ordered goods to the Buyer in accordance with the order. These Conditions become an integral part of each purchase agreement. Deviations from the Conditions are only possible if agreed in writing.

1.7 The subject of the concluded purchase contract is the Seller's obligation to deliver to the Buyer the goods specified in the order, to transfer the ownership right to the goods to the Buyer, and the Buyer's obligation to take over the goods and to pay the Seller the purchase price of the goods duly and in a timely manner in the amount and by the method determined in accordance with these Conditions or agreed in writing by the Seller and the Buyer.

1.8 If special technical conditions are not explicitly agreed in the purchase contract, the goods are delivered in the usual manner. By submitting an order, the Buyer confirms that he/she is familiar with the technical parameters of the ordered goods (TP, ČSN, standards, VDE IEC-708, technical negotiations).

1.9 After a purchase agreement is concluded between the Seller and the Buyer, the Buyer cannot unilaterally change or cancel the purchase agreement without the express written consent of the Seller. If the Buyer requests the cancellation of the concluded contract and the Seller agrees with the cancellation in writing, the Buyer is obliged to pay the Seller compensation of 75% of the purchase price of the goods that are the subject of the cancelled purchase agreement, unless the parties expressly agree otherwise.

1.10 The Seller reserves the right to deliver the goods with a deviation of +/- 2% of the ordered quantity of individual items of goods. Billing shall correspond to the delivered quantity with a measuring instrument tolerance of +/- 1.0%. Any discovered differences in length that are within this tolerance are not subject to quantitative claims.

1.11 Partial deliveries of goods at the time of performance under the purchase contract are permissible.

2. Purchase price of products and packaging 2.1 Products are delivered at purchase prices, which are the sum of (i) the applicable "Base product price" (hereinafter "Base Price"), reduced by a discount agreed in writing (hereinafter "Discount", which, if agreed, is determined as a percentage of the Base Price of the product depending on the scope of the delivery, the long-term supplies and the prospect of cooperation), and (ii) the price of the coloured metal (Cu / Al) contained in the product (hereinafter "Metal Surcharge").



2.2 The amount of Base Prices for individual products offered by the Seller is specified in the Seller's Price List, which is published on the Seller's website [www.prakab.cz](http://www.prakab.cz) (hereinafter "Price List"). Unless expressly agreed otherwise in writing, the Base Price stated in the Price List valid on the date of delivery of the relevant order applies to all deliveries.

2.3 Calculation of the Cu metal surcharge is determined by the difference from the average of the daily LME sums given in CZK/kg according to the CZK/USD exchange rate in the previous calendar week in which the goods are delivered, and by the price of copper already included in the Base Price. Calculation of the Al metal surcharge is determined by the difference from the average of the daily LME sums and the aluminium processing premium given in CZK/kg according to the CZK/USD exchange rate in the previous calendar week in which the goods are delivered, and by the price of aluminium already included in the Base Price. Aluminium processing premium is a premium marked as "Aluminium High Grade Cash Min 99.7 % ingot EU duty paid LME premium indicator \$ per tonne in warehouse" and valid according to the Metal Bulletin. The Metal Bulletin term refers to information published on the website [www.metalbulletin.com](http://www.metalbulletin.com) operated by the Euromoney Institutional Investor PLC trading company based in London. The amount of the Metal Surcharge is determined by the Seller as the product of the weight of the respective metal (Cu / Al) contained in the product in kilograms and the price of one kilogram of this metal (Cu / Al) published on Monday falling within the calendar week that is decisive for determining the Metal Surcharge in *Hospodářské noviny* ("Economic Newspaper"), in appendix "Companies and markets", section "Commodities", under the title "Notation of metals for the cable industry resulting from LME prices and other ancillary costs". If the information is not published on the relevant date, the most recent available data from the decisive week shall be used. If the information is not published at all during the reference week, the last available information of the week preceding the reference week will be used and, if not published in the previous week, the last available week before the reference week is used. In the event that the appendix or section names of the above newspaper, or the commodity index, are changed, the Seller will announce on his website [www.prakab.cz](http://www.prakab.cz) new the names of the appendix, section or index. Similarly, if *Hospodářské noviny* ceases to publish the information on the said index, the Seller will announce on his website the name of the newspaper that publishes the information on the said commodity index. If this index ceases to be stated, the Seller is entitled to unilaterally identify and announce on his website another commodity index that will be binding and to determine the Metal Surcharge, which will be derived from the prices of the respective metal (Cu / Al) achieved on the LME commodity exchange (London Metal Exchange) and will be established under rules similar to the original index. Unless expressly agreed otherwise in writing between the Seller and the Buyer, the reference week for the purpose of determining the amount of the Metal Surcharge for the delivered products is the week in which the Seller receives the order from the Buyer for the relevant products.

