

# General Business Terms and Conditions

## Introductory provisions

These general business terms and conditions (hereinafter the "Terms") regulate the relationship between the supplier THOME Lighting s.r.o., registered office in Prague 9 - 10900, Náchodská 2656/222a, Company ID No. 241 80 785, incorporated in the commercial register kept by the Municipal Court in Prague, Section C, File 186195 (hereinafter the "Supplier") and its Customer (hereinafter the "Customer").

Pursuant to Section 1751 of Act No. 89/2012 Coll., Civil Code, as amended (hereinafter the "Civil Code"), the Terms are an integral part of the contract concluded between the Supplier and Customer (hereinafter the "Contract") and by concluding the Contract, the Customer confirms that it agrees with the Terms. The Contract concluded between the Supplier and Customer is a purchase contract pursuant to Section 2079 et seq., Civil Code, and the legal relations between the parties are governed by the respective provisions of the Civil Code. In the case of disputes between the provisions of the Contract and the provisions of the Terms, the provisions of the Contract take precedence.

The legal relations between the Supplier and Customer not expressly governed by the Contract or the Terms are governed by the respective provisions of the Civil Code.

The seller undertakes to deliver the subject of the contract pursuant to the order (the purchase contract) and transfer the ownership right to this subject of the contract to the buyer.

The buyer undertakes to take over the properly delivered subject of the contract and pay the agreed purchase price for it, specified in the order according to the payment conditions stipulated in these Terms.

## 1. Conclusion of the Contract

1. The specific purchase contracts for sale are concluded based on the Customer's order, which must meet the following requirements: stipulation of the type according to the Supplier's internal catalogue (offer), i.e. the name and Supplier's catalogue number, the quantity of goods, price of goods, date and place of delivery of the goods must correspond precisely. Furthermore, the order must contain the Customer's contact details, i.e. name, registered office or place of business, delivery and mailing address, company ID number, the Customer's e-mail address, name and position of the person placing the order and the name, position and telephone number of the contact person who will accept the goods. Unless agreed otherwise, the place of delivery is the Customer's registered office.

2. The Customer is obliged to send the Supplier orders for goods in writing via mail, fax or e-mail.

3. The Supplier will confirm acceptance of the Customer's order by sending written confirmation via mail, fax or e-mail, within 3 business days of accepting the Customer's order. The purchase contract becomes valid upon acceptance of the Customer's order by the Supplier. The parties agree that the concluded purchase contract's entry into force will be deferred, whereas the purchase contract will come into effect either upon the advance on the purchase price equal to the stipulated purchase price being credited to the Supplier's account, or at the moment of handover of a promissory note to the Supplier issued by the Customer for the amount corresponding to the advance, unless agreed otherwise. If the Supplier does not react to the Customer's order within 5 business days of receiving the order, it is understood that the Customer's order was not accepted. The Supplier is authorized to refuse the Customer's order for goods or not accept it by the stipulated deadline, or raise objections to it.

4. If the Supplier states their objections to the Customer's order in writing, the purchase contract will be concluded only if the Customer accepts these objections in writing within 5 business days of them being communicated by the Supplier, whereas the purchase contract is concluded upon acceptance of the objections by the Supplier.

5. The individual purchase contracts will be concluded if the Supplier accepts the Customer's order without further conditions and changes. The purchase contracts will, in matters not expressly regulated by this contract or by the order and acceptance of it, be governed by the provisions of Section 2079 et seq., Civil Code.

6. The Customer is obliged to report any change in its e-mail address or other contact details to the Supplier without delay, and is responsible for the accuracy and validity of the information provided.
7. Potential mistakes contained in the order which are not corrected by the parties do not signify the preclusion of the Terms and do not mean that the Contract has not been concluded.
8. The Customer's special requirements, e.g. instructions concerning the place of delivery, dates, discounts, etc., may be included in the Contract only if they are expressly accepted by the Supplier in the order confirmation as being binding for them.
9. Changes and supplements to the Purchase Contract are possible only with the written consent of both contracting parties.

