



General Terms & Conditions

ISSUED NOVEMBER 2020 - VALID UNTIL FURTHER NOTICE

PRECIOSA

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PRECIOSA General Terms and Conditions

1.0 General Provisions

By ordering goods or by taking delivery of goods from PRECIOSA¹⁾ the Buyer confirms acceptance of these General Terms and Conditions (hereinafter referred to as “GTC”). These GTC represent a complete mutual agreement between the PRECIOSA and the Buyer.

GTC take precedence over other or different conditions the Buyer may have, which are hereby rejected. All express agreements between the parties remain unchanged and shall prevail over GTC.

1) The term PRECIOSA includes PRECIOSA, a.s., PRECIOSA BEAUTY, s.r.o., PRECIOSA-LUSTRY, a.s., PRECIOSA ORNELA, a.s. and companies belonging together with them in one group of mutually related entities (including therefore the company PRECIOSA International (HK) Limited, based in Hong Kong, PRECIOSA Gulf FZCO based in the UAE and Dongguan Preciosa Trading Co., Ltd. based in China), with Company Registration Number (ICŮ) 00012556

2.0 Ordering

2.1 Any offers from PRECIOSA are non-binding. PRECIOSA may at any time change the specification of its products and the range of goods.

2.2 The Buyer orders goods by any means of written communication, including e-mail, fax, letter or Internet communication where the Buyer is clearly identified. Regardless of the method of communication used when ordering goods, the order shall become binding (purchase agreement for the supply of goods is concluded) once PRECIOSA confirms the Buyer's order (Order Confirmation) in writing, or (if no written Order Confirmation is made) at the moment of delivery of the goods ordered.

2.3 Characteristics of the sample (such as colour, condition and size) listed in catalogues, brochures, sample cards, etc., are only binding if they are expressly mentioned in the Order Confirmation. In any case, however, the deviations caused by the manufacturing process, such as in colour, size, weight, and product quality that meet the common quality standard and are generally accepted for this type of mass-produced product are acceptable.

2.4 An order confirmed by PRECIOSA may not be changed or cancelled by the Buyer unless approved in writing by PRECIOSA.

2.5 PRECIOSA may reject the acceptance of any order.

3.0 Packaging

3.1 Ordered goods will be delivered in the appropriate packaging so as to avoid the risk of damage to goods during transportation to the place of destination.

3.2 Unless the packaging is specifically agreed upon, it shall be chosen by PRECIOSA.



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4.0 Prices

4.1 Prices will be charged according to the PRECIOSA price list.

4.2 The prices are to be understood as prices EX WORKS (named place) in accordance with INCOTERMS 2020, unless otherwise agreed.

4.3 PRECIOSA reserves the right and privilege to invoice the price of the goods according to the prices in force at the time of dispatch of the goods, i.e. orders that were confirmed may be charged at new rates if prices change between the Order Confirmation and the invoice issuance date, unless otherwise agreed.

5.0 Delivery

5.1 Deliveries will be made EX WORKS (named place) in accordance with INCOTERMS 2020. The delivery date is subject to an availability schedule. The deadline for delivery is specified in the Order Confirmation, but it is only a non-binding informative deadline subject to availability. PRECIOSA is not responsible for not meeting the delivery deadline.

5.2 Partial deliveries are permitted and may be billed. Transport insurance and any customs fees are governed by INCOTERMS 2020.

5.3 If the Buyer does not accept or returns the goods without an acceptable reason, the Buyer shall pay all costs associated with transportation, transport insurance and customs fees.

6.0 Terms of Payment

6.1 Payment shall be deemed to have been made if the full amount payable to PRECIOSA is credited to PRECIOSA. The Buyer shall make payment in accordance with written instructions by PRECIOSA, either directly to PRECIOSA, or to the bank account designated by Preciosa.

