



Purchase Order Terms and Conditions of the DEL a.s. Company

1. Force of the Purchase Order Terms and Conditions

1.1. These purchase order terms and conditions (hereinafter referred to as "terms") are business terms pursuant to § 1751 of the Act no. 89/2012 Coll., Civil Code, as amended (hereinafter referred to as NOZ). Unless the contract stipulates otherwise, these business terms and conditions govern the legal relationship, which has been established between DEL a.s. as the client ordering goods, work or services (hereinafter referred to as the "ordering party") and the supplier of goods, work or services (hereinafter referred to as the "supplier") regardless of the specific contract type which has been concluded between them. The supplied goods, performed work or provided services (hereinafter referred to as "delivery") are specified in a contract whether it is in the form of a mutual written agreement between the parties which is expressly designated as a contract or in the form of a written order and its written acceptance (confirmation). These terms apply also to a contractual relationship which has been entered into implicitly on the basis of the supplier fulfilling an order in the required scale and period.

1.2. In the case of a conflict between these terms and a contract, the contractual provisions have precedence. In the case of a conflict between these terms and an order, the provisions laid down in the order have precedence.

1.3. In concluding a delivery contract (whether by signing a separate contract referring to these Purchase Order Terms and Conditions or by accepting an order made by DEL a.s. or by other timely action from which an acceptance of this order can be inferred) the supplier confirms that he was sufficiently informed also about these Purchase Order Terms and Conditions and that he accepts them without any reservations.

2. Commencement of a Contractual Relationship – Order and Acceptance (Confirmation) of an Order

2.1. A delivery contract may be concluded a) as a separate contract (with declarations of will made therein or at the same moment), or b) on the basis of an order made by the ordering party (a delivery contract draft) and sent to the supplier. The ordering party issues an order on the basis of its demand and the subsequently processed offer from the supplier. The offer of the supplier shall include reference, price information, shipment terms and conditions of the requested delivery as well as other offered business terms (the payment date of an issued invoice) under which the prospective order will take place. Furthermore, the offer must include a declaration of the supplier stating for how long the supplier is bound by this offer, and an explicit statement that this offer is irrevocable. The offer must also include a statement of the supplier that the supplier, by realising the offer, accepts the content of these Purchase Order Terms and Conditions of the orderer. The offer can also include other information required by the ordering party. In this second case the delivery contract is concluded at the moment when the supplier's confirmation (acceptance) of the order made by the ordering party is received by the ordering party, or by another timely action of the supplier from which his acceptance of such an order can be inferred.

2.2. Orders, their confirmation and other acts associated with concluding a delivery agreement can be executed in writing or by fax or by electronic means (email).

2.3. The supplier is under an obligation to inform the ordering party of the acceptance or refusal of an order in a provable way and to do so in the period of 2 (two) working days after receiving the order, unless it is stated otherwise in the individual cases by the ordering party.

2.4. The ordering party is authorized to withdraw an order or to change it in writing at any time before its acceptance (confirmation) by the supplier.

2.5. If the order confirmation or the performance of the supplier deviates from the content of the order, the ordering party is bound to the supplier only in case he expressly approved of such a deviation from the order in writing. Neither the acceptance of performance from the supplier nor the payment by the ordering party for such a performance do entail an approval.

2.6. A purchase contract (§ 2079 and subs. NOZ) shall be made in the extent of a confirmed order which includes the delivery of goods without assembly. A contract for work done (§ 2586 and subs. NOZ) shall be made in the extent of a confirmed order including the delivery of goods and the assembly (possibly also the commissioning).

2.7. By concluding a delivery contract:

a) in the case of a delivery of goods, the supplier is committed to deliver the agreed goods to the ordering party duly and in time and to transfer on the ordering party the ownership rights of such goods, and the ordering party is committed to take over the supplied goods and to pay the agreed price for such goods to the supplier,

b) in the case of a delivery of services, the supplier is committed to perform the agreed work duly and in time and to hand the work done over to the ordering party, and the ordering party is committed to take over the completed work and to pay the agreed price to the supplier, all of this according to the conditions determined in the delivery contract.

2.8. The confirmed terms of performance are binding for the supplier. Regarding the timeliness of the supplier's performance the following dates are decisive:

a) in the case of deliveries without assembly: the date when the complete subject of a delivery is supplied (including unloading) to the place of destination – confirmed in writing - according to a confirmed order,

b) in the case of deliveries with assembly, as well as deliveries of services: the date of a take-over by the ordering party or its authorized representative confirmed in writing.

