

General Business Conditions by ISAN Radiátory s.r.o.

1. The following Terms & Conditions of ISAN Radiátory s.r.o., Company Reg. No.: 25334727, headquartered in Brno-Zábřovice, Cejl 105, Post Code 602 00, registered in the Commercial Register kept at the Regional Court in Brno, Section C, insert 26595, (hereinafter referred to as the "Seller") govern, in accordance with the provisions of Article 1751, paragraph 1 of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as the "Civil Code"), the mutual rights and obligations of the Contracting Parties arising in connection with or pursuant to the purchase agreement (hereinafter referred to as the "Purchase Agreement") concluded between the Seller and any other natural person (hereinafter referred to as the "Buyer") and are valid from the 1st of January 2014.

2. Legal relations not covered by these Terms & Conditions shall be governed by Act No. 89/2012 Coll., The Civil Code (hereinafter referred to as the "Civil Code").

3. Conclusion of a Purchase Agreement by the Buyer shall confirm that they have familiarized themselves with these Terms & Conditions, they are aware of their content agree with them. These Terms & Conditions are an integral part of the Purchase Agreement.

4. Any and all amendments to these Terms & Conditions are only possible by written agreement of the Contracting Parties in the Purchase Agreement, addendum to the Purchase Agreement or another agreement, and it shall be made clear which conditions have been amended and how. In case of doubt, the amendment to these Terms & Conditions shall be considered invalid.

Definition of terms and the process for concluding a Purchase Agreement

1. The Seller is an entrepreneur, a legal entity, who acts in the framework of their commercial or other activities during the conclusion and execution of a contract. The Seller supplies the Buyer with products or services either directly or through other entrepreneurs. More information about the Seller is included in point 1 above.

2. The Buyer is an entrepreneur, which acts in the formwork of their business or other activities during the conclusion and execution of a contract.

I. Contract Conclusion

1. Any offers presented by Seller are unbinding. Any Buyer's order shall be taken as accepted, when it is confirmed by Seller in writing.
2. Product(s) duly specified in the order is/are the subject(s) of Contract.
3. Buyer shall submit all orders in writing. Orders sent by electronic mail devices shall be accepted as written form. Silence of Seller shall not be deemed as accepting of a Buyer's counterproposal.

Buyer's order shall contain data as follows:

Order No.

Name of product and quantity,

Time of delivery,

Delivery destination,

Signature of contact person, resp. name and title of competent person responsible for the order, when sent by electronic mail.

4. Orders for greater quantity of products to be shipped in numerous partial deliveries, the volume and time of delivery of which is not stated must be submitted soon enough, so that the deliveries may follow in time. On Seller's request, Buyer shall present and agree upon a Delivery Schedule. If Buyer fails to do it, such Delivery Schedule will be set up and presented by Seller. When Buyer makes orders of partial deliveries orally or by phone, Seller has the right to deliver according to such orders, however, in case of any doubt, the previous agreement in writing specifying the type, quantity, destination and time of delivery shall be valid for partial deliveries. Cost and damage caused by incorrect or incomplete data specification in the order shall be borne by Buyer.

5. A Purchase Contract shall be deemed as made and entered into, when confirmed by Seller's competent person in writing or, when goods delivery as per the Buyer's order has started. Seller's letters of confirmation sent by electronic way shall have the validity of written form. Seller's letters of confirmation sent by electronic way must contain the name and title of competent person.

6. These GBCs supersede all previous agreements made verbally or in writing, if such previous agreements are not a part of the signed Contract.

7. If Buyer fails to fulfil any obligation under the Contract or law, Seller may insist on such fulfilling or withdraw from the Contract and sell the products to another customer. Anyway, Seller has the right for indemnification due to the Buyer's failure.

