

# TERMS & CONDITIONS OF SALE

## IQ Structures s.r.o.

### I. Terms & Conditions

1. These conditions issued by IQ Structures s.r.o. – the “**Seller**”, shall regulate relations arising out of Purchase Agreements, Contracts for Work and similar agreements where IQ Structures s.r.o. supplies any Goods or services – the “**Goods**” to any other party – the “**Buyer**”.
2. These conditions override any terms or conditions stipulated, incorporated or referred to by the Buyer in his order, negotiations, correspondence or other documentation of whatsoever kind unless otherwise agreed in writing by the Seller.

### II. Formation of Contract

1. No contract shall come into existence until a written consent of Seller’s statutory bodies or another empowered representative of the Seller. Buyer accepts that unless expressly written in such, letter, e-mail or other his message, such letter doesn’t form any obligation on part of the Buyer and has not nature of trade confirmation letter. Any variation of the Seller’s proposal, made by the Buyer means a new proposal, subject to Seller’s approval.
2. All quotations, offers, and tenders are made, and all orders are accepted subject to the following conditions. Except as otherwise provided in these conditions, all other terms, conditions, or warranties whatsoever are excluded from any contract between the Seller and the Buyer unless expressly accepted in writing by the Seller.
3. In case of any conflict between these conditions and any other terms agreed expressly by the Seller in the contract, or indicated by him in quotation, offer, tender, or confirmation of order, such other terms shall prevail.
4. If any statement or representation has been made to the Buyer by the Seller, or its officers, employees, or agents, other than in the document(s) enclosed with the Seller’s quotation or confirmation of order, upon which the Buyer wishes to rely, it shall only be entitled to do so if the statement or representation is attached to or endorsed on the Buyer’s order and then only if the Seller subsequently confirms in writing to the Buyer that the Buyer is entitled to rely on the statement or representation.
5. Unless specifically agreed to the contrary, all commercial terms shall be interpreted in accordance with INCOTERMS current at the time the order is accepted.

### III. Prices and Payment

1. Unless otherwise agreed in writing, all prices are quoted net ex-works exclusive of VAT. If the Seller agrees to deliver the Goods otherwise than at its premises, the Buyer shall pay all packaging, transportation, and insurance costs and other charges incurred by the Seller in making or arranging such delivery.
2. Unless otherwise agreed in writing, the Buyer shall pay for all taxes and other duties (including, but not limited to, value added tax, import, export, and other taxes and fees).
3. The prices quoted relate to the specification referred to in the related quotation. Should the Buyer choose to change the specification of the Goods, and this results in a change in costs to the Seller, prices will be subject to amendment to reflect this change in cost.
4. Unless otherwise agreed in writing, advance payment of 100% of the agreed price shall be made by bank transfer in Euro to the Seller’s bank account.
5. Where Goods are delivered by instalments, the Seller may invoice each instalment separately and the Buyer shall pay such invoices in accordance with these conditions.
6. Nor disputes arising under the contract neither delays, other than due to default by the Seller, shall interfere with prompt payment in full by the Buyer.
7. If the Buyer shall default on payment, the Seller shall at its sole discretion and without prejudice to its other rights or remedies be entitled to:
  - a) charge interest on any amount outstanding at the rate of 0.05% per one day of delay in payment;
  - b) suspend all further deliveries under the contract and under any other contract or contracts between the Seller and the Buyer then current, without notice;
  - c) if the Buyer shall be in delay with any payment due, longer than 40 days or if the Buyer become bankrupt, unable to pay its debts, or proceedings shall be commenced for the administration or liquidation of the Buyer, the Seller shall be entitled to withdraw from the contract in whole or in part by giving written notice to the Buyer without prejudice to any other right or remedy available to the Seller.
8. Should the delivery of the Goods be suspended or delayed due to the request or default of the Buyer, the Seller shall be entitled to payment for work already carried out, materials ordered, and any additional costs incurred by the Seller as a result of such request or default.

#### IV. Delivery

1. Unless otherwise indicated by the Seller or agreed in writing, delivery of the Goods shall be given and taken at the Seller's premises.
2. Any date for delivery is given in good faith but is approximate only and the time of delivery is not of the essence of the contract. The Buyer shall have no right to claim damages or to cancel the contract in case the Seller fails to meet any delivery time quoted.
3. The Buyer shall accept even partial delivery of the Goods or services from the Seller. In the case of Goods made to order, the quantity of the Goods delivered may be within a tolerance of -5% to +10% unless otherwise agreed.
4. Should expedited delivery be agreed and this should necessitate overtime or other additional costs, extra for delivery is given as accurately as possible, but is not guaranteed, unless otherwise agreed in writing. The Buyer shall have no right to damages or to cancel the contract for failure to meet any delivery time stated.
5. The date of delivery shall be conditional to prompt receipt of all necessary information, artwork, source materials, instructions, and approvals if any from the Buyer.
6. Buyer's delay with acceptance of the delivery or with any payment shall entitle the Seller to (subject to his own discretion to) claim the agreed purchase price for the Goods, withdraw from the contract either in whole or in part by giving written notice to the Buyer without prejudice to any other right or remedy available to the Seller.
7. The Buyer shall be responsible for obtaining of all necessary licenses, approvals, governmental consents, export and import authorisations or other duties as may be required for the purchase, export and import of the Goods into its territory, unless otherwise agreed by the Seller in writing. The Buyer's failure to obtain such consents shall not relieve the Buyer of its obligations under these conditions.
8. Unless otherwise agreed, all and any risk shall pass to the Buyer (so that the Buyer is then responsible for any loss or deterioration of the Goods or for any damage occurring) at the time of delivery or in the time when the Goods leave the premises of the Seller (whichever moment occurs earlier). Regardless the delivery, ownership title to the Goods shall remain with the Seller until the Buyer has paid in full the agreed price to the Seller.
9. Unless otherwise expressly agreed in writing, Goods supplied by the Seller, shall be packed to provide adequate protection in normal conditions of transit of expected usual duration.
10. If requested by the Buyer, or in case of Buyer's delay with acceptance of Goods the Seller is entitled to store the Goods in secure conditions at a price amounting to 0,05% of agreed price of Goods, for subsequent delivery.