## **2. Delivery of goods and payment conditions**

1. The Customer undertakes to purchase and pay the Supplier for all the goods ordered from the Supplier under the purchase contracts concluded pursuant to these General Business Terms and Conditions. Unless agreed otherwise, the Customer undertakes to provide the Supplier with an advance on the purchase price for the goods, always within 3 days from concluding the purchase contract, equal to 60% of the total price for goods incl. VAT; the purchase contract comes into effect upon the advance on the purchase price being credited to the Supplier's account. The advance will be used by the Supplier to purchase material and cover the necessary production costs, and if the Customer does not purchase the goods for any reason, the advance will be offset against the contractual penalty agreed in the purchase contract.
2. The contracting parties may agree that instead of paying an advance on the purchase price for the goods pursuant to clause (1), the Customer will provide the Supplier with collateral in the form of a promissory note issued to the order of the Supplier, without protest, for the amount corresponding to the advance and due on the last day of the delivery deadline, which will be endorsed by the Customer's representative in the case of a legal entity.
3. The Goods will be delivered to the Customer by the deadline confirmed by the Supplier, unless the contracting parties agree otherwise; the delivery period, given in days, starts from the date of the purchase contract coming into effect. If it is agreed between the contracting parties that the Customer will provide the Supplier with a promissory note instead of an advance on the purchase price, the Supplier is not obliged to deliver the goods before the Customer replaces the original promissory note for the advance on the purchase price with a promissory note for the total purchase price for the goods incl. VAT, issued by the Customer without protest to the order of the Supplier, due on the maturity date of the purchase price, and endorsed by the Customer's representative in the case of a legal entity. Unless expressly agreed otherwise in the Contract, the agreed delivery deadline is not binding for the Supplier. The Customer acknowledges that the agreed delivery deadline is only approximate. The Supplier is authorized to deliver the goods before the agreed delivery date. In this case, the Supplier is obliged to inform the Customer about this beforehand. In such a case, the Customer is obliged to accept the goods from the Supplier.
4. If due performance of delivery of the goods requires consent or permits from state authorities or third parties, the Customer is obliged to procure these in time. The Supplier is not in delay with delivery until the Customer fulfills these obligations.
5. The Supplier is not in delay in the case of unforeseeable events. Unforeseeable events refer to cases which the Supplier cannot influence or prevent, e.g. climatic conditions, armed conflicts, blocking of border crossings, etc. In these cases, the delivery deadline is extended by the duration of such obstacles existing.
6. Payment for goods will be carried out via wire transfer to the Supplier's **account no. 107-1690930217/0100** at Komerční banka a.s., and payment of the invoice will be due **14** days from delivery of the goods, unless agreed otherwise. In the case of pro forma invoices, payment is due **3** days from handover of the pro forma invoice.
7. Costs for shipping the goods to the place of delivery are borne by the Supplier within the Czech Republic for goods worth over CZK 20,000 (twenty thousand Czech crowns) excl. VAT; otherwise the costs for shipping the goods are borne by the Customer.
8. With the delivered goods, the Supplier is obliged to hand over all documents to the Customer, in particular the assembly instructions and delivery note pertaining to them.

9. Unless agreed otherwise in the Contract, the Customer is obliged to take over the goods at the moment of their handover at the place of delivery. If the Customer does not take over the goods, they are obliged to inform the Supplier without delay about the situation which prevented their takeover of the goods.

10. The Customer is obliged to check the delivered goods and state any objections directly in the consignment note. If the Customer does not register a complaint that a lower quantity of goods was delivered than agreed in the Contract within 3 days of takeover of the goods, it is considered that the goods were delivered in the required quantity.

11. The risk of damage to the goods passes to the Customer at the moment of their acceptance from the Supplier or carrier. The Customer will acquire the ownership right to the goods only upon full payment of the agreed price.