2.4 The purchase price of the products determined according to the above rules is understood to be exclusive of value added tax (VAT). VAT will be added to the price at the statutory rate. However, the purchase price includes the cost for the transportation of the goods to the agreed place of delivery located in the Czech Republic. These transport costs



are included in the purchase price only if the total purchase price of the goods transported to the Buyer without packaging exceeds 10,000 CZK excluding VAT, and if the transport is organized exclusively by the Seller, who is authorized to determine the method of transport according to the principles of economy. In the event that the Buyer has special transport requirements, particularly if he requires the delivery of the goods in parts, the purchase price shall include only the transport of the first batch of the goods and the costs of the other transports shall be borne by the Buyer. If the Buyer arranges his own transport of goods, it shall be at expense, and the Buyer may, after prior agreement, benefit from a discount on the price of products (hereinafter "Discount for Own Transport"), which, if agreed, is determined as a percentage of the purchase price of the goods delivered without packaging and excluding VAT. The condition for granting the Discount for Own Transport is the fulfilment of all obligations under Section 4.2 hereof.

2.5 The Seller and the Buyer may agree in writing that the Buyer will be granted, under the condition of due and timely payment of invoiced purchase prices of the goods, on a discount for timely payment of invoices (hereinafter "Skonto"), which, if agreed, shall be determined by the percentage of the invoiced amount excluding VAT. Skonto is deducted from the invoiced price excluding packaging and VAT.

2.6 Cables and wires are supplied by the Seller in loops, cable drums or coils.

2.7 In addition to the purchase price of the products, the Buyer is obliged to pay the Seller the price of packaging, especially cable drums, coils, pallets and any other shipping materials supplied with the ordered products, as well as pay the handling fee for the cable rewinding and cutting work. These packaging materials and the specified handling fee will be charged in accordance with the Price List for Cable Drums, Pallets and Other Shipping Material, which is published on the Seller's website [www.prakab.cz](http://www.prakab.cz) (hereinafter "Packaging Price List"). The prices of packaging and the handling fee specified in the Package Price List are exclusive of VAT.

2.8 The Buyer is obliged to pay the packaging price and the handling fee for the work associated with the rewinding and cutting of the cable together with the purchase price of the goods within the same period that is valid for the purchase price of the goods.

2.9 Under the condition that the Buyer is not in default with the fulfilment of his obligations to the Seller, the Seller will buy back from the Buyer the cable drums on which the goods were delivered to the Buyer. Unless expressly agreed otherwise, the cable drums must be shipped to the Seller's headquarters, and the time between the delivery of the cable drums (with the goods) to the Buyer and their re-purchase shall not exceed 12 months. The cable drums must be undamaged. Under these conditions, the Seller will buy back cable drums at prices determined according to the current Packaging Price List depending on the time that has elapsed since their sale to the Buyer. Unless agreed otherwise in writing, the prices will be



determined according to the Packaging Price List at the time of purchase. The maturity of the re-purchase price will be the same as the original maturity of the purchase price of the purchased cable drums when sold to the Buyer. The purchase prices of the packages specified in the Packaging Price List are exclusive of VAT.

2.10 After a period of 12 months from the date of sale, cable drums may only be re-purchased under a special agreement between the parties.

2.11 The buyer is always obliged to return the cable drums after duty. If the cable drums are not customs cleared, the Seller will not buy them back.

