

ARCO technik s.r.o.

Platónova 3281/14, 143 00 Praha 4 – Modřany, CZ

tel.: +420 272 701 000

<http://www.arco.cz>; [arco@arco.cz](mailto:arco@arco.cz)



## GENERAL BUSINESS TERMS AND CONDITIONS

### I. GENERAL PROVISIONS

These General Business Terms and Conditions (hereinafter referred to as GTC) regulate the mutual rights and obligations of two contracting parties, i.e. Supplier and Customer, arising from their mutual business cooperation. For the purposes of these GTC:

- Supplier: company ARCO technik s.r.o.
- Customer: an entrepreneur or legal entity who purchases products, goods or services from ARCO technik s.r.o.
- Subject of delivery: product / goods or service according to a written order of the Customer agreed by the Supplier, respective according to contract.
- Product / goods: own product / merchandised goods of ARCO technik s.r.o.
- Contractual business relationship: any relationship between the Supplier and the Customer, concluded (orally or in writing) for the purpose of supplying the product / goods or providing the service. These relationships arise from the acting of the Supplier and the Customer, i.e. by confirmed order or by signed written purchase contract.

The contractual business relationship between the Supplier and the Customer is governed by the legislation of the Czech Republic, in particular by Act No. 89/2012 Coll. "Civil Code" (as amended) and by these GTC, which form an integral part of this relationship, unless stated otherwise in written form. The Customer shall receive reference to these GTC upon Supplier's Order acknowledgement / Purchase contract and is immediately obliged to inform the Supplier if he / she does not agree with some part of these GTC. By placing any further order, irrespectively whether submitted in writing, electronically or otherwise, the Customer deliberately expresses his / her consent to these GTC even if the consent in the given case is not documented in writing. These GTC of ARCO technik s.r.o. prevail any other terms and conditions of the Customer, unless stated otherwise in written form. If the Supplier and Customer agree on conditions other than those specified in these GTC, then their mutual agreement is superior to these GTC. However, this agreement is valid only if it is concluded in the form of a written Customer order with a subsequent positive feedback from the Supplier on the diverging terms or in the form of a written purchase contract signed by authorized representatives of both parties. GTC are public and are freely available in ARCO technik s.r.o. office and on its internet home page [www.arco.cz](http://www.arco.cz) (<https://www.arco.cz/en/downloads>).

### II. TERMS AND CONDITIONS

Supplier's registered office: ARCO technik s.r.o. ; ID: 25082205; Tax ID: CZ25082205. Platónova 3281/14, Praha 4 - Modřany, postal code: 143 00. This is a registered office registered in the Commercial Register maintained by the Regional Court in Prague, Section C, Insert No. 48117.

This address is used for referring to on legal and tax documents (invoices, contracts) etc.

Supplier's production and sales premises: ARCO technik s.r.o. ; ID: 25082205; Tax ID: CZ25082205. Kutnohorská 288a, Praha 10 - Dolní Měcholupy, postal code: 109 00. Here is the supplier's manufacturing operation including commercial, technical, financial and personnel departments and warehouse. This is a contact and mailing address for all inquiries, orders, business-technical meetings, sending invoices, claims etc. ([www.arco.cz](http://www.arco.cz); [arco@arco.cz](mailto:arco@arco.cz); [info@arco.cz](mailto:info@arco.cz)).

Receipt of orders in person (visit): \*) Monday - Friday: 08:00 - 16:00 hrs.

Receipt of orders electronically: at the address [arco@arco.cz](mailto:arco@arco.cz), [info@arco.cz](mailto:info@arco.cz), respectively at the email address of the responsible person in the format [firstname.surname@arco.cz](mailto:firstname.surname@arco.cz) .

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Dispatch of goods: \*) Monday - Friday: 06:30 - 11:00 and 11:30 - 15:00 hrs.

*\*Orders can be collected and goods can be dispatched only by mutual agreement outside the above stated hours. The Company has usually closed premises during Czech bank holidays.*

## Ordering process

An order is a unilateral binding legal act of the Customer addressed to the Supplier. The order can be delivered to the Supplier by e-mail, post or personally – for contacts see above or on the website [www.arco.cz](http://www.arco.cz) in section „Contact“ (<https://www.arco.cz/en/contact>).

