

General Business Terms of S&K LABEL spol. s r.o.

I. Introductory provisions

1. General Business terms (hereinafter referred to as GBT) of S&K LABEL spol. s r.o. company, Blanenská 1860, 664 34 Kuřim, comp. reg. No (IČ): 44962878 (hereinafter referred to as the "Contractor") are an integral part of every purchase contract or binding order replacing the purchase contract.
2. GBT stipulate the main principles of contractor-customer relations, conditions of production, deliveries and handling of products agreed in the contractual relation.

II. Orders, concluding of contracts and their fulfilment

1. Mutual relations between the Contractor and the Customer are always settled by a contract, while a relation based on the basis of an order confirmed by the Contractor is also considered to be a concluded relation.
2. When establishing a new Contractor-Customer relation, the Customer is obliged to provide to the Contractor all its identification documents, i.e. mainly copies of an extract from the Commercial Register or of the trade licence and a certificate of company reg. No. (IČ) allocation.
3. For performance of its demand (order), the Customer will also submit all the documents specified by the Contractor as necessary for the product implementation and the Customer will provide to the Contractor all the necessary cooperation in connection with specification of all the parameters of the supplied product (production documents, proofreading, samples, delivery terms etc.).
4. If the Customer does not provide to the Contractor the necessary documents or cooperation in the preparatory period, the Contractor reserves the right to delay the commencement of production until the time when these conditions are met and to extend the agreed term of fulfilment by the time of delay.
5. The Contractor is entitled to reject an order from a Customer who did not fulfil its contractual obligations duly in the past.
6. The Contractor is not liable for material or content inconsistency of the assignment supplied and approved by the Customer (order, documents) unless the Customer notified the Contractor about it in writing and required their elimination, or in cases when the Contractor informed the Customer about this inconsistency and the Customer insisted on its observance, as well as in cases the Contractor could not find this inconsistency. If these influences deteriorate the quality of the assignment and subsequently the quality of the resulting product, this fact will not be assessed as inconsistency (low-quality fulfilment) caused by the Contractor.
7. The Contractor is not liable for any possible breach of intellectual property or copyright caused by the Customer in the contractual relation (product assignment). In case any sanctions are applied against the Contractor on the grounds of this breach, the Contractor is entitled to require compensation for this damage from the Customer.
8. All the parameters of the supplied product are specified in the Price offer or in the Graphic preview connected it submitted before the first implementation of the product.
9. Minimum particulars of request for product are:
 - product name
 - product shape
 - product dimensions
 - material used
 - quantity
 - number of colours
 - graphic artwork
 - specification of product implementation (reeling, parameters of unit packaging, ...)
 - intended way of application
 - intended use (specification of surface,...)
 - required delivery date