2.12 The Seller is entitled to make changes to both the Price List and the Packaging Price List. Such changes to the Price List and the Packing Price List will be performed by the Seller by replacing their original wording on the website [www.prakab.cz](http://www.prakab.cz) with new wording.

3. Terms of Payment 3.1 Payment of the purchase price of goods and packaging for the benefit of the Seller can be performed:

In advance on the basis of the Seller's advance invoice,  via check, via letter of credit,  via bank transfer to the Seller's account,  via cash payment (only with prior arrangement).

3.2 A Buyer who concludes a purchase contract with the Seller for the first time, or has an outstanding payable obligation from previous purchase contracts or for any other reason, is issued an advance invoice of 100% of the total purchase price of the goods, including the price of packaging and handling fee. The Buyer is obliged to pay the amount within the required deadline. In such a case, the delivery of the goods is subject to the payment of the entire purchase price including the price of the packaging and handling fee to the Seller. The Seller may stipulate that the procedure under this provision shall also apply to a Buyer who has previously concluded a purchase agreement with the Seller, but there are other reasons that lead the Seller to ask for a prepayment, especially if the insurance company insuring the Seller's risk of insolvency refuses to insure the risk insolvency of such a Buyer.

3.3 If the purchase price is not paid in advance in accordance with the above paragraph of these Terms and Conditions, or if another maturity period is not explicitly agreed in writing, the Buyer is obliged to pay the entire purchase price for the goods, including the packaging and handling fee within fourteen (14) days from the date the invoice is issued. Unless expressly agreed otherwise in writing, the Seller shall charge the purchase price upon delivery.

3.4 The Seller may determine the maximum allowable balance of outstanding due and not yet due receivables for the Buyer ("Maximum Balance") at which the Seller is entitled to



suspend further deliveries of goods to the Buyer, including the supply of already concluded sales contracts, or require prepayment under Section 3.2 hereof.

3.5 The Buyer's obligation to pay the purchase price or further payments under the purchase agreement and these Terms and Conditions is fulfilled by crediting the entire amount to the Seller's bank account, or by handing over the cash to the Seller at his headquarters in full.

3.6 Payment deadlines shall be deemed to be met if the monetary obligation is credited to the Seller's account within the specified deadline, or deposited in cash at the Seller's registered office. Received payments may be settled for other, still open receivables from the Buyer at the Seller's discretion.

3.7 The Buyer's receivables cannot be set off unilaterally against the Seller's receivables.

3.8 The Seller is entitled to deny the delivery of goods to a Buyer who is in delay with the fulfilment of any obligation to the Seller, or if the Buyer has entered into liquidation, his decline was discovered, he has been found bankrupt or reorganization has been permitted according to the Insolvency Act (or bankrupt settlement has been permitted according to the Bankruptcy and Settlement Act), a request to open insolvency proceedings has been filed against the Buyer under the Insolvency Act (or for a declaration of bankruptcy or a grant for compensation under the Bankruptcy and Settlement Act), as well as in the event of reasonable concern that the Buyer's ability to meet his obligations due (both due and not yet due) is seriously threatened.

3.9 If the Buyer is in default of any obligation to the Seller for more than 7 days, the Seller is entitled to withdraw from all purchase contracts. The Seller is also entitled to withdraw from all purchase contracts if the Buyer has entered into liquidation, or if a request to open insolvency proceedings has been filed against the Buyer under the Insolvency Act (or for a declaration of bankruptcy or a grant for compensation under the Bankruptcy and Settlement Act), if the buyer has been found bankrupt or in decline, or reorganization has been permitted according to the Insolvency Act (or declared bankruptcy or compensation under the Bankruptcy and Settlement Act), or if a request for insolvency proceedings against the Buyer has been declined (or a request for bankruptcy) was rejected for lack of assets. The seller has the same right if the Buyer is in delay with the fulfilment of any obligation towards the entities with which the Seller constitutes a group. Withdrawal from the contract does not affect the Seller's right to compensation for damages, including lost profits that he lost as a result of the termination of contracts and the right to a contractual penalty.

