



31/2018

RONA, a.s.  
Schreiberova 365  
020 61 Lednicke Rovne  
Slovak Republic

## **GENERAL BUSINESS TERMS AND CONDITIONS OF RONA, A. S.**

### **1. GENERAL PROVISIONS**

1.1 General Business Terms and Conditions: The present General Business Terms and Conditions (hereinafter referred to as the "GBTC") govern certain part of a Purchase Contract content relating to the merchandise, which Purchase Contract is concluded by and between RONA, a.s., Company ID (IČO): 31642403, with the registered office at Schreiberova 365, 020 61 Lednické Rovne, Slovak Republic, as the Seller and the Purchaser (the Seller and the Purchaser hereinafter referred to as the "Contracting Parties" and individually as the "Contracting Party"). Unless the Contracting Parties expressly agree otherwise in writing, the present GBTC are fully binding for both Contracting Parties.

1.2 Purchaser's business terms and conditions: The Contracting Parties agreed that the Seller shall not be committed by any general and/or other business terms and conditions of the Purchaser or of a third party, unless it is expressly agreed so between the Contracting Parties.

1.3 If the written form is required by law for a legal act performed according to a Purchase Contract or in relation to it or the present GBTC to be binding, the authorised persons must do so by a letter or e-mail with secured electronic signature or signature on the present GBTC.

### **2. CONCLUDING A PURCHASE CONTRACT**

2.1 The proposal for concluding a Purchase Contract: After receiving the purchase order from the Purchaser, the Seller shall prepare and send to the Purchaser confirmation of the purchase order (e-mail, fax, letter), representing the proposal for concluding a Purchase Contract comprising mainly an exact definition of the subject of purchase including the quantity, purchase price, payment and delivery terms and/or other conditions of the Purchase Contract (hereinafter referred to as the "Order Confirmation"). These GBTC form are part of Order Confirmation by the Seller and all amendments and supplements relating to such Order Confirmation. The Seller is entitled to deviate from the present GBTC in its Order



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Confirmation and in that case the Order Confirmation takes precedence over the GBTC. The Order Confirmation is binding for the Seller for the period of 14 days from its delivery to the Purchaser. The Seller reserves the right to withdraw the Order Confirmation also in the period of 14 days for binding acceptance of the Order Confirmation by the Purchaser.

2.2 Order Confirmation acceptance: The Purchaser shall be obliged to deliver complete and unconditional acceptance of the Order Confirmation in 14 days from its receipt from the Seller (e-mail, fax, letter); otherwise no specific Purchase Contract is concluded between the Contracting Parties. Unless the Contracting Parties agree otherwise in writing, the Purchase Contract is concluded at the moment, when during the 14-day period for acceptance the Seller is delivered complete and unconditional written acceptance of the Order Confirmation by the Purchaser. These GBTC form are part of the Purchase Contract. In the case of any disagreement between the Purchase Contract and the GBTC the Purchase Contract has precedence over these GBTC.

2.3 Change of Order Confirmation: If the Purchaser only accepts the Order Confirmation submitted by the Seller partially or partially refuses it, it shall be seen as the change of the Order Confirmation. Full and unconditional acceptance of changed proposal of the Order Confirmation by the Seller (e-mail, fax, letter) is required for the Purchase Contract concluding. Unless the Contracting Parties agree otherwise in writing, the Purchase Contract is concluded at the moment, when the Seller delivers full acceptance of the Order Confirmation change to the Purchaser (e-mail, fax, letter), which was submitted by the Purchaser to the Seller.

2.4 Prior agreements: Any prior agreements between the Contracting Parties before concluding the Purchase Contract relating to the same subject as the Purchase Contract are fully replaced by the Purchase Contract concluded later, namely with immediate effect, and they are no longer binding for the Contracting Parties.

2.5 Amendments to the Purchase Contract: Any amendments to the Purchase Contract must be made in writing and signed by authorised representatives of both Contracting Parties or in the form of an e-mail, a fax, or a letter otherwise they are not binding for the Contracting Parties.

### **3. PURCHASE CONTRACT AND PAYMENT TERMS**



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3.1 Purchase price: The purchase price is determined by the Seller. The purchase price is based on the Seller's price list + VAT applicable at the given time in compliance with the valid legislation. The purchase price means net price and it shall be determined excluding any related expenses (VAT, other taxes, charges, customs, etc.) relating to merchandise sending and delivery to the Purchaser applicable according to the agreed and predetermined international contractual terms according to INCOTERMS 2010.

3.2 Maturity of the purchase price: Unless the Contracting Parties agree otherwise in writing, the purchase price is due in 30 calendar days from issuing an invoice – tax document.

