

# **GENERAL BUSINESS TERMS**

## **Article I Basic provisions**

These General Business Terms (hereinafter referred to as the "GBT") cover and apply to the relations between the business company of Tiskárny Havlíčkův Brod a. s. having its registered office in Havlíčkův Brod, Husova 1881, Postcode: 580 01, Company Identification No.: 465 04 796, registered in the Business Register administered by the Regional Court in Hradec Králové, Section B, Inset 641, date of incorporation: 30 April 1992 (hereinafter referred to as the "Maker") and the principals in making deliveries of printing products (hereinafter referred to as the "Work"). The GBT are an inseparable part of every contract for work, if referred to in such a contract.

## **Article II Object and term of performing the Work**

- (1) The object and term of performing the Work have been agreed in the Contract for Work (hereinafter referred to as the "Contract").
- (2) The Maker will not be considered to be in delay with performing the Work within the specified period, if the Principal does not fulfil its liabilities towards the Maker within the time limits agreed in the contract, especially if the Principal does not keep the production schedule or if the Principal does not provide the necessary cooperation (Article IV) or if the Principal does not pay the financial deposit for the Work price (Article VI, clause 3).

## **Article III Work hand-over**

- (1) The place of the Work hand-over is the Maker's registered office – the premises of Tiskárny Havlíčkův Brod a.s. – Havlíčkův Brod, Husova 1881, unless stated otherwise in the Contract.
- (2) If a place of hand-over has been agreed in the Contract, which is different from the Maker's registered office, the Principal is obliged to provide the Maker with the shipping instructions stating the precise addresses, telephone contacts, name of the contact person, scope of the individual deliveries and identification of the forwarding company at least three days before the agreed date of the Work take-over, unless the shipping instructions are already specified in the Contract.
- (3) The Maker is obliged to hand over the Work to the person authorised by the Principal under the conditions and within the term specified in the Contract. The Principal is obliged to take over the Work.
- (4) If the Maker ensures the transport of the object of Work to the place specified by the Principal, the Maker is only obliged to unload and place the object of Work within 5 m from the vehicle. When the object of Work is handed over at a place other than the Maker's registered office, the Principal is obliged to provide reasonable cooperation to the Maker and the forwarding company. If no such reasonable cooperation is provided, the Maker will be entitled to charge the Principal with the costs incurred due to non-provision of reasonable cooperation.
- (5) Each returnable packing is registered and the Principal is obliged to return the packing at its own costs within 20 days of the date of the Work hand-over specified in the delivery note. The Maker is entitled to invoice the Principal for the packing not returned within the said term.
- (6) Any change in specification of the object of performance (number of copies, change in range, format, colours, etc.) when compared to the valid contract may only be agreed under the precondition that the Work price as well as the other related contractual conditions are altered by the new contract, which fully replaces the originally agreed contract, or by a written amendment to the original contract. In the event of withdrawal from the Contract or termination of the contractual relationship prior to fulfilment of the obligation, the Maker shall be entitled to reimbursement of actual expenses incurred in connection with fulfilment of the contractual obligation until the withdrawal from the Contract or until termination of the contractual relationship and the costs of the act of withdrawal.
- (7) The risk of danger to the item passes over to the Principal upon handing over the completed Work to the Principal.
- (8) The Principal will acquire the title to the completed Work upon full payment of the contractual price of the Work.

## **Article IV Rights and obligations of the contracting parties**

- (1) The Principal is obliged to provide the Maker with the complete and undamaged production materials of the usual quality within the terms agreed for their hand-over in the Contract.
- (2) The production materials handed over by the Principal to the Maker to perform the Work shall remain the Principal's property.
- (3) If the Principal provides the Maker with materials that are incomplete, damaged, not of the usual quality or impossible to process due to any other reason, the Maker shall notify the Principal of such fact without any delay.
- (4) If the Principal provides the Maker with the production materials with any delay or the materials are incomplete, damaged, not of the usual quality or impossible to process due to any other reason and it

is not possible to continue performing the Work due to such fact, the Maker will be allowed to set a new Work completion deadline after delivery of the proper and complete production materials according to its then current capacities, unless the contracting parties agree otherwise in the particular case.

