

GENERAL BUSINESS TERMS AND CONDITIONS of H.R.G. spol. s r.o. (hereinafter referred to as the „Supplier“) valid as of 1 January 2017

I. Conclusion of Contract

1. These general business terms and conditions (hereinafter referred to as “GBTC”) are used by the contracting parties to stipulate their mutual rights and obligations for the sale of goods, performance of works and provision of services (sale of goods, performance of works and provision of services hereinafter jointly referred to as a “Job”), unless a written Contract between the contracting parties explicitly stipulates otherwise. These GBTC form an integral part of the Contract (i.e. also a contract created by confirmation of an order), as well as part of the Supplier’s price offer (hereinafter referred to as the “Offer”), based on which the Client makes an order.
2. Application of the Client’s general terms and conditions and similar, although attached to the order, is inadmissible, unless explicitly agreed between the parties in writing. The Client is aware that the Supplier would not have entered into any such contract.
3. For the purpose of these GBTC, “Contract” shall mean written (including email) or phone order of the Client confirmed by the Supplier. Also, sent printing data shall be considered an order. The Contract is concluded as of the moment of delivery of the order confirmation to the Client. For the purpose of these GBTC, “Client” shall mean a business entity acting within the framework of its business when concluding the Contract. These GBTC shall not apply to clients who are consumers or to business entities not acting within the framework of their business when concluding the Contract; rights and obligations under a contractual relationship with any such entity on the client’s part are stipulated by applicable legislation.

II. Price and Payment Terms

1. Prices stated in the order (offer) are calculated for standard colour coverage of approximately 60% of the printed area. In cases of colour coverage above 60% (incl.), an updated price offer will be sent after receiving data for performing the Job. For technical reasons, short or excessive volume between -1% and +3% of the ordered quantity may be produced and supplied, where any excessive volume shall be supplied for 50% of the agreed price (actual number of supplied items multiplied by the price per item). In the event of short volume of up to -1% of the ordered quantity, the agreed price per item shall not be reduced and the Client agrees that he shall receive a smaller quantity for a total price reduced by the price of the short volume. An order is fixed by confirmation; no changes to the delivered data are admissible and any such changes shall be considered a new order. The Supplier bears no liability for not using corrected data delivered by the Client after a confirmed order.
2. The Client is obliged to pay the Supplier the price stated in the confirmed order. Unless stipulated otherwise, the price is determined as EX WORKS (Incoterms 2016) Litomyšl, Svitavská 1203. The price stated in the confirmed order is valid if there are no changes to the data and requirements by the Client after concluding the Contract. Additional cost of transport, or non-standard packaging, express supply, etc. may be charged in addition to the price.
3. The data for payment of the price is an invoice sent by the Supplier to the Client by email, unless explicitly agreed otherwise. The Supplier becomes entitled to invoice the price as of the date of delivery of the Job. If the Client fails to accept the Job within 7 days from the agreed date of delivery, the Job shall be deemed delivered as of the last day of the said term, i.e. the date of delivery. Unless agreed otherwise in the Contract, the invoice is due and payable within 10 days from the date of delivery. If the Client requests the Job to be delivered to the address of a third party, such as the end customer, the Job shall be deemed delivered as of the moment of delivery to the third party. Also, a delivery note stating the Client (not the Supplier) as the delivering party, or a proof of delivery of the Job to the third party by a carrier, can be a confirmation of delivery of the Job.
4. If the Client is late with settlement of an invoice, the Supplier is entitled to charge interest on late payment at the rate of 0.05% per day until actual payment. If the delay exceeds 30 days, the interest on late payment is not 0.05% per day, but from the 31st day on it amounts to 0.1% of the due amount per day until actual payment. If delivery of the Job has not occurred yet and if the Client is late with payment, the Supplier is entitled to retain the Job until actual settlement of the amount due. Furthermore, the Supplier is not obliged to start working on a Job of the same Client or member of its group of companies until full settlement of the amount due.
5. Unilateral set-off by the Client or assignment of a receivable from the Supplier is not admissible, unless subject to a written agreement between the parties.
6. If the Goods are supplied on pallets, the pallets are supplied under a pallet exchange system; however, if the above is not possible, the Client will be additionally charged the price of the supplied pallets.
7. If the Client modifies specifications of the Job, which results in an increase of the price of the Job calculated according to the Job quote not exceeding 10% of the original total price inclusive of VAT, the Client is obliged to pay the price of the Job even without amending the Contract, and is not entitled to withdraw from the Contract for this reason. The Supplier is entitled to correct any apparent administrative or mathematical errors in an order or order confirmation and a contract containing such an error is not binding upon the Supplier; however, the Supplier is obliged to notify the Client and to correct the error immediately after detecting the error.
8. If the Client and Supplier enter into their first Contract for a materially extensive Job, an advance payment amounting to 50% of the price is always required, unless the contracting parties agree otherwise.