6.2 If invoices are not paid on time, PRECIOSA has the right to charge the Buyer a default interest of 10% p.a., which is applied to the period from the invoice due date until the date of actual payment. No requirement of the Buyer extends the maturity date.

6.3 In case of a late payment PRECIOSA has the right at its sole discretion to defer or cancel any further deliveries without it being considered a breach of contract.

6.4 The Buyer may not, as a counterclaim, withhold any payment of the purchase price, or a part thereof. The Buyer shall not deduct its counterclaim amount from the purchase price without the express consent of PRECIOSA.

6.5 The Buyer may assign the rights and obligations towards PRECIOSA only with the written consent of PRECIOSA.



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7.0 Retention of Title

7.1 PRECIOSA retains title to all supplied goods until all payments for the goods are made. The Buyer shall store such goods separately from other goods.

7.2 Notwithstanding the foregoing provisions, the risk of damage to the goods shall pass to the Buyer upon delivery of the goods.

7.3 The Buyer is entitled under normal business circumstances to sell the goods. The Buyer shall retain any revenues resulting from the sale separately from their other funds for the benefit of PRECIOSA until all payments for goods are made.

8.0 Licences and Permits

8.1 When any licence or another authorization from government authorities is required to initiate or maintain a business relationship, the party which has its registered seat in a state that requires them shall arrange for licenses or permits unless local laws provide otherwise. If the party obliged to arrange this fails to meet this requirement, the other party shall have the right to withdraw from the contract and claim compensation for the full amount of damages sustained in connection with the failure to meet this obligation.

9.0 Complaints and Warranty

9.1 PRECIOSA shall check prior to shipment of goods that all the goods to be delivered to the Buyer are free of defects.

9.2 The Buyer is obliged to check carefully immediately after receiving the goods whether the goods have obvious quality defects, or whether or not the delivery conflicts with the confirmed order (hereinafter referred to as “quantitative defects”).

9.3 Any complaints for obvious qualitative or quantitative defects must be submitted to PRECIOSA within 14 days of receipt of goods. Complaints made after 14 days from receipt of goods can be rejected by PRECIOSA.

9.4 The warranty period for the hidden qualitative defects lasts 12 months from the date of delivery of goods (hereinafter referred to as “warranty”) unless local laws provide otherwise. Complaints for hidden qualitative defects of the goods must be exercised without undue delay after the defect is discovered, but no later than 14 days from the discovery of the defect by the Buyer, but always before the end of the warranty period.

9.5 The warranty does not apply to small deviations from product specifications.

9.6 The warranty also does not apply to products which, in the opinion of PRECIOSA, were subjected to normal wear, abuse, alteration or attempted repair, neglect, misuse or accidents. The warranty does not cover parts subject to wear, such as batteries, lamps, LEDs, LED tapes, electrical parts and power supplies, other consumables, etc.

9.7 Complaints must be presented in person or in writing (e-mail, fax or letter) and must be supported by a detailed description, in particular by describing how the defect is manifested, photo-documentation of the defect and documents of purchase. If the Buyer does not provide a purchase document, PRECIOSA may reject the complaint. If defects of goods are alleged, the Buyer shall include at the request of PRECIOSA the defective goods in their original packaging or along with the original packaging.



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9.8 If complaints for qualitative defects of the goods are put forward and are well supported and recognized by PRECIOSA, then PRECIOSA after an agreement with the Buyer (or if no such agreement is made then at its own discretion) shall either repair the goods or replace them with non-defective goods or shall provide the Buyer with a reasonable discount or complete refund in exchange for the faulty goods. If PRECIOSA approves the return of the goods, such goods will only be accepted if they are returned in their original packaging or along with the original packaging. Should PRECIOSA settle the complaint by the replacement of the goods or a part thereof, the Buyer is obliged to remove and destroy the original goods or part thereof at his own expense and liability. All Buyer's costs associated with the complaint, including the costs of delivery of the goods to PRECIOSA, are covered by the Buyer.

