

#### Article I. Introductory Provisions

- 1.1. Under these (sales) Terms and conditions ("**T&C**") **SALE s.r.o.**, with its registered office at: Staroveská 401/78, Proskovice, 724 00 Ostrava, ID No.: 26824698, entered in the Commercial Register kept by the Regional Court in Ostrava under file No. C 26803 ("**Seller**") concludes contracts ("**Contract**") for the delivery of goods for consideration ("**Goods**" shall mean all the Seller's assortments, such as various types of bags, for illustration see the products listed on the Seller's website: <https://sale-ostrava.cz/>) to the other contractual party ("**Buyer**") (Seller and the Buyer individually hereinafter also referred to as a "**Party**" or jointly as "**Parties**").
- 1.2. The Seller always concludes Contracts using these T&C, unless otherwise expressly agreed between the Parties. The Seller subjects the Contract regime exclusively to these T&C (the Seller excludes the application of any other terms and conditions, e.g. the Buyer's terms and conditions, in advance).
- 1.3. The T&C form an integral part of the Contract, regardless of whether or not the T&C are directly referred to therein, unless otherwise expressly agreed between the Parties.
- 1.4. By concluding the Contract, the Buyer confirms its awareness of the T&C and that the Buyer has acquainted itself with their contents in detail. The T&C are also available on the Seller's website (<https://sale-ostrava.cz/>).
- 1.5. A reference to the Contract (unless expressly stated otherwise) shall also mean a reference to these T&C (including its appendices). The Contract arrangements take precedence over the T&C.

#### Article II. Conclusion of the Contract

- 2.1. The Contract shall be concluded as follows: **(i)** the Buyer shall complete the order form (proposal for conclusion of the Contract; "**Order**") and shall send it to the Seller (the Order template is attached hereto as Appendix 1), **(ii)** if the Seller agrees with the conclusion of the Contract, the Seller shall confirm the Order and shall send it back to the Buyer. The Contract is concluded by sending the confirmed Order to the Buyer.
- 2.2. The Seller is entitled but not obliged to confirm the Order.
- 2.3. The order may be preceded by the Seller's quotation (the content of the quotation is usually a preliminary proposal of the terms of the Contract; "**Quotation**"). The Quotation is used exclusively for the processing of the Order. The Quotation is not binding and does not constitute a proposal for the conclusion of a Contract.
- 2.4. The Contract may be concluded in writing or electronically (by e-mail).

#### Article III. Payment and Billing Terms

- 3.1. Unless otherwise specified, the purchase price in the Contract is stated exclusive of VAT (VAT will be added to the purchase price).
- 3.2. What is included in the purchase price is determined by the delivery clause (according to INCOTERMS) in the Contract.
- 3.3. The purchase price (advance payment of the purchase price) shall be charged by the Seller's invoice ("**Invoice**"). The Invoice may be issued and sent electronically, e.g. by e-mail.
- 3.4. Unless otherwise specified, the Buyer shall pay the advance payment of the purchase price (in the amount of 80 % of the purchase price) within 5 days following the date of conclusion of the Contract and the remaining part of the purchase price before dispatch of the Goods and their delivery..
- 3.5. The purchase price (advance payment of the purchase price) shall be paid by bank transfer to the account indicated in the Invoice.

#### Article IV. Delivery of Goods

- 4.1. "**Delivery of Goods**" shall mean the handing over of the Goods to the Buyer.
- 4.2. The term for delivery of the Goods is set out in the Contract (the "**Delivery Term**").
- 4.3. The Delivery Term shall start to run from the last of **(i)** the conclusion of the Contract, **(ii)** full payment of the advance payment of the purchase price, **(iii)** the Buyer's demonstrable approval of the print correction, **(iv)** the provision of all documents or materials (by the Buyer) necessary for the manufacture or delivery of the Goods under the Contract. If the delivery of the Goods is fixed by a specific date, this arrangement shall apply mutatis mutandis (the date of delivery of the Goods shall be postponed by the period of time during which the Buyer is in default with the performance of its obligations, plus the time necessary to continue the production of the Goods).
- 4.4. The Seller shall be entitled to deliver the Goods even before the Delivery Term or deadline, or shall be entitled to deliver the Goods even partially; the Buyer shall be obliged to accept such performance by the Seller.
- 4.5. The Seller shall notify the Buyer prior to dispatch of the Goods of the expected delivery date.
- 4.6. The Buyer is obliged to provide the Seller with all assistance for the delivery of the Goods (in particular, the Buyer is obliged to provide the Seller with a specific address for delivery of the Goods and a contact person for the carrier and to ensure the conditions for the acceptance of the Goods).