12. The contracting parties agree on the reservation of ownership right pursuant to Section 2132 et seq., Civil Code, i.e. that the ownership right to the goods pursuant to the individual purchase contracts will pass to the Customer upon full payment of the purchase price, while the risk of damage to the goods passes to the Customer upon their takeover.

13. If a promissory note was issued by the Customer by agreement of the contracting parties, the Supplier is obliged to return the promissory note always no later than 7 days after the full payment of the part of the purchase price secured by the promissory note.

14. The Supplier reserves the right to modify the value of the price of goods after the Customer places the order, if the Supplier's costs incurred in connection to the production, modification or delivery of the goods to the Customer increase. In this case, the Supplier is obliged to inform the Customer immediately in writing about the price increase compared to the price in the confirmed order. In the case of obvious mistakes in the data, the incorrect data will be replaced with correct data.

15. For prices agreed in a foreign currency, the Supplier is authorized to request that the Customer cover potential exchange rate losses arising from failure to pay the invoice by its due date. The exchange rate loss is the difference between the currency exchange rate specified in the invoice, valid on the due date of the invoice, and the currency exchange rate valid on the actual payment date of the invoice; the precise exchange rate will be stipulated by the Czech National Bank.

16. The Customer is not authorized to offset its potential receivables from the Supplier against the Supplier's receivable for payment of the price agreed under any contract.

17. The purchase price is considered paid on the date of crediting the relevant amount to the Supplier's account.

18. In the case of late payment by the Customer, the Supplier is authorized to suspend any further deliveries to the Customer. The Supplier is also authorized to postpone the delivery deadlines for other current deliveries to the Customer, until such a time as the Customer performs the relevant transactions to the Supplier.

### **3. Customer's obligations**

1. The Customer is obliged to ensure the due and timely acceptance of the delivered goods and full and punctual payment to the Supplier.

2. The Customer is obliged to provide the Supplier, without undue delay, with any information that could threaten the due fulfillment of this contract and contracts concluded on the basis of it.

3. The Customer is obliged to provide the Supplier with the cooperation needed to achieve the purpose of the concluded purchase contract.

4. The Customer is obliged to ensure the confidentiality of business information obtained in connection to the fulfillment of the concluded purchase contracts, and not provide this information to third parties without the Supplier's written consent and not

use it for its own benefit or that of third parties, should this not be in the Supplier's interest. This does not apply to the provision of technical and other data about the goods to third parties in connection to the sale of these goods.

5. By concluding the individual purchase contracts pursuant to the Terms, the Customer confirms that it is not aware of any impending or already ongoing proceedings before a court, arbitrator or public administrative authority against its assets which could have a negative impact on its ability or capacity to duly and punctually fulfill its obligations arising from this contract. The Supplier is authorized, via a written request addressed to the Customer's statutory body, to determine the Customer's situation in this respect, and the Customer is obliged to respond in writing to the Supplier's request within 5 business days.

#### **4. Supplier's obligations**

1. The Supplier will ensure the due fulfillment of orders for goods in the quantity, quality and type based on the Customer's requirements and the Supplier's capacity.

2. The Supplier will bill the Customer the purchase prices for delivered goods at the retail prices based on the specific confirmed order from the Supplier. The prices in the offers and subsequently confirmed orders will be stated excluding VAT.

#### **5. Sanctions**

1. In the case of the Customer's delay in paying the individual purchase prices pursuant to the purchase contracts concluded pursuant to these general contractual terms and conditions by more than 10 (ten) days, the Supplier may apply a contractual penalty equal to 0.1% of the owed amount for every day of delay, starting from the 11th (eleventh) day of the Customer's delay. If the Customer has a delay in paying the outstanding amounts of more than 15 (fifteen) days, the Supplier has the right to suspend the delivery of goods or to withdraw from the concluded purchase contract which established the obligation to pay the purchase price which the Customer is late in paying. This does not affect the Supplier's right to request compensation for incurred damages from the Customer, in addition to the contractual penalty.

