

ELKO EP BUSINESS TERMS AND CONDITIONS

The present Business Terms and Conditions (hereinafter referred to as the “**Business Terms and Conditions**”) of the company **ELKO EP, s.r.o.**, with its registered office at Czech Republic, Palackého 493, 769 01 Holešov, company identification number: 25508717, registered in the Companies Register kept by the Regional Court in Brno, Section C, insert 28724 (hereinafter referred to as the “**Seller**”) regulate the rights and obligations of the parties arisen under or in connection with agreements to purchase goods (hereinafter referred to as the “**Purchase Agreement**”) entered into by and between the Seller and a natural person or a legal entity (hereinafter referred to as the “**Buyer**”) not for the personal needs of the Buyer, its family or household.

The Seller’s place of business is its registered office in the Czech Republic. The Seller’s affiliate companies in other countries within ELKO EP HOLDING, SE, are independent legal entities organized and existing under the laws of the country of its registered office. If the Buyer wishes to do business with any of the Seller’s affiliated companies in compliance with the laws of the country of such affiliated company’s registered office, not with the Seller under the present Business Terms and Conditions, the Buyer should contact such affiliated company directly. The contact details of all the Seller’s affiliated companies are available at the website www.elkoep.com.

1. HOW TO BUY

The Purchase Agreement may be entered into on the basis of an order placed by the Buyer

- i) Through the Seller’s e-shop which is operated by the Seller on the website at the address: b2b.elkoep.com, through the website interface (hereinafter referred to as the “**E-shop**”); or
- ii) By email or another similar individual communication in written form.

Orders made through the E-shop may be made only after the Buyer’s registration from the Buyer’s account. Orders made by email are subject to concluding a master agreement regulating the mode of contracting and the mutual rights and obligations arising from the Purchase Agreements unless otherwise individually agreed and subject to approval of the present Business Terms and Conditions.

The Seller hereby notes that after the order arrival the Seller will have to check the country the Buyer comes from to decide if the Buyer can open B2B account, because some B2B clients have the exclusive right to represent the Seller’s products in some countries. Of course, the Seller will let the Buyer know and eventually forward him contact to the exclusive partner.

2. REGISTRATION

The Seller opens a user account to the Buyer with whom the Seller has cooperated seamlessly in the long term so that the Buyer may access its user interface and order goods from such user interface (hereinafter referred to as the “**User Account**”). The Buyer’s registration is made by the Seller’s employees using the information provided by the Buyer. The Buyer’s access shall be confirmed by sending a confirming email message to the Buyer’s email address which will include the credentials, i.e. the username and the password.

The Buyer is obliged to enter correct and true information for the registration to the E-shop and ordering of goods. Such information shall be considered correct by the Seller. The Buyer shall update any and all information contained in the User Account whenever such information changes.

The access to the User Account is secured by the username and password. The Buyer shall not disclose the information necessary to access the Buyer’s User Account. The Buyer shall be liable for the consequences of any breach of such obligation and/or for enabling a third party to use the User Account.

The Seller may cancel the User Account, in particular if the Buyer has not used the User Account for over 12 months or if the Buyer breaches any obligation arising from the Purchase Agreement (incl. the Business Terms and Conditions) in a material or gross manner.

The Seller represents and warrants that the information provided by the Buyer in the User Account and in the orders of goods and any other information shall be used solely and exclusively for the purposes of the Buyer’s identification for the purchase of goods from the Seller and shall not be disclosed to third parties or used in any other unauthorized manner whatsoever.

During the registration, the Buyer may agree with the sending of newsletters from the Seller’s E-shop in compliance with Act No. 480/2004 Sb. (Coll.), on some services of an information society. Such newsletters shall be sent with the maximum frequency of four times a month and the size of each promotional email shall not exceed 100kB. The email newsletter service may be cancelled by the Buyer at any time at the email address: b2b@elkoep.com or in writing at the address: ELKO EP, s.r.o., Palackého 493, 769 01 Holešov, Všetuly. The Buyer acknowledges that the User Account may not be accessible in the 24x7 mode as there may be downtimes due to necessary maintenance of the Seller’s and/or third party’s hardware.

3. ORDERS AND ENTERING INTO PURCHASE AGREEMENTS

The list of goods marketed by the Seller and the information about the main features is available at the Seller's E-shop incl. the prices of the goods offered, or on the Seller's website: www.elkoep.com excl. the prices.

