

# General Purchase Conditions

valid for goods purchases of JITONA a.s.

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JITONA

## I. General

- These General Purchase Conditions (also only "GPC") regulate and apply to all conditions, in which the company JITONA a.s. (hereinafter only JITONA) appears as a Purchaser. These GPC are an integral part of purchase agreements (and/or of general purchase agreements) and exclude the validity of general or other terms of delivery of the Seller. Deviations from this regulation are only valid if specified in a valid agreement between the Purchaser and the Seller.
- Alterations and amendments of these General Purchase Conditions must be confirmed in writing between the company JITONA and the Seller.
- If not otherwise agreed in writing between the company JITONA and the Seller, the Incoterms in their newest version apply to the interpretation of these General Purchase Conditions.

## II. Purchase Orders

- A goods order only becomes binding when made in writing, and when signed by an authorized representative of the company JITONA. The order must contain a detailed specification and the date of delivery of the goods. Further requirements of the order are as follows: Product number, cost per unit, unit quantity, quality requirements, place of delivery (place of fulfillment) and date of delivery. If no date of delivery is agreed, then it applies that the goods are to be delivered within 10 work days after the acceptance of the order by the deliverer.
- Orders made via telegraph, phone or verbally are to be subsequently confirmed in writing by the company JITONA, in order to become valid.
- If any special terms of delivery, technical conditions or test conditions, specifications, instructions for packing, labeling and shipping are attached, then they are to be considered an integral part of the order and are binding on both parties.
- The Seller has to confirm each order (or to comment on it in writing) and to send it via e-mail, fax or post to the respective plant of the company JITONA where the order was issued at the latest within 3 days after the delivery of the order. If the Seller won't reject the order in writing in the above period and also won't make any comment, then he is considered to have accepted the order. If the wording of the confirmation of order would deviate from the original request by JITONA, then these deviations are only binding on the company JITONA when afterwards confirmed by the company JITONA.
- In the correspondence, in delivery notes, receipts etc. the complete number and the date of the order of the company JITONA must always be indicated, otherwise fast processing of the individual documents would not be possible, which we would like to point out in the interest of both parties.

## III. Technical Documentation

- All designs, Technical Terms of Acceptance (hereinafter only TTA) and descriptions supplied to the Seller by JITONA, are a part of the intellectual property of the company JITONA and without the company's consent they must not be given to any third person. If the realization of the business would fail for any reason, the Seller is obligated to immediately return all technical documentation to JITONA.

## IV. Liability

- The Seller is responsible for the use of faultless material, for the design and the agreed characteristics of the goods to be delivered, which have to correspond to the highest requirements and mutually agreed parameters and must work properly. Each alteration of the material or the construction designed by the Seller may only happen with a written consent of the company JITONA. The delivered goods must exactly correspond with the agreed conditions.
- The Seller is responsible for the completeness, correctness and appropriate drawing up of his own technical documentation and – if the Seller has agreed on the assembly as well – for the correct and appropriate commissioning of the appliance and possible providing of the technical support or supervision during the assembly.

## V. Place of Fulfillment (Place of Delivery)

- The place indicated in the order is considered the place of delivery. If no place of fulfillment is indicated in the order, then the address of the plant by which the order was issued is considered the place of fulfillment. Partial deliveries are only permissible when expressly agreed between the company JITONA and the Seller; also deliveries before the agreed date of delivery are only possible when agreed with the company JITONA. The Seller is obligated to deliver the goods to the place of destination with the appropriate delivery note. The delivery note must contain at least the following data: the number of the purchase order, the Purchaser's article number (code with 10 digits), quantity, units.
- The Seller has to respect the agreed or determined way of transportation, where, if not otherwise agreed in the order, the Seller has to provide the transportation at his own costs. The delivery takes place then in the period agreed or specified in the order to a place agreed or specified in the order. The transfer of title to the goods as well as the transfer of risks shall happen with the delivery of goods to the Purchaser in the place of destination. The charged re-usable package shall not be payable to the Purchaser, but, if the parties won't agree otherwise, is to be returned franco. The Seller is responsible for damages that occur during the transportation due to insufficient or unsuitable packaging, even if the delivery was accepted by the Purchaser in the place of destination. The Purchaser shall make a record of such damage without delay and send it to the Seller at the latest within 14 days.

## VI. Warranties and Complaints

- The warranty term for the delivered goods is 24 months and starts from the day of the delivery to the company JITONA. In the case of the delivery of a complete appliance the day of delivery of the last part of the entire appliance is considered the date of the beginning of the warranty term. If the assembly shall also be accomplished by the Seller, then the warranty term runs from the day of the commissioning of the appliance.
- With consideration of the large quantities of goods to be delivered the parties agree that they exclude the validity of the regulations of sections 427 and 428 of the Commercial Code, where – because of claiming so-called obvious incorrectness and incorrect quantity – they shall agree upon a so called statistic acceptance, which the Purchaser has to carry out at the latest within 15 days after the delivery of the goods. The faults determined by so-called statistic acceptance must be detailed in a complaint in writing by the Purchaser within 30 days after the receipt of the goods at the Purchaser's address. He is obligated to allow the Seller to inspect the goods and to submit him a sample of the goods complained about.

- The Purchaser has the right to:

- the removal of the defect before the delivery of a replacement for unsatisfactory goods, the delivery of the missing goods and the remedy of the legal deficiencies,
- the removal of the defect by repairing the goods, if the defect is repairable,
- an adequate purchase price reduction,
- the withdrawal from the purchase agreement in the cases specified by the law or these GPC.