3. Delivery of Goods

3.1. The below given provisions of articles 3.2 – 3.6. shall apply if the subject of a delivery is goods.

3.2. A transfer record on the hand-over and take-over of goods, or a packing note or other document on the delivery of goods (hereinafter referred to as a record of the transfer of goods), shall be drawn between the parties (or possibly the carrier). The signature of the ordering party on the transfer record of goods shall not be considered a confirmation that the delivery is in a perfect state. The ordering party's right to file claims on apparent or other defects of the delivered goods is unaffected by the confirmation of the transfer record of goods by the ordering party (or possibly by another person appointed by the ordering party).

3.3. An earlier delivery is possible only with a prior approval of the ordering party in a written, fax or electronic (email) form, and this approval shall include the date of such an earlier delivery. In case the supplier is unable to supply the ordering party with the agreed goods in the agreed amount and/or period due to any reasons, he shall inform the ordering party about this fact without any useless delay in writing or by fax so that the ordering party can take appropriate measures. The responsibility of the supplier for damage reimbursement is unaffected.

3.4. As a matter of principle the ordering party does not allow any quantitative or qualitative deviations, unless the parties expressly agree otherwise. A partial delivery is possible only after a prior express approval of the ordering party made in writing, by fax or electronically.

3.5. Prior to delivery the supplier is under an obligation to pack the goods at his own cost in a manner agreed in the delivery contract, or in a usual way corresponding to the agreed mode of transport so that it will be protected from damage and destruction during its transport and

of transport so that it will be protected from damage and destruction during its transport and storage. The goods shall be delivered wrapped in packaging whose nature is suitable for packing the given goods (especially regarding its characteristics and further use) and which will protect the given goods from destruction and damage (during handling, transport and storage). If the goods are not packed according to the above stated terms at the time of their delivery, the ordering party is not obliged to take over the goods from the supplier, because in such a case the delivery is deemed incomplete. The supplier is liable to the ordering party for any loss caused by destruction of and/or damage to the delivered goods (or any of its parts) in the consequence of a failure to comply with the above-mentioned conditions stipulated for packaging of goods.

3.6. If the nature of the goods requires so, the supplier shall provide the ordering party with such documentation and documents relating to the delivered goods which are required for the take-over and use of these goods. In such a case the documentation shall be supplied in the Czech language, and possibly if the parties agree so also in another language version.

4. Delivery of Assembly, delivery of goods including assembly

4.1. The below given provisions of articles 4.2 – 4.8. shall apply if the subject of a delivery is assembly, or goods including assembly (hereinafter referred to as the "work").

4.2. The supplier shall carry out the work at the registered office of the ordering party or at another place which has been agreed on by the ordering party and the supplier. If it becomes necessary, in order to perform the agreed work, to transport objects of the ordering party which are subject to these services to a place where the work shall be carried out, the supplier shall provide the transport to the place of performance of the work at his own cost, unless the parties agree otherwise.

4.3. The supplier shall carry out the agreed work in his own name, at his own cost and risk. The supplier may authorize a third person (subcontractor) to carry out a part of the work only after a prior written or electronic (email) approval from the ordering party. In the case of such an approval by the ordering party, the supplier is responsible for the result of the activities performed by the subcontractors in the same way as if he has carried out those activities himself.

4.4. The supplier shall procure all tools, technology, material and measurement instruments necessary to carry out the agreed work, including transport to the site of the work, at his cost, unless the parties agree otherwise.

4.5. When performing the agreed work, the supplier is under an obligation to observe all safety and legal regulations which are in force and in effect on the site where the work is to be performed. The supplier is under an obligation to proceed with proper professional care when performing the work.

4.6. The supplier is under an obligation to hand over (deliver) the completed work (§2605 par. 2 NOZ) to the ordering party in the agreed delivery period at a place determined by the ordering party. Possible transport from the place where the work has been performed to the place where it is handed over to the ordering party is provided by the supplier at his own cost, unless the parties agree otherwise. Under such delivery terms the unloading of the work from a previous means of transport is provided by the supplier at his own cost, the supplier bears full responsibility for any damage to the delivery during the time of the unloading.

4.7. An earlier delivery is possible only with a prior approval of the ordering party in a written, fax or electronic (email) form, and this approval shall include the date of such an earlier delivery. In case the supplier is unable to supply the ordering party with the agreed work in the agreed extent and/or period due to any reasons, he shall inform the ordering party about this fact without any useless delay in writing or by fax so that the ordering party can take appropriate measures. The responsibility of the supplier for damage reimbursement is unaffected.