The Supplier shall not accept the Customer's order submitted by telephone or in person unless this is followed by a written order (preferably e-mail) with the following requirements. The order must include:

- identification that it is an order, its number, and the date when it was issued,
- business name and Customer ID / Tax ID
- Customer's contact person authorized to act on the order, including telephone and e-mail contact,
- subject of delivery in a precise and unambiguous specification:
  - number of units of measure (UoM)
  - dimensions and shapes (sketch, drawing number, revision)
  - quality of material and its technical-delivery regulations (standards),
  - dimensional and quality requirements and standards,
  - surface treatments etc.,
- price arrangements, billing,
- required delivery date,
- method of performance (possibility of partial fulfillment by partial deliveries),
- packaging requirements,
- method of collection of products / goods, transport requirements,
- other additional information.

If the order does not contain any of the above specifications, the supplier is entitled to proceed according to these GTC, or according to its standard procedures. Material for the product is used in common quality and type according to valid ČSN (market standard), without special requirements. Tolerance of product dimensions according to ČSN ISO 2768. With the first order the Customer must submit copy of the extract from Commercial register (respectively the Trade certificate) and Tax registration certificate.

## Order confirmation, technical clarification, contracting

The Supplier reserves the right to reject the order. In case of technical uncertainties, these must be removed. Personnel of Technical production preparation (TPV) department acts in technical matters and of sales department acts in business matters on behalf of the Supplier. If there are multiple versions of Customer's technical specification, these are ranked in the following priority in terms of decisiveness:

1. Electronic form
2. Printed readable technical drawing
3. Written specification
4. Others

In case of repeated production, the Customer is obliged to refer in the order to the technical documentation including version of the documentation (revision). If the Customer does not highlight any changes since the last previous delivery, the product / goods will be delivered in the same design as last delivery.

The order is binding after the Supplier accepts the order in writing (by e-mail, letter, registration) through issuing order confirmation („Order acknowledgement“) and assigns the order number to the order. From this moment on,

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the Supplier and the Customer are in a contractual business relationship, the Supplier is obliged to deliver the ordered products / goods to the Customer and the Customer is obliged to take over the goods and pay properly and on time. The Customer has the right to cancel the order without giving any reason at any time prior to the Order acknowledgement. In case of cancellation of the confirmed order, the Customer is obliged to pay incurred costs to the Supplier. These costs represent mainly costs of product development, material acquired in connection with the Customer's order, production costs and any other damages caused by cancellation of the order by the Customer. The Supplier reserves the right to reject the Customer's order in the event that the Customer is in delay with payments for previously delivered goods. Only authorized employees of the sales department or the company executive may confirm orders and conclude purchase contracts on behalf of the Supplier. In case of total value of the subject of the delivery over CZK 250,000 (without VAT), only the Sales director, Executive or other representative authorized by them may conclude purchase contracts on behalf of the Supplier.

## Delivery time

The delivery time („Time of the dispatch from“) is notified to the Customer on the order confirmation („Order acknowledgement“) or in the purchase contract. The Supplier will organise itself the best way to meet the delivery deadline. All changes to the delivery time can be agreed only in writing and after approval by both parties. The Supplier is obliged to inform the Customer immediately in case of unavoidable delay. The Supplier is entitled to move the delivery term on day-to-day principle in case that the Customer changes technical specification of the subject of performance or is in delay with this specification or its clarification. The Supplier is entitled to move the delivery term on day-to-day principle also in case when the Customer is in default with payment of financial obligations to the Supplier, or due to force majeure.

## Price, payment and billing terms

The purchase price is contractual. The Supplier communicates the price to the Customer in the form of a price offer with a time limited validity, the Customer shall approve the price by signing the Order acknowledgement, purchase contract or pricing agreement. As a standard, the price is set for the term „EXW Supplier's premises“. If the Customer does not provide the necessary production documentation in electronic format \* .dxf, \* .dwg or in any other file bearing all data for trouble-free production, a fee for technical processing is charged at the rate of 700, - CZK per hour. This applies to the first order of a particular type of product; this fee is no longer charged in the case of repeated production.

The Supplier does not allow payment for products / goods in cash!

Products / goods of value up to CZK 5,000 incl. VAT are usually paid in the form of Cash on Delivery; the Customer will receive a delivery note and invoice together with the goods.

For products / goods of value over CZK 5,000 incl. VAT, the Supplier reserves the right to determine the required payment terms, unless agreed otherwise in writing. That means that the Supplier reserves the right whether to dispatch the goods after receipt of Customer's advance payment (in case of proforma invoice) or before payment (in case of invoice with due date). The decisive criterion is the payment discipline of the Customer and his credit limit. The Customer will receive delivery note with goods and subsequently tax invoice without undue delay.