III. Date of Supply

1. The binding date of supply by the Supplier is set after delivery of final printing data by the Client. If the date of supply is of major importance to the Client, for example if the Client orders the Job for use at an exhibition with a fixed date, he is obliged to inform the Supplier thereof in writing when concluding the Contract.
2. If the Client fails to deliver final printing data to the Supplier in a timely and proper manner or fails to timely render any assistance required by the Supplier, all within 24 hours from delivery of the Supplier’s request, the date of supply shall be postponed to the nearest possible new date so that the Supplier is able to place the Client’s Job into his printing plan. The Supplier is obliged to timely inform the Client about postponing the date.
3. The parties are not liable for delayed performance or non-performance of an obligation under the Contract or for damages, if such delay or non-performance has been caused by force majeure. Force majeure shall particularly mean: war, strike, declared state of emergency, riots, acts or threats of terrorism, resolutions or measures of state or local authorities or courts, natural disasters including snow calamity, flood and fire, unfit roads or traffic restrictions, emergencies preventing or hindering fulfilment of the parties’ obligations, long-term (lasting over 24 hours) electric power outages, machine or equipment failure, or technology downtime including computer hardware or software failures including those caused by viruses, hacker attacks or software updates, or other similar conditions or unforeseeable, unavoidable and accidental events significantly restricting or preventing fulfilment of obligations of the given party. The parties undertake to inform each other about such conditions.

IV. Delivery of Notices

Messages delivered by email to an address stated by the Client in the order or at request of the Client shall be deemed delivered in a proper and valid manner. Communications to the Supplier shall be always delivered to the address of the particular member of staff mentioned at the hrg.cz domain. Such communications and agreements between the two parties made thereby are binding and also qualify as amendments or cancellations of the parties’ rights and obligations under a concluded Contract and these GBTC. A computer-generated confirmation, or delivery of an email notification of stored electronic message in the case of a public data sending service, or delivery of an email confirming storage in the case of one-drive, shall serve as proof of delivery of an email message.

V. Printing Data

1. The Client is responsible for timely delivery and quality as well as contents of the printing data. The Supplier provides the Client with instructions for

properly preparing the printing data on the Supplier's website.

2. The Client is aware that although the Supplier performs a basic check of the printing data, with the best will the Supplier is unable to detect errors in the quality or contents of the data. The Client agrees that the Supplier is not liable for any defects of the Job caused by poor quality or defects of the printing data, particularly by unclear nature thereof, failed artistic purpose or unusual design, colour or processing deviations, or wrong or unusual contents or format of the data, or by the fact that fonts are not embedded in the document, etc. The Supplier is not obliged to advise the Client of errors or defects, if any, as such may be hard to detect. The Supplier is not liable for contents of the data or prints with regard to copyright, trademark rights, or for compliance of the data or prints with applicable legislation. Only the Client is responsible for compliance with laws of the Czech Republic or regulations of the European Union and particularly for proper settlement of all third-party claims of third parties related to the data or prints, even in cases when the Supplier will be held liable to settle such himself. The Client undertakes to compensate the Supplier for all damages incurred by the Supplier as a result of the above, all within 7 days from the date of delivery of the Supplier's written request.

3. If the Client is interested in samples or a sample print, the parties shall agree on the terms and conditions of making such by the Supplier, including the term and price.

VI. Delivery

1. The place of delivery of the Job is the Supplier's registered office, unless agreed otherwise. The Job is deemed delivered once accepted by the first carrier or an authorized person of the Client. Unless the Client designates a person to accept the Job in writing at least 3 business days before delivery of the Job, the person who accepts the Job shall be considered authorized, also in the case stipulated in Article II, paragraph 3 of the GBTC. The Client is also obliged to accept partial performance. The Client is obliged to accept performance also prior to the delivery date set forth in the Contract or GBTC.