2. If the Customer breaches their obligation to purchase the goods based on the purchase contract concluded pursuant to these Terms, the Supplier has the right to demand the payment of a contractual penalty by the Customer, equal to 60% of the total purchase price of the unpurchased goods, incl. VAT. The contractual penalty is due within three days of the date of delivery of the Supplier's request for payment to the Customer.

#### **6. Warranty conditions and claims of goods**

1. The Supplier declares and guarantees to the Customer that the goods will be without any faults.

2. The Supplier undertakes to manufacture and package each series of goods correctly and without faults, so that the goods may be used for their designated purpose. The Supplier is liable for defects in the goods pursuant to Czech law.

3. The Supplier reserves the right to make changes in the parameters and fittings of the goods for technical reasons, or based on requirements stipulated by legal regulations.

4. The Supplier provides a standard warranty on goods of 24 to 60 months on the selected range, and a warranty of 24 months on performed work (installation). The warranty is always precisely specified in the given purchase contract or delivery note, or in the invoice, warranty certificate or installation instructions. If it is not specified, the warranty period is 24 months. The warranty may be extended for a longer period than the standard warranty, under precisely defined conditions, if the Customer (cumulatively):

a) after installation sends the supplier (1) a preliminary revision of the goods conducted by a person authorized under Section 9 of Decree No. 50/1978 Coll., of the Czech Work Safety Authority and Czech Mining Authority on professional qualifications in electrical engineering; and (2) documentation on assessment of external impacts pursuant to Annex NB CSN 33 2000-5-51

ed. 3 with a specification of the following external impacts: Ambient temperature, Surrounding atmospheric conditions, Altitude, Presence of water incidence, Presence of foreign solid particles, Presence of corrosives or pollutants, Shockwaves, Vibrations, Presence of plants or molds, Presence of animals, Electromagnetic, electrostatic or ionizing activity, Solar radiation, Seismic impacts, Storm activity, Air movement, Wind, Ability of persons, Contact of persons with ground potential, Escape possibilities in case of emergency, Character of processed substances, Building materials, Building construction. The level of each of the external impacts must not exceed the level of "impact considered normal".

b) arranges the performance of regular revisions of the goods by a person authorized under Section 9 of Decree No. 50/1978 Coll., of the Czech Work Safety Authority and Czech Mining Authority on professional qualifications in electrical engineering, and sends them to the Supplier every 12 (twelve) months;

c) sends the Supplier at least 5 photographs of the installed goods or installation of the goods within 6 months of handover.

5. The warranty period starts on the date of takeover of the goods by the Customer.

6. In the case of any obvious defects, the Customer must register a complaint with the Supplier within 3 days of takeover of the goods by the Customer. The Customer or operator is obliged to report any identified breakdowns or malfunctions without undue delay.

7. Warranty claims may be made in the following manner:  
- via e-mail  
- on business days in person at the Supplier's registered office  
- via postal correspondence delivered to the Supplier's registered office

8. In the claim, the Customer is obliged to state (submit):  
- order confirmation or contract number  
- description and display of the defect  
- invoice  
- number and precise name of the goods and number of units affected

9. The warranty on lighting sources is limited to the usual period specified by the manufacturer.

10. A defect caused by mechanical damage or damage resulting from placing the goods in an unsuitable environment is not considered a defect in the goods.

11. The Supplier will ensure removal of the defect by the deadline agreed with the Customer, at latest within 60 days. The Supplier reserves the right to assess the legitimacy of the Customer's claim and the Customer is obliged to provide the Supplier with the necessary cooperation in order to determine the legitimacy of the claim.

12. If the claim is justified, the Customer may  
- if the defect is removable, request the free removal of the defect  
- if the defect is not removable, request the free delivery of substitute goods, or request an appropriate discount.