10. Minimum particulars of the first product order are:
 - internal product marking (product code) of the Customer, if determined
 - product name according to the Price offer from the Contractor
 - product dimensions
 - ordered quantity of product
 - price and number of Price offer from the Contractor
 - required delivery date
 - delivery address
 - invoicing address
11. Minimum particulars of a repeated product order are:
 - reference item code of the Contractor (abbreviation – see invoice / delivery note); the internal marking of the Customer is also accepted
 - product name
 - quantity
 - price and number of Price offer from the Contractor
 - required delivery date
 - delivery address
 - invoicing address
12. The Customer will pay the costs determined by the Contractor connected with the production preparation – mainly for print dies and cutting tools. These remain its property and they are stored for the time of 12 months from the last moment when the product was manufactured for the possible future use. If within 14 months from the last moment when the product was manufactured they are not collected by the Customer, the Contractor is entitled to use them at its discretion.
13. For some original materials, semi-finished products for production (hereinafter referred to as non-standard materials) which are not in the standard offer of the Contractor their manufacturer requires the minimum purchase amount. When planning manufacturing of the product from these non-standard materials, the Contractor will inform the Customer about this fact in advance. In case such an order is confirmed, at the occasion the product is manufactured the Customer is obliged to pay for the whole amount of the material. The part of material which is possibly not used will be stored by the Contractor at its costs for the Customer for the time of 6 months from the first moment the product was manufactured for its possible future use. In the following implementation (repeated production), the proportionate part of the paid value of the original material will be deducted from the price. If the specified term of 6 months expires without any other implementation, the Contractor is entitled to use the remaining part of the material at its discretion without a previous notification of the Customer.
14. The product implementation is always commenced only on the basis of a contract (order) confirmed by both parties. The initial document for concluding of contractual relation (contract / order) between both parties is the Price offer sent by the Contractor on the basis of a written demand from the Customer specifying the requirements for the product. On the basis of the Price offer, the Customer will make an order with the particulars pursuant to articles 10 and 11 of the General Business Terms. The purchase contract is concluded by confirmation of the order by the Contractor.
15. If the parties agree on cancellation of the contract, the Customer is obliged to pay to the Contractor all the costs spent until this moment for product implementation, up to the amount of the total price agreed in the contract.
16. The Contractor informs the Customer about all the facts which might influence the product quality or its intended use.
17. The delivered product will be manufactured and delivered in the quality corresponding to the possibilities of the relevant production technology and parameters confirmed by the order.
18. The Contractor is fully responsible for readability of only those bar codes which in the dimensions and colour (including the background colour) meet the requirements of the relevant standards (EAN).
19. With regard to the characteristic possibilities of the production technology, the Contractor can differ from the specified amount in the delivery, maximum by +/-5% from the total one-off supplied amount of one unit. The Customer is obliged to collect the fulfilment meeting this criterion and to pay the price for the actually delivered quantity.
20. All the tasks of the Contractor and Customer can also be made in fax or electronic form.
21. **Contact address of the Contractor:**
S&K LABEL spol. s r.o. – business department
Blanenská 1860, 664 34 Kuřim

III. Purchase price and payment terms

1. The price offer includes proposal of prices (costs) for performance of requirements of the Customer, including proposal of payment terms.
2. Unless the Price offer from the Contractor states otherwise, it is understood that the purchase price is determined EXW (without transport costs included).
3. A valid VAT rate is added to the product price, as well as other possible taxes and customs or other fees valid at the time of the product dispatch.
4. The price of the products from the standard offer of the Contractor (PRINT, TABULATION and PRICE labels) is based on the Contractor's pricelist (Product range and price offered) valid on the day when the order is issued by the Customer.
5. Payment terms are agreed individually, on the basis of the offer in the Price list of the Contractor.
6. The Customer is obliged to pay to the Contractor the agreed purchase price under the agreed conditions.
7. The Contractor issues a tax document (original of the invoice) not before the taxable supplies, i.e. within the term of dispatch, together with the delivery note.
8. In case the Customer is in delay with the payment, the Contractor is entitled to charge to the Customer a contractual penalty at the amount of 0.05 % of the due sum for every started calendar day overdue after the due date of the payment.

IV. Delivery terms

1. The Contractor will hand over the product to the Customer on the delivery date in accordance with the confirmed order.
2. In case of any delay of the Contractor with the product delivery, the Customer is entitled to charge to the Contractor a contractual penalty at the amount of 0.05 % of the price of the delayed delivery for each started calendar day overdue after the agreed contractual delivery date.
3. Unless the Price offer from the Contractor specified otherwise, the standard delivery terms are stipulated EXW.
4. If the Customer ensures the transport by means of its own carrier and at its own account, the Customer will specify so in the order. The actual delivery of the goods is performed by the handover to the carrier. By means of this handover, all the risk of damage to the goods is transferred to the Customer. In this case it is understood that the term of delivery is fulfilled by release of the product for collection (notification from the Contractor to the Customer).
5. If the Customer does not specify in writing that it will collect the goods itself directly in the Contractor's plant, the Contractor is obliged to transport the ordered product in a suitable way to the registered office of the Customer. In such a case, the transfer is ensured by the Contractor.
6. The Contractor will supply all the ordered quantity at once. In case of a requirement of the Customer for partial deliveries, the Contractor is entitled to charge CZK 50 per an occupied pallet place/day for every partial fulfilment.
7. By its takeover the product becomes property of the Customer. The Customer is obliged to confirm the takeover on the delivery note or a corresponding document of the carrier (a list).
8. After its takeover, the Customer is obliged to check the delivered product and in case any inconsistency is found, the Customer shall contact the Contractor immediately and send a written notification of the inconsistency found in accordance with the Complaint Regulations of the contractor.
9. If the parties agreed on returning of logistic packaging, the Customer will do so in accordance with previously agreed conditions.
10. If these packaging is not returned in accordance with the specified conditions, the Contractor is entitled to charge to the Customer their full price in accordance with the valid pricelist.
11. If the Customer is in delay with settlement of its obligations towards the Contractor for longer than 10 days, the Contractor is entitled to suspend production and deliveries from all the running contracts until all the obligations of the Customer are paid to the Contractor. When the last due sum is credited to the account of the Contractor, the agreed fulfilment terms start to run

