

# DEVOTI SAILING

## Terms of Business

These General Commercial Terms and Conditions (hereinafter only "TERMS OF BUSINESS") are commercial conditions as per Section 1751 of the Act No. 89/2012 Coll., the Czech Civil Code, as amended. Divergent provisions laid down in a purchase contract are given precedence over these TERMS OF BUSINESS. Purchase contract is governed by Section 2079 et seq. of the Civil Code.

### **1. Scope of Application**

- 1.1 If not agreed otherwise between the parties in writing these TERMS OF BUSINESS shall be applicable to all sales and deliveries executed by Devoti Sailing s.r.o., a company having its registered business seat in Brno, Prikop 27/2a, Brno, Czech Republic, company registration number: 26283441, registration at Regional Court in Brno, Section C, file no. 41805 (hereinafter called "Devoti").
- 1.2 TERMS OF BUSINESS are a substantial part of all offers, acceptances of contracts and purchase contracts of Devoti. Devoti does not acknowledge general terms and conditions of business of the Customers, unless Devoti has approved the application of such Customer's terms explicitly and in writing.

### **2. Purchase Contract, Conclusion of Contract**

- 2.2 Purchase Contract (Order Form and its acceptance), as well as its amendments and alterations are legally binding for Devoti only if approved by Devoti in writing. Conclusion of contract based on an acceptance of Order Form by the Customer with alterations/amendments of Order Form conditions are excluded. The same shall apply to amendments of Order Form already concluded.
- 2.3 If the Order Form acceptance is not delivered to Devoti within 30 (thirty) days from its sending out by Devoti, such Order Form ceases to be binding for Devoti upon elapse of that 30. day, if not agreed otherwise in writing between contractual parties.

### **3. Purchase Price, Payment Conditions**

- 3.1 The Purchase Price is based on the agreement between the parties and is always agreed in the Purchase Contract. If not agreed otherwise the Purchase Price is construed as "NET EX WORKS" according to INCOTERMS 2020, that is without (but not limited to) expenses for packing, loading, transport costs, insurance (in particular transport insurance), duties and taxes (in particular without V.A.T. tax).
- 3.2 In the absence of express agreement in the Purchase Contract our price for work shall be based on time and materials expended and services provided. When we give an estimate or indication of price - in writing or orally - we will exercise skill and judgment in doing so. Such estimates are subject always to the accuracy of information provided by the customer and are usually based only on a superficial examination and will not include the cost of any additional repairs or work found necessary to the vessel and/or gear or equipment during the work nor the cost of any extensions to the work comprised in the estimate.
- 3.3 Devoti will inform the customer promptly of any proposed increase in estimated prices and the reasons therefore and will only proceed with the work with the approval of the customer. In those circumstances the customer's liability for any work already completed or goods already supplied or to be supplied remains unaffected.

#### **4. Payment Conditions, Deposit and Cancellation Policy**

4.1 Unless otherwise agreed in writing in the Purchase Contract the price of all work, goods and services shall be due immediately on invoice date.

The customer shall pay to Devoti the agreed purchase price on the basis of invoice/invoices.

4.2 Devoti requires an ADVANCE PAYMENT payment of the deposit within 7 days after receipt of the proforma invoice issued by Devoti.

The amount of deposit is as follows:

1. For purchase of Finn class dinghy we require 5,000 EUR;
2. For purchase of D-One class dinghy we require 4,000 EUR;
3. For purchase of D-Zero class dinghy we require 2,000 EUR;
4. For purchase of ILCA class dinghy we require 2,000 EUR;
5. For purchase of Optimist class dinghy we require 500 EUR.

4.3 In the event of cancellation of the purchase by the customer, we will refund the deposit as follows (CONDITIONS FOR CANCELLATION):

1. For cancellations not less than 60 days before the approximate delivery of the boat stated in this proforma invoice (hereinafter only 'approximate delivery'), Devoti will refund 70% of the deposit;
2. For cancellations less than 60 days before the approximate delivery, Devoti will refund 0% of the deposit (i.e. the deposit forfeits in order to cover the costs incurred by Devoti);
3. For cancellations at any time after the payment of the deposit (i.e. this obligation exists independently and thus in addition to the deductions under subsections 1 and 2 above in this paragraph 4.3 above, customer undertakes to pay the full costs of all the accessories and spare parts purchased by Devoti from the external providers. In case of cancellations not less than 60 days before the approximate delivery, Devoti is entitled to deduct the full costs of all the accessories and spare parts purchased from the external providers directly from the rest of the deposit. In case when the deposit does not suffice to cover these costs (i.e. always under subsections 1 and, possibly, under subsection 2 above in this paragraph 4.3), Devoti will issue a special invoice which is due in 15 days from its delivery.

4.4 Pending receipt of payment in full without set off or deduction Devoti reserves the right to charge interest on any sums outstanding after 30 days at 0.05% of the delayed amount per day.

4.5 Devoti has the right to keep hold of a vessel, its gear and equipment and any other goods on which Devoti has worked or in respect of which Devoti has provided services, pending payment in full or all sums due in respect of the provision of any such work or services. During any such period of retention Devoti reserves the right to continue to charge for storage, hard standing and berthing at its usual commercial rates.