9.9 If a complaint regarding missing goods is put forward and PRECIOSA accepts the complaint, PRECIOSA may either deliver the goods or issue a credit note to the Buyer.

9.10 PRECIOSA makes no other warranties and assumes no other obligations, unless expressly agreed upon by PRECIOSA.

9.11 All warranties apply only to the Buyer. The Buyer shall not transfer such warranties or provide warranties on behalf of PRECIOSA to third parties. However, the Buyer can itself provide warranties to its customers.

10.0 Liability and Damages

10.1 The liability of PRECIOSA is limited to the direct damage to goods as such, unless otherwise agreed in writing, and in no event will it exceed the amount paid to PRECIOSA for the goods.

10.2 PRECIOSA shall never be liable for indirect, incidental, extraordinary, consequential or other related damage if the liability is not expressly provided for by law in cases of intentional or reckless conduct and/or gross negligence. In this case, the Buyer shall bear the burden of proof. PRECIOSA is not liable for any unauthorized modification, disregarding of provided instructions and information given or disregarding the normal use of the product and/or other improper use of the goods.

10.3 PRECIOSA assumes no liability in connection with the further processing and/or further use of PRECIOSA products.

10.4 Product specifications and technical instructions are given according to our best knowledge. These specifications and instructions do not relieve the Buyer of the obligation to carry out its own tests of the proposed techniques and tests of suitability of products for the intended application. Using the proposed techniques, as well as the application, use and processing of goods are the sole responsibility of the Buyer,

and the Buyer shall defend, indemnify and hold harmless PRECIOSA against any and all claims of third parties based on liability for damage caused by the product, or otherwise associated with the use of goods purchased by the Buyer and waives all its claims.

11.0 Force Majeure

11.1 In the event of circumstances that could not be foreseen at the time when the parties entered into the Contract and which obstruct the fulfilment of contractual obligations by PRECIOSA, PRECIOSA shall have the right to postpone the fulfilment of those obligations until normal commercial conditions are restored.

11.2 Only those events that PRECIOSA could not prevent or avert, such as war, revolution, strikes, natural disasters, actions of state authorities, delays in transport or customs formalities, and lack or loss of energy and materials that were not caused by PRECIOSA shall be considered cases of force majeure.



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12.0 Intellectual Property Rights

12.1 PRECIOSA is the owner of registered verbal and combined trademarks of PRECIOSA in the Czech Republic and in other countries.

12.2 The Buyer is only entitled to use the trademark on PRECIOSA products and PRECIOSA product packaging for the purpose of identifying those products.

12.3 The Buyer also has the right, with the written consent of PRECIOSA, to mark a display cabinet or other display in which exclusively PRECIOSA products, with PRECIOSA trademarks, are offered for sale.

12.4 Any other use of trademarks, logos and other intellectual property rights owned by PRECIOSA, especially in connection with PRECIOSA products, services, trademarks, logos and other intellectual property rights is prohibited by the Buyer or third parties.

12.5 The use of any intellectual property rights of PRECIOSA in publications, regardless of the type of media, is subject to the prior consent of PRECIOSA. Without written permission, such publication is prohibited.

12.6 Any technical documentation, plans, drawings, models, brochures, catalogues, etc. shall remain the intellectual property of PRECIOSA. They are protected by legal provisions against copying, imitating, as well as acts of unfair competition. By adopting these materials, the Buyer undertakes to protect the confidentiality of information and not to use these materials for purposes other than those for which they were provided.

12.7 The Buyer may not make any changes to the PRECIOSA products, promotional materials, or packaging.

12.8 The Buyer undertakes to oblige its customers and dealers (except for the end customers) to comply with these rules regarding the treatment of PRECIOSA intellectual property.