#### V. Liability, Complaints

1. Liability of the Seller for any claims arising out of the delivery or not delivery of Goods to the Buyer shall be limited by the amount equal to the invoiced value of such quantity of Goods that forms the subject of respective Buyer's claim.
2. The Seller shall not be liable to the Buyer for any loss or damage suffered by the Buyer whether direct, indirect, or consequential, and whether arising out of any defect in the Goods, or delay.
3. If the Goods are required for use with any material or commodity, the Buyer shall provide that the Goods ordered will not adversely affect or be adversely affected by that material or commodity. If the Goods are required for processing of any kind the Buyer shall provide that the Goods ordered are suitable for such processing.
4. Buyer providing his own material to the Seller for processing shall at his own expense insure such materials against loss or damage by fire whilst on the Seller's premises. Seller accepts no liability for any loss incurred by a Buyer whose materials should be found unsuitable for the processing specified.
5. The Buyer shall check the Goods or arrange such check in moment of its delivery. Apparent defects shall be noticed by the Buyer in writing to the Seller within 5 days upon delivery at the latest. Hidden defects shall be claimed immediately upon its detection within six months upon Goods delivery. In notice shall be specified Goods, characteristic and extent of claimed. Notice of compliant has not deferring effect on maturity of price of claimed Goods.
6. Buyer shall immediately on Seller's request provide more particular information such as amount of claimed Goods, identification of order and invoice, samples and photos. The Buyer shall on request return whole disputed dispatch to the Seller.
7. The Buyer shall not be entitled to withhold payment of any amount payable under a contract with the Seller because of any disputed claim by the Buyer in respect of faulty Goods or any other alleged breach of contract, nor shall the Buyer be entitled to set off against any amount payable under a contract with the Seller any monies which are not then presently payable by the Seller or for which the Seller disputes liability.
8. Defects resulting from use of things, materials, instructions or other subjects provided by the Buyer or as result of inadequate or rough handling, unattested method of application, application on untested substrate or inadequate storage or as result of any other breach of Buyer's duties shall not establish the purpose for legitimate compliant.
9. In case of any fault occurring in process of the application or other use of the Goods with another commodity, material or for processing, the Buyer shall minimize the amount of such commodity processed, retain the Goods for inspection, immediately notify the Seller in writing of such fault and provide to the Company all relevant details including an adequate sample of the Goods.

10. Seller shall have a claim for compensation of all and any costs of non-legitimate compliant proceedings.
11. Accepted compliant shall be settled (subject to the Seller's discretion) by:
  - a) delivery of Goods without defects;
  - b) adequate discount.

#### **VI. Working tools and samples**

1. The engraved dies, plates, shims, film, masters and other original materials produced or supplied by the Seller, namely the working tools, are the property of the Seller and shall remain in the Seller's secure storage in order to prevent their lose or misuse. Title to the working tools shall remain vested with the Seller at all times. It will only be used by the Seller for the purposes of carrying out Buyer's orders. All such working tools shall be destroyed by the Seller if so requested in writing by the Buyer, at any time or after five years upon completion of last Buyer's order.
2. The Seller may for the purposes of its records keep an example or copy of the Goods or any part thereof clearly marked as specimen only or duly nullified. The Seller retains the right to publicly display such samples. Unless otherwise agreed by the Seller in writing, the Seller retains the right to publicly refer to any work performed, or any Goods produced or supplied under order to the Buyer. Any security holographic images produced or supplied by the Seller will be registered by the Seller with the IHMA Image Register unless the Buyer has expressly requested otherwise in writing.
3. All drawings, documents, shims, confidential records, and other information supplied by the Seller, whether produced by itself or a third party, are supplied on the express understanding that copyright belongs to the Seller (or such third party) and that the Buyer will not, without the written consent of the Seller, give away, loan, exhibit, or sell any such drawings, documents, shims, records, or other information, extracts from them, or copies of them, or use them in any way except in connection with the Goods in respect of which they are issued and under conditions agreed by the parties.

#### **VII. Legality**

1. The Buyer shall not order any Goods which are or may be of an illegal or libellous nature, or harm anyhow rights of third persons, mainly the copyright, rights to patent, trademark or other intellectual property right or right to the particular image.
2. The Seller shall be fully indemnified by the Buyer in respect of any third-party claims, costs and expenses arising out of any infringement or alleged infringement of aforesaid duties.

#### **VIII. Force Majeure**

1. The Seller shall be under no liability for any failure to perform any of its obligations under the contract if and to the extent that the failure is caused by an act of God, war, strike, lockout or other labour dispute, fire, flood, drought, legislation, government restriction, shortages of labour or materials, breakdown of machinery, or other cause (whether or not similar to the foregoing) outside the control of the Seller.

#### **IX. Closing provisions**

1. These terms and conditions shall be governed and interpreted according to the laws of the Czech Republic and in the case of proceedings issued against the Seller or the Buyer shall be subject to the jurisdiction of the Czech courts only, namely common court of the Seller.
2. These terms form an integral part of the Purchase or similar Agreement entered into between the Seller and Buyer and are accessible for public on web pages of the Seller ([www.iqstructures.com](http://www.iqstructures.com)).

In Husinec-Řež, Czech Republic, on October 9, 2018

IQ Structures s.r.o.