

	General Business Terms and Conditions	Issue/Revision: 3 / 2 Revision date: 1 March
---	--	---

Business Terms and Conditions of Emco spol. s r.o.
(Published on the website at <https://www.emco.cz/pro-dodavatele/> with effect from 1 March 2025)

1. GENERAL PROVISIONS

- 1.1. These Terms and Conditions are issued by **Emco spol. s r. o.**, registered office at Türkova 2319, 149 00 Prague 4, ID No: 41191129, incorporated in the CR maintained by the Municipal Court in Prague under File No. C 6522. They contain a general regulation of the rights and obligations of the contracting parties within the framework of commercial obligations in connection with the purchase of food goods or packaging by Emco spol. s r.o. (hereinafter referred to as the “Buyer”) from its contractual business partners (hereinafter referred to as the “Seller”).
- 1.2. These Terms and Conditions form an integral part of the framework purchase contracts (or even purchase subcontracts) concluded on the basis of orders issued by the Buyer. Any deviating provisions in the framework purchase contract or subcontract shall always prevail over the wording of these Terms and Conditions. By concluding the contract, the Seller confirms that it has read and agrees to these Terms and Conditions.
- 1.3. The Seller acknowledges that by confirming the order, these Terms and Conditions exclusively shall apply to the legal relationship established between the Seller and the Buyer. Any terms and conditions of the Seller shall not be taken into account in the context of business relationships based on concluded framework and partial purchase contracts.
- 1.4. The Seller is obliged to disclose to the Buyer at the conclusion of the framework contract / first purchase subcontract / order, and subsequently at any time during the contractual relationship between the parties, the value of turnover within the meaning of Act No. 395/2009 Coll. on significant market power and unfair commercial practices in the sale of agricultural and food products, as amended (hereinafter referred to as the “**ZoVTS**”), without undue delay at the Buyer’s request and/or upon any change in the value of annual turnover after the end of the accounting period. For the purposes of this provision, turnover is the annual turnover for the last completed fiscal period of 12 months. Turnover will be calculated in the manner set out in the ZoVTS. Where required by the ZoVTS, turnover will be disclosed including third party turnover.

2. CONCLUSION OF A PURCHASE CONTRACT

- 2.1. The Buyer is authorised to submit orders for goods to the Seller in written form via email. The order must contain at least the specification of the goods and their quantity, the price, if applicable, and the place of performance and method of delivery.
- 2.2. The purchase contract is concluded at the moment of order confirmation. The Seller is obliged to confirm the order by email. If the Seller is unable to deliver the requested goods or their requested quantity to the Buyer, the Seller shall promptly reject the order via email, no later than **48 hours** after receipt of the order to the Seller’s email address from which the order was sent. If the deadline expires on a day that is not a working day, the deadline for rejecting the order shall be extended until 12:00 p.m. on the next following working day. **Otherwise, it applies that is the order confirmed** and the Seller is obliged to deliver the ordered goods for the price and under the delivery terms valid on the order date.
- 2.3. Any additions or deviations made by the Seller at the time of order confirmation shall not be taken into account.

	General Business Terms and Conditions	Issue/Revision: 3 / 2 Revision date: 1 March
---	--	---

3. DELIVERY OF GOODS

- 3.1. Unless agreed otherwise, the delivery deadline is a maximum of 7 calendar days from the date of delivery of the order to the Seller. The Seller is obliged to inform the Buyer immediately in writing if circumstances arise or become known to the Seller which indicate that the delivery date or quantity specified in the order cannot be met. In this case, the Buyer is authorised to withdraw from the purchase subcontract and secure the performance of the obligation with a third party at the Seller's expense. The Buyer's claims in connection with failure to meet the delivery deadline or quantity of delivered goods in violation of the order shall remain unaffected by the fulfilment of the above obligations and rights.
- 3.2. The Seller may effectuate delivery of the goods by handing them over to the first carrier for carriage to the Buyer. Goods delivered by a carrier must be clearly and sufficiently marked as being for the Buyer. The method of delivery may be resolved by reference to INCOTERMS 2020; unless agreed otherwise, the delivery parity DAP - Buyer's warehouse shall apply.
- 3.3. The Seller is obliged to transport the goods using only vehicles suitable for the nature of the goods transported, in good and clean condition. The Seller is obliged to prevent contamination by foreign objects, in particular contact of the goods with the wooden pallet or the wooden sides of the vehicle.
- 3.4. The Seller undertakes to deliver the goods on undamaged EUR pallets, unless agreed otherwise, e.g. tanker, IBC container or in bulk.
- 3.5. The delivery of the goods must always be accompanied by a delivery note drawn up by the Seller.
- 3.6. Ownership and risk of damage to the goods shall pass to the Buyer at the moment of acceptance of the duly delivered goods.