3.10 If the Buyer is in delay with a payment obligation under the purchase agreement and these Terms and Conditions, he is obliged to pay the Seller interest on late payment of



0.05% per day of the outstanding amount for each day of delay. This does not affect the Seller's right to compensation.

3.11 The Seller and the Buyer may agree in writing that a special discount (hereinafter "Bonus") will be provided to the Buyer under the condition of reaching the agreed turnover for a certain period, which, if agreed, is determined as a percentage of this turnover. For the purposes of this provision (i.e. both in terms of the entitlement to the Bonus and in terms of the basis for calculating the Bonus), turnover is understood to be the amount determined as the sum of the Base Prices of products delivered in the given period reduced by Rebates on these products, by the cost of their transportation and by any provided Skonto, all excluding VAT. The bonus is only calculated from prices that were paid by the buyer properly and on time. Unless otherwise agreed, the relevant time period for determining the Bonus is a calendar year. If the conditions for the provision of the Bonus in the relevant period are not met but the Buyer has already used the discount, he is obliged to pay the amount corresponding to the discount to the Seller upon his request.

4. Delivery of Goods, Transfer of Ownership 4.1 Goods are delivered by handing them over to the first carrier for transportation to the Buyer. If the Buyer organizes his own transport, the goods are delivered by handing them over to the Buyer (or his carrier) at the headquarters of the Seller. In this case, the Buyer is obliged to notify the Seller in writing of the specific natural person to whom the goods will be issued and the registration number (RN) of the vehicle into which the goods will be loaded; the Seller is not obliged to deliver the goods without this notice. In the case of the dispatch of goods by the Seller to a specific place that is not the Buyer's business premises, the Buyer is obliged to notify the Seller about the person to whom the goods are to be handed over by the carrier in the same way and to ensure their presence at the designated place. If the Buyer fails to comply with these obligations, or if he fails to take over the goods from the carrier when they are sent to the Buyer's premises, he shall bear the full risk of loss or damage to the goods and shall be obliged to pay the Seller the full cost of any repeated transport. However, the provisions of the first sentence of this point are not affected by this arrangement.

4.2 If the Buyer arranges his own transport of goods, he is obliged to arrange the exact time of loading with the Seller one day in advance. If the Buyer fails to fulfil this obligation and provides a vehicle without prior agreement with the Seller, he shall not be granted a possible discount for his own transport (2.4.), and if the goods to be loaded have a purchase price below 50,000 CZK excluding VAT, the Buyer shall pay the Seller a logistics surcharge of 500 CZK.

4.3 In the event that the Buyer does not take over the ordered goods from the Seller in time in contradiction with the concluded purchase contract and his delay in fulfilling this obligation exceeds 7 days, he shall be obliged to pay the Seller a storage fee of 200 CZK for each commenced week of the Buyer's delay during which such goods are stored in the Seller's factory, and for every 1m<sup>2</sup> of space that the goods occupy in this storage.



4.4 The ownership right to the goods and packaging shall pass to the Buyer at the moment of full payment of the purchase price.

5. Liability for Goods Defects 5.1 The Seller is liable for the agreed quality of the goods and for maintaining the quality of the goods for the specified warranty period. The warranty period for goods is 24 months from delivery. The warranty does not cover damage caused by improper use, improper handling or improper storage.

5.2 The Buyer is obliged to inspect the goods together and the packaging upon their delivery with due professional care, and to determine whether they are defective and whether the delivery is complete.

5.3 The Buyer is obliged to notify the Seller of all defects without undue delay after having discovered them, or after having discovered them during the inspection that he is obliged to carry out pursuant to the previous paragraph of these Terms and Conditions. The Buyer is obliged to claim defects in writing with the following particulars: a) specification of the claimed defect, b) claimed amount, c) invoice or delivery note number, d) drum number, e) date of dispatch, f) contact information for a person authorized to deal with complaints, g) selection of a claim according to § 2106 or § 2107 of the Civil Code.