Invoice due date is normally 14 calendar days after date of issue. Individually it is possible to set differently, depending on the customer's previous payment discipline and credit limit. For extending the due date of the invoice over 30 days, the Supplier is entitled to charge the Customer a fee for financial services (loan provision). It is not possible to agree on an extension of the due date for the already issued invoices. The details of the invoice can only be claimed in writing and within the due date of the invoice, immediately after being detected. If not agreed in writing, it is not possible to reduce payment of total amount of the invoice. Payment occurs when being credited to the Supplier's bank account or when cash is handed-over to the carrier in case of cash on delivery.

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The title to the delivered product / goods passes to the Customer only upon the payment of the entire purchase price and all other obligations (contractual penalty, interest on late payment, etc.). If the Customer does not pay for the delivered goods within the agreed deadline, the Customer undertakes to pay to the Supplier a contractual penalty of 0.05% of the total unpaid amount for each calendar day of delay. If the Customer does not pay the entire purchase price at the time of maturity of the invoice, the Supplier has the right to withdraw from the contract. In this case, the Supplier's title for a damage compensation is not affected.

### **Delivery and receipt of product / goods, place of delivery, means of transport, storage fee**

Delivery of the product / goods is possible only if the Customer has no financial obligations towards the Supplier after the due date in connection with previous deliveries. Unless otherwise agreed in writing, the product is shipped without surface treatment, unpacked, in bulk. The place of delivery of the subject of performance is the Supplier's premises (EXW Kutnohorská 288a). The Customer is obliged to inspect its products / goods in terms of quantity and quality. The receipt of the product / goods and the acceptance of the warranty conditions and the claim procedure is confirmed by the Customer by signing the delivery note.

If the customer requests the delivery of the product / goods to another place (FCA, DAP), he is obliged to pay for transport, packaging/handling and other possible costs related to the transport of this product / goods in a reasonable amount. Goods can be sent by mail, by courier service or by the Supplier means of transport. The goods are sent in a manner determined by the Customer in the order provided that the order is agreed by the Supplier. Upon receipt of the shipment from the carrier, the Customer is obliged, in the presence of the carrier or his agent, to verify the condition and quantity of the delivered goods. In case of loss or damage of the goods during transport the Customer is obliged to write down with the carrier's representative a record of damage or loss of the product / goods in order to claim compensation for the damage incurred by the carrier. The carrier's representative will confirm this entry. The Customer shall immediately inform the Supplier's representative in writing (with the submission within 3 days at the latest) and shall send the record drawn up with the carrier as an attachment. In the event that the Customer fails to make the above mentioned record, the Customer shall be deemed to have waived any compensation for damaged or missing pieces in the shipment.

If the Customer does not take over the product / goods for reasons on his / her side (also if the Supplier refuses to hand-over product / goods due to overdue debt of the Customer), the Customer shall bear all costs related to repeated delivery and/or storage in full. If the Customer does not collect the product / goods within 10 calendar days after the agreed date, the Supplier is entitled to invoice the product / goods, to store and to charge for a storage. From this point on, the warranty period for the product / goods starts to run and the risk of damage caused by storage passes to the Customer. As a rule, the storage fee would be charged at 0.05% of the price of the subject of performance for each calendar day with a maximum period of 90 calendar days. After this period the product / goods forfeits to the Supplier and the Customer is obliged to pay the Supplier a contractual penalty in the amount of 100% of the price of the subject of performance.

The storage of the Customer's input material at the Supplier's premises is possible only exceptionally, on the basis of a written agreement and as a paid service.

### **Product / goods detention**

If the Customer has outstanding overdue liabilities with the Supplier or unpaid invoices after the maturity date and invoicing of further goods would exceed the stipulated credit limit, the Supplier has title to suspend further deliveries to the Customer until the Customer settles the obligations or until credit release. The Supplier shall inform the Customer about the retention of supplies by e-mail or by telephone. Such retention of the product / goods cannot be considered as a delay in delivery by the Supplier.

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### III. COMPLAINTS PROCEDURE

#### Product / goods identification

The Supplier marks his products for later identification. Marking or labeling is done in such a way that it does not damage the product and does not cause harm to the Customer. It is up to the Supplier to decide whether or not to discuss the labeling in advance with the Customer.