The prices of the goods are exclusive of taxes, customs duties or any other costs of goods delivery (i.e. transport costs) and the costs of the presentation of the goods in the event of a complaint. The offer of the sale of the goods and the prices shall be valid throughout the period in which they are displayed in the E-shop or on the Seller's website. If the Buyer has no access to the Seller's E-shop, the Seller shall notify the price of the selected goods at the Buyer's email request at the address: b2b@elkoep.com.

For the sake of completeness, the Seller notes that the presentation of the goods offered for sale placed in the E-shop is only for information purposes and it is not a proposal to enter into a purchase agreement (the "Order").

The Order may be placed in two modes set forth in Article 1 of the present Business Terms and Conditions.

i) Orders through E-shop

To order goods, the Buyer shall fill out the form in the Seller's E-shop which contains the name of the goods added to the electronic cart in the E-shop by the Buyer, the quantity of the goods, the purchase price, the costs of delivery and other relating payments, the payment method and the destination for the transport of the goods (hereinafter referred to as the "Order"). The Order shall not be valid unless all the information and details prescribed by the form are filled out. The Order shall be sent to the Seller after clicking on the "Send order" button.

All the Orders sent through the E-shop shall be considered binding. By sending the Order, the Buyer undertakes to pay for the goods contained in the Order.

ii) Orders by email

The Buyer shall send Orders by email to the address: b2b@elkoep.com or to any sales representative of the Seller with whom the Buyer is in contact with.

Orders must contain the name of the goods ordered, the quantity of the goods, the purchase price, the costs of delivery and other relating payments, the destination for the transport of the goods and agreement with the present Business Terms and Conditions (hereinafter referred to as the "Order"). When indicating the information mentioned above, the Buyer must use the information available in the E-shop or on the Seller's website on the day of sending the Order. If any of the required information is missing in the Order, the Seller may request the Buyer to add such information. In such case, the date of placing the Order shall be considered the day of sending the additional Order or any missing information.

All Orders delivered to the Seller shall be binding. By sending the Order the Buyer undertakes to pay for the goods contained in the Order.

The Order is a proposal to enter into a Purchase Agreement. The Purchase Agreement is entered into upon the Seller's confirmation of the Order sent by email to the Buyer's email address without any delay after the receipt of the Order, however no later than 3 business days after the delivery. Public holidays and rest days in the Czech Republic shall not be included in the limit mentioned above. The Parties represent and warrant that they consider this time-limit reasonable within the meaning of Article 18 paragraph 2 of the United Nation Convention on Contracts for the International Sale of Goods (hereinafter also referred to as the "GISG").

If the Order does not contain any maximum level of delivery costs and relating payments, the Buyer shall be informed about their estimated maximum level, depending on the destination, before the Order is confirmed and the Buyer shall be requested to approve such costs. The time-limit for the confirmation of the Order shall start on the day of approving such costs by the Buyer.

The Parties agree that if the Buyer does not raise any objections to the Order confirmation, the Order confirmation contains the contents of the agreement agreed by the Parties and the Buyer agrees with such contents of the agreement even if the Order confirmation contains conditions different from those contained in the Order.

The information about the goods offered for sale presented in the E-shop includes information whether such goods are in stock or not. If the goods are not in the Seller's or the supplier's stock, the Buyer will be informed of the delivery of such goods in the Order confirmation.

4. DELIVERY CONDITIONS AND COSTS OF TRANSPORT

Unless otherwise agreed in the Purchase Agreement, the Parties agree the following delivery condition: EXW Palackého 493, Holešov, Czech Republic – the Seller's plant, INCOTERMS 2010.

The goods shall not be delivered until the purchase price is paid to the Seller unless otherwise explicitly agreed in the Purchase Agreement.

The Seller shall ensure the transport at the Buyer's expense. The destination shall be specified by the Buyer in the Order.

The estimated maximum amount of the costs of transport is specified in the Order or notified by the Seller before the Order confirmation. If the Buyer has opened its own account with a courier delivery services company (such as TNT, UPS etc.), the Buyer may notify the Seller of such fact so that this account may be used for the transport purposes of the goods under the Purchase Agreement.

The Seller will inform the Buyer about the contractual carrier, the exact amount of the transport costs before the goods are handed over to the first carrier. If the actual costs of transport are higher than the estimated maximum level of transport costs, the Seller shall be obliged to inform the Buyer of such fact and the Buyer shall approve the costs of transport without undue delay, however no later than 2 business days.

The Seller shall ensure that any documents relating to the goods, such as the invoice, packing list, shall accompany the package in which the goods are packed for transport purposes and they shall be delivered together with the goods.

