

I. GENERAL PROVISIONS

These General Purchasing Conditions shall be applied to all relations between KULIČKOVÉ ŠROUBY KUŘIM, a.s. as the Customer or the Buyer (hereinafter referred to only as "the Customer") and the Contractor or the Seller stated in the relevant order or agreement (hereinafter referred to only as "the Supplier") established on the basis of or in connection with the Customer's order and/or the agreement (fixed job contract or purchase agreement), unless agreed otherwise in written, even in case the Supplier applies the Supplier's own business conditions. Written form shall be met also by e-mail or fax.

The interpretation of the delivery conditions shall be governed by Incoterms, the last issue, unless the Customer and the Supplier have agreed otherwise.

II. FORMATION OF AGREEMENT

1. The orders shall be binding for the Customer only in case they were performed in written and signed by the Customer.
2. If the Supplier does not return the order confirmed in written within 7 days from the date of its issue, the order shall lose validity, unless the Customer has stated otherwise. The confirmed order shall be considered as concluded agreement (fixed job contract or purchase agreement).
3. The performance of any changes by the Supplier in the order submitted by the Customer shall not lead to formation of agreement. In such case it will constitute counterproposal for conclusion of agreement submitted by the Supplier and the agreement shall be established only by the day of delivery of unreserved positive statement from the Customer.
4. The Supplier shall always state the number of the fixed job contract, the purchase agreement or the Customer's order on all documentation, covering documents and invoices.

III. INFORMATION PROTECTION

1. Non-public information of technical and business character, provided by the Customer to the Supplier, shall be considered by the Customer as the Customer's trade secret.
2. In connection with the subject of performance of the agreement and the relevant order, the Supplier has received or shall receive from the Customer private information (in oral, written or electronic form) that are subject to the Customer's trade secret or intellectual property, particularly, but not limited to information on the Customer's know-how, on production procedures, documentation including drawings, sketches and samples or information identified as private or secret etc. (hereinafter referred to only as "the Information").
3. The Supplier commits itself:
 - a) not to make available any of the Information received from the Customer to third persons,
 - b) use the Information and the related know-how only for the purpose of fulfillment of the assigned orders and concluded agreements, not to the Supplier's or third person's advantage,
 - c) to make the Information available only to limited circle of the Supplier's employees designated for fulfillment of the subject of agreement,
 - d) to take adequate measures as to ensure that the employees of the Supplier and of the Supplier's possible subcontractors keep the Information secret in the same extent as the Supplier and they use them only for the purpose of fulfillment of the orders and agreements.
4. All documentation provided by the Customer including drawings, sketches and samples shall stay exclusively in the Customer's ownership. The documentation must not be duplicated by the Supplier.
5. The transfer of Information to the Supplier shall not be related to provision of licence. The Customer reserves itself all rights to the results of the Customer's activity, particularly intellectual property rights, e.g. awarding of patent or registration of utility model, industrial design or registered trademark.
6. In case any loss is caused to the Customer by nonobservance of the duty of secrecy by the Supplier or the Supplier's employees, the Supplier shall compensate such loss.

IV. DELIVERY AND DELIVERY CONDITIONS

1. The Supplier commits itself to deliver and the Customer commits itself to receive only the goods agreed upon on the basis of the written confirmed order in dates agreed in advance. Partial shipments shall be possible only in case they have been explicitly agreed between the Customer and the Supplier.
2. In case of any delay with the delivery of goods, the Customer shall have the right to charge conventional fine amounting to 0,05% from the value of the undelivered goods for each day of delay to the Supplier. The payment of the conventional fine shall have no influence on the Customer's claim to compensation of loss in full amount caused by breach of the delivery terms.
3. If the Supplier anticipates origination of difficulties related to production, supply of material or similar circumstances that could prevent the Supplier from timely delivery, the Supplier shall inform the Customer immediately in written about such event.
4. In case the delay of the delivery of the subject of agreement lasts more than 14 days, the Customer shall have the right to withdraw from the agreement.
5. Unreserved acceptance of delayed delivery / service shall not imply waiver of the claims that belong to the Customer for reason of delayed delivery.
6. The Supplier may invoice the deliveries delivered before the agreed date or delivery term only after the agreed date of performance.
7. The Supplier shall arrange, for the period of guarantee, for protection of the goods against any damage, corrosion and other influences that could have impact on their quality, unless stated otherwise. Further, the Supplier commits itself to deliver the goods in packages suitable for the agreed articles and transport conditions, in order to prevent damage of the goods during transport. The used packages and fixing materials shall be returned only in case it has been explicitly agreed and at the Supplier's costs.
8. The delivery shall include the documentation in the sense of Act No. 22/1997 Coll.
9. The place of performance for the commitments shall be the Customer's production plant, unless another place of performance has been specified by the Customer.

