



**Annex 1/1**

**Conditions of handling of returnable packages of ČEZ Logistika, s.r.o., being an integral part of the General sales terms and conditions of ČEZ Logistika, s.r.o. dated 1 February 2007**

**Preamble**

The conditions of handling returnable packages of ČEZ Logistika, s.r.o. (hereinafter only “the Conditions”) are an integral part of the General Sales Terms and Conditions and, unless the General Agreement on Deliveries of Goods (hereinafter only “the Agreement”), which stipulates the Seller’s (ČEZ Logistika, s.r.o.) and the Buyer’s (a customer of ČEZ Logistika, s.r.o.) rights and obligations with respect to deliveries of Goods from the Seller to the Buyer, provides for otherwise, the provisions of these Conditions set out below shall be applied. In addition, in compliance with Art. VI. of the Agreement, the Seller and Buyer have agreed to adhere to these Conditions.

The terms starting with capital letters shown below shall bear the same meaning as is specified under the General Sales Terms and Conditions of ČEZ Logistika, s.r.o., unless it is provided for otherwise below.

**Article I**

**Subject matter and scope**

1. The Seller and Buyer declare that some Goods are delivered to the Buyer on/in transportation packages (barrels or pallets, and/or in other containers) (hereinafter only “the Packages”). Along with the Goods, the Buyer buys into his possession these Packages at the prices specified in the applicable pricelist (hereinafter only “the Packages pricelist”).
2. The subject matter of these Conditions includes specific conditions of purchase of returnable packages on which cables, conductor wires and other Goods are delivered to the Buyer by the Seller.
3. These Conditions shall be applied to all packages shipped from 1 July 2005. Cable and conductor wire barrels are furnished with a coat with the following identification marks: – the diameter, reference code, mark. Wooden and metal pallets do not have identification marks and are distinguished by their respective types.

**Article II**

**Purchase rules**

1. The Seller undertakes to purchase the Packages back from the Buyer, unless they are damaged, at the same price for which the Buyer purchased them originally, provided that such Packages shall be delivered by the Buyer, or, where appropriate, by a person authorised by the Buyer, to the Seller’s registered office, no later than six (6) months from the date of issue of the delivery note, unless the General Agreement or the Agreement stipulates otherwise.
2. Should the Buyer, or, where appropriate, the person authorised by the Buyer, fails to return the Package within the period specified in subsection 1 of this article, the Seller shall not be bound to purchase such a Package back.
3. In the Purchase Contract (or, where appropriate, in the acknowledged Purchase order), the Contracting Parties shall agree upon the type of the Package on which the Goods are to be delivered.
4. The Seller buys Packages delivered exclusively by the Seller, unless the Contracting Parties agree otherwise.



5. The Seller shall not be liable to purchase Packages which have not been handled properly after the delivery of the Goods and which show defects, in particular including:
  - a deformation of parts of barrels or pallets, missing parts of barrels or pallets, damage due to inadequate wear and tear or inadequate handling.
  - missing or damaged identification marks on the Packages.

The Seller buys the Packages under this article at the conditions specified below, considering the degree of damage and wear and tear:

- up to 20% damage – 20% reduction in the price of the Package as per the Packages pricelist
- over to 20 % damage – 50% reduction in the price of the Package as per the Packages pricelist
- over 50 % damage – the purchase price set by agreement

The Buyer may authorise a third party (e.g. the construction contractor) to negotiate the reduction in the purchase price due to damage of Packages and handling the Packages.

6. The Seller only purchases Packages with damage specified in subsection 6 of this article, which, after the performed repair of the Package, could be reused. Should the Seller, upon his expert discretion, conclude that the damaged Packages may not be repaired or, where appropriate, such Packages may not be reused even after the completed repair, he shall be entitled to reject to purchase such Packages from the Seller.

### **Article III Deliveries of Packages from the Seller**

1. On each negotiation of the delivery of Goods between the Seller and Buyer, the payer of the costs related to the transport of Goods, including the costs related to the return of Packages, shall be agreed upon. Such deliveries of Packages may be secured by the internal transport service of ČEZ Logistika, s.r.o., by the transport service secured by ČEZ Logistika, s.r.o., at the costs of ČEZ Logistika, s.r.o., or, where appropriate, by transport secured by the Buyer at his own cost.
2. On the actual delivery of the Packages, the Seller shall present to the Buyer, or, where appropriate, to the authorised representative, a completed delivery note, at least in two counterparts, specifying the number, diameter and codes of Packages.
3. Subject to the delivery note, an invoice shall be issued by the Seller, specifying the price of the Packages as per the Packages pricelist, with the maturity of 60 days. In the event that the Buyer returns the Packages within this period, the amount shown in the invoice with respect to such Packages does not need to be settled; a credit note shall be issued and a setoff of payables and receivables under subsection 5, Art. III shall be effected.
4. The Seller shall send to the Buyer a Notification on the setoff of the Receivable due to the purchase of Packages with the Receivable due to the return of Packages. A credit note shall be issued by the Seller with respect to the returned Packages. The setoff shall be effected as of the date of the credit note. The creditor shall be entitled to default interest (if any) for the period from the maturity of the receivable until its setoff.

### **Article IV Return of Packages from the Buyer**

1. On the return of Packages, the Buyer or, where appropriate, a representative authorised by the Buyer, shall present to the Seller a duly completed delivery note specifying the original number of the Seller's delivery note, including the name, number, diameter and codes of Packages.
2. After the completed inspection of the Packages on the part of the Seller, the Seller shall issue a credit note subject to the delivery note.



3. The Seller shall not accept the Buyer's invoice for the returned Packages.
4. Returnable packages shall be returned to the Seller's regional storehouses in the location of the construction, following an agreement with a relevant authorised person from the Seller's sales department, at the Buyer's cost, provided that the same regime shall also apply to direct deliveries (i.e. a delivery brought to the Buyer's place of destination, outside the Seller's storehouse).

**Article V**  
**Concluding provisions**

An update of these Conditions have been performed which shall be in force and shall take effect from 1 August 2007. These Conditions may be amended by the Seller's and Buyer's written agreement or by means of a written amendment to the Agreement.

Ostrava, date 1 August 2007

A handwritten signature in blue ink, appearing to read 'Morys', written over a horizontal line.

Ing. Daniel Morys  
Ing. Daniel Morys  
Sales Department Director  
ČEZ Logistika, s.r.o.