12.9 PRECIOSA shall not be liable for the infringement of intellectual property rights of third parties, if it occurs in connection with goods manufactured or put into operation on the basis of drawings, designs, models, specifications or other production documents provided to PRECIOSA by the Buyer. The Buyer must defend, indemnify and hold PRECIOSA harmless against any and all third-party claims based on intellectual property rights, or otherwise related to the use of PRECIOSA goods manufactured or put into operation on the basis of drawings, designs, models, specifications or other production documents provided to PRECIOSA by the Buyer and the Buyer waives all of its claims. In the event of a third party submitting a claim against PRECIOSA based on the infringement of intellectual property rights in connection with goods manufactured or put into operation on the basis of drawings, designs, models, specifications or other production documents provided to PRECIOSA by the Buyer, the Buyer is obliged to take over negotiations with the third party and to take part in any dispute on behalf of PRECIOSA at its own costs.

12.10 Wider use of trademarks, logos and other intellectual property of PRECIOSA is permitted for Buyers who receive authorization from PRECIOSA and become its Authorized Distributors.

12.11 Authorization entitles the Authorized Distributor, at no extra charge, to the use of the PRECIOSA brand and trademarks for the purpose of marketing activities to promote sales of PRECIOSA products according to the General Conditions for Authorized Distributors.



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13.0 Personal Data Protection

13.1 PRECIOSA processes the personal data of individuals in accordance with Regulation (EU) 2016/679 and the legislation of the Czech Republic.

13.2 The data that is processed is personal identification data, especially name and surname, identification number, seat, e-mail address, telephone number and tax identification number, should the Buyer provide them.

13.3 PRECIOSA processes personal data for the purpose of communication with the Buyer, the preparation of orders or purchase contracts, the sending of marketing communication, the creation of an account, and to provide customer service.

13.4 The legal ground for the data processing is the fulfilment of the contract or the execution of measures taken before the conclusion of the contract at the request of the Buyer and legitimate interests of PRECIOSA.

13.5 To fulfil its contract obligations PRECIOSA uses the services of subcontractors as other recipients of personal data, in particular software providers and administrators of software, web sites, as well as accountants and tax service providers, including auditing and mailing service providers.

13.6 Personal data are maintained in the territory of the EU and outside the territory of the EU but they are not handed over to international organizations.

13.7 PRECIOSA has adopted legal, organizational and technical measures for the protection of processed personal data.

13.8 Personal data will be processed for the duration of the contract and for the duration of the limitation period.

13.9 The buyer has the right to (i) access, (ii) rectify, (iii) erase, (iv) restrict the processing, or (v) object to data processing, (vi) data portability, (vii) complain before the Data protection office, with the registered office at Pplk. Sochora 27, 170 00 Prague 7, www: <https://www.uoou.cz>.

14.0 Special Conditions for Supplies of PRECIOSA COMPONENTS

14.1 PRECIOSA explicitly states that not all colours are available for each item in the product catalogue. The scope of the product catalogue is authoritatively described in the current version of the Complete Product Catalogue "PRECIOSA COMPONENTS".

14.2 For items that are not normally supplied according to the product catalogue and must first be made, the minimum order quantity per item and size applies. This applies for each ordered item (i.e. including each colour).

14.3 It should also be noted that there are items that are available only in colour coatings. With the exception of Aurora Borealis (AB) it is possible to supply up to 20% smaller or larger quantities with respect to all orders of coatings. This also applies to products of special production (shape, colour, size, coating).

14.4 An integral part of the current GTC pertaining to complaints regarding PRECIOSA COMPONENTS is the "Warranty Terms and Conditions", which specify the rights and obligations of the Buyer and PRECIOSA and describes in detail the principles and procedures of how a complaint regarding PRECIOSA COMPONENTS will be handled. In case of complaints concerning PRECIOSA COMPONENTS, the



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provisions contained in the Warranty Terms and Conditions shall have precedence over the provisions in the GTC.