#### Quality guarantee, liability for defects

The Supplier grants the Customer a 24-months warranty on its own products from the date of receipt of the products / goods. The Supplier shall be liable for the quality of its work and for the performance of the subject of performance in accordance with technical specification of the Customer specified in the agreed order or purchase contract, including the materials used and any surface finishing. The Customer has the right to apply the warranty only to products / goods that show demonstrable defects, are covered by a valid warranty and have been demonstrably delivered by the Supplier. The Customer is obliged to ensure inspection of the product / goods in terms of the number of pieces, surface quality, corrosion and obvious deformation of the shape upon its receipt, then subsequent professional inspection of other requirements (dimensions, etc.) as soon as possible after its receipt. If he fails to do so, he may only make additional claims for defects found on the product / goods if he proves that the product / goods already had those defects at the time of their receipt from the Supplier. The warranty does not apply to any materials supplied by the Customer as well as it does not apply to the design solutions used by the Customer and consequent safety and functionality of the products / goods. The warranty does not apply to natural wear and tear common to a given product operation, to safety devices destroyed due to their safety function, to measuring instruments, to defects caused by atmospheric disturbances, natural disasters, improper storage, chemical reactions, improper handling and interference by third parties and by force majeure.

If the Customer uses the delivered products / goods for further processing, the Customer is deemed to have thoroughly inspected the products / goods including applying professional care and to have concluded that the products / goods are OK for further processing. Customer's claims for damages caused after further processing of the delivered products / goods (e.g. its incorporation as subcomponent into a higher level product) are excluded. The Supplier is liable for quality of delivered goods purchased from third party with taking into respect the warranty conditions of such third party supplier. If the Customer does not collect the product / goods within 10 calendar days after the agreed date or refuses to take-over the delivered products / goods, the warranty period for the products / goods starts to run the next calendar day. The same applies in the case of the products / goods being detained by the Supplier due to overdue receivables behind the Customer.

#### Application and review of the complaint

If the Customer discovers a defect on the subject of performance, he is obliged to notify the Supplier in writing without any delay and prove the origin of the product / goods from the Supplier. In case of default on this obligation, the warranty ceases. The notification obligation can be executed only in written form of e-mail, registered letter or minutes of the meeting, all demonstrably delivered to the Supplier's premises. In the claim, the Customer must provide an exact description of the defect and its opinion whether the defect prevents the use of the product and is or is not removable. It is recommended to give an idea of the claim resolution for the case that the claim would be accepted by the Supplier. To prove the origin of the product / goods at the Supplier, the Customer shall submit the relevant delivery note and the complete claimed product.

The Customer is obliged to report defects in the amount of UoM or a damaged surface within 5 days from the date of acceptance of the subject of performance. If the Customer does not do like this, the later claimed defects of this kind are regarded as defects that arose only after the subject of performance was taken over by the Customer, and the Supplier is not liable for these defects. If the claimed products / goods stay in the Customer's premises, the Supplier is

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entitled to inspect the claimed products / goods through his representatives in the Customer's location to verify whether the claim is justified or not; and the Customer is obliged to allow the inspection.

### **Justified complaints**

If the claim is justified, the Supplier will acknowledge it and offer the Customer a substitute performance in the following order:

1. Repair defective parts
2. Production / delivery of new products / goods in exchange for the defective
3. Equivalent substitute performance in other products / goods

The Supplier reserves the right to replace defective and unrepairable products / goods by those in perfect condition. In this case the claimed products / goods are the property of the Supplier and must be returned to the Supplier, unless agreed otherwise. Financial compensation is possible only exceptionally, on the base of written purchase or other contract, and only up to the maximum amount equal to contracted price of defective pieces. Financial compensation is usually realized in the form of a price discount for further delivered products / goods.

### **Unjustified complaints**

The Customer is not entitled to claim products / goods defects about which the Supplier has demonstrably notified the Customer (usually by a record on the delivery note) prior to acceptance and the Customer has not objected in writing. If the claim is found to be unjustified, the Customer is obliged to compensate the Supplier for demonstrable costs incurred with the claim investigation, including travel costs.

## **IV. CONCLUSION**

These GTC are published on 02.05.2019 and come into effect on 02.05.2019. GTC abolishes all previous provisions and practices in handling orders, purchasing products / goods and services, delivery, billing and claims. ARCO technik s.r.o. reserves the right to change these GTC. Any change will be properly published and will affect orders received after the date of publication and entry into force.

In Prague on May 2nd, 2019

Mgr. Jan Turek  
Executive Director