- 4.7. The Buyer is obliged to take over the Goods.
- 4.8. If the Buyer refuses to take over the Goods (e.g. factually when attempting to deliver the Goods, in writing or by e-mail before delivery of the Goods), the Goods shall be deemed to have been delivered; in such case the Buyer shall **(i)** pay the purchase price and **(ii)** indemnify the Seller for damages (e.g. costs of transporting the Goods back to the Seller's premises, costs of storage of the Goods).
- 4.9. The Seller shall pack the Goods at its own discretion, usually in paper cartons.
- 4.10. The Buyer shall notify the Seller of any specific packaging requirements prior to the conclusion of the Contract; the Seller shall be obliged to pack the Goods in this manner only if it is agreed in the Contract (including the price of such packaging).
- 4.11. The delivery of the Goods on EUR pallets is charged extra in addition to the purchase price (CZK 300 or EUR 12 per pallet excluding VAT).

#### Article V. Rights from Defective Performance, Quality Guarantee

- 5.1. The Goods are defective if they do not conform to the Contract.
- 5.2. The Goods are not defective if they conform to the allowable tolerance (**the list of allowable tolerances is attached as Appendix 2 hereto**).
- 5.3. The printing (other technology) will be of medium (standard) quality. The Goods are not defective if the printing (other technology) does not differ substantially from the print data, sample or the print correction.
- 5.4. The Seller shall not be liable for any inapplicability of the EAN barcode symbol or other code symbol printed on the Goods and for the consequences of incorrect reading of such code, except where this condition is demonstrably caused by defects in the production of the Goods.
- 5.5. The Goods are manufactured on the basis of the Buyer's instructions, therefore the Seller is not liable for the choice of material or design of the Goods, the functionality and safety of the Goods, the manner of use of the Goods, the consequences of any use of intellectual (industrial) property in the manufacture of the Goods (e.g. the use of copyright, patent, utility model, industrial design, trademark, invention, know-how, trade secrets) (the Seller is not obliged to verify these aspects in any way); by entering into the Contract, the Buyer therefore confirms that **(i)** it is fully aware of these aspects of the Goods, **(ii)** the Seller does not market the Goods. The Seller shall not be liable for damage caused by a defect in the Goods (as a product) or by an infringement of intellectual property rights; if a claim to compensation for such damage is raised against the Seller, the Buyer shall be obliged to compensate the Seller in full (e.g. to release the Seller from the obligation, to compensate the Seller for the damage suffered, to compensate the Seller for the costs incurred, including legal costs or costs of proceedings).
- 5.6. The Seller assumes the quality guarantee - it is guaranteed that the Goods will be fit for use for their usual purpose and retain their usual characteristics for the warranty period (1 year from delivery of the Goods).
- 5.7. The Buyer is obliged to carry out a proper acceptance immediately after receipt of the Goods, i.e. carefully check the condition of the transport packaging, the type, quantity and quality of the Goods. Unless a record of damage is made upon receipt of the Goods, it is assumed that the transport packaging of the Goods has not been damaged. In the event of damage to the transport packaging, the Buyer is obliged to take a photographic record of the damage and claim it on the same day on which the Goods were delivered to him. Quantitative defects (number of cartons or pallets) must be claimed immediately after receipt of the Goods (on the same day on which the Goods were delivered to the Buyer), otherwise it shall be assumed that the quantity delivered was in order.
- 5.8. **Defects in the Goods upon passage of the risk of damage to the Goods:** unless otherwise stipulated in the Contract (T&C), the Buyer is obliged to claim defects in the Goods without undue delay after the Buyer has had the opportunity to inspect the Goods and discover the defect, but within two months from the date of delivery of the Goods at the latest.
- 5.9. **Warranty defects:** the Buyer must claim a defect covered by the quality guarantee without undue delay after the Buyer has had the opportunity to inspect the Goods and discover the defect, but within the claim period determined by the length of the warranty period. This is without prejudice to the previous paragraph of the T&C.
- 5.10. The Buyer is obliged to make a complaint in writing or by e-mail (by indicating the defect or by notifying how the defect manifests itself); the complaint shall always include demonstrable photo documentation. If the complaint does not comply with these conditions, the defect shall be deemed not to have been claimed.
- 5.11. In the event of a claim, the Buyer shall store the Goods separately from other Goods, follow the Seller's instructions (in particular, the Buyer is not entitled to handle the Goods in any way without the Seller's consent) and provide the Seller with all assistance (in particular, the Buyer shall allow the Seller to examine the defect, including on-site inspection or taking samples, etc.).
- 5.12. The Seller is obliged to settle the claim (i.e. assess the validity of the claim) within 60 days of receipt of the claim; within the same period the Seller shall

also determine (if the claim is justified) how and within what period the defect will be remedied (the choice of the right of defective performance belongs exclusively to the Seller), namely (i) by delivery of defect-free Goods, or (ii) by a discount on the purchase price.