The Seller shall pack the goods for transport purposes in the manner corresponding to the nature of the goods and shall mark the goods with sufficient labels on the packages of the goods.

If the Buyer fails to comply with its duty to take over the goods, or any other obligation, the Seller may exercise the rights prescribed by Articles 62 – 64 of the CISG. In addition, the Seller is entitled to claim the compensation of damage caused by the unlawful conduct of the Buyer.

5. PAYMENT CONDITIONS

The Buyer is obliged to pay the agreed purchase price of the goods and the transport costs and the Buyer also undertakes to take over the goods.

The purchase price may be paid by the Buyer in the following modes:

- i. By card, i.e. by non-cash payment using the Buyer's card (MasterCard, Maestro, VISA, VISA Electron, V PAY), the Buyer may pay using the Global Payments Europe webpay gate (compliance with the highest 3-D Secure security standard). This mode of payment is applicable only to Orders made in the E-shop.
- ii. By a wire transfer to the Seller's bank account opened with Československá obchodní banka, a.s., a/c: 170260390/0300, on the basis of the advance invoice issued by the Seller. This mode of payment is applicable to Orders made through the E-shop and also to Orders made by email or another similar communication method.

The purchase price must be paid no later than 5 business days from the day of entering into the Purchase Agreement unless another payment deadline is agreed on a case-by-case basis. The payment shall be considered to have been made on the day on which the amount is credited to the Seller's account. In the event of a delay in the payment of the purchase price, the Buyer shall be obliged to pay the default interest of 0.05% of the outstanding amount for each day of delay.

6. INSURANCE

The Seller is not obliged to insure the transport of the goods. At the Buyer's express request, the Seller shall provide the Buyer with any and all available information necessary to enter into an insurance contract by the Buyer.

7. TITLE TRANSFER AND RISK OF LOSS A

The title to the goods delivered to the Buyer under the agreed Purchase Agreement shall not pass to the Buyer until the purchase price is paid in full.

The risk of loss shall pass to the Buyer upon the goods are delivered to the Buyer in accordance with the delivery condition agreed.

8. INSPECTION OF GOODS

The Buyer is obliged to inspect the goods as soon as possible after the goods are delivered to their destination, however no later than within three business days. Public holidays and rest days in the Czech Republic shall not be included in the limit mentioned above.

When the Buyer takes over the goods from the carrier, the Buyer is obliged to inspect the integrity of the goods packaging, and if any defects are detected, the Buyer shall notify the carrier without any delay, indicate the defects detected in the delivery note, and/or make a written complaint report with the carrier. In the event of any big damage which suggest

unauthorized opening of consignment, the Buyer is not obliged to take over the consignment from the carrier at all. Such circumstance may be indicated in the delivery note, or the complaint report. By signing the delivery note, the Buyer confirms that the contents of the consignment containing goods was not broken at the moment of delivery and the goods did not have any apparent damage.

9. NOTIFICATION OF DEFECTS AND RIGHTS FROM LIABILITY FOR DEFECTS

The Buyer is obliged to notify the Seller of the existence of a defect of the goods and of the nature of such defect within reasonable time after the Buyer detected them or should or could have detected them. The Parties agree that such reasonable time shall be 7 calendar days.

The description of the nature of the defect means, in particular, a detailed description of the defect and/or the way the defect manifest itself, the description of the connection in which it was used, measured values and indication of the date on which the Buyer detected.

The place of claiming rights arising from liability for defects by the Buyer shall be:

ELKO EP, s.r.o.
Exports Department
Palackého 493
769 01 Holešov, Všetuly
Czech Republic
Mail: b2b@elkoep.com
Tel.: +420 573 514 221
Fax: +420 573 514 227

If the Buyer fails to notify the Seller of defects detected or detectable during the inspection of the goods delivered in accordance with Article 8 hereof within the time-limit specified above, the Buyer's rights arising from the liability for defects as well as the Buyer's right to claim damages shall cease to exist.

If the defects which the goods have at the moment of delivery are notified in a due and timely manner, the Buyer may exercise the rights in accordance with Articles 45 – 52 of the CISG. The Buyer is obliged to select a specific right and notify the Seller of such right at the moment of notifying the defect. When applying rights arising from liability for defects, the Buyer is obliged to prove that the goods were purchased from the Seller.

The complaint shall be dealt with by the Seller depending on the circumstances without undue delay, however no later than 2 months after receiving the complaint.

