



GENERAL TERMS AND CONDITIONS

I. General

These General Terms & Conditions (hereinafter also as “GTCs”) apply to all the contractual relationships arisen between TON (TON a.s., or any of its subsidiaries or companies referring to these GTCs) as the Seller (hereinafter as “Seller” only) and the Purchaser. The contracting parties may change, make deletions from/additions to some of the provisions of these GTCs only through a written agreement between both parties (such as in their purchase contract), provided that the remaining provisions of the GTCs remain in force further on. As far as foreign trade is concerned the contracting parties agreed to apply the INCOTERMS 2000 interpretation rules to the contractual relationships made with reference to these GTCs, unless otherwise directed by the particular contract.

II. Contractual Relationship and its Origin

1. Regarding the Seller’s unbinding bid, the Purchaser shall place a written purchase order of the goods, which will be identified in accordance with the Seller’s catalogue. The Seller reserves the right to decide about the purchase order confirmation, even when in part only. The Purchase Contract between the parties shall be deemed concluded upon delivery of the written purchase order confirmation to the Purchaser by the Seller. The purchase order shall be deemed confirmed in writing, when either a pro-forma invoice or an undersigned Purchase Contract is sent to the Purchaser by the Seller. Should the Seller confirm only a part of the Purchaser’s order or should he accomplish other changes, objections, additions or limitations to the purchase order (hereinafter as “Modified Order” only), this Modified Order shall be construed as a new proposal for entering into the contract, which has to be confirmed by the Purchaser anew. The Purchase Contract shall be deemed concluded upon delivery of the confirmed Modified Order to the Seller by the Purchaser. Any prolongation of the delivery period by the Seller shall not be construed as a change, objection, or limitation to the Purchase Order sent by the Purchaser where the Seller-confirmed delivery period does not differ from the one stated by the Purchaser by more than 24 weeks. A clarification shall not further be construed as a change to the purchase order, when based on the Seller’s Technical Specification.
2. All the changes of the confirmed purchase order have to be approved by The Seller and are subject to administration fee amounting 50 EUR.

III. Catalogs, Samples, Prices, and Documents in Relation to the Goods

1. The product range offered by the Seller is based on the applicable catalogues, samples presented at the Seller’s exhibitions/stores or sent to the Purchaser on his request together with the submitted Seller’s price quotation, taking usually the form of a pricelist, with the parity, discounts and/or surcharges included. The sketches, weights, and dimensions (of the goods), given in the catalogues, are informative only, unless expressly indicated as obligatory.
2. The prices are quoted exclusive of VAT (unless specified that VAT is included), in a respective currency to be set forth by the Purchaser for the sales in this or that country. Given the sale into an EU country including state where the Seller has its registered place, the price shall be increased to allow for the applicable level of VAT by the law applicably in the Seller’s region. The performances in the EU (excluding state where the Seller has its registered place) can be exempted from the national VAT payment, provided that the Purchaser, upon placing his order, furnishes his/her VAT ID, confirming the location of the goods in the EU.



3. The goods shall be delivered to the Purchaser against the Purchase Contract. Should the first contractual relationship be the case, the Seller shall also provide the Purchaser with the "Furniture Usage and Treatment Instructions", which must then be observed by all the Seller's product users, as otherwise he/she shall lose the legal titles from the claimed defects of the goods. Should a resale of the goods be the case, the Purchaser is obliged to pass these "Furniture Usage and Treatment Instructions" to the additional purchaser, mainly to the final customer (user). Should the goods be delivered as a set of unassembled parts, the Seller undertakes to deliver the inevitable assembling instructions.

4. The telephonic purchase orders shall only be settled at full risk on the side of the Purchaser. All the purchase orders placed in writing (mailed, faxed, e-mailed) shall be obligatory. The Purchaser undertakes to take off the goods he/she had ordered (except for the complaints), even in the case of the fulfilment ahead of the date specified.

IV. Delivery Periods, Modes of Delivery, Failure to Take the Goods

1. The delivery periods set forth by the Purchaser in his/her purchase order shall be approximate only, not binding on the Seller. The delivery period agreed in the purchase order confirmation (Purchase Contract, pro-forma invoice – see the Clause II of GTCs) shall be obliging. The delivery period shall be prolonged on a pro rata basis to allow for the Purchaser's material supplying delays. The delivery period shall be deemed fulfilled on the consignment dispatch date, Seller's goods store out date, or on the date when the goods are made ready to be taken off by the purchaser or by the purchaser-authorized haulage agent. The Seller's right to invoice shall also ensue on this date. The Seller reserves the right to despatch the goods which is already available to ship within 3 days after The Purchaser's obligations were fulfilled in accordance with GTCs – article V. The Seller is entitled to deliver the goods part by part. The delivery periods can be prolonged upon contingencies beyond the Seller's responsibilities, such as the unexpected force majeure interventions, strikes, and other obstacles beyond the Seller's control. This shall also apply upon occurrence of these contingencies on the side of the Seller's suppliers. In this event, all the financial claims against the Seller due to a delay shall be out of the question. The damages for the reason of a goods delivery delay may only be claimed at the rate equal to the value of the defaulting goods.

2. The Seller reserves the right to determine the mode of goods delivery. Unless otherwise agreed in writing, the freightage shall be borne by the Purchaser. The Purchaser shall take over all the goods damage risks latest on the goods dispatch date/on the date the goods are handed over for the transportation). Any different arrangements can be regulated in writing in the purchase contracts, mainly by reference to the delivery parity under INCOTERMS 2000.