3.3 Sanctions: If the Purchaser fails to pay the purchase price for the merchandise duly and timely, the Seller shall be entitled to rescind from the Purchase Contract and request the merchandise returning by the Purchaser and compensation of the loss incurred. In the case of delay with the purchase price payment, the Seller is entitled to charge the Purchaser for the interest on late payment in the amount of 0.03 % from the outstanding amount for every day of delay.

3.4 Letter of Credit: Unless the Contracting Parties agree otherwise, in the case of payment based on a letter of credit, the conditions of opening such letter of credit must correspond to the Purchase Contract and the present GBTC; otherwise the Seller shall be entitled to refuse such form of purchase price payment and claim that the Purchaser uses other method of the purchase price payment. The costs of opening (establishing) the letter of credit shall always be borne by the Purchaser.

3.5 Payment of the purchase price: If the purchase price is paid by a bank transfer, the purchase price is deemed paid at the moment it is credited to the Seller's bank account. All the related expenses shall be always borne by the Purchaser.

3.6 Instalments: If the Contracting Parties agree on the purchase price payment in instalments and the Purchaser gets in delay with any of the instalments, the outstanding part of the purchase price becomes due in full immediately.

3.7 Currency: The purchase price is paid in the currency determined in the Purchase Contract. The Purchaser is entitled to pay the purchase price in a currency other than the one determined in the Purchase Contract only if the Seller provably agrees with it in writing. In that case the Purchaser is obliged to apply the exchange rate published by the National Bank of Slovakia as the exchange rate valid on the day of purchase price payment.



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3.8 Ban of assignment of receivables and rights from the Purchase Contract and offsetting: One-sided offsetting of mutual receivables of the Contracting Parties is governed by the appropriate regulations applicable in the Slovak Republic. The Contracting Parties also agreed that the Purchaser is not entitled to assign any receivable or part of it or rights and obligations from the Purchase Contract to a third party without the prior written consent of the Seller.

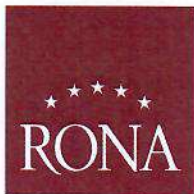
3.9 Ban of re-exporting the merchandise comprised in the catalogues RONA Select, RONA Gastro RONA Premium and labelled by the RONA logo (hereinafter referred to as the "Merchandise with RONA Logo": The Purchaser is not entitled to resell and export the Merchandise with RONA Logo purchased from the Seller to a third country outside the European Union without the prior written consent of the Seller. The violation of this ban by the Purchaser is deemed a gross violation of the Purchase Contract. If the Purchaser violates its liability not to resell and export the Merchandise with RONA Logo to a third country outside the European Union, all Purchase Contracts made between the Contracting Parties and/or all Order Confirmations shall automatically be cancelled with immediate validity and effect and the Seller shall no longer be committed by them and the Purchaser unconditionally agrees with it in advance, the Seller shall be entitled to suspend immediately all the pending supplies and to keep the purchase price paid by the Purchaser until that moment, namely also for the merchandise not yet supplied to the Purchaser. The Purchaser shall also be obliged to pay to the Seller for such contract violation the contractual fine in the amount of EUR 60,000, namely based on the Seller's written request. In that case, the Seller shall not be liable for any loss or damage that the Purchaser may incur due to immediate termination of the Purchase Contract(s) and/or Order Confirmation.

#### **4. DELIVERY TERMS AND DATE**

4.1 Delivery terms: The delivery terms are governed by EX WORKS RONA, a.s., according to INCOTERMS 2010, unless the Contracting Parties agree on other commercial schedule according to INCOTERMS 2010.

4.2 Delivery in parts: The Contracting Parties agreed that the merchandise supplies by the Seller in parts are permitted.

4.3 Delivery date: The general delivery date for merchandise is 3 (three) months counted from the day of Purchase Contract, unless the Contracting Parties agree otherwise in writing.



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4.4 Failure to comply with the delivery date: If it can be expected that it will not be possible to comply with the agreed delivery date, the Seller shall be obliged to inform the Purchaser about it in writing without any useless delay after learning about it. If the Purchaser does not file a written objection in 15 days from the date, when the above information is delivered to it, it is understood that it unconditionally agrees with delayed merchandise supply. In the case of accepting the Order Confirmation the Purchaser undertakes to tolerate the potential delay of the Seller with the supply of 20 days maximum and thus it waives of any rights for potential compensation of loss of profit it incurs due to the Seller's delay of 20 days maximum.