10. QUALITY WARRANTY

The Seller warrants that the goods delivered shall be fit for use for the usual purpose specified in the user's manual with respect to such goods and shall retain its usual properties (hereinafter referred to as the "Quality Warranty"). In the event of non-compliance with this obligation, the goods have a "Warranty Defect". The warranty period is 24 months from the date of the goods delivery to the Buyer. By providing the quality warranty, the application of Article 39 paragraph 2 of the CISG is hereby excluded.

If a Warranty Defect occurs with the goods at any time during the warranty period, the Buyer will notify the Seller of such fact, describing the nature of the defect, i.e. a detailed description of the defect and/or how the defect manifest itself, the description of the connection in which it was used, measured values and indication of the date on which the Buyer detected.

The notice of the warranty defect must be made by the Buyer in writing and sent by registered mail to the address: ELKO EP, s.r.o., Palackého 493, 769 01 Holešov, Všetuly or by email to the address: b2b@elkoep.com. The defective goods must be sent by the Buyer to the Seller by courier to the Seller's registered office.

In the case of the Warranty Defect, the Buyer is entitled to

- a) Removal of the defect, free of charge, if the defect is reparable;
- b) Delivery of new goods or replacement of a component, if the defect is reparable and the Buyer may not use the goods properly due to repeated occurrence of the defect after a repair or due to a big number of defects;
- c) Delivery of new goods without any defects, if the defect is irreparable; if the defect relates to a component of the goods, the Buyer is entitled to replacement of such defective component. If it is proportionate to the nature of the defect, the Buyer may request a reasonable purchase price discount instead of the rights mentioned above;
- d) The Buyer shall be entitled to withdraw from the agreement only in the event of an irreparable defect which represents a material breach of the agreement by the Seller.

The Buyer must specify which of the rights mentioned above it requests in the notice of the Warranty Defects to the Seller. If the Buyer fails to select any such claim, the Buyer shall only have the right to request a reasonable purchase price discount, unless the Seller finds it reasonable to deal with the complaint in another manner.

The Buyer is obliged to notify the Seller of the Warranty Defect within 3 business days after the day on which the Buyer detected or should have detected the defect.

Quality warranty is provided only if all of the following conditions are met:

- a) The Buyer performed a proper and timely inspection of the goods delivered in accordance with Article 8 hereof;
- b) The Buyer exercised its rights from liability for defects in a due and timely manner in accordance with Article 10 hereof;
- c) The goods are not tampered with (by way of adjustment or repairs) by any third party which is not expressly authorized to do so by the Seller throughout the duration of the warranty period;
- d) The goods are used by the Buyer in the usual manner and in compliance with its purpose;
- e) The goods are properly maintained.

In the event of failure to comply with any of the conditions mentioned above, the Buyer's rights from liability for quality shall cease to exist. In case of doubts, the Buyer is obliged to prove that it used the goods in compliance with the conditions specified in the previous paragraph under sub-sections a)-e).

The warranty shall not apply to the defects caused:

- By transport;
- By normal wear and tear;
- By improper use or incorrect storage of the goods;
- By breaking protective seals and labels, if any, by damaging or removing the Seller's logo/trademark from the goods;
- By unauthorized alteration, installation, treatment or operation; unprofessional alteration shall include (without limitation) marking of the goods with permanent markers;
- By use, placement, storage of the goods in inappropriate conditions in terms of temperature, humidity and dust levels;
- By improper maintenance or negligence of necessary maintenance;
- Due to force-majeure circumstances or incorrect or improper handling;
- Due to conduct (actions or omissions) of a third party or the Buyer, caused by the Buyer itself;
- As a result of the use of the goods in the manner different from the usual manner or in violation of the purpose of the goods; and
- By mechanical or chemical damage.

The complaint shall be dealt with by the Seller depending on the circumstances without undue delay, however no later than 2 months after the date on which the complaint was made.

11. COMPLAINT REFUSAL

The Seller is entitled to refuse to accept the goods for the complaint procedure if the goods, or any parts thereof, are dirty.

The Seller is entitled to refuse any complaint of the goods if the goods are not returned to the Seller in compliance with the sanitation rules and regulations of the Czech Republic and general sanitation principles.

12. COSTS OF COMPLAINTS

The costs relating to the complaints, i.e. exercising the rights from liability for defects or rights from liability for quality shall be borne by the Buyer. That means that the Buyer shall not be entitled to request the Seller to notify its account number with the carrier and to transport the goods for the complaint procedure or repairs at the Seller's expense.

If the complaint made by the Buyer is unjustified, the Buyer shall be obliged to pay the Seller any and all costs incurred by the Seller in this connection.