4.8. As a matter of principle the ordering party does not allow any quantitative or qualitative deviations of the work from the agreed parameters (conditions), unless the parties expressly agree otherwise. A partial delivery is possible only after a prior express approval of the ordering party made in writing, by fax or electronically.

4.9. If the completion of the work is to be proven by performing agreed tests, the work is considered to be completed only after it successfully passes all the agreed tests. The supplier is obligated to invite the ordering party to participate in these tests, this written invitation must be sent to the ordering party within 4 working days in advance. Absence of the ordering party during the test prevents successful performance of the test.

5. Price and Invoicing

5.1. Unless it is agreed otherwise between the ordering party and the supplier in writing, it is understood that the price stated in the supplier's offer and subsequently in a confirmed order, or possibly in a contract, is the final price for the whole subject of the order, i.e. it includes transport costs to the place of destination given in the order, insurance, packaging, taxes (with the exception of the VAT), customs duties and other administrative fees, as well as the price for documentation, assembly, trial and commissioning (if so required). The VAT is charged separately according to legal regulations in force.

5.2. The price of a delivery shall be paid on the basis of invoices (receipts) issued by the supplier for the ordering party.

5.3. An invoice (a receipt or a deposit payment record) shall have all requisites pursuant to legal regulations in force, especially the order number, as well as numbers and appropriate object names (codes) of each mentioned item. If any of these data are missing, the invoice is unfit to be paid and the ordering party is entitled to return the defective invoice to the supplier without paying before the due date of the invoice for the purposes of correction. The supplier is obliged to issue a new invoice without any errors.

5.4. If the ordering party returns to the supplier a defective invoice, the original payment period stops and a new payment period commences on the day a newly issued invoice is delivered.

5.5. A copy of an invoice (a receipt or a deposit payment record) shall be clearly marked as a duplicate.

5.6. The supplier is obliged to issue a receipt of a tax deductible expenditure within the period corresponding to the taxable supply pursuant to legal regulations in force.

5.7. The date when the packing note or transfer record was signed by the authorized representative of the ordering party is considered to be the date of the taxable supply.

5.8. If a retainer is provided, § 1808 par. 2 NOZ does not apply

6. Payments

6.1. Unless the client and the contractor have agreed otherwise in writing, the maturity of the contractor's invoices shall be 60 days from the demonstrable delivery date of the invoice to the client. If the payment is made within 30 days, the client is entitled to the deduction of a cash discount in the amount of 2% of the invoice value. If the payment is made within 14 days,



the client is entitled to the deduction of a cash discount in the amount of 3% of the invoice value. If the contractor is in culpable delay with the delivery or part of the delivery, the client is entitled to extend the maturity of the invoice (invoices) by the period for which the contractor is in delay without prior notice, regardless of the assertion of other sanctions or payment of damages. The client is not obligated to pay the invoice if the provided fulfillment (goods or service) does not meet the client's requirements listed in the confirmed order.

6.2. Payments by the ordering party are made by means of a bank transfer into the account of the supplier.

6.3. Payment by the ordering party does not entail recognition that a delivery corresponds to the requirements of the ordering party given in a confirmed order or in a contract.

6.4. If the ordering party is in delay with performance of its obligation, § 1932 par. 2 NOZ does not apply.

7. Shipment of the Delivery, Transfer of Ownership and Risk of Damage

7.1 In case the transport costs of a delivery to the place of destination should be paid by the ordering party, the supplier is entitled to charge the ordering party only those costs which have been approved by the ordering party in advance. Unless the supplier and the ordering party have agreed otherwise in writing beforehand, the supplier bears any additional transport costs (compared to the usual level in relation to a relevant provision in force).

7.2 The supplier is under an obligation to ensure that

- every consignment (delivery) is accompanied with a packing or delivery note with clear information about the content, as well as with the complete order number,
- every part of the consignment (a packing unit/coll) is marked with clear information about the content, as well as with the complete order number, on the packaging,
- the dispatch of the consignment (delivery), whose receiving requires the presence of its recipient in the place of destination, together with clear information about its content, as well as with the complete order number, has been announced in writing and without any delay to the ordering party, or possibly to the recipient.

