

General Business Terms and Conditions

I. General Part

1. The subject matter of these General Business Terms and Conditions is the legal relationship between the Selling and the Purchasing Parties at deliveries of goods to be made by the Selling Party.
2. These General Business Terms and Conditions (hereinafter referred to as "GBTC") are an inseparable part to the Purchase Contract and/or Binding Purchase Order and shall be valid for all transactions entered into by the Parties to the Contract, even if these GBTC were not explicitly referred to by any/either of the Parties when entering a transaction.
3. These GBTC declare all previous contracts and agreements on terms of payment and delivery entered into between the Selling and the Purchasing Parties null and void.

II. Purchase Price

1. If not agreed otherwise by the Parties, all prices given in the Purchase Contract and/or in the Purchase Order confirmed by the Selling Party shall be understood as including package and excluding VAT.
2. These prices are determined according to a price list valid in the given calendar year or according to quotes for the given business partner.
3. These prices may be adjusted only in the case of substantial increase in manufacturing costs as a consequence of increase in prices of feed material, electricity, fuel etc.
4. If any discounts are granted by the Selling Party to the Purchasing Party, it shall be the Selling Party's exclusive privilege to check the volume of deliveries executed by the end of the calendar half year. Failure to comply with the volume of deliveries shall be regarded as a reason to withdraw any existing discount(s) and reimbursement thereof.

III. Terms of Delivery

1. If not agreed upon otherwise in the Purchase Contract, the condition of fulfilment by the Selling Party shall be deemed fulfilled at the moment of placing the goods at the Purchasing Party's disposal in the manufacturing plant. The place, date, and - if necessary - the term for collection of goods shall be communicated by the Selling Party to the Purchasing Party within a deadline and in a manner as to provide the Purchasing Party with sufficient period of time to collect the goods.
2. If the Selling Party is arranging for transport of the goods to the place of delivery at its own costs, the term "place of delivery" shall be understood as the head office of the Purchasing Party, if not agreed otherwise. The Selling Party's obligation to deliver goods shall be deemed fulfilled upon the act of giving the goods in question over to the first transport operator to transport the goods to the Purchasing Party.
3. The Selling Party is hereby bound to provide the Purchasing Party with sufficient help with obtaining obligatory documents needed for possible export to the Purchasing Party's head office.

IV. Payment Conditions

1. The document upon which the payment of the purchase price shall be based is an invoice to be issued by the Selling Party on the day on which the Selling Party has complied with the obligation to deliver the goods to the Purchasing Party.
2. If not agreed otherwise by the Parties to the Contract, the Purchasing Party is hereby obliged to pay the entire purchase price on the Selling Party's bank account within 30 (thirty) days since the date of the invoice issue.
3. The Purchasing Party's obligation to pay the purchase price shall be only deemed fulfilled after the entire amount has been credited to the Selling Party's bank account.
4. The Purchase Contract can include an advance payment up to 100% of the Purchase Price. In this case the Selling Party is not obliged to provide the Purchasing Party with the goods until this advance payment has been paid. The Purchasing Party is obliged to pay this advance payment within the specified deadline and to hand in the proof of payment to the Selling Party upon the Selling Party's request. After the proof of payment has been handed over to the Selling Party, the Selling Party is obliged to deliver the goods under the provisions of the Purchase Contract.
5. Should, for any reason, the Purchasing Party be in default with the payment for the goods provided, the Purchasing Party is bound to pay a default penalty of 0,05% of the payment due for each calendar day in default until the required price has been paid in full.

V. Devolution of Ownership and Risk of Damage to the Goods

1. The risk of damage to the goods shall be transferred to the Purchasing Party immediately after the Selling Party has complied with the obligation to provide the goods.
2. The ownership rights to the goods delivered shall be transferred to the Purchasing Party immediately after the Purchasing Party has paid the full Purchase Price including, but not limited to, all possible penalties and/or interests on late payments.

VI. Quality of Goods

1. The goods manufactured under standards of general validity are delivered in a quality complying with these standards.
2. Other goods manufactured under individual requirements by the Purchasing Party according to submitted technical documentation are manufactured in a quality complying with such documentation.
3. The Selling Party is bound to pay any expenses that could occur as a consequence of any checking procedures (such as e.g. quality, weight and number control etc.), if these checking procedures are necessary for the goods to be delivered to the Purchasing Party.
4. If not agreed otherwise, the Selling Party shall equip the goods designed for delivery with standard packaging to such an extent as to comply with shipping conditions, nature and amount of goods as well as to the terms and conditions of the Purchase Contract entered into by the Parties.