V. FORCE MAJEURE

Circumstances of force majeure shall consist of circumstances originated after the conclusion of agreement as a result of unanticipated events unavoidable by the relevant Party and of extraordinary character, like natural disasters, wars, strikes, disorders, official actions, accidental operation failures. The Party to which the performance of contractual duties has become impossible shall inform the other Party in written immediately upon origination and termination of the circumstances stated above, submitting proofs that the circumstances have had crucial impact on the performance of the delivery. Any circumstances of force majeure at the Customer's side shall release particularly from the duty of timely reception of the delivery of goods during their duration. In case the effect of force majeure lasts more than 14 days and the Parties have not agreed to change the agreement, each of the Parties may withdraw from the agreement.

VI. PAYMENT TERMS

1. The right to payment of the purchase price shall originate to the Supplier by due fulfillment of the Supplier's commitment.
2. The Customer shall pay for the delivered goods on the base of the invoice issued by the Supplier; the issue shall meet the requisites of a tax document and include information on the origin of the goods.
3. The Customer may return, before the lapse of the due period, an invoice not including some of the necessary requisites and the number of the Customer's order or having other fault in contents. The reason of returning shall be identified in the returned invoice. A new due period shall start running upon sending of the new or corrected invoice.
4. The invoice shall be due within 30 days of its delivery to the Customer, unless agreed otherwise in written.
5. The invoice must be delivered to the Customer within 3 days from issue at the latest. If this condition has not been met, the due date of the invoice shall be postponed by as many days as the Supplier has been in delay with its delivery.
6. The Customer may ask the Supplier to provide bank guarantees or other equal security institutes in cases when the Customer has provided financial performance to the Supplier without the subject of agreement having been met by the Supplier. If the Supplier has not provided the security duly and in time, the Supplier may, unless the Parties have agreed otherwise, demand payment for the subject of this agreement only after its performance.
7. The Customer shall have the right to offset the charged conventional fine and compensation of loss, to which the Customer has got claim on the base of the agreement, against an unpaid invoice.
8. Any monetary commitment paid through the bank shall be met by deduction of the paid amount from the Customer's account.
9. The Supplier shall not, without the Customer's previous written consent, leave, transfer or cede any of the Supplier's duty or right resulting from the agreement or from its part to any third person.
10. The Parties have agreed particularly to exclude the possibility of cession of the Supplier's claims held by the Supplier by the day of signature of this agreement against the Customer or originated to the Customer on the base of this agreement.
11. The Parties have further agreed to exclude the possibility of pledging the Supplier's claims held by the Supplier by the day of signature of this agreement against the Customer or originated to the Customer on the base of this agreement.

VII. PERFORMANCE OF AGREEMENT

1. The Customer shall have the right to check the degree of completion of the goods and/or services at the Supplier's particularly by asking the Supplier's responsible persons for information or by performing physical check of the degree of completion of the subject of performance. The Supplier commits itself to develop proper cooperation in order to allow the Customer to check the degree of completion in the period required by the Customer.
2. If the need of delivery of any additional works, goods or service is discovered, so that the subject of agreement is duly met or so that the subject of agreement can be properly and safely used or operated or so that the agreed or usual parameters and functions are achieved, the Supplier shall deliver, at its costs, all such works, goods, materials and services, although they have not been explicitly specified or described in the order or in the agreement. All such works shall be considered as works within the scope of the Supplier's duties and included in the agreed price. Any additional work resulting from the supplier's mistakes, omissions or neglects shall not be subject to acknowledgement, conclusion of appendix or payment.
3. All and any costs like customs, storage and other fees originated as a consequence of delayed handover of proper certificates and documents shall be charged to the Supplier and the Supplier shall pay them.
4. The Supplier shall perform the agreement using all technical means available and known to him and making full use of the Supplier's know-how, experience and knowledge in the relevant industry.
5. It is supposed that the Supplier has examined all conditions, legal requirements, indispensable schedules, drawings and plans and acquired, at its own responsibility, all additional information and details needed for the subject of performance. The Customer shall not bear responsibility for any costs related to mistakes or for any losses caused by the Supplier not having ascertained such information.
6. If the Supplier performs the agreement in the Customer's premises or on the place specified by the Customer, the Supplier shall perform the subject of agreement in compliance with legal regulations from the area of work safety and hygiene, fire protection and the relevant standards.