- The choice among the requirements specified above rests only with the Purchaser. With consideration of the statistic acceptance, if the whole delivery is considered to be defective, then the Purchaser can claim the above requirements either with the entire order generally or with a specific part of it. In other cases the Purchaser can claim the requirements specified above with the defective goods. In the case of a repair of the supplied goods or a replacement the warranty term begins from the day following after the day of delivery of the repaired goods or a replacement. By the acknowledgment of the complaint by the Seller the Purchaser shall have the right to claim a refund for all extra costs. The Purchaser declares he will strive to minimize such extra costs.

- If the Purchaser chooses the repair of the goods or a replacement of goods (goods replacement delivery), the Seller is obligated to remedy deficiencies in the desired way at the latest within 30 days from the day on which he was informed about it and even if he does not agree with the complaint. If the Seller does not remedy deficiencies in the above period and in the desired way, the Purchaser shall be entitled to remedy such deficiencies at the Seller's expense and to require a price reduction or to withdraw from the contract. Small defects or those that cannot be postponed, shall be fixed by the company JITONA and the Seller shall be obliged to refund the effective costs to the company JITONA. In the case of a replacement or a repair of the defective goods the warranty term shall be extended by the time needed for the replacement or the repair.

- If there is no reaction to the note about the deficiency from the Seller within 5 working days, JITONA is entitled to send the complained about delivery back at the Seller's expense and risk.

- The Seller as the manufacturer, supplier or distributor is responsible for all provable damage due to an inappropriate product design. The Seller is responsible for being able to provide the certificate of compliance in accordance with Act No. 22/1997 of the Statute Book, describing the technical requirements on products in its valid version, if according to that act the issue of this certificate would be necessary. In such case the Seller is obligated along with the goods delivery to assure the company JITONA that the certificate of compliance has been issued. On request the Seller has to send the above documentation to the company JITONA at the latest within 12 hours. The Seller is responsible to the company JITONA for all damage developed in connection with an inappropriate design of the supplied product or due to the missing certificate of compliance or other missing documents, which are to guarantee the prescribed quality of goods.

- In the case of a repeated occurrence of defects of supplied goods the Seller is obligated to document in writing to the company JITONA which measures were met to avoid the repeated occurrence of defects in future deliveries. The company JITONA can review these measures during their delivery inspection.

## VII. Price of Goods and Payment Terms

- The price of the goods, including transport costs, shall be specified in the agreement. The agreed purchase price is a fixed price and contains all additional expenses – no matter of which kind.
- The prices agreed and specified in the agreement are valid and effective for all deliveries realized after the beginning of validity of the present agreement.

- The Seller can only issue an invoice for the delivered goods after the transfer of title to the Purchaser occurs and after the Purchaser accepts the goods – free of defects – in the determined place at the determined time as specified in the order. In such a case the Purchaser is obligated to pay the invoice delivered to the place of delivery or to the Purchaser's place of business within 45 days with a 2% discount in favor of the Purchaser or within 60 days net, if no other payment is agreed and confirmed by company JITONA.

- In the invoice and in the delivery note the Seller always has to specify the following data:

- a) number of the order to which the delivery refers,
- b) designation of the goods,
- c) Purchaser's plant or warehouse for which the goods were intended,
- d) place of delivery of the invoice.

- Address of the invoice payer:  
JITONA a.s., Wilsonova ul. č. 222/III, 392 01 Soběslav, ID No. 181 64 439, Tax ID No. CZ18164439

- Address of the recipient of the invoice depending on the plant that issued the order:

- JITONA a.s., závod Soběslav, Wilsonova ul. č. 222/III, 392 01 Soběslav
- JITONA a.s., závod Klatovy, Jateční 839/II, 339 41 Klatovy
- JITONA a.s., závod Třebíč, Žďárského 184, Kožichovice, 674 01 Třebíč

## VIII. Right of Withdrawal

JITONA a.s. has the right to withdrawal from the contract in the cases specified by the law and furthermore, if:

- a) the Seller gets in delay with a delivery lasting more than 10 days,
- b) the Seller ignores his obligations specified in art. IV and VI of these GPC,
- c) competent public authorities would determine an offence against the Seller's legal obligations.

## IX. Penalties

- For the case of a delay of the Seller with the goods delivery the parties agree upon a contractual penalty of 0.5% per day of the total price of the goods including the VAT indicated in the respective order.
- The contractual penalty is due on the first day following the day of the offence against the obligation to be guaranteed by the Contracting Party. It is not subject to any control or reduction by legal proceedings and JITONA has the right to take the contractual penalty off or to set the contractual penalty off against the payment of the purchase price to the Seller's bank account.
- For the case of an offence against an obligation of the Seller specified in art. VI of these GPC the parties agree upon a contractual penalty of 500,000 CZK for each such offence.
- The Purchaser is entitled to require refund of damages even beyond the scope of the contractual penalty.

## X. Legal Order, Judicial Competence

- All relations not regulated by these GPC and the agreement shall comply with the legal order of the Czech Republic, in particular with relevant regulations of the Commercial Code. The application of international private law or of the Convention on the International Purchase Agreements shall be excluded.
- The parties have agreed that the disputes resulting from this agreement, from the GPC or that develop due to other reasons shall be resolved by the Regional Court of Česká Budějovice.