VII. Withdrawal from the Contract

1. Should the Purchasing Party withdraw from the Purchase Contract and/or from a Purchase Order, that has been confirmed meanwhile, and, at the same time, should the Parties to the Contract not agree otherwise, it shall be the Selling Party's exclusive privilege to ask the Purchasing Party to pay a contractual fine of up to 30% of the Purchase Price of the goods not

taken over by the Purchasing Party. The minimum amount of this contractual fine shall be EUR 50. Furthermore, the Selling Party shall have the privilege to ask the Purchasing Party to pay for any liquidated damage, should the amount of the damage exceed the amount of the contractual fine mentioned above.

2. The Selling Party shall have the privilege to withdraw from the Contract and to ask the Purchasing Party to pay the aforementioned contractual fine even in such cases, if the Purchasing Party fails to take over the agreed amount of goods within a set deadline or within a reasonable extended period set by the Selling Party.

3. The Selling Party shall be entitled to withdraw from the Contract, to stop achievement of targets and/or to ask the Purchasing Party to pay in advance and/or to secure the delivery of goods in a different manner, if such circumstances occur, after the Purchase Order has been confirmed, that could question the Purchasing Party's liquidity. This Selling Party's privilege comes to existence notably in such cases, when payables, including but not limited to any possible interests on late payment, are not settled by the Purchasing Party within the set deadline, despite the fact that the Selling Party has notified the Purchasing Party about such situation.

4. If not agreed otherwise by the Parties to the Contract, the aforementioned privileges may not be taken advantage of, if any of the Parties has fallen in the delay as a consequence of circumstances beyond the Parties' control (Vis Major). For the purposes of these Terms and Conditions, the following shall be understood under the term "Vis Major": war, riots, civil disorders, limitation to and/or closing of customs inspection offices, as well as catastrophes caused by natural phenomena (earthquakes, floods, heavy rainfalls, fire etc.). Should any of the Parties become involved in such an event, it shall have the obligation to notify the other Party about this fact immediately and to communicate the date of probable end of such an event as well as the deadline for accord and satisfaction. The Parties to the Contract are obliged to take such measures as to limit the consequences of the Vis Major event to the least extent possible.

VIII. Guarantees and Warranty Periods

1. If not agreed otherwise, the Selling Party shall equip the goods with a twenty-four month (24) warranty period starting on the day on which the goods have been delivered to the Purchasing Party.

2. The warranty does not apply to any faults arisen as a consequence of malpractices by the Purchasing Party (and/or any other Third Party), inappropriate storage or as a consequence of inappropriate application and/or overloading of the goods.

IX. Claims and Complaints

1. Any evident faults and differences in amounts must be claimed by the Purchasing Party without undue delay. If not agreed otherwise, the claim has to be filed within fifteen (15) days following the day on which the goods were taken over by the Purchasing Party.

2. Claims and complaints related to responsibility for hidden faults have to be made within seven (7) days after they have been discovered; the last day, on which the claim can be made, shall be the last day of the warranty period. In any other case the right of claim expires.

3. The claim has to be made in writing and it has to include probative evidence (samples, picture documentation etc.). Should the fault arise in consequence of improper handling by the shipping agency, the Purchasing Party shall provide for a written record on this fact.

4. Claims by the Purchasing Party may be settled, on the Selling Party's exclusive option, by means of subsequent repair, flawless replacement delivery or granting reasonable discount on the Purchase Price. Upon the Parties' agreement, the fault may be removed by the Purchasing Party or by any other Third Party, the expenses for which shall be accounted to the Selling Party.

X. General Provisions

1. If not agreed otherwise in the Purchase Contract, both of the Parties shall be generally bound by legal regulations of the Czech Republic.

2. The court to decide on any dispute related to these Terms and Conditions shall be any general court designed by the Selling Party.

3. The Parties to the Contract are obliged to keep secret any knowledge and/or information acquired within the business relationship with the other Party.

XI. Final Provisions

1. Any changes to the business name, head office and/or legal form of any of the Parties to the Contract shall be communicated to the other Party within seven (7) days following the day on which such change took place. Any expenses arisen as a consequence of failure to comply with this notification duty shall be taken over by the Party which fails to meet the aforementioned deadline.

2. Any amendments and changes to these Terms and Conditions have to be in writing.