13. If the subject of the concluded purchase contract is the delivery of goods to the Customer without installation, the Customer bears all the costs incurred in connection to delivering the defective goods to the Supplier and back (costs of dismounting and assembly, transport, waste disposal, travel expenses, lifting equipment, scaffolding, etc.).

14. The Customer is not authorized to perform repairs, modifications and changes to the goods under warranty without prior written consent from the Supplier. In such a case, the rights arising from the warranty provided by the Supplier are void.

15. Malfunctioning of an individual LED chip on the LED module, discrepancies in light flow of +/- 10%, in color temperature of +/- 10% and in light input of +/- 5% are permissible in accordance with the valid standards and are not a reason to return the product.

16. The warranty does not apply to defects caused by incorrect use, inadequate operation, inexperienced or inappropriate handling, incorrect use and installation, which are contrary to the function and environment for which the product was designed, in particular with regard to the surrounding air temperature and humidity, or the harmful effects of power surges in the distribution grid due e.g. to lightning, except for the scope specified in the respective technical standard for distribution grids.

17. The warranty does not apply to damage caused by:

a) using the product in inadequate conditions, with regard to dust, humidity, temperature, and chemical impacts of the environment, which are directly specified by the manufacturer and set forth in the technical documentation for the given products.

b) using the product or overloading the product contrary to the conditions set forth in the documentation or general principles or specified on the production label.

c) changing the parameters defined and controlled during the manufacturer's final inspection, or by unqualified interference

d) the buyer's modifications (bending, addition of other structural elements, painting, etc.)

e) using the product in an environment where the product is heated by all types of electromagnetic radiation

e) natural elements or force majeure

f) using the product at a higher output (wattage) than it is designed for and which is specified on the light fixture label, in connection to the setting of the control system which controls the light fixtures, DALI systems or 1-10V or 0-10V or PWM or any change in the settings of the electronic light ballast.

g) The Customer is obliged to provide the Supplier with the cooperation required to clarify the causes of the defects in fulfillment; in particular it is obliged to provide all information about the method and means of installing the delivered fulfillment, and the manner and conditions of its use, or other relevant facts. If the Customer does not provide the Supplier with the required cooperation, the claim will be considered unjustified.

## **7. Returning goods**

1. If the Supplier and Customer reach an agreement, and the Customer returns the goods or part thereof to the Supplier, and the Supplier accepts these goods under protocol as undamaged and functional: The Supplier will issue a corrective tax document for the returned goods. The total amount in the corrective tax document will be reduced by amortization. Amortization is determined so that for every month commenced in which the goods were held by the Customer, the original purchase price of the goods will be reduced by 1.66%.

2. Settlement of the price for delivered goods in the case of the Customer's withdrawal from the concluded purchase contract will be conducted in the same manner.

## **8. Samples**

1. The Supplier may provide samples at the Customer's request. In this case, it must be expressly stated in the order that the Customer is interested in a sample of the goods under the provisions of these Terms.

2. If the subject of future purchase of goods is labeled as a sample, delivery of the goods under standard conditions follows. The time limit for returning the samples to the Supplier is 4 weeks. If the Customer does not return the sample to the Supplier within this time, the Supplier is authorized, after the last day of the deadline for returning samples, to issue a tax document for these delivered goods, which becomes due in 3 days, and to deliver the tax document to the Customer. The same applies if

the returned goods are in any way modified or damaged, or if the Customer returns entirely or partly different goods instead of the sample.

## 9. Orders and services

1. The delivery of goods pursuant to the Customer's specific requirements and provision of the Supplier's services will be billed to the Customer based on the time spent on this by the Supplier's relevant employees, according to the hourly rates set by the Supplier. The Customer is also obliged to pay the Supplier the costs for material and other expenses incurred.