VIII. GUARANTEE AND COMPLAINTS

1. All and any goods and/or services must comply exactly with the agreed quality, technical requirements or any possible relevant technical standards; they shall be made of new and high-quality material, corresponding exactly to the samples and drawings as stated in the order or in the agreement. Further, the goods and/or services shall be able to deliver standard performance required by the Customer and to satisfy fully the purpose for which they were ordered or delivered.

2. The Supplier shall provide guarantee to the Customer that the whole delivery of goods and/or services and each part of it shall be free from any defects, both factual and legal, and that it shall comply with the specifications, descriptions, quality and requirements stated in these Conditions and in the agreement.
3. The Supplier shall warrant that no rights of third persons are violated by the performance of the subject of agreement and by the use of materials and procedures during its performance.
4. The Supplier commits itself to ensure that no provisions of the agreement and/or their application interfere without authorization into the intellectual property rights of any third persons. Further, the Supplier commits itself to ensure that no harm is caused to the Customer or to any other company belonging to the same business grouping as the Customer in consequence of any breach of this duty by the Supplier. The Supplier commits itself explicitly to compensate the Customer for all and any losses caused by any breach of such duties.
5. The Supplier shall provide guarantee for the quality of the delivered goods and/or services in a period of 24 months from the delivery of the goods and/or services.
6. Any defect under complaint shall be always notified in written to the Supplier. The Supplier shall be informed by such notification about the extent of the defect, the choice of claims and the costs incurred by the Customer in connection with the defect under complaint. The Supplier commits itself to react properly to the Customer's complaint by informing the Customer about the way of solution of the complaint within 48 hours after the notification of the complaint. At the same time, the Supplier commits itself to elaborate the information on causes that have led to the origin of the complaint and the corrective actions leading to elimination of the causes of origination of the defect and send it to the Customer within five workdays at the latest. The complaint shall be deemed timely if it has been sent to the Supplier within 1 month after the defect has been discovered. The Customer shall have the right to apply conventional fine for defective performance of the subject of agreement against the Supplier, amounting to 0,05% from the agreed price of the subject of agreement per each defect under complaint. That shall not affect the Customer's right to compensation of loss.
7. If the Customer asks for elimination of defects or for delivery of substitutive or missing performance, the Supplier shall eliminate the defects under complaint and deliver the substitutive or missing performance within 10 days from reception of the complaint, at the Supplier's own costs, unless the Parties have agreed otherwise. The Supplier shall eliminate the defects and/or deliver substitutive or missing performance in this term even in case of unfinished complaint proceedings. Any mutual financial settlement shall be performed according to the results of the complaint proceedings; both Parties commit themselves to pay the extra costs incurred.
8. Until the subject of agreement is free from defects, the Supplier shall be in delay with the delivery.

IX. TRANSFER OF OWNERSHIP AND RISK OF LOSS

1. The risk of loss and the ownership of the subject of agreement shall pass to the Customer by the day of reception of the subject of order or agreement.
2. The Supplier shall be liable for any loss originated to all materials handed over by the Customer to the Supplier for processing, like e.g. samples, materials, technical drawings, moulds etc., which are in the Customer's ownership and which were provided to the Supplier in order to perform the agreement and/or which were ordered specifically by the Customer, from the time of their reception until the time of their return to the Customer. Further, the Supplier commits itself not to use such material and/or not to authorize or allow knowingly any third person to use it without preceding written consent of the Customer's authorized person, unless such use is directly related to the delivery of goods and/or services to the Customer. The Supplier shall indemnify the Customer in full extent for any loss caused by nonobservance of such duty.

X. FINAL PROVISIONS

1. The invalidity of any of the contractual provisions shall not affect the validity of the other provisions.
2. All appendices and changes of the agreements between the Customer and the Supplier shall be possible only in written form with consent of both Parties.
3. The Supplier commits itself to observe all legal regulations in the area of environment protection.
4. The legal relations not regulated by the agreement and these Conditions shall be governed by the Czech law, particularly of the relevant provisions of Act No. 513/1991 Coll., Commercial Code, as amended. The application of the UN Convention on agreements of international purchase of goods shall be excluded.
5. Any omission or lack of application of the Customer's contractual rights resulting from the agreement shall not be deemed waiver of such rights against the Supplier and they shall not lead to extinction of such rights or to extinction of the possibility to apply such rights.
6. The Parties have agreed that any possible disputes originated between them from the legal relations based on or related to the agreement shall be decided at the Regional Court of Brno.

The Purchasing Conditions shall come into force and effect as from 1/7/2010.