8. In case of order cancellation by Buyer, Buyer has to indemnify Seller for all additional costs, if any.

II. Goods Delivery

Rights and duties of Contracting Parties:

1. Buyer specifies in the Order destination of delivery as well as full name and address of consignee (precondition for eventual cost reimbursement).
2. Buyer shall inform Seller on any change of transport instruction without delay.
3. Buyer shall give instructions regarding the pathway to place of destination (especially to building site) and ensure safe and free access for vehicles delivering the ordered products.
4. Buyer agrees to include provisions under the items 1, 2 and 3 of the Article II herein in the subcontracts, if necessary for fulfilment of Buyer's obligations. Should Buyer fail to do it, any Seller's obligation to supply the goods disappears and Buyer has to indemnify Seller for the freight spent due to overtaken responsibility for the transportation. However, Seller's claim for other compensation of damage shall not be touched herewith. In case that the Buyer's infringement causes transport costs exceeding the sum agreed upon, so Buyer, besides the previous indemnification, has to pay Seller a fine amounting to one quintuple of the freight difference, however 100,00 EUR for one loading as a minimum. If Buyer changes the once given instructions, all costs resulting thereof shall be borne by Buyer.
5. Goods' delivery by Seller's vehicles shall be deemed as realized by goods overtaking by Buyer / end user. Seller is entitled to arrange transport means under full utilization of the capacity, if nothing else is agreed upon in writing.
6. In case of transports arranged by Seller, Buyer has to take care for unloading of Seller's truck without delay to prevent any stand time. Father, Buyer has to ensure the presence of a person entitled to overtake the consignment in place of delivery. Such entitled person determines the exact place of unloading, inspects the consignment for intactness and consequently signs the accompanying documents to confirm the goods' overtaking. He who guides the truck to the place of unloading shall be deemed as the entitled person. Any

infringement of Buyer's obligations above entitles Seller to partially or totally withdraw from the Contract and claim for indemnification, especially regarding the transport costs.

7. In case of transport by Buyer's truck, Buyer shall arrange a technically suitable vehicle. Goods loading and transport is to be realized by professionally qualified persons. Goods' overtaking for transport follows in Seller's facilities within the working hours. Seller is not delayed in goods' delivery, when Buyer's carrier fails to lay on the truck duly and in time and Buyer loses any claim for timely supply. It is up to Buyer to instruct carrier resp. consignee on the obligations as to the goods' loading or discharge.

8. If the buyer refuses to accept the goods or otherwise confound their actions or is delayed receipt of the goods, the buyer is obligated to pay the entire bill of the purchase price, freight costs and fully reimburse Seller all damages incurred.

9. All consignments are accompanied with Delivery Note issued by Seller. Upon delivery, Buyer's entitled person shall sign the Delivery Note to confirm the goods' overtaking. Buyer shall deliver the so signed Delivery Note to Seller.

III. Delivery Terms

Concrete delivery terms will be fixed in the Contract. If not so, Seller shall deliver the goods as soon as possible. If Seller is not able to keep delivery term under the Contract, Seller shall inform Buyer thereof in time specifying the reasons of delay.

If Seller fails to keep the terms of delivery, Buyer submits a written proposal for alternative Schedule of Delivery. After the vain expiration of period set up by alternative Schedule of Delivery, Buyer may withdraw from the Contract by means of a written notice. Any other claims due to withdrawal are excluded, when lawfully admissible. If the delay in delivery stays beyond a fault of Seller, Seller is entitled to deliver the goods as soon as the obstacle ceases to exist.

IV. Force Majeure

Seller shall not be liable to Buyer for any delay or failure of performance if and to the extent that such delay of failure is caused by force majeure having afflicted premises of Seller or its supplier(s). Force majeure shall mean any unforeseeable exceptional situation or event beyond the control of the contracting parties which prevents either of them in the performance of any of its obligations under the contract and was not due to error or negligence on their part, and proves that it can not be overcome even with all the proper expenditure of care.

