

GENERAL TERMS AND CONDITIONS

FOR LEGAL AND NATURAL PERSONS – ENTREPRENEURS

PHASE, Ltd., headquartered Selec 276, 913 36 Selec, ID: 50094653

The company is registered in the Commercial Register of the District Court Trenčín, Section Sro, File No. : 17792 / R

1. PRELIMINARY PROVISIONS

- 1.1 General terms and conditions for legal entities and individuals - entrepreneurs (hereinafter referred to as "GTC") of PHASE, Ltd., located Selec 276 913 36 Selec, ID: 50094653 (hereinafter referred to as "Phase" or the "Seller") govern the conditions under which Phase of the legal status of the seller is to supply its contractors in the legal position of buyers of the goods, in particular sofas, furniture and furnishings.
- 1.2 GTC govern other rights and obligations of the parties as an additional part of the contents of contracts, agreements and documents pursuant to § 273 of Act no. 513/1991 Coll. Commercial Code (hereinafter referred to as the "Commercial Code") makes reference to the use of the GTC.

2. CONCLUSION OF CONTRACT

- 2.1 Sale and purchase of goods is carried out on the basis of individual partial purchase contract concluded on a particular supply contracts between Phase and the Buyer (hereinafter referred to together as the "Parties" and individually as a "Party").
- 2.2 Prior to the conclusion of each individual contract of sale is required that the buyer has made a written order to the Seller. Order becomes binding upon the moment of its signing by a Buyer and it's receipt by Seller.
- 2.3 Binding Order includes:
 - name and exact composition of the goods
 - number of pieces
 - the name and color of the upholstery fabrics
 - the price including VAT
 - the date of issue of the order
 - mark (first name and surname, address and date of birth) and a signature of the Buyer
- 2.4 The seller examines delivered order and decides on its acceptance. The seller is entitled to refuse any order of the Buyer, even without any reason, but buyer is obliged to be informed of non-acceptance of order. In case of acceptance of order the seller signs the order, respectively the seller is obliged to inform the buyer about the acceptance of the order in any other mean available. For acceptance of orders it is also considered an advance copy of the invoice or other payment schedule to cover the deposit and purchase price.
- 2.5 In the moment of acceptance of the order by the Seller, each individual purchase agreement for the goods made in compliance with these GTC is considered concluded.
- 2.6 If the Seller does not accept the order (inaction is considered to be non-acceptance), the Seller is not bound by the order.
- 2.7 The Seller is entitled to demand from the purchaser a deposit for goods at an agreed amount, the buyer is obliged to pay within the stipulated time. In this case, the order is binding for the Seller to the earliest moment of crediting the agreed amount of the advance to the account of the Seller, respectively. deposit paid in cash at the point of sale, always after the order acceptance by the Seller. If the Buyer fails to pay the required amount of the payment on time, the buyer's order further consideration.
- 2.8 All items for the purposes of the purchase contract considered to be bought separately under the conditions of these GTC without mutual respect, and if buyers claim defects of goods to an item, the purchase agreement is in relation to the remaining items of the goods intact.
- 2.9 Buyer agrees to pay for the goods a purchase price specified in the binding order, listed for each individual item of the purchase (item "Purchase Price together" is only an indication for the sake of simplicity).

3. DELIVERY

- 3.1 Pre-term delivery of ordered goods is nine weeks, while the delivery period begins to run on the Monday after the conclusion of the contract, there is a particular sub-contract of sale of goods, moment at which the order becomes binding for the Seller.
- 3.2 If the seller can not fulfill estimated delivery time closed by the order, the buyer must be immediately notified about an additional period within which the goods will be delivered. Additional period shall begin after the