2. The Client is obliged to inspect the Job immediately after delivery. The Supplier is liable for defects of the Job existing at the time of delivery; if defects are detected within three months from the date of delivery, it holds that the Job was also defective as of the time of delivery. The Supplier is liable for defects occurring later only if caused by violation of his obligations. Defects caused by the Client, a third party who is not in a contractual relationship with the Supplier, or defects occurred as a result of force majeure shall not be considered defects for which the Supplier is liable. Also, the Supplier is not liable for defects occurred or caused by improper handling of the prints, such as by mechanical damage, improper storage or keeping, exposure to natural forces, emergency situation or natural disaster, etc. Furthermore, the Supplier is not liable for defects primarily caused by flaws of the printing data and/or insufficient information provided to the Supplier by the Client. Claims under liability for defects that can be detected upon delivery (defects visible with the naked eye or apparent defects) shall be raised by the Client with the Supplier within 5 business days after delivery of the Job. If the Client fails to meet this obligation, Client's rights under liability for defects in respect of such apparent defects shall expire. Client's rights under liability for defects of the Job in respect of hidden defects shall expire if the Client fails to inform the Supplier about hidden defects of the Job within 5 business days from detecting such or from the moment when the Client ought to have detected the defects if acting with due professional care, however not later than within 3 months from the date of delivery of the Job. Complaints cannot be made in respect of minor quantity or colour deviations, minor paper levelness flaws, minor errors in the processing of printing data, and other deviations given by limits of printing in general as well as limits of the chosen technology. If the Supplier admits a complaint as justified, the Client is entitled to receive an adequate discount on the price, unless the Supplier declares that the Goods are fit to be repaired. The amount of the discount will be determined by the Supplier with regard to the nature of the defects and their influence on the use of the Job. Only complaints where the Client establishes that at least 5% of the total Job volume shows the same claimed defect shall be considered as justified complaints.

3. The Supplier is liable towards the Client for defects of the Job and for damages caused to the Client, if any, during and in connection with the concluded Contract, however only up to the amount of the performance paid by the Client to the Supplier for the delivered Job inclusive of VAT. The Supplier is not liable for any lost profits or incidental damages. The Client is aware that without this arrangement the Supplier would never have concluded the Contract with the Client and would not be interested in performing the Contract.

4. Upon mutually agreed reduction or cancellation of an order, the Client shall pay to the Supplier all charged costs incurred by the Supplier in this regard. The Supplier is entitled to withdraw from the Contract, inter alia, in the case of initiated insolvency procedure against the Client.

5. The Client acquires title to the Job as of the moment of delivery of the Job. The risk of damage to the items passes upon the Client at the moment of delivery of the Job.

6. Unless explicitly agreed otherwise, the Supplier chooses the suitable printing technology to process the Client's assignment. The Client is aware that every printing technology has its specifics, manifestations of which cannot be and are not defects of the performance.

7. If the Client's delay pursuant to Article III, paragraph 2 results in suspended production of the Job for the Client and the Supplier will be unable to make use of the freed production capacity of its printing house in Litomyšl (there will be downtime), the Client shall be obliged to pay a contractual penalty to the Supplier in the amount of 1% of the agreed price including VAT for every, however incomplete, day of the delay. Payment of the contractual penalty for downtime is without prejudice to the Supplier's right to claim damages.

8. The Supplier shall store any unaccepted Job. The Supplier is entitled to charge storage fees in the amount of CZK 10 excl. VAT for every transporting pallet or europallet and every commenced day of storage. In the event that the Client fails to accept the stored Job or a part thereof within 60 days from the date when put to storage, the Supplier shall dispose of such Job or its part after expiration of the said term without further notice to the Client. These costs shall be charged to the Client.

VII. Final Provisions

1. These GBTC are valid and effective as of 1 January 2017 and are binding upon the Client as of the date of concluding the Contract. The GBTC are available in the Supplier's registered office and on its website. If any of the provisions of GBTC or the Contract is declared invalid, the other provisions remain valid, if severable.

2. The Supplier recommends that the Client read the details concerning printing on the Supplier's website at www.hrg.cz. In case of any questions the Client is free to refer to the Supplier's sales representative at any time; the contacts are stated on the website.

3. The Client voluntarily provides information, data and personal data to the Supplier and agrees that they will be processed, gathered, stored, and kept in records for the purpose of performing the Contract. The Supplier shall not provide such acquired personal data to third parties, save for carriers, and only for proper delivery of the Job, and also its business partners for the purpose of arranging for works in order to perform the Contract.

4. Unless explicitly agreed otherwise between the parties, it holds that the Supplier is entitled to use the performed Job as reference in conducting its business, however without stating the agreed price.

5. If the legal relationship between the Supplier and Client includes a foreign element, laws of the Czech Republic shall be the governing law and a relevant Czech court shall have jurisdiction to hear and resolve any and all disputes between the parties. These business terms and conditions and the Contract are particularly governed by Act No. 89/2012, Civil Code, as amended.

6. The Client is obliged to inform the Supplier about any of its objections, confusions and comments on the GBTC before concluding the Contract; otherwise it holds that the Client has read and understood the contents of the GBTC and agrees with the contents.

H.R.G. spol. s r.o.

In Litomyšl, on 22 December 2016