5.4 The Seller is obliged to respond to the complaint within 30 days from the date of the receipt of its written copy. If the Seller deems it necessary to inspect the claimed goods to assess the complaint, the Buyer is obliged to return the goods to the original cable drum with original shipping (identification) labels back to the Seller no later than within 1 month after receiving the call from the Seller. In such a case, the Seller is obliged to respond to the complaint within 1 month of receiving the claimed goods. If the Buyer fails to comply with the above deadlines, the complaint shall expire. The cost of returning or disposing of defective goods shall be borne by the Seller only if the claim is justified.

5.5 The risk of damage, loss or destruction of goods and packaging shall pass to the Buyer at the moment of their delivery (4.1).

5.6 Without a special agreement with the Buyer, the delivery of goods is not insured against theft, transport and fire damage. If the Buyer requests the conclusion of such insurance, it will be concluded at the Buyer's expense.





5.7 Along with the ownership right to the goods, cable drums, spools, pallets and other transport material, the Buyer is also responsible for the take-back and recovery of the waste provided for in Sections 10 and 12 of Act No. 477/2001 Coll. on packaging.

6. Final Provisions 6.1 These Terms and Conditions, purchase contracts and all legal relations arising therefrom shall be governed by the laws of the Czech Republic, in particular the Civil Code No. 89/2012 Coll., as amended.

6.2 The Buyer assumes the risk of a change of circumstances within the meaning of Section 1765/2 of Act No. 89/2012 Coll., The Civil Code, as amended.

6.3 By concluding a purchase agreement, which includes these Terms and Conditions, the parties expressly declare that: a) the conclusion and performance of the purchase agreement fall within the scope of their statutory powers, are not in conflict with their founding documents and have been duly approved in accordance with the entity's internal rules, b) obligations stipulated in the purchase agreement and these Terms and Conditions are valid and binding obligations enforceable in accordance with the contract and the Terms and Conditions (with the exception of restrictions stipulated by the Insolvency Act or other legal regulations restricting the rights of creditors in general), c) trade delimited in the purchase contract and these Terms and Conditions and the steps to be taken in accordance with the purchase agreement and these Terms and Conditions are not inconsistent with any law or other relevant legal regulation, or any applicable court or other public authority regulation, d) trade delimited in the purchase contract and these Terms and Conditions and the steps to be taken in accordance with the purchase agreement and these Terms and Conditions are not inconsistent with any contractual agreement by which the contracting party would be bound, e) they have not been found bankrupt or in decline, and no reorganization has been permitted according to the Insolvency Act (or declared bankruptcy or compensation under the Bankruptcy and Settlement Act), or no request for insolvency proceedings has been allowed for the lack of assets, f) they are not parties to any legal proceedings or proceedings before an arbitrator whose subject matter is or may be affected by the subject of the contract of sale.

6.4 The Buyer is obliged to fully compensate the Seller for any damages, losses, expenses, debts, or any other liabilities (including reasonable expenses for legal counsels) incurred by the Seller on the grounds that any statement or guarantee of the Buyer under the purchase contract and these Terms and Conditions is false or misleading, or due to a violation of any obligation under the purchase contract, these Terms and Conditions or any other agreement by the Buyer. The claim for payment of the agreed contractual penalty shall not be affected.

6.5 In the event that any obligation under the purchase agreement and these Terms and Conditions to be fulfilled by one contracting party can only reasonably be fulfilled with the

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cooperation of the other contracting party, the other contracting party shall, at the request of the first contracting party, provide the other party with reasonable cooperation.

6.6 If a section of these Terms and Conditions or the purchase agreement becomes invalid, ineffective or unenforceable, or in violation of applicable law, it shall be deemed to be fully separable from the other sections of the document, and therefore the other sections of these Terms and Conditions or the purchase agreement shall remain in full validity and effectiveness. The contracting parties undertake to replace such an invalid, ineffective or unenforceable provision with an agreement that is valid, effective and enforceable, with the same or at least similar commercial and legal purpose.

6.7 The purchase agreement as well as other agreements concluded between the Seller and the Buyer in connection with the delivery of goods may only be changed in writing.

**Effective from March 1, 2015**