from the beginning. In these cases the Contractor is also entitled to require an advance payment for their performance – the terms then start to run on the day when the advance invoice is paid by means of crediting the sum to the account of the Contractor.

12. If the Contractor cannot meet its obligations directly or indirectly due to reasons which are out of its control (such as war, threat of war, uprising, sabotage, fire, terrorist attack or threat of terrorist attack, storm, flood, explosion, natural disasters, government ordinance or European Union restriction, strike, complete or partial destruction of the plant or production line of the Contractor or its subcontractors, deliveries from suppliers, change of customs regulations, import and export quotas, export or import ban) and which are capable of preventing its fulfilment of the contract, the Contractor will inform the Customer about this situation immediately and they will agree on further procedure. The term of fulfilment will thus be postponed adequately. In these cases none of the parties is obliged to pay any compensation for the damage arising to the other party, including the profit lost.

V. Packing

1. All the products of the Contractor are protected adequately with packaging against damage during handling and transport.
2. The product packaging is marked in an unambiguous way (identification of content).
3. Standard products of the Contractor (PRINT, TAB, PRICE products) are packed in accordance with the current offer from S&K LABEL.

VI. Guarantee conditions

1. For the delivered products there is a guarantee for 6 months from the date of production marked on the packaging. For products printed with metallic paint there is a guarantee for 3 months from the date of production.
2. Quality of the supplied products is governed by the rules specified in article II clause 17.
3. Recommended conditions for product transport and storage:
 - storage in undamaged, original packaging,
 - relative humidity of standard environment ($50 \pm 5 \%$),
 - temperature ($22 \text{ }^\circ\text{C} \pm 2 \text{ }^\circ\text{C}$),
 - storage out of reach of direct sunshine, radiant heat,
 - protection against soil or other humidity, pollution, weather effects and mechanic damage,
 - products should not be stored together with substances from which any chemical vapours might release, mainly substances containing softeners or solvents etc.,
 - storage of products horizontally in reels,
 - using first the oldest products from the storage,
 - repacking of the partially used products back to their original packaging.
4. Recommended conditions for application of self-adhesive materials (unless agreed otherwise with the contractor):
Self-adhesive materials are applied to even, dry, fat-free surface cleaned from all impurities, in the environment with conditions specified in clause 3 above.
5. The intended way of use of the product and way of its application must be consulted with the contractor in advance.

VII. Complaints

Complaints are governed by the Complaints Regulations of S&K LABEL, spol. s r.o. dated July 1, 2008 published on <http://www.sklabel.cz/pictures/editor/RR.pdf> .

VIII.
Final provisions

1. During the sale of all its products the Contractor assumes that the Customer decided about their suitability for the intended use freely and independently.
2. The Contractor is liable for any possible damage arising from its activities up to its actual amount, but maximum up to the amount corresponding to the value of the undelivered or faulty goods.
3. No waiver of any rights, titles, no changes or supplements of the above specified conditions are possible unless agreed in writing.
4. Conditions agreed by the purchase contract, supplement to the purchase contract and confirmed written order shall prevail over these General Business Terms. Any other legal relations and obligations of the parties are governed by the Commercial Code – Act No. 513/91 Coll. and other regulations, valid in the Czech Republic.
5. Any disputable matters arising from the contractor-customer relations will be solved by the Customer together with the Contractor preferably by means of personal contact or letters and lawsuits will be considered to be the last resort solution.
6. In case any contracts and these General Business Terms need to be translated into another language, it is understood that the Czech language version is decisive for their interpretation.
7. These General Business Terms published on <http://www.sklabel.cz/pictures/editor/VOP.pdf> come to force and become efficient on July 1, 2008.

Kuřim, on August 1, 2008

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Chief Clerk