14.5 PRECIOSA's defect liability does not especially apply to any damage of PRECIOSA COMPONENTS caused by fire, water, storage or operation of the goods in insufficiently insulated premises where water or condensing humidity can access the products, by storing or handling the products outside the temperatures of 0°C up to 40°C, damage caused by intervention of a third person without prior consent of the seller, or by intervention inconsistent with directions for use, negligent behaviour of third parties, unprofessional manipulation by the Buyer or a third person, or by the failure to follow the procedures set forth in the application manual.

15.0 Special Conditions for Supplies of Project Luminaries

15.1. With respect to goods delivered on the basis of shop drawings confirmed by a customer, such goods will be delivered in compliance with this shop drawing; any changes requested by a customer will incur charges above and beyond the limit of the original agreed purchase price. Should there be a problem with the delivered goods, the Buyer is obliged to check the shop drawings and submit a complaint regarding any defects to PRECIOSA in writing no later than within 14 days upon receipt of the goods.

15.2. In the case of goods that require installation, the Buyer is obligated to follow the PRECIOSA installation instructions that accompany the goods. If the installation of the goods is a part of the order and delivery, the Buyer is obligated to:

1) provide PRECIOSA with the information on the load capacity (reference tonnage) of location where the goods are to be installed as well as information regarding electrical network specifications at the installation site. At PRECIOSA's request, the Buyer is required provide documentation of the installation site, in particular to provide photographic documentation of the installation site, and provide PRECIOSA with the scheme of the installation site including dimensions, potential obstacles, and marked storage places all no later than 14 days after PRECIOSA requests this information. The Buyer must also ensure the availability and prepare scaffolding suitable for the installation of the goods and provide fastening and locking elements for hanging goods at the installation site (hereinafter as "fixings"). The Buyer is further required to provide PRECIOSA with contact information of the individual responsible for the installation of the goods for the Buyer, including the individual's e-mail and telephone/mobile number, and to ensure that this individual is available for the entire duration of the installation. The Buyer must ensure that this individual is authorized to act on behalf of the Buyer and legally bind the Buyer regarding resolution of defects of the installation site, defects in fixings, and any changes to the goods for the entire duration of the installation;

2) hand over the installation site to PRECIOSA in a condition that is suitable for installation, i.e. clean, without dust or any other dirt, and with sufficient space for erection of such scaffolding. The Buyer shall secure the safety of the site, protect all property on the site, and prevent unauthorized persons from accessing the place of installation. PRECIOSA shall not be liable for any damage occurred to or injury suffered by unauthorized persons due to their presence at the installation site;

3) stop any other works that might limit the installation of the goods at the installation site. If a delay of installation occurs due to other works being carried out at the installation site or due to failure to comply with the date when such installation is set to commence, the duration of the installation shall be prolonged by the number of days corresponding to the number of days of such delay without entitlement to contractual penalties. Furthermore, the Buyer shall be responsible for any costs incurred by PRECIOSA or any third party installers at the installation site including their transport to the installation site during the delay. The Buyer shall confirm the readiness of the site (date of installation) at least one week before installation is to commence;



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4) provide/manufacture all fixings to the specifications that the individual goods as well as the installation site require. Further, the Buyer is obligated to ensure the connection of such goods to the electric network by a locally legally qualified and authorized person for the installation of such goods and this individual must also adhere to any other international regulations;

5) provide, including the payment of, accommodation for PRECIOSA installers;

6) obtain any visas corresponding to local legislation for PRECIOSA installers, and ensure access of PRECIOSA installers to the site;

7) be responsible for any extra work related to all additional modifications to the goods that are above and beyond the approved documentation, including the extension or shortening of suspension parts of such goods, minor modifications to decorative parts, and changes of electric components of the goods. This work constitutes an additional charge to the Buyer; and

8) ensure all local permits for PRECIOSA or third party installers that authorizes them to access the place of installation.

15.3. The Buyer agrees to undertake any cost (bank charges, money transfer, insurance, etc.) that may arise in the Czech Republic for current or future payments.