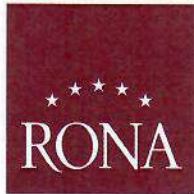
4.5 Licences, permits: The Purchaser is obliged to procure at its own costs and risk all the required export and import licences and/or other official permits and comply with all customs obligations linked to merchandise export and import.

4.6 Transfer of risks: The risk of loss, liquidation or damage to the merchandise passes to the Purchaser in compliance with the contract term EX WORKS according to INCOTERMS 2010, unless the Contracting Parties agree otherwise in writing.

4.7 Merchandise takeover: The Purchaser is obliged to take the merchandise over within the agreed delivery date (term) after receiving a notification from the Seller that the merchandise is ready for handover, however, latest in 10 (ten) days after the notice delivery. If the Purchaser fails to take the merchandise over within the agreed deadline, the risk of loss, liquidation or damage to the merchandise passes to the Purchaser on the first day after useless expiration of the agreed term.

If the Purchaser fails to take over the merchandise latest in 20 (twenty) days after useless expiration of the agreed delivery date, the Seller shall be entitled to rescind from the Purchase Contract and sell the merchandise to a third party. In addition to that, the Seller is entitled for the compensation of loss incurred due to the Purchaser's failure to take over the merchandise including the compensation of expenses on merchandise storing.

4.8 Ownership title: The ownership title for the merchandise supplied passes to the Purchaser at the moment of the whole purchase price payment to the Seller. The Seller shall be entitled to keep the documents representing the proof of legal status of the merchandise up to the whole purchase price payment.



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## **5. CONTROL, PACKING, LABELLING, TRANSPORT AND INSURANCE**

5.1 Control, labelling and packing of merchandise is governed by the written agreement concluded between the Purchaser and the Seller. The merchandise transport and insurance takes place in compliance with the agreed commercial schedule according to INCOTERMS 2010.

5.2 Insurance against damage: The merchandise is not insured by the Seller against damage, unless agreed otherwise in the Purchase Contract.

## **6. MERCHANDISE DAMAGE, LIABILITY FOR DEFECTS**

6.1 Merchandise defects: The Seller shall be liable to the Purchaser for the following merchandise defects:

- a) defects of quality - the merchandise does not meet the quality expected by technical standards applicable in the Slovak Republic and/or agreed quality;
- b) defects in quantity – the merchandise is delivered in a quantity different from the agreed quantity. If the merchandise is supplied in quantity varying from the agreed quantity by +/- 5 %, it is not a defect in quantity;
- c) defects in packing and labelling - the merchandise is not packed and/or labelled in compliance with the Purchase Contract and/or the present GBTC and/or in method providing for appropriate and suitable merchandise protection;
- d) merchandise damage caused by incorrect or ineffective packing;
- e) delivery of merchandise other than agreed upon in the Purchase Contract;
- f) a defect in documentation necessary for the merchandise to be properly used in usual method.

6.2 Merchandise defects at transfer of risk, loss, liquidation or damage of merchandise: The Seller shall be liable to the Purchaser for the defects of the merchandise at the moment of the transfer of the risk of loss, liquidation or damage of the merchandise to the Purchaser; this applies also if the defect is shown only after the transfer of such risk. In that case the Purchaser is obliged to prove that the defect of the merchandise existed already at the transfer of the risk of loss, liquidation or damage on merchandise from the Seller to the Purchaser.



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6.3 Merchandise defects after the transfer of the risk of loss, liquidation or damage of the merchandise: The Seller shall be liable to the Purchaser for defects occurring after the transfer of the risk of loss, liquidation or damage of merchandise to the Purchaser, if such defects are caused by the violation of the Seller's obligation (e.g. defect in merchandise packing). However, the Seller shall not be liable for the merchandise defects caused by incorrect transport and/or handling (manipulation) and/or use of the merchandise by the Purchaser.

6.4 Liability for the merchandise defects caused during the merchandise production, caused by items or procedures of the Purchaser: The Seller shall not be liable to the Purchaser for the merchandise defects caused during the merchandise production by the use of items or procedures handed over to the Seller or determined by the Purchaser, if the Seller could not find that they are inappropriate even if exercising proper care or if the Purchaser insisted on using them in spite of the fact that the Seller warned about their inappropriateness.

6.5 Notification about defects: The Purchaser shall be liable to notify the Seller about the existence of defects in writing without any useless delay after the merchandise delivery regardless of the fact whether the defect is obvious or hidden; however, in the case of hidden defects it shall be liable to do so latest in 12 (twelve) months from the day of merchandise delivery, unless the defects could not be found by the Purchaser earlier if exercising proper care. If the Purchaser fails to comply with these terms, its claims arising from the Seller's liability for defects expire.