4. SPECIFICATION AND QUALITY OF GOODS

- 4.1. The Seller is obliged to deliver goods to the Buyer that correspond 100% to the standard of the goods delivered by the Buyer, mutually agreed specifications or that correspond to the reference sample provided and approved by the Buyer and meet the purpose for which the Buyer buys them. The Seller is not authorised to unilaterally modify, supplement or add any additional notes to the standard of the goods and is not authorised to make any changes in the composition, appearance or taste of the goods supplied.
- 4.2. The Buyer is authorised to update the standard of the delivered goods. From the moment the updated standard of goods is delivered to the Seller, with the addition of two calendar months, the Seller is obliged to comply with this standard for the delivery of any goods. The Seller has the right to refuse delivery of the goods in this updated standard within 7 days of receipt of the updated standard of goods, otherwise the Seller shall be deemed to have accepted the updated standard of goods.
- 4.3. Unless agreed otherwise, the Seller shall, prior to each delivery of the goods, send the relevant sensory, physical-chemical, microbiological or other analyses specified in the specification of the goods to atesty@emco.cz and / or submit them no later than together with the delivery of the goods.
- 4.4. The Seller undertakes that if there is a need on the Seller's side for any change in the agreed specification, especially in the composition of the goods or in the production technology, including changes in production HACCP, control of raw materials and changes in equipment affecting the quality of the delivered raw materials, including changes in internal regulations affecting the production, quality and safety of the goods, the Seller is obliged to inform the Buyer without delay. In such cases, the Buyer has the right to take a sample of the goods or take any other measures to protect its rights.

	General Business Terms and Conditions	Issue/Revision: 3 / 2
		Revision date: 1 March

The Seller is not authorised to deliver goods to the Buyer that have been exposed to any risk of deterioration, e.g. cross-contamination with allergens; the Seller shall inform the Buyer of such fact without delay.

- 4.5. If some or none of the parameters of the ordered goods are (not) specifically agreed upon, the Seller is responsible for the fact that the delivered goods will qualitatively meet the characteristics set forth by the relevant technical standards and applicable legal regulations and will be accompanied by all documentation required by law.
- 4.6. The Seller is obliged to deliver goods to the Buyer for which no more than 1/3 of their total shelf life has expired at the time of performance.
- 4.7. The Seller is obliged to deliver the goods to the Buyer in health-safe packaging, which must contain at least the following information:

Name of goods
 Name and address of the Seller
 Country of origin
 Package weight (net)
 Minimum shelf life date
 Storage conditions
 Batch (indicated by "Batch" or "Lot")