V. Purchase Price

1. Buyer has to pay purchase price for the delivered goods, as specified in Contract or another agreement, especially in Sales Conditions Agreement (SCA). Any variation of purchase price shall only be valid, when based on mutual agreement between the Parties in writing. If there is no agreement about purchase price in writing, the price according to Seller's Price List. All prices are understood as net prices, to which lawful V.A.T. will be added in case of delivery within the territory of Czech Republic. Freight and insurance, if agreed upon, will be charged by an extra invoice. Seller reserves the right to modify the stipulated purchase price, when Seller's costs (especially freight, energy prices or salaries) increase by more than ten per cent (10%) afterwards. This rule shall not be applied in case of deliveries to persons being no entrepreneurs (physical persons), as such deliveries are commonly realizable within four (4) months after the Contract signing, however long-term Master Purchase Contracts excluded.
2. Any additional costs arising to either Party as a result of delayed offloading or delivery out of working hours will be put into invoice.
3. If a Contract or other Agreement stipulates a delivery condition as per INCOTERMS 2010, then such delivery condition supersedes any other provision herein. The producer retains the right to increase the product price in case of substantial mark up of iron price at London Metal Exchange (LME-www.lme.co.uk).

VI. Discount

Discounts promised in writing should cover Buyer's risk and expenses in connection with promotion, reasonable costs for expert's consulting, acquisition, goods' storing and keeping of our sales and delivery conditions, all these in the interest of our goods' marketing within the lawful framework of competition. Seller reserves the right to cancel the promised discount, if Buyer fails to fulfil the obligations as per the clause aforesaid. A discount is only possible, when Buyer has paid the purchase price and completely fulfilled all the Contract provisions.

VII. Transfer of Risks

1. In case of goods' transport arranged by Seller, Seller bears all risks of loss of or damage to the goods until such time as they have been delivered to and overtaken by Buyer. If Buyer fails to overtake the delivered goods in time resp. refuses the delivered goods' acceptance, such situation shall be deemed as a serious infringement of Purchase Contract. Consignee shall ensure immediate visible inspection of the delivered goods; ascertained damages arisen due to and during the transportation shall be assessed by an independent person, who draws up a record to be communicated to Seller without any delay.
2. In case of goods' transport arranged by Buyer, all risks of loss or damage to the goods shall be transferred to Buyer at the moment of goods' overtaking by carrier. In that case, Seller is not responsible for any losses or damages due to transport. This rule also relates to damages caused by using of dirty or technically unsuitable vehicles, regardless the fact if such vehicle's owner is Buyer or its contracting party. The applicable lawful rules protecting Customers shall not be touched herewith.

VIII. Claims under Defaults

ISAN Radiátory s.r.o. is responsible for missing items, product defaults or delivery of not ordered items in accordance with lawful rules, if nothing else is stated in provisions of Complaint Order. Seller is responsible for faults discovered by Buyer at the moment of goods' overtaking and for defects occurring within the Period of Risk. The Period of Risk begins to run by the date of goods' sale. Our production technology complies with demands of applicable EN standards under the respect of binding technical rules for the given product types. The quality of our products has been checked by internal output control as well as by government authorized persons.

Complaint Order

The Complaint Order regulates relationship between the Parties and stipulates rules for claiming of rights under the responsibility for defects of ISAN Radiátory s.r.o. products. Seller's warranty for the product quality is specified in the Letter of Guarantee. No complaint will be recognized in case that the heating bodies were
- installed in buildings, facilities or rooms with high humidity, such as in public WCs, car washing rooms, stables or cowsheds, indoor swimming pools and the like;

- stored outdoors or under a temperature lower than -5°C;
- damaged by inside corrosion due to unsuitable chemical composition of heating medium, having caused a leakage;
- damaged during transport, due to excessive operating pressure, inappropriate handling by Buyer;
- unprofessionally installed or when a construction modification has followed without Seller's prior consent, used for other than the intended purpose.
- No claim for warranty repair will be recognized, when Customer has bought defect heating bodies at a reduced price, having been given notice thereof.

Buyer shall notify Seller about defects under the quality warranty in writing immediately, however, within thirty (30) days after the occurrence at the latest. Such notification shall contain supported data as follows: exact product name, kind of default resp. how the default appears, number of Delivery Note, the chosen manner of indemnification for defect as per the Article VIII, paragraph Indemnification for Defects, items a), b), c). Buyer shall keep and extra store such goods until the complaint is settled. In case of already installed products, Buyer shall enable examination on the spot.

Seller is responsible for visible and hidden product defects, occurring at the moment of transfer of risks and for defects discovered in the delivered goods within the period of risk, if such defects were caused by Seller's failure.