6.6 Complaints: The Seller shall be obliged to process a complaint without any delay after the delivery of a written notification by the Purchaser, however, latest in 2 (two) months from the day of Purchaser's complaint delivery. If the Seller assumes obligation to remove a defect for which it is liable according to the Purchase Contract, the Seller is entitled to do so in a method it considers the most appropriate.

## **7. DOCUMENTATION, PROPOSALS, MODELS, PATENTS, CONFIDENTIALITY**

7.1 Documentation: Any documents, proposals, models and patents relating to the merchandise and its production remain the exclusive property of the Seller and/or manufacturer and the Purchaser shall not be entitled to transfer them to any third party without the prior written consent of the Seller. This provision does not apply to



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documentation, proposals, models and patents relating to the merchandise and its production provided to the Seller by the Purchaser. The Seller shall be entitled to use such documentation, proposals, models and patents exclusively in compliance with the Purchaser's instructions.

7.2 Trademarks: The right to the trademark use is not transferred with the delivery of the merchandise protected by the trademark to the Purchaser.

7.3 Confidentiality: The Purchaser is obliged to preserve confidentiality about all information handed over by the Seller in relation to the Purchase Contract. The Seller considers any information relating to the merchandise to be confidential and secret and the Purchaser is not entitled to disclose such information to a third party, unless it is publicly known and available.

## **8. FORCE MAJEURE**

8.1 Force majeure: The Contracting Parties shall not be liable for partial or complete omission of their obligations from the Purchase Contract, if such omission is caused by an event defined as force majeure. The force majeure shall include events such as fire, earthquake, floods and other natural disasters, civil unrests, wars, strikes, change of legislation or decisions of government, other state or public bodies and other similar events that the Contracting Parties cannot foresee, control or influence, if such events have a direct impact on the fulfilment of the obligations of the Contracting Parties.

8.2 Notification liability: If an event that may be referred to as the force majeure occurs, the affected Contracting Party shall be obliged to notify the other Contracting Party about such event in writing without any delay, namely immediately after such event occurs, however, latest in 48 (forty eight) hours. Immediately after the cessation of the event of force majeure the Contracting Party referring to the provision of the force majeure shall be obliged to notify the other Contracting Party in writing about the exact date of the cessation of such event of force majeure, inform it about the impact of the event on the fulfilment of contractual obligations and to complete the notification by related documents, evidence, confirmations or other proofs issued by the bodies of public administration or other public institutions.

8.3 Rescinding from the Purchase Contract: In the case of events of force majeure affecting any Contracting Party for the period of more than 6 (six) weeks, the other Contracting Party is





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entitled to rescind from the Purchase Contract without having an obligation to indemnify the Contracting Party referring to the provision of force majeure for any loss incurred by it.

## 9. GOVERNING LAW, DISPUTES RESOLUTION

9.1 Governing law: Order Confirmation, Purchase Contract including amendments to it, GBTC and any other contracts and agreements concluded by and between the Seller and the Purchaser in relation to this Purchase Contract shall be governed by the law of the Slovak Republic. Should any provision of the Order Confirmation, Purchase Contract and/or the present GBTC be invalid or unenforceable, it shall have no impact on the validity and enforceability of other provisions of the stated contractual document. In that case, the invalid and/or unenforceable provision shall be substituted by the provision of Slovak legal regulations corresponding as much as possible to the meaning and sense and purpose of the relevant Order Confirmation and/or Purchase Contract.

9.2 Interpretation of terms: The international business terms INCOTERMS 2010 issued by the International Chamber of Commerce in Paris shall be used for the interpretation of business provisions of the Purchase Contract.

9.3 Legal disputes: Any disputes arising from this Contract including disputes about its validity, interpretation or termination shall be resolved before the Arbitration Court of the Slovak Chamber of Commerce and Industry in Bratislava according to its basic internal legal regulations. The Contracting Parties shall submit to the decision of this Court. Its decision shall be binding for the Contracting Parties.

**By accepting the Order Confirmation the Purchaser fully confirms or confirms in other way by concluding the Purchase Contract with the Seller without any reservations his agreement with General Business Terms and Conditions forming an inseparable part of the Order Confirmation and Purchase Contract.**



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The General Business Terms and Conditions are valid and effective starting from August 1<sup>st</sup> 2018. The Rona, a.s. reserves the right to change these General Business Terms and Conditions at any time.

Lednicke Rovne, July 18<sup>th</sup> 2018

Ing. Stanislav Biroš

Ing. Štefan Hanák

Chairman of the Board of Directors

Member of the Board of Directors

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