- 5.13. The Buyer shall not have any rights from quality guarantee if the defect in the Goods was caused by an external event (i.e. improper storage, mechanical damage, improper use, weather, etc.).

#### Article VI. Contractual Penalties, Seller's Measures

- 6.1. The Buyer is obliged to pay the Seller a contractual penalty
- in the amount of 0.5% of the purchase price (excluding VAT) for each day of delay in payment of the purchase price (or advance payment of the purchase price),
  - 20% of the purchase price (excluding VAT) for breach of the obligation to take over the Goods,
  - 0.5% of the purchase price (excluding VAT) for each day of delay in taking over of the Goods.
- 6.2. Payment of the contractual penalty does not relieve the Buyer of the obligation to fulfil the debt secured by the contractual penalty.
- 6.3. The contractual penalty arrangement does not affect the Seller's right to compensation for damages or other harm.
- 6.4. Should the Buyer be in default with payment of the purchase price (advance payment of the purchase price), the Seller shall be entitled to apply the following measures against the Buyer (at its sole discretion, the Seller may apply any or all of the measures): (i) demand immediate payment of all debts owed by the Buyer (including those not yet due), (ii) suspend the performance of its contractual obligations ("Suspension") until full payment of the amount owed or withdraw from the Contract (Suspension or withdrawal may also be applied to Contracts not affected by the default in question).
- 6.5. The time limit for delivery of the Goods shall be extended by the period of Suspension, with the addition of the time required for the resumption of performance of the Seller's obligations.

#### Article VII. Force Majeure

- 7.1. The Seller shall not be liable for breach of its obligations if it is prevented from fulfilling these obligations by force majeure. Force majeure shall be deemed to be extraordinary circumstances preventing the performance of an obligation under the Contract which arise after the conclusion of the Contract, e.g. natural disasters, epidemics, pandemics (including the COVID-19 pandemic), strikes, war, military operations, mobilization, insurrection, shortage of materials on the market, failure of technical equipment, operational, energy or transport failures (the same shall apply if force majeure occurs at a subcontractor of the Seller). The time limits for the performance shall be extended by the duration of the force majeure (plus the time required to resume performance of the Seller's obligations). The Buyer shall not be entitled to compensation for damages or other harm as a result of force majeure.

#### Article VIII. Other Provisions

- 8.1. Unless otherwise specified, all printing plates, dies and other moulds and other aids required for the manufacture of the Goods which have been paid for or provided by the Buyer shall be stored by the Seller's for a period of 24 months from the date of delivery of the Goods or termination of the Contract (whichever is the later), after which time the Seller shall be entitled to dispose of all such items. The Buyer is entitled to request these items before the expiry of this period - by prior arrangement, the Buyer may collect these items at the Seller's premises or arrange for the removal of these items at the Buyer's expense.
- 8.2. The Seller is entitled to retain small quantities of the Goods for subsequent use as samples at commercial exhibitions, in catalogues, on websites, etc.
- 8.3. Unless otherwise specified, the contents of the Contract and any other data, communications or materials (regardless of their form) provided or made available by the Seller to the Buyer shall be deemed confidential (within the meaning of Section 1730(2) of the Civil Code; "Confidential Information"). The Buyer shall ensure that Confidential Information is not misused or disclosed without lawful reason; this obligation shall continue without limitation after termination of the Contract.
- 8.4. Unless otherwise specified, the time limits for the performance of the Seller's obligations shall be extended by the period of the Buyer's default (plus the time required to resume performance of the Seller's obligations).

#### Article IX. Termination of the Contract

- 9.1. The Seller shall be entitled to withdraw from the Contract under the conditions specified by applicable legal regulations or the Contract (T&C), in particular in case of a material breach of the Contract by the Buyer (such breach of Contract shall be deemed to be, in particular, the Buyer's delay in fulfilling any of its obligations for more than 5 working days, delay in payment of the advance payment of the purchase price, failure to provide assistance in the delivery of the Goods, refusal to accept the Goods). The Seller shall also be entitled to

withdraw from the Contract: (i) if the Buyer enters into liquidation, (ii) if the Buyer is declared bankrupt (the legal force of such a declaration is not required), (iii) if insolvency proceedings are initiated against the Buyer on the Buyer's own motion.