Buyer shall pass on Seller's instructions for the product installation and usage to its customers in full extent. If not so, Seller is not responsible for any damage suffered by a third person due to neglected observation of Seller's instructions.

Buyer shall thoroughly inspect the goods on arrival resp. upon overtaking and ask the carrier to record in Waybill externally visible damage, defaults or missing items (unless it were a partial supply). Buyer shall inform Seller on the discovered defects and defaults of consignment immediately. In case of damage caused by an accident during the goods' transport to Customer, a protocol about the damage is to be drawn up in the presence of Carrier in the place of the accident.

Defects and mechanical damages not identified during a thorough inspection on arrival are to be announced to Seller immediately at the time of discovering.

Complaints on article confusion, quantity difference, incomplete delivery, incorrect packing and errors in Invoice / Delivery Note shall be lodged immediately after the consignment delivery.

Procedure of Complaint:

The buyer shall apply the complaint in writing, by fax, e-mail, phone or in person. The seller/Sales Representative, asks the buyer for the delivery of goods under complaint or photographic documentation and the number of documents related to the case (delivery note, invoice, serial number), description of the defect on the product and the reason for complaint, and make entry into the system, where all complaints are recorded. Upon delivery to the seller claimed product, the buyer is obliged to mark the pieces, identify the type of product, the claimed defect and the number that is identical to the delivery note or invoice.

Indemnification for Defects:

When Seller finds the claim as justified, so Buyer can:

- a) ask for replacement of defect goods resp. for supply of missing items;
 - b) ask for defect removal by repair, if possible;
 - c) ask for deduction in purchase price;
- Buyer is free to choose between the clauses a) to c) above.

By supply of substitute products or by repayment of purchase price, the defect products shall pass into Seller's possession, if the property right was transferred to Buyer before.

If Seller has not recognized the complaint, Buyer shall indemnify Seller for costs of complaint proceedings. Seller bears neither the costs connected with mounting and dismantling of product(s), nor the costs arising due to intervention by specialized technician(s).

In matters not regulated by this Complaint Order, provisions of the legal rules will apply. In case that Buyer withdraws from the Contract or requires a price deduction by virtue of defect products, Buyer cannot claim for any compensation.

Buyer's claims for indemnification against Seller, its employees or external agents because of any legal ground, especially because of a Contract infringement, shall be governed by the applicable legal rules. As to a breach of obligations under the Contract or extra-treaty duties, Seller shall not be liable to Buyer for any damage occurrence beyond the control and without the fault of Seller, i.e. damages which could not be foreseen at the time of Contract signing.

Claims for indemnification by virtue of defect products are barred by the statute of legal limitation.

IX. Payment Conditions

1. Unless otherwise specified in the contract, the seller has issued invoices payable within 14 days after dispatch to the customer. Seller reserves the right to grant a reduction in price in accordance with discount rates valid at the date of supply, however, provided that no outstanding amounts under the issued invoices or payable drafts exist. The relevant deduction sum will be specified in the respective invoice. No reductions in freight shall be granted. Any debt securing by Buyer or a third person has no influence on obligation matter, especially on the maturity. Seller is not obliged to primarily accept a debt securing. Seller is entitled to insist on immediate duly payment of the claim.

2. Buyer who fails to pay an invoice within the stipulated term is delayed in payment and Seller is entitled to charge interest on the accounts overdue amounting to 0.05 % for each day of overdue in case of commercial relationship. Interest on the accounts overdue under the relationships ruled by the Civil Code shall be governed by the relevant provisions therein. In case of obligation to be fulfilled by means of instalments, when Buyer is in arrear with payment of an instalment, Seller may demand immediate payment of the whole debt at once. Under such circumstances, Seller is entitled to refuse the whole or partial Contract performance and may raise a claim for indemnification by virtue of Buyer's Contract infringement.

3. Buyer is only entitled to make a one-side compensation of claims, when Seller has recognized its outstanding debts in writing or, when legitimate counter-amounts have been adjudged. Buyer shall not be allowed to withhold things in Seller's ownership, which Buyer has received in connection with previous business or within other common commercial relationships to Buyer or third persons.

4. Seller may demand securing of Buyer's debt or compensate mutual claims any time. In case of Buyer's refusal of such securing, Seller is entitled to withdraw from the Contract.