- end of pre-term delivery and shall not exceed three weeks. After this additional period the buyer is entitled to withdraw from this Agreement and the possibility of deposit to be fully refunded. The additional period shall cease to run after making a phone, email, fax, or written notice of readiness to receive the goods.
- 3.3 If the Seller does not meet the delivery date, there is a subsequent tax under unavoidable obstacles, unforeseeable and beyond the control of the Seller, especially if: Contractor materials and components stop production without notice or in cases of natural events which could damage secured goods during transport from the Seller to the Buyer. In case of such circumstances preventing the delivery of ordered goods, the seller must inform the buyer immediately and jointly agree a new delivery date.
 - 3.4 During the Christmas holidays, New Year, summer holidays, summer vacation (the last 2 weeks of July, first week of August) the Seller can prolong the pre-term delivery. The seller must notify the the Buyer about prolongation.
 - 3.5 The buyer is obliged to remove the goods within 7 days since the date when he was informed that the seat is produced and ready to be received. In case of longer storage, any part can be deformed (foam, coating material), in which case the seller can not acknowledge any claims for defects. If the buyer does not accept the goods within a specified time, he will be charged €7.00 / day (amount including VAT).
 - 3.6 Upon delivery of the goods to the warehouse of the Seller, the Seller will ask the Buyer for payment of the purchase price (ie. the purchase price is calculated by deducting the paid deposit, if the buyer has paid deposit to an agreement with the Seller of advanced payment for goods) and then to its collection. Unless a buyer is has not picked up the goods even after the expiry of 30 days from the dispatch of the written or telephonic notice of readiness of complete goods to be received, this Agreement shall automatically terminate (this does not affect the obligation to pay liquidated damages and compensation under this Agreement) and Seller shall be entitled to place goods for home sales to third parties. Seller shall in that case be entitled to a contractual penalty of 30% of the sale price and the non-acceptance of ordered goods. The seller is entitled to claim liquidated damages to the obligation to return the deposit (if deposit was paid by the Buyer).
 - 3.7 The Seller will issue invoice, receipts of payment or proof from the cash register to the buyer. These documents prove the purchase of goods in the event of claims for defects.
 - 3.8 The buyer is obliged to pay for ordered goods no later than the date of delivery.
 - 3.9 We recommend that buyer pays the payment for goods directly at the store, or wire transfer.
 - 3.10 Receipt of the goods is signed by the buyer on the delivery note.
 - 3.11 The cost of transporting the product from the point of delivery shall be borne by the buyer. The transport cost will be charged according to the valid price list available at the retail locations.
 - 3.12 The buyer and the seller may agree on transportation by a third party, while the price of the transport will be determined according to the current price list on which the Buyer will be informed.

4. OWNERSHIP, WARRANTY AND OTHER PROVISIONS

- 4.1 Ownership of the goods passes to the buyer upon delivery and payment of the full purchase price for the goods.
- 4.2 Risk of damage to the goods passes to the buyer after 7 days from the date on which the buyer is informed that the goods are ready for collection at the agreed place or moment at which a buyer picks up the goods (including the delivery of an external carrier), whichever comes first.
- 4.3 The Buyer shall immediately inspect the goods of any defects at the time of receipt. Seller shall not grant the buyer the right of defective goods, if the buyer discovers or introducing defects later than immediately after delivery of the goods.
- 4.4 Seller hereby warrants for the quality of the goods for a period of 24 months. The warranty period begins upon receipt of goods by the Buyer and can not be renewed. On the stock sofas sale, the warranty covers 6-months period.
- 4.5 The warranty applies solely to defects detected during the warranty period and caused by material, faulty design or defective workmanship. The guarantee applies to hidden defects in the delivered item. Warranty does not cover defects arising due to improper handling or tampering on the subject of supply after the buyers receipt. Subsequent damage to the surface of the of the delivered goods as scratches and alike are not considered a hidden defect.
- 4.6 Defects must be immediately communicated by completing a letter of complaint by following the instructions on the website of the retailer or the person in the place of seller (the shop where the goods were acquired) and proof of purchase and payment of goods.
- 4.7 After a preliminary assessment of the claim, the seller is to send a service technician to remove defects or detailed assessment. The costs associated with the secondment of service employee if they do not reveal any defects in the goods shall be borne entirely by the buyer. Costs are agreed on a lump sum of € 100.00 (amount including VAT) and can be charged to the Buyer.
- 4.8 In justified cases, a complaint can be resolved later than the deadline set by law, with the consent of the customer. Longer term repair technician can be negotiated with the customer.
- 4.9 The buyer has no right to claim for defects of goods if:
 - were damaged by transportation of the Buyer
 - were mechanically damaged by improper handling or bad storage upon receipt of goods