3. The contracting parties agreed that the Seller may withdraw from the Purchase Contract and sell the goods to another person, should the Purchaser fail to take over the goods within 21 days from the date agreed in the Purchase Contract or from the date when he has been prompted to do so by the Seller in writing, by phone or fax (hereinafter as "not-taken goods"). The Purchaser must not then raise any claims for any indemnifications, such as for the lost profit etc. The written notice of withdrawal must be delivered to the remaining contracting party. In the event of the not-taken goods after the withdrawal from the contract, the Seller shall have the right to invoice the Purchaser with the contractual penalty at the amount of the received advance payment, otherwise at the rate of 50 % of the non-taken goods value identified in the Purchaser Contract.

4. Where the non-taken goods have been taken off subsequently and where the Seller has not yet exercised the right to withdraw as in the previous point the Seller shall have the right to claim from the Purchaser the contractual penalty at the rate of 1% of the value of these goods for every default day in excess of the 21 days, but at least 100 EUR.

5. The contractual penalties shall be payable on the invoice delivery date and can be incorporated complete with the received advance payment and/or other received benefits from the purchaser.



V. Remittance – Payment for the Goods

1. Unless otherwise indicated in the Purchase Contract wording, it is taken for granted that the Purchaser must pay for the goods still before they are taken off (in the event of the cashless payments the date on which the amount has been put to the Seller's account is vital).
2. Should the goods be ordered, which has first to be manufactured, the Seller can ask for the advance payment equal to at least 50 % of the total purchase order value. The agreed delivery period shall be counted from putting the advance payment, or remittance of the purchase price in full where the delivery as a whole has been agreed to be paid before its takeoff, to the Seller's account. In the case of the Purchaser's delay in remittance of an invoice the Seller shall have the right to charge the delay interest at the rate of 0.1 % of the total debt per day of the delay without any prior notice. This is without prejudice to any indemnity claims.
3. Where there is a delay of over 5 days in repaying a payable invoice the right shall ensue to the Seller to suspend any other deliveries until all the receivables are repaid, as well as the right to claim for the payments for the oncoming deliveries in advance or as an in-cash down payment together with the goods taken. This provision shall outweigh any different regulations in the individual purchase contracts to be reached between the contracting parties.

VI. Ownership Reservation

1. Ownership to the goods shall only be assigned to the Purchaser by full remittance of the purchase price under the Purchase Contract. The remittance shall take a form of putting the amount to the Seller's account. Preservation of the ownership reservation in favour of the Seller shall remain even in the case of the resale to a third person by the Purchaser, and/or in case of its further processing by the Purchaser or by the third person. The Purchaser undertakes to inform his/her customer accordingly.
2. The Seller's products shall be sold with the exclusive designation of the TON trademark.

VII. Complaints, Warranties

1. In the event of all the consignments, the Purchaser shall check them, as soon as they arrive, for correctness of the items delivered, for their completeness, and/or for any visible damages suffered during the transportation. The revealed defects must be indicated in the delivery note and confirmed by the haulage agent, otherwise they shall not be recognized. The vendor may accept the buyer's request for different way of packing and/or loading in order to increase loadability. In such case the risk of mechanical damage caused by handling, stocking and transportation are passed on to the buyer. All other defects that the Purchaser reveals as soon as the goods are unpacked must forthwith be reported by the Purchaser to the Seller in writing. Beyond the scope of the statutory responsibilities for the damages as regulated in the Commercial Code, the Seller shall provide to the Purchaser the quality covering warranty of two year from the goods delivery. In the case of the selected models marked "5-year warranty" in the Seller's catalogues, the Seller shall provide the Purchaser with this 5-year warranty from the goods delivery, covering the chair structure cohesion. (The Purchaser must check consistently the screwed joints for their tightness in compliance with the Furniture Treatment and Usage Instructions.)
2. In case of private person (non business entity) claims for damages shall follow civil law of the respective country and The Seller's complaints' regulations.
3. The defect liability shall not ensue where the goods have demonstrably been used in dispute with the "Furniture Treatment and Usage Instructions" delivered by the Seller and/or used inconveniently in respect of its utility characteristics and in dispute with the purpose the goods are designed to be used for or when it has been subsequently modified. Similarly, the goods may not be returned because of their minor discrepancies in colour shading, mainly because of the natural features of the materials used. Neither the defect liability nor the quality warranty shall apply to the goods wear and tear due to its normal use.



VIII. Governing Law, Court Jurisdiction

1. Governing law is the law of the state where the Seller has its registered place. Any application of the United Nations convention on the international goods purchasing contracts is excluded. In case of any commercial disputes between them, both contracting parties shall fall under the jurisdiction of Seller's registered place But the Seller shall have the right to claim for his/her demands at the Purchaser registered address.

2. Should any of the GTCs' provisions come in dispute with the national law, the relevant regulations of the national law shall apply notwithstanding the other clauses of the GTCs.

IX. Final Provisions and Scope

1. The GTCs shall take effect between the contracting parties upon signing the purchase or other similar contract and the Purchaser confirms to have made himself/herself familiar with their contents, agrees to them and is accepting them.

2. These General Terms and Conditions came into force on December 1, 2010.

Dated

Dated

Seller

Buyer