5. If Buyer fails to keep payment conditions under the Contract or, if under the Seller's discretion there are circumstances degrading Buyer's credibility, Seller may require immediate payment in cash for any supply. If Buyer delays in payment for more than thirty (30) days, Seller may withdraw from Contract. If Buyer having signed a Purchase Contract consequently shows a conduct signifying a possible failure to fulfil its obligations under the Purchase Contract (especially the obligation to overtake the products and pay the purchase price), Seller may refuse the Contract performance until the time of gaining information confirming the Buyer's ability to fulfil its obligations, whereas all the costs so arisen shall be borne by Buyer. Seller may fix a period of ten (10) calendar days, to enable the Buyer to do all necessary steps for fulfilment of obligations under the Contract. After a vain expiration of this period, Seller is entitled to withdraw from Purchase Contract and claim for indemnification due to Buyer's failure. In such cases, Seller or its agent is entitled to enter the Buyer's premises in order to retrieve the delivered goods.

6. In case of received insufficient payment under the business relationships to cover the entire Seller's claim on Buyer's money, Seller decides about actual covering of Buyer's outstanding debt inclusively the appurtenances.

7. If, pursuant the Contract, other agreement or these GBCs, Seller has the right to withdraw from the Purchase Contract, all rights and duties of the Parties under the Contract cease to exist. However, such withdrawal has no influence on a claim for indemnification under the Contract breach by the other Party. Additionally, all provisions regarding the stipulated fine, interest on overdue payment, secrecy or rights and duties (especially the obligations to pay for already rendered performance) are to be observed even after the Contract termination.

8. A written notice of Contract termination is to be sent by registered mail to the other Party's address stated in the heading of Contract. In case of failed delivery, such Letter of Notice, including all legal consequences, shall be considered as delivered by expiration of three days' period from its evident sending off.

X. Transfer of Property Right

1. Buyer takes possession of the goods by complete payment of the purchase price, if nothing else is agreed upon in Contract. If Buyer has paid the full purchase price in advance, the property right shall be passed on to Buyer by the date of goods delivery.

2. Reservation of property right as per the clause 1 above means that Seller owns and maintains possession of the goods until full payment of the purchase price. Buyer shall immediately inform Seller in writing of any important issue, significantly making worse Buyer's financial situation, especially if Buyer is close to bankruptcy or if actual circumstances can lead to bankruptcy or a forced settlement. Due to such circumstances, Seller has the right to withdraw from the existing Purchase Contract, even without any previous warning. By such withdrawal, by starting of liquidation or by putting in of a request for bankrupt trial, which matter occurs sooner, any Buyer's right to distribute the Seller's goods expires and Seller is entitled to recollect the goods under the Buyer's possession, even before expiration of the term for payment of purchase price. Under such circumstances, Buyer shall enable the Seller's representatives free access to Buyer's premises in which the relevant products are placed or stored so that such goods can be loaded and transported away.

3. If Buyer is delayed in payment of purchase price for more than fourteen (14) days, Seller may stop further supplies. If, in spite of Buyer's default in payment, further deliveries follow, it does not mean that Seller waives its rights.

XI. Final Provisions, Governing Law, Choice of Forum

1. Governing Law

1. Issues not regulated or only partially regulated herein shall be exclusively governed by the substantive law of the Czech Republic. Application of the UN Convention on the International Sale of Goods shall be explicitly excluded.

2. Settlement of disputes

a) In the event of a dispute in the implementation of these Terms & Conditions or in connection therewith, the Contracting Parties shall endeavour to resolve such a dispute through negotiation.

b) In the event that the dispute cannot be resolved in this manner, it shall be finally decided by the Permanent Court of Arbitration attached to the Economic Chamber of Czech Republic and the Agrarian Chamber of the Czech Republic according to its Rules.

c) The arbitration award issued by the aforesaid Court of Arbitration shall be final and binding.

3. Invalidity of any of the provision of these Terms & Conditions shall not affect the validity of the remaining provisions.

4. These Terms & Conditions are valid and effective from the 1st of January 2014 and published on www.isan.cz.