5. PRICE AND PAYMENT TERMS

- 5.1. The purchase price of the goods is always determined by one of the following methods, where the first method takes precedence over the second and the second over the third: 1. In the framework purchase contract, including supplements and annexes thereto (price list) and/or subcontract and/or price agreement; 2. in the agreement contained and confirmed in the email message; 3. in the order for goods confirmed by the Seller. If a purchase price is fixed for a specific period or for a specific quantity of goods (contract), the agreed purchase price of the goods is governed by the date of the Buyer's order.
- 5.2. If the purchase price is not fixed for a certain period or if a contract for a certain quantity is not agreed upon, a unilateral increase of the agreed purchase price is possible on the part of the Seller only if it justifies to the Buyer an increase in the prices of its inputs which has such an effect on the goods that the price of the goods will increase by more than 5% compared to the situation on the date of signing the price agreement. In this case, the Seller may charge the Buyer a higher price at the earliest after two months after sending the Buyer a duly justified notice of the increase in the agreed purchase price. This provision takes precedence over any changes to the price list on the part of the Seller.
- 5.3. If the Seller's performance is defective, the Buyer is not obliged to pay the Seller the purchase price of the goods until the Seller remedies the defect in performance. If the purchase price has already been invoiced, the maturity date shall be suspended until the date the defect is rectified by the Seller.
- 5.4. The Seller is obliged to invoice the Buyer for the goods delivered on the basis of each individual order via a separate invoice. The basis for invoicing is the confirmed delivery note. Invoices must be sent to the Buyer's registered office address: Emco spol. s r.o., Türkova 2319, 149 00 Prague 4. Each invoice for delivered goods must meet the requirements of a tax document.
- 5.5. Unless agreed otherwise by the parties, the invoice is due 60 days from the date of delivery to the Buyer. If the Buyer is in a position of significant market power in relation to the Seller within the meaning of Section 3 of the ZoVTS, the invoice is payable on the latest maturity date pursuant to Section 3b of the ZoVTS.
- 5.6. If the invoice does not meet the requirements agreed in these T&C, it shall be deemed to have been issued unrightfully.

If the conditions of an unreliable VAT payer are fulfilled by the Seller on the date of taxable supply, in particular if the Seller is registered as an unreliable taxpayer or the tax document indicates a bank account not disclosed in a lawful manner (an undisclosed account), the Buyer is authorised to (a) pay the monetary debt without VAT and/or (b) a part of the monetary debt in the amount of the calculated value added tax not to the Seller's bank account but directly to the bank account of the relevant tax authority (as payment of tax for the provider of the taxable supply from such taxable supply); whereas, in accordance with both (a) and (b), the relevant part of the Buyer's monetary debt to the Seller is deemed to have been settled in full.

6. TURNOVER BONUS

- 6.1. If the parties agree on an annual bonus, the Seller is obliged to issue and send the Buyer a corrective tax document for the amount of the agreed bonus corresponding to the turnover for the previous calendar year by 30 January of the relevant year. The Buyer is authorised to offset this issued corrective tax document against the collected outstanding invoice issued by the Seller for the delivered goods.

7. LIABILITY FOR DEFECTS

- 7.1. The Seller is obliged systematically to address the quality of its production and to provide only safe and healthy goods to the Buyer. The Seller is obliged to comply with all relevant legal and technical regulations, including European Union legislation, which relate in particular to the critical points system (HACCP) and the traceability of all ingredients, materials and substances used in production.
- 7.2. The Seller is liable for the quality of the goods for the period stated either in the relevant specifications of the goods or on their packaging as the minimum shelf life of the goods.
- 7.3. The Seller acknowledges that upon receipt of the goods, the Buyer performs only a cursory visual inspection of the goods. Inspection of the goods in terms of quality and quantity is usually carried out by the Buyer within 2 working days from the date of receipt.
- 7.4. Defects in the goods detected during inspection after the risk of damage to the goods has passed, including missing quantities, and defects in the goods detected during the warranty period, must be claimed in writing from the Seller without undue delay after their discovery. Apparent defects shall only be deemed to be obvious differences in the quantity of delivered goods, obvious damage to the delivered goods or their packaging, differences in the items on the order and delivery note, differences in the delivery note and pallet label and damage to the pallet or its packaging.
- 7.5. The Buyer is authorised to inspect all goods and in the event of any deviation from the established parameters (specification, attestation) refuse to accept the defective goods; the Seller is obliged to take back such goods. Claims for defects based on the above-mentioned checks are in any case timely even if they are made within 10 working days of delivery of the goods.
- 7.6. The Seller is obliged to resolve without undue delay claims for goods and claims for defects made by the Buyer. The Buyer's claim, including the fulfilment of any substitute performance, must be settled within 10 working days at the latest. The Seller is also obliged to remedy the defect if it does not accept that it is responsible for the defect, unless it proves that it is not responsible for the defect within the deadline for remedying the defect. In disputed cases, the Seller bears the costs of the claim until the claim is resolved. The Seller is obliged to inform the Buyer immediately in writing if circumstances arise or are known to the Seller which indicate that the deadline for the settlement of the claim cannot be met (e.g. by arranging for the import of substitute goods of due quality). In this case, the Buyer is authorised to withdraw from the purchase subcontract and secure the performance of the obligation with a third party at the Seller's expense.

