

General Purchase Terms & Conditions

1. Scope

The following General Purchase Terms and Conditions (hereinafter the "Terms and Conditions") shall apply to all business relations established between EGO Zlín, spol. s r.o. with the registered office at U pekárny 438, ID: 46902473 (hereinafter referred to as "Seller") and other parties (hereinafter referred to as "Buyer"). All business relations