13. PERSONAL DATA PROTECTION

The protection of the personal data of the Buyer who is a natural person is provided in compliance with the legislation of the European Union and in compliance with Czech Act No. 101/2000 Sb., on personal data protection, as amended.

The Buyer gives its consent to the processing of the following personal data: its first and last name, or its business name, if applicable, place of residence or registered office, and any other Buyer's address specified in the Order or during the registration, identification number, VAT number, email address, telephone number or Buyer's website address.

The Buyer gives its consent to the processing of its personal data by the Seller for the purposes of the exercise of the rights and fulfillment of the obligations under the Purchase Agreement, for the purposes of maintaining the User Account and for the purposes of sending information and commercial communication to the Buyer.

The Buyer acknowledges that the consent to the processing of the personal data may be revoked at any time by notice sent to the Seller:

- By email to the address: b2b@elkoep.com
- In writing to the registered office address: ELKO EP, s.r.o.
Palackého 493
769 01 Holešov, Všetuly

The provision of data by the Buyer is voluntary, however entering into the Purchase Agreement or assuming another obligation is subject to the provision of such data. The Buyer confirms that the personal data provided are accurate and that the Buyer was informed that such data are provided on a voluntary basis.

The Buyer acknowledges that it is obliged to provide its personal data (during the registration, in its User Account, in Orders placed through the E-shop web interface) accurately and correctly and that it is obliged to inform the Seller without any delay of any changes to its personal data.

The Seller may authorize a third party to process the Buyer's personal data as a data processor. Except for parties transporting the goods, the Seller shall not provide the personal data to any third party without the Buyer's previous approval.

If the Buyer suspects that the Seller or the data processor process its personal data in violation of the protection of the Buyer's private and personal life or in violation of the law, in particular, if the personal data are inaccurate with respect to the purpose of their processing, the Buyer may request an explanation from the Seller or the data processor or may request the Seller or the data processor to rectify the situation.

The personal data shall be processed for an indefinite period of time. The personal data shall be processed in electronic form by automated means or in printed form by non-automated means.

If the Buyer requests information about the processing of its personal data, the Seller shall be obliged to give such information. The Seller is entitled to request a reasonable fee for giving the information according to the previous sentence not exceeding the costs incurred in such connection.

The Buyer is entitled to access its personal data, the Buyer has the right to their correction or amendment, and/or any other rights stipulated in Act No. 101/2000 Coll.

14. EMBARGO

The Seller may not enter into any contract or agreement with a Buyer which has its registered office in a country under embargo or if is otherwise prohibited by regulations restricting international trade. In such case, the Seller shall refuse the Order.

15. CLOSING PROVISIONS

The Purchase Agreement entered into by and between the Buyer and the Seller shall be governed by the laws of the Czech Republic, in particular the United Nations Convention on Contracts for the International Sale of Goods (hereinafter also referred to as the "CISG"). Issues not expressly regulated by the CISG and/or the Purchase Agreement (such as the validity, transfer of title, Seller's liability for injury, default interest rate etc.) shall be governed by the provisions of the national laws of the Czech Republic.

The Seller does business only under the present Business Terms and Conditions. Any change of the Business Terms and Conditions must be made in writing and the Seller must expressly approve it. Any acceptance of a proposal which is accompanied with different business terms and conditions is not an approval of such business terms and conditions, unless the Seller accepts them explicitly.

If any of the provisions of the present Business Terms and Conditions is or becomes invalid or ineffective, such invalid or ineffective provision shall be replaced with a new provision whose purpose and objective shall be as close as possible to the invalid or ineffective provision. The invalidity or ineffectiveness of any of the provisions shall not affect the validity or effectiveness of the remaining provisions.

Any disputes between the Parties or relating to the Purchase Agreement agreed by the Parties, incl. disputes over the validity of such agreement or any of the provisions of the present Business Terms and Conditions and consequences of invalidity, shall be finally resolved by Czech courts having subject-matter or territorial jurisdiction with respect to the Seller's address, i.e. Palackého 493, Holešov – Všetuly, Czech Republic.

Communication by email shall be considered written form of communication. The Buyer and the Seller agree that any notices or messages may be sent by email.

Any changes of the Purchase Agreement may be made only in writing, where communication by email shall be considered written form of communication.

Seller's contact details:

- Correspondence address: ELKO EP, s.r.o., Palackého 493, 769 01 Holešov - Všetuly
- Email: b2b@elkoep.com
- Telephone: +420 573 514 221 (available Monday to Friday, 7:00 a.m. – 3:30 p.m.)

The present Business Terms and Conditions become effective on 1 November 2017