7.3. Unless it has been agreed otherwise between the ordering party and the supplier in writing, the ownership and risk of damage to the goods is transferred to the ordering party

- in the case of deliveries without assembly: on the day of a written confirmation of delivery (including unloading) of the undamaged consignment to the place of destination given in a confirmed order,
- in the case of deliveries with assembly: on the day a record of the performance hand-over/take-over has been signed by the authorized representatives of the supplier and the ordering party, which shall include an explicit statement of the ordering party that the ordering party accepts the work.

8. Responsibility for Defects, Warranty Claims, Warranty

8.1. The supplier is responsible in the full extent for the quality and working order of a delivery and guarantees that a delivery meets the requirements laid down in the contract or in the order and those determined by generally binding legal regulations, general technical (and international) regulations and standards, which relate to the delivery and to the way and purpose of its usage, or possibly usual requirements. In concluding a contract, the supplier confirms that he is aware how the delivered goods or services are going to be used. In concluding a contract, the supplier also confirms that he was informed about how the delivery is going to be used in the production of the ordering party and what the significance of the delivery is in the end products of the ordering party, as well as what the use and purpose of these end products (in whose production the deliveries shall be used) are and what damage can therefore arise to the ordering party if the performance of the supplier is defective (especially in terms of quality).

8.2. If the goods or services are to be delivered according to a sample or model, the supplier is under an obligation to deliver the goods or services with the properties of the sample or model. The supplier shall discuss any technical, technological or other change in the delivery (compared to the presented sample and/or previous identical deliveries) with the ordering party and approve such changes together in advance.

8.3. The supplier is responsible that the delivered goods and services shall be without any legal or other defects, that they shall not breach copyright or other rights of third persons (especially industrial property rights).

8.4. By concluding a delivery contract the supplier assumes warranty for quality and working order of the delivery in the period of 24 months, and this warranty period commences at the moment when the risk of damage to the goods (subsection 7.3.) is transferred, unless the parties agree expressly otherwise.

8.5. In the case of goods which – whether on its own or as a part of another whole – is handed over to a third person by the ordering party without being used, the warranty period commences at the moment when the goods is taken over by the third person and terminates 3 years after the transfer of the risk of damage to the goods/thing (subsection 7.3) at the latest.

8.6. By means of this warranty the supplier assumes a commitment among others that the delivery shall keep agreed properties and fitness for the agreed use, or possibly for the usual use. In case the agreed goods and services are not delivered at the same moment, the warranty period shall run for each individual item of goods or service separately. The warranty period shall not run for the period when the ordering party is unable to use the delivered goods or services due to defects for which the supplier is responsible and during the period when the ordering party is claiming the right for the liability for defects at the supplier until the claim is settled properly. The above stated warranty period is extended by these periods.

8.7. The supplier is obliged to remove a defect which has been found after the transfer of the risk of damage to the goods/thing (paragraph 7.3) or which has come up in the warranty, or to deliver new (replacement) faultless goods or services at his own cost depending on the ordering party's choice within 5 working days, unless the supplier and the ordering party agree otherwise. The choice of remedy shall comply with the standards of keeping honest business relationships. The same applies also for deliveries and services where the transfer check was limited only to a random checking of samples.

8.8. If the supplier does not carry out removal of the defect, or possibly a replacement delivery or service during a reasonably adequate period determined by the ordering party, the ordering party is entitled:

- to withdraw wholly or partly from the contract, or
- to request a discounted price, or
- to undertake the removal of the defect or to arrange for a replacement delivery or service on his own or by means of a third person and at the cost of the supplier, the obligations of the supplier regarding the quality warranty and liability for defects are not affected by this. Besides these rights the ordering party is entitled to reimbursement for damage and loss of profits due to the supplier's failure to perform his obligation. This provision is also used in case when the supplier declares he is unable to carry out the removal of a defect, or possibly a replacement delivery or service, and is unable to do so in an additional period given by the ordering party.

8.9. The removal of defects at the cost of the supplier may be carried out also without the ordering party giving the supplier an additional period if the performance of the subject by the supplier was in delay and the ordering party wishes an immediate removal of the defect.

8.10. The supplier shall reimburse to the ordering party all costs incurred by the ordering party in removing the consequences of the breach of the supplier's obligation and in removing all the defects in a delivery or service on the basis of a written notice made by the ordering party which sets the payment date and proves the amount of the costs. This reasonably applies also to costs which were incurred by the ordering party in processing or adjustment of goods in vain for the above stated purposes.