- (5) If the Principal is in delay with hand-over of the production documents to the Maker or hands over the same to the Maker incomplete, damaged, non-conforming to usual quality, or unusable due to any other reason or changes the instructions in the production documents during the Work execution, the Maker shall be entitled to claim from the Principal the costs incurred by the Maker as a result of such facts.
- (6) The Maker is entitled to return the production materials, which are incomplete, damaged or not of usual quality to the Principal, or to supplement or correct them according to his capacities with the Principal's approval. The Maker is entitled to bill such operations to the Principal as additional works. The Principal notes that in such a case he loses its rights ensuing from the liability for damages when the Work is performed on the basis of materials that are incomplete, damaged or not of the usual quality, if the Principal has not corrected or supplemented such production materials after having been notified thereof by the Maker. If the Principal does not provide reasonable cooperation in correcting or supplementing the production materials, the Maker will be entitled to withdraw from the Contract.
- (7) The Maker is obliged to return the production materials to the Principal after the Work is completed, if such production materials are of a material nature (for example films, foils, proof prints, data carriers, etc.) and if the contracting parties do not agree otherwise. The return of the production materials is conditioned by settlement of the Principal's liabilities resulting from the concluded Contract (i.e. payment of the full Work price).
- (8) The Maker is obliged to provide the Principal with the printed display sheets, if such an obligation is agreed in the Contract. The Principal shall communicate its objections, if any, regarding the display sheets on the day following after the hand-over date at the latest. If the Principal does not communicate its objections within the specified term, the Maker is entitled to continue performing the Work according to the Contract.
- (9) The Principal is obliged to notify the Maker without any delay of any change in its business name, registered office, responsible person, bank information, Company Identification No. and Tax Identification No., decision on the Principal's entering into liquidation, filing a motion to commence insolvency proceedings and all decisions issued within their framework, or any other changes in the data having an impact on fulfilment of the obligations resulting from the contract.

#### **Article V**

##### **Work performance and quality**

- (1) The materials handed over to the Principal in the quality given by the processing technology, by the used material and by the production material quality will be considered as proper performance of the Work. Lower quality of the production material may adequately be reflected in the quality of the Work. Such fact will not be considered a shortcoming of the properly performed Work.
- (2) Hand-over of the Work to the Principal in the agreed quantity will be considered as the properly performed Work with the following maximum deviations:
  - Number of copies up to 5,000                       $\pm 3 \%$
  - Number of copies 5,001 to 30,000               $\pm 2 \%$
  - Number of copies over 30,000                     $\pm 1 \%$

If the Principal excludes the possibility of delivering a quantity lower than the quantity agreed in the Contract, the Maker will be allowed to hand over the agreed quantity plus the doubled deviation.

#### **Article VI**

##### **Price and payment terms**

- (1) The price per unit (copy) is agreed in the Contract.
- (2) The total amount charged by the Maker to the Principal will include (in addition to the agreed price of the actually handed over number of copies) the transport costs, postage, storage and returnable packing (pallets, boards). The Maker is entitled to invoice such cost separately in the amount of the actually spent costs or in the amount set in the Maker's price list. The value added tax shall be added to the total price as per the applicable regulations.
- (3) The amount of the financial deposit, if any, for the Work price including the maturity date and method of payment are agreed in the Contract.
- (4) The Maker is entitled to invoice the Work price immediately after the Work is completed. The invoice maturity is 14 days from the date of issue, unless the contracting parties agree upon other maturity of the invoice.
- (5) The Principal is obliged to pay the financial deposit and the total price of the Work. The Principal's obligation to pay is satisfied by receiving the respective amount into the Maker's account or upon cash payment in the Maker's cash till.
- (6) The Maker shall provide the Principal with the discount of 2% from the amount equal to the number of the handed-over products multiplied by the price set according to Article VI clause (1) under the conditions that the agreed Work price including VAT is higher than CZK 10,000.00, that the Principal pays the agreed Work price upon the Work hand-over at the latest and that the Principal has no outstanding payable to the Maker after the invoice maturity date specified according to Article VI clause (4).

**Article VII**  
**Contractual penalties and sanctions**

- (1) If the Maker is in delay with performing the Work, the Principal will be entitled to charge the contractual penalty in the amount of 0.5% of the agreed price of the unperformed Work for each day of the delay, however up to 10% of the total Work price as a maximum. The Principal may waive this conventional fine fully or in part.
- (2) If the Principal is in delay with payment of the deposit or the total Work price on the basis of the invoice within the maturity term, the Principal will be obliged to pay the delay charge to the Maker in the amount of 0.5% of the due amount for each day of the delay. The Maker may waive this conventional fine fully or in part.

**Article VIII**  
**Responsibility for defects**

- (1) The Maker will be responsible for the defects shown by the Work at the moment of hand-over.
- (2) The Principal is obliged to claim the apparent defects of the Work without any delay after they are found, however within five days after the Work hand-over at the latest. The hidden defects of the Work must be claimed by the Principal within six months after the Work hand-over date.
- (3) When the defect responsibility right is applied, the Principal is obliged to provide the Maker with the defective products, to specify the defects thereof and to express its claim from the Maker within the meaning of Section 436 of the Commercial Code.
- (4) The Maker is obliged to repair or replace (where appropriate) the defective products within thirty days after receiving them. If it is beyond the Maker's capacities to make the repair (replacement), The Maker shall provide a discount from the Price of the Work equal to the product of the number of defective products multiplied by the price set according to the Article VI, clause (1) of the GBT and make out a credit note for this amount for the benefit of the Principal.

**Article IX**  
**Final provisions**

The General Business Terms come into force on 1 January 2011.