- were placed in humid and dusty environments
- were dirty or incorrectly cleaned
- the goods were damaged by tampering to its structures
- were discarded by overstressed loading of seating or armrest areas of upholstered furniture
- were discarded by inappropriate loads, i.e. cushioning was used as a trampoline
- were placed near a heat source, thus being damaged
- were damaged by domestic animals
- were exposed to sunlight, thereby allowing a color change on the product
- the Buyer alone removes fabric placed at hanging bracket
- the Buyer has damaged the product by improper handling of armrest mechanism (sitting down on the armrests in the tilting state) and were distorted in this way

4.10. The guarantee does not apply to natural aging and wear of goods as well as slight shade differences of fabrics to sample shades

4.11 To avoid a doubt of defective product, the defective product is not considered:

- if the purchased leather sofa is of slightly different shape than the products displayed in the store
- if when you purchase sofas with adjustable armrests and headrests material the material alters its shape and form. This is a common phenomenon, as a material in certain places require more space due to its motion.
- different structure of leather or wrinkles on the leather cover. Leather is a natural material, slight differences and deficiencies are therefore not considered as a defect.
- different hardness of the corner seat component and 2-3 seater components. Corner component consists of a fixed epeda, connectable 2-3 seater components are made with foam-filled spring.
- the height difference between the seat part and backrests created by the uneven floor of the buyer. Suspension sofa assembly is factory processed so that the whole sofa is set at the same height
- color variations on upholstery materials, or the difference in the amount of fittings and grafting, which may occur in the subsequently ordered additional parts of sofas
- creaking metal folding mechanism for models BOSTON, PALERMO, which is caused by friction of metal surfaces on each other, which is a characteristic of metallic materials
- products that incorporate a component of wood staining showing differences of shades due to the structure of wood.

4.12. All other rights and obligations of the parties regarding the defective goods shall be governed by the provisions of Act No. . 513/1991 Coll. Commercial Code.

4.13. An integral part of each individual purchase contract is the product care instructions supplied by PHASE, Ltd., which contains binding instructions of maintenance of goods to the Buyer. Failure to follow this instructions, buyer loses has right to assert claims for defects of the goods.

5. DELIVERY

5.1 All submissions and notification of the Parties shall be made in writing (unless expressly stated otherwise) and will be sent by registered mail to the address of the party on the invoice, unless the Party notifies in writing to utilize another address for service of process or a change in the other party and to address settlements listed in the relevant register available on the internet (if different from the addresses listed on the invoice) and unless it has been explicitly expressed by Contracting party to send to that address or these GTC provide otherwise. If the document is returned as undelivered, the Parties has agreed that the effects of delivery start on the day returned undelivered consignment.

6. GOVERNING LAW

6.1 The provisions of these GTC and the individual purchase contracts concluded under these GTC are governed by the Act. 40/1964 Coll. Civil Code. All disputes arising from purchase contracts concluded under these Terms and Conditions, including disputes about the validity of individual purchase contracts concluded by these GTC and disputes of the validity of these GTC will be the subject of legal proceedings at the local and subject-matter jurisdiction of General Court of the Slovak Republic.

7. FINAL PROVISIONS

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- 7.1 These GTC are an integral part of the purchase contract concluded by Phase and the Buyer as part of the contents of these contracts. The buyer was acknowledged and familiar with GTC before signing such contracts, as confirmed by the signature of these GTC.
 - 7.2 PHASE is unilaterally allowed to change the provisions of the GTC and to replace GTC entirely with new document.
 - 7.3 These Terms came into force and effect on 12.10.2015 and are to be applied to all sales contracts concluded by the acceptance of orders that have been made by the Buyer (and subsequently accepted by PHASE) of the entry into force of the GTC.
 - 7.4 The fact that any provisions of these GTC is or becomes invalid, resp. ineffective shall not affect the validity and effectiveness of its remaining provisions.
 - 7.5 The provisions of these Terms & Conditions do not apply to relations arising concluded by individual purchase contract only if the parties agreed in written agreement concluded by the Contracting Parties expressly exclude the application of some of specific provisions of the GTC.