15.4. PRECIOSA's defect liability does not apply to any damage caused by fire, water, storage or operation of the goods in insufficiently insulated premises where water or condensing humidity can access; the storage or handling of the goods outside the temperature range of -20°C to 45°C; the damage caused by the intervention of a third party without prior consent of PRECIOSA; or by any intervention inconsistent with the directions for the use, technical standards or safety regulations for the goods; negligent behaviour of third parties; unprofessional manipulation by the Buyer or a third party; by intervention to fixing; the failure to follow the procedure set forth in the installation instructions; to damage of the product by excessive or insufficient power in the electric distribution network; to the connection or operation of the goods at an incorrect voltage; or by connecting to illegal sources of power.

15.5 PRECIOSA is not liable for any defects in the goods caused by the use of the goods in way that is contrary to the instructions for use of the goods, the instructions contained in the installation manual, the maintenance and cleaning manual, and other documents included in the package of goods.

15.6 Goods manufactured with the use of adhesive bonding (hereinafter referred to as "glued joint(s)") require a regular maintenance and safety checks by the Buyer. The lifetime of the glued joint is 20 years under the condition that the Buyer complies with all the obligations stated in these GTC and the DIN 2304 Adhesive Bonding Technology Standard dated March 2016 (hereinafter referred to as "DIN 2304"). PRECIOSA is liable only for the defects as the manufacturer of the glue used for glued joint. The use of a glued joint is indicated in the Shop Drawing and marked with the symbol of its safety class: S1, S2 or S3 according to DIN 2304. S1 is a glued joint without mechanical bonding and indicates a high risk and high safety requirements on the side of the Buyer. S2 is a glued joint with mechanical bonding and indicates a medium risk and medium safety requirements from the Buyer. S3 is a glued joint with or without mechanical bonding and indicates low risk and low safety requirements from the Buyer. The glued joints are for each safety class specified in DIN 2304. Goods manufactured with the use of glued joints cannot be brought into contact with unsuitable chemicals, temperatures outside the temperature range of -20 °C to 45 °C, or be exposed to UV light. By consenting to Shop Drawings that indicate the use of glued joints the Buyer declares that he is aware of the risks associated with glued joints and agrees that he accepts such risks. The Buyer who orders goods with S1 glue joints is obliged to carry out regular inspections on the glued joint strength at his own expense every three years from the receipt of the goods. The Buyer is required to have the joints inspected only by a person legally qualified in glued joints (EAB, EAS or EAE) and provide a valid certificate (DVT) or diploma (EWF). The buyer is obliged to carry out at his own expense at each inspection



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the record of the inspection, identify controlling person and make a photocopy of the certificate or diploma of the controlling person. At PRECIOSA's request the Buyer is obliged to take at least two (2) photographs of the glued joints and send them to PRECIOSA. Photographs have to give a true and fair view on the condition of the glued joints.

16.0 Final Provisions

PRECIOSA reserves the right to change these GTC at any time at its sole discretion.

PRECIOSA may, in writing, immediately terminate any order or Order Confirmation upon the occurrence of:

- (a) a breach of a material obligation under this GTC by the Buyer; or
- (b) an event of bankruptcy, insolvency, liquidation, composition of the Buyer or any other analogous event in any jurisdiction.

All contracts entered into between PRECIOSA and the Buyer shall be governed by Czech Law. The application of the United Nations Convention on Contracts for the International Sale of Goods is expressly excluded. The Contracting Parties undertake to try to reach an amicable settlement of disputes arising from this contractual relationship. If an amicable settlement cannot be reached, all disputes arising out of contracts entered into between PRECIOSA and the Buyer and in connection with them shall be ultimately decided by the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic according to its rules, and by one arbitrator appointed by the president of the arbitration court. The Parties declare that the decisions reached by the arbitration court will be recognized by both parties as final and binding.

If any point of these GTC is not completely clear, please do not hesitate to contact us.