7.7. If the Buyer incurs costs in connection with the defective delivery of goods, in particular transport costs, travel costs, labour costs, material costs, storage costs or inspection costs, including laboratory analyses, or the cost of returning the goods, the Seller is obliged to pay these increased costs.

7.8. The Buyer is authorised to take samples from any delivery for the purpose of checking the quality of the delivered goods, to archive them and to commission the laboratory to analyse these samples. If the control analysis confirms a discrepancy between the declared and actual parameters of the delivered goods, the Seller is obliged to take back such goods and to reimburse the Buyer for all costs reasonably incurred for the return of the goods and for carrying out such control.

The Seller is obliged to maintain insurance of legal liability for damages caused as a result of defective performance to health or property throughout the validity of the concluded framework purchase contract, with a reasonable insured amount corresponding to the scope of performance under the concluded framework purchase contract, but at least CZK 10,000,000. The Seller is obliged to provide a copy of the concluded insurance policy to the Buyer upon request.

7.9. The Buyer is entitled to carry out a pre-announced audit of the Seller aimed at checking the safety and health of the contractual goods delivered. The Buyer shall notify the Seller of the date of the scheduled audit at least two weeks prior to the audit.

7.10. The Buyer is authorised to conduct an unannounced audit of the Seller and the Seller shall comply with the request to conduct an unannounced audit. If the Seller, for reasons on its part, prevents an unannounced audit, it shall be liable for the damage caused thereby; at the same time, the Buyer is entitled to withdraw from all contracts concluded with the Seller.

7.11. The Seller is obliged to respect the results of the audit after the completion of the audit and to eliminate defects and non-conformities within one month of receipt of the audit report. In the event of non-compliance with this obligation, the Buyer is entitled to withdraw from all contracts concluded with the Seller.

7.12. If any third-party claims compensation for damages or payment of a fine from the Buyer due to a defect in a product manufactured using goods supplied by the Seller, the Seller shall provide the Buyer with all assistance in this matter, including expert opinions, laboratory analyses and consultations, free of charge. In the event of a proven connection between the damage and the use of defective goods supplied by the Seller, the Seller is obliged to pay the Buyer compensation for the damage incurred in this connection, including the costs of compensation for third parties, the costs of fines paid, the costs of disposal or other means of dealing with the defective final products, and, if applicable, to pay for proven non-pecuniary damage in connection with damage to the Buyer's reputation.

8. SANCTIONS

8.1. If the Buyer is in default of payment of an invoice duly issued by the Seller, despite the Seller's request with an additional deadline to comply with this obligation, which shall not be less than 10 (ten) calendar days, the Seller is entitled to a contractual penalty of 0.05% of the amount due per day.

8.2. If the Seller delivers the goods with any deviation from the standard of the goods, the Seller is obliged to pay the Buyer a penalty of CZK 50,000 for each violation of the obligation to deliver the goods in the Buyer's standard.

8.3. If the Seller breaches the obligation to deliver duly ordered goods to the Buyer in the agreed quantity and quality, the Seller is obliged to pay the Buyer a penalty of CZK 10,000 for each, even if only commenced day of delay in the delivery of duly ordered goods in the agreed quantity and quality.

	General Business Terms and Conditions	Issue/Revision: 3 / 2 Revision date: 1 March
---	--	---

- 8.4. If the Seller thwarts the performance of any audit by the Buyer and/or breaches its obligation agreed in Article 7.12. of these T&C, the Seller is obliged to pay the Buyer a penalty of CZK 50,000 for each thwarting of any audit by the Seller and/or breach of the obligation agreed in Article 7.12. of these T&C.
- 8.5. If the Seller breaches the nondisclosure obligation agreed in Article 9.1. of these Terms and Conditions, the Seller is obliged to pay the Buyer a penalty of CZK 500,000 for each partial breach of the nondisclosure obligation.
- 8.6. In the event of a breach of a contractual obligation by the other party, both parties are entitled to claim full damages in addition to the above contractual penalties.