8.11. Unless it has been agreed otherwise in writing between the ordering party and the supplier, the warranty claims on the defects in the delivery or service may be filed by the ordering party

- within six months since the transfer of the risk of damage to the goods/service, or since the completion of work, or
- within six months after finding defects if the goods have not been used till this time and the defects have been found in their subsequent processing or use or when they are delivered to a third person. In the case of defects to which the quality warranty applies, the warranty claims may be filed at any time until the end of the warranty period.

8.12. The rules laid down above apply in appropriate measure also to deliveries or services which constitute repair/replacement of the performance aimed at eliminating defects.

8.13. The supplier bears the costs associated with the transport of defective delivery subjects back to the supplier or with the transport of replacement delivery subjects to their destination according to the confirmed order, including the risk of damage to the transported thing.

8.14. Unless it has been agreed otherwise between the ordering party and the supplier in writing, the supplier shall provide or ensure post-warranty repairs of goods/thing for the period of 10 years after the performance of deliveries for an appropriate fee, including the procurement of spare parts, if this is inferred from the nature of the deliveries. In case the production of spare parts for the delivered goods/things has terminated, the supplier shall without any delay inform the ordering party about this and shall ensure for him an alternative solution under similar conditions.

9. Material Provision by the Ordering Party

9.1. Material owned by the ordering party and provided to the supplier free of charge for the purposes of carrying out a delivery remains in the ownership of the ordering party and shall be stored, marked and administratively managed separately and free of charge; it may be used only for orders of the ordering party. In case the material is devaluated or lost, the supplier shall procure and use a corresponding replacement at his own cost. The same reasonably applies (except for the expression "ownership") also to material which the ordering party has procured for such purposes or which it has given over to the supplier for a fee.

9.2. Processing or adjustments of the material owned by the ordering party is carried out for the ordering party. The ordering party is an immediate owner, or rather a co-owner, of the adjusted material or of a new thing. If it were impossible due to legal reasons, the supplier and the ordering party agree that the ordering party is the owner of every new thing, or rather of every new semi-finished product, at every moment of its processing or adjustment. The supplier is under an obligation to look after every such a new thing/semi-finished product free of charge with the professional care of a respectable businessman.

10. Tools, Moulds, Samples, Secrecy

10.1. Tools, moulds, samples, models, profiles, designs, standards, printing drafts, instructions in any form provided by the ordering party, as well as objects produced according to them, shall not be handed over without the written permission of the ordering party or used for other purposes than those specified in this contract. They shall be protected (secured) against unauthorized viewing and use. Under the reservation of other rights the ordering party may request their handing over if the supplier is in breach of these obligations.

10.2. Unless information which the supplier receives from the ordering party is generally known or unless the supplier received it in another proper way, the supplier shall protect it from being accessed by third persons.

11. Assignment and Crediting of Claims

11.1. A claim of the supplier against the ordering party may be assigned to a third person only with a written approval of the ordering party.

11.2. The ordering party is entitled to credit its due claim against the supplier against a supplier's due claim against the ordering party.

12. Penalty Provisions

12.1. In case the supplier is delayed in the performance of a contract (delay in the delivery of goods, services or completed work), the supplier is obligated to pay to the ordering party a contractual fine of 0.2% from the price of the subject of performance (price including the VAT) for every commenced day of delay from the supplier. The right for reimbursement of damage of the ordering party which has resulted due to the delay in the performance of a contract by the supplier is not affected by the payment of the contractual fine.

12.2. The contractual parties agree that the ordering party has a right to withdraw from a delivery contract in case the supplier is late with a delivery or its part for a period longer than 10 days. The withdrawal comes into effect on the day the written notice of withdrawal is delivered to the supplier.

12.3. In case the ordering party is late with paying an agreed price or its part the supplier is entitled to charge the ordering party with a delay interest in the amount of 0.05 % from the due amount per day.

13. Applied Legal Regulations, Place of Legal Proceedings

13.1. Legal relations resulting from a delivery contract or associated with it are governed by legal regulations of the Czech Republic which are in force, particularly by the Act No. 89/2012 Coll. of the Civil Code, as amended.

13.2. The court with local jurisdiction for deciding cases issuing from a delivery contract or associated with it is in the first instance a competent court with jurisdiction according to the registered office of the petitioner, unless the law states an exclusive jurisdiction.

14. Language

14.1. These general purchase order terms have been issued in the Czech and English languages. If there is a conflict between the two language versions, the Czech version of these general purchase order terms has precedence.

Ve Žďáře nad Sázavou, dne 7.9.2016


Ing. Jiří Kabelka
výkonný ředitel DEL a.s.


Ing. Zdeněk Králíček
obchodní ředitel DEL a.s.