#### **5. Place of Delivery**

Unless agreed otherwise in the Order Form the place of delivery is 58200, Dzierzoniow, Poland.

#### **6. Time of Delivery, Delays**

The time for completion of our work is given in good faith but is not guaranteed. Devoti shall not be responsible for any delay in completion of the work or for the consequences of any such delay unless it arises from our willful acts or omissions or from our negligence.

Devoti shall not be responsible for any delay of the delivery or of the performance as a result of force majeure or similar circumstances, which derive from circumstances which Devoti cannot influence after the conclusion of the contract, e.g. industrial action, official directive, pandemic state and also when such circumstances appear in the sphere of Devoti's suppliers or sub-suppliers. In these cases the period of delivery is prolonged until the duration of the obstacle including a reasonable initial period, but not longer than six months. After the expiry of this period both parties are insofar entitled to withdraw from the contract.

In case that the supply according to the request of the Customer is delayed as a result of a Customer's failure to perform a required cooperative act (for e.g. delivery of additional device) or the delivery is not performed because the Customer fails to perform his obligation for payment, then Devoti is entitled to demand a compensation for the additional expenses which occur, and in particular the expenses for storage. If not agreed otherwise in the Purchase Contract, Devoti is entitled to charge an amount of 100,- EUR per every month of storage, beginning from the start of the second week after the scheduled delivery date. Should the takeover be delayed for more than 30 days after the scheduled delivery date, Devoti is entitled to terminate the Purchase Contract by a written notice sent to the customer, provision of Art. 4.3, sub. 3) shall apply accordingly, the ownership remains vested in Devoti and Devoti is entitled to sell the subject of delivery to a third party.

## **7. Transfer of Ownership, Retention of Title, Transfer of risk**

7.1 Devoti retains the title of the goods until full payment of all invoices due to Devoti.

7.3 The risk of loss or damage to the goods, as well as the obligation to bear the costs relating to the goods, passes from Devoti to the customer upon delivery of the goods.

## **9. Documents**

Along with the delivery of the goods, Devoti shall hand over all documents agreed between the parties in the Purchase Contract.

## **10. Guarantees**

10.1 Devoti provides guarantee for the scope of delivery for a period of 24 months from its delivery against all defects which are due to poor workmanship or defective materials supplied by Devoti. Devoti shall be liable under this guarantee only for defects appearing during this 24-month period which must be notified to Devoti in writing within 7 days after their first occurrence.

10.2 Nothing in these terms affects the statutory rights of any customer who contracts with Devoti as a consumer.

10.3 Upon delivery of our vessels, gear, equipment or other goods, a customer is obliged to inspect it and notify to Devoti any defects as follows:

**“Category A defects”** mean visible defects such as missing or damaged parts, completeness of the delivery. Customer must notify “Category A defects” to Devoti within 7 days from the delivery.

**“Category B defects”** mean specific non-visible defects. A customer must notify “Category B defects” to Devoti within 30 days from the delivery.

Failure to notify defects to Devoti within the stated period means that the right to claim defects ceases to exist. Any notification of defects, the right to claim of defects, and other communication with us related to the guarantee provided by us shall be conducted exclusively in English unless explicitly agreed otherwise. Failure to notify us in English means that the right to claim defects ceases to exist.

10.4 On notification by the customer of such defects, Devoti will promptly investigate the cause and nature of the defect and if they are within Devoti responsibility under the terms of this guarantee Devoti will promptly remedy them or, at its option, employ other specialists to do so. Any remedial work executed by the customer himself, without Devoti prior approval of the remedial work to be done and related cost to be spent, shall invalidate Devoti guarantee under the Purchase Contract with regards to such defects.

10.5 In no event Devoti shall be liable to the customer for consequential damage beyond replacement of any faulty or unsuitable article supplied by us.

**11. Third Parties Rights**

Devoti declares that the subject of the purchase is not encumbered with any rights of the third parties.

**12. Confidentiality Clause.**

Any information exchanged between or received by the parties in the context of implementation of the Purchase Contract must be treated confidentially by all the parties, unless it is already in the public domain.

**13. Applicable Law, Communication Language**

These TERMS OF BUSINESS shall be governed by the laws of the Czech Republic, in particular the Act. No. 89/2012 Coll. in the valid wording - Czech Civil Code shall apply.

Any communication relating to these TERMS OF BUSINESS as well as to the Purchase Contract shall be conducted exclusively in English, unless explicitly agreed otherwise between the parties. Communication in other languages shall not have any legal effects. Notices to other parties shall be deemed to have been sufficiently served if sent to email address agreed in Purchase Contract.

**14. Arbitration Clause**

All disputes arising from the present contract and/or in connection with it shall be finally decided with the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic by one arbitrator appointed by the President of the Arbitration Court.

**15. Salvatory Clause**

Should any of the above provisions in these TERMS OF BUSINESS be invalid this shall not impair the validity of these TERMS OF BUSINESS. It is to be substituted by the provisions coming closest to the intention of both parties which has to be laid down in writing.

Done in Brno on 25.2.2021