9. NONDISCLOSURE OBLIGATION AND PROTECTION OF TRADE SECRETS

- 9.1. The Seller is obliged to consider all contractual arrangements (including the contents of the framework purchase contract and the agreed Terms and Conditions, in particular the prices, partial deliveries between the Seller and the Buyer) and all information about the Buyer's business obtained within the framework of the mutual business relationship as confidential, and is obliged to keep them confidential and protect them from misuse against all third parties. All information communicated by the Buyer to the Seller (in particular the original specifications of the food products) are trade secrets of the Buyer and the Seller is obliged to protect them from misuse and disclosure to third parties.
- 9.2. The transfer of any information to the Seller does not transfer any right to further use of that information. The Seller is obliged to not disclose trade secrets and any provided information to any third party and to not use it in any way other than to produce the goods ordered by the Buyer.
- 9.3. The Seller shall take all necessary measures to ensure that this obligation of nondisclosure and protection of business secrets is observed by its employees and contractors. The Seller's obligation to protect confidential information remains in force for a period of 3 years from the date of termination of the business relationship between the Seller and the Buyer.

10. Ethical provisions

- 10.1. The parties undertake to act and take such measures to ensure that there is no reasonable suspicion of the commission of a criminal offence or the actual commission of a criminal offence (including the form of participation) that could be attributed to any of the parties under Act No. 418/2011 Coll, on the criminal liability of legal entities and proceedings against them, and that no criminal liability of natural persons (including employees) under the Criminal Code has arisen, and that no criminal proceedings have been initiated against any of the contracting parties, including their employees.
- 10.2. The Buyer undertakes to become familiar with the Code of Conduct of Emco spol. s r.o. as amended (hereinafter referred to as the "Code of Conduct") at the latest prior to the conclusion of the framework purchase contract (or any purchase subcontract), and undertakes to comply with the Code of Conduct at its own expense and responsibility in the performance of its obligations under the resulting purchase contract. By signing the purchase subcontract, the Buyer confirms that it has become duly familiar with the contents of the Code of Conduct. The Code of Conduct, as amended, is published on the website <https://www.emco.cz/pro-dodavatele/>. The Seller is authorised to unilaterally amend the Code of Conduct, usually as of 31 December of the relevant calendar year. It shall publish the Code of Ethics in its current version, if amended, on the above-mentioned website on that date. The Buyer shall promptly notify the Seller of any findings of a violation of the Code of Conduct.

	General Business Terms and Conditions	Issue/Revision: 3 / 2
		Revision date: 1 March

11. FINAL PROVISIONS

- 11.1. Due to the duration of performance under the framework contract and/or subcontract, the Buyer is authorised to amend these Terms and Conditions at any time during the contractual relationship. The change shall be notified to the Seller by posting on the website <https://www.emco.cz/pro-dodavatele/> and will be sent informatively to the Seller's contact email, whereas the amended Terms and Conditions will come into effect for this contractual relationship upon the expiration of two months, starting from the first day of the month following the notification of the change in the Terms and Conditions, provided the Seller does not exercise its right to reject the change and terminate the contractual relationship due to the amended T&C.
- 11.2. The purchase contract and these Terms and Conditions are governed by the generally binding laws of the Czech Republic, in particular the provisions of Act No. 89/2012 Coll., the Civil Code, as amended.
- 11.3. Disputes arising between the parties shall be resolved amicably. If the dispute cannot be resolved amicably, either party may file a petition for dispute resolution with the District Court for Prague 4.
- 11.4. Neither these Terms and Conditions nor the conclusion of the framework contract itself shall oblige the Buyer to purchase any goods from the Seller. The obligation to accept delivery of the goods shall only arise in accordance with the framework contract and these Terms and Conditions.
- 11.5. These Terms and Conditions automatically become part of the respective framework purchase contract at the moment of its signing by both parties.

These T&C are valid from 1 March 2025