## 10. Withdrawal from the contract

1. The contracting parties acknowledge that the following are regarded as a severe breach of the Contract:

- the Customer's failure to confirm acceptance of the goods on the carrier's document
- failure to fulfill the Customer's obligations
- failure to pay the agreed price for the goods by the agreed deadline
- the Customer's failure to fulfill the reporting obligation (insolvency)

2. In the case of a severe breach of the Contract by one of the contracting parties, the other contracting party has the right to withdraw from the concluded purchase contract. Withdrawal must be effectuated in writing and the withdrawing party is obliged to state the reason for withdrawal from the purchase contract.

3. In the case of withdrawal from the Contract, the other contracting party is obliged to confirm this withdrawal to the other contracting party in writing. In this case, the parties are obliged to return their payments to each other, reduced by any contractual sanctions and amortization pursuant to Art. 7 of the Terms.

4. If the goods are installed by third parties, the Supplier is not liable for any damage incurred by the Customer during such activity or in relation thereto, but the Supplier's liability pursuant to Act No. 59/1998 Coll., on liability for damages caused by product defects, is not thereby precluded.

## 11. Miscellaneous provisions

1. The Supplier reserves all copyright and industrial rights pertaining to all of the references which it provides to the Customer in relation to the Contract, in particular the attachments, samples, images and descriptions of the solutions specified therein, including photographs sent by the Customer to the Supplier pursuant to Art. 6(4)(c).

2. In the case of delivered projects and products, the Supplier reserves the right to a tolerance rate in the declared technical data and parameters:

- Light hue, declared in units (Kelvins) - permitted tolerance compared to declared values +/- 10%
- Tolerance of the declared light flow according to the project, specified in units (lux) +/- 10%
- Tolerance of the declared lighting input compared to the project (Dialux) +/- 10%
- The standard hue of products is determined based on the Supplier's specifications. If the Customer requests special color parameters for the supplied products, the hue is determined based on the confirmed specifications according to RAL color charts.

3. The Supplier is authorized to offset its due receivables towards the Customer arising from the Contracts against the Customer's receivables towards the Supplier.

4. The Customer acknowledges that the goods should be used in accordance with the installation, operation, and user conditions, and any officially stipulated conditions. The Supplier is not liable for any damage arising from the breach of such conditions.

5. Where these Terms require written form for an act by a contracting party, it applies that the act may be effectuated in electronic form, unless expressly stated otherwise.

## **12. Resolving disputes**

The Supplier and Customer are obliged to attempt to resolve any disputes by amicable means first.

## **13. Personal data protection**

The seller fulfills its reporting obligation towards the buyer pursuant to Art. 13 of Regulation 2016/679 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (hereinafter the "GDPR") in connection with processing the buyer's personal data for the purpose of fulfilling the purchase contract, for the purpose of negotiating the purchase contract and for the purpose of fulfilling the seller's public law obligations, by means of a special document.

## **14. Sending commercial communications and storing cookies**

14.1 The buyer agrees, pursuant to Section 7(2) of Act No. 480/2004 Coll., on certain information society services and on the amendment of certain laws (Act on certain information society services), as amended, to the sending of commercial communications by the seller to the buyer's electronic address or telephone number. The seller fulfills its reporting obligation towards the buyer pursuant to Art. 13, GDPR, related to processing the buyer's personal data for the purpose of sending commercial communications, by means of a special document.

14.2 The buyer agrees to the storage of cookies on its computer. If the purchase can be made on the website and the seller's obligations from the purchase contract can be fulfilled without storing cooking on the buyer's computer, the buyer may withdraw the consent pursuant to the previous sentence at any time.

## **15. Final provisions**

These Terms come into effect on 1 June 2020.

The rights and obligations arising from the purchase contracts concluded pursuant to these general business terms and conditions pass to the legal successors of the contracting parties.

The purchase contract is concluded by submitting the Customer's binding order to the Supplier and subsequent acceptance of the Customer's order by the Supplier. By concluding the purchase contract, the Customer confirms its consent to these Terms, which thereby become binding for it.