- 9.2. In case of withdrawal from the Contract by the Seller, the Buyer shall be obliged to (i) take over the already produced Goods (if the Buyer violates this obligation, the Seller is entitled to liquidate the Goods at the expense of the Buyer, the method of liquidation shall be determined by the Seller; the liquidation shall not affect other obligations of the Buyer under this provision, in particular the obligation to pay the purchase price), (ii) pay the purchase price for the already produced Goods (within 14 days from the withdrawal from the Contract, this claim shall be set off against the advance payment of the purchase price, if any), (iii) to compensate the Seller for damages (e.g. costs incurred in vain and lost profit - the Buyer acknowledges that by performing the Contract, the Seller has lost a competing order and that the Goods are produced specifically for the Buyer - the Seller is therefore unable to monetize the Goods in another way).
- 9.3. Upon withdrawal from the Contract by the Buyer, the Buyer is obliged (i) to take over the already produced Goods (if the Buyer violates this obligation, the Seller is entitled to liquidate the Goods at the expense of the Buyer, the method of liquidation shall be determined by the Seller; the liquidation shall not affect other obligations of the Buyer under this provision, in particular the obligation to pay the purchase price), (ii) to pay the purchase price for the already produced Goods (within 14 days of delivery of the Goods, this claim shall be set off against the advance payment of the purchase price, if any), since the Goods are produced specifically for the Buyer - the Seller is therefore unable to monetize the Goods in another way.
- 9.4. Upon conclusion of the Contract, the Buyer is entitled to unilaterally cancel the delivery of the Goods (without a material breach of the Contract by the Seller) only if it pays the Seller a severance payment (the amount of the severance payment shall be determined by the Seller at its discretion in relation to the current state of performance of the Contract, up to the amount of the purchase price).

#### Article X. Final Provisions

- 10.1. The Contract, the T&C and all legal relations governed by these documents or legal relations otherwise related thereto shall be governed by the laws of the Czech Republic. This agreement has a character of a choice of legal regime (so-called choice of law), no *renvoi* to another legal system is permitted. The possible application of the UN Convention on Contracts for the International Sale of Goods (No. 160/1991 Coll.) is excluded.
- 10.2. All disputes arising out of or in connection with the Contract (T&C) shall be decided by the courts of the Czech Republic having local jurisdiction over the city of Ostrava, Czech Republic (the international jurisdiction of the courts of the Czech Republic is hereby agreed).
- 10.3. Each provision of the Contract (T&C) shall be deemed to be fully severable and its possible invalidity, ineffectiveness, unenforceability or voidness shall not affect the remainder of the Contract (T&C).
- 10.4. The Buyer shall not be entitled to assign or pledge the claims under the Contract (T&C) to a third party without the prior written consent of the Seller.
- 10.5. The Seller shall be entitled to unilaterally set off against the Buyer's claims also any claims it may have for contractual penalties or, as the case may be, for damages or compensation of other harm.
- 10.6. All rights of the Buyer against the Seller shall be time-barred within 1 year
- 10.7. "Civil Code" means Act No. 89/2012 Coll., as amended.
- 10.8. Any document shall be deemed to have been delivered to the Buyer if it is delivered to the Buyer's address entered in the public register (e.g. the Commercial Register) or to the address specified in the Contract. In case of doubt, a consignment sent to the Buyer using a postal service provider shall be deemed to have arrived on the third working day after dispatch, but if it was sent to an address in another country (outside the Czech Republic), then on the fifteenth working day after dispatch.
- 10.9. By entering into the Contract, the Parties confirm that (i) they enter into the Contract as businessmen in an equal position, where no party to the Contract may be considered as a so-called weaker party due to its position or capabilities. (ii) their authorized representatives act on behalf of them, and that (iii) they are fully entitled to enter into the Contract and to perform the obligations arising therefrom, (iv) they dispose of the consent of their bodies (General Meeting, Supervisory Board, etc.), if such consent is required by applicable legal regulation.
- 10.10. If the T&C are drafted in more than one language version, the Czech version shall always be decisive.

Article XI. Seller's Contact Details

**SALE s.r.o.**

registered office: Staroveská 401/78, Proskovice, 724 00 Ostrava, Czech Republic

ID No.: 26824698

VAT ID: CZ26824698

e-mail: [sale@sale-ostrava.cz](mailto:sale@sale-ostrava.cz)

phone: +420 777 151 946

bank details

CZK 2108225905/2700

USD IBAN: CZ24 2700 0000 0021 0822 8209

SWIFT: BACXCZPP

EUR IBAN: CZ96 2700 0000 0021 1129 8806

SWIFT: BACXCZPP

Contact details may be updated unilaterally.

Contact details are also published on the Seller's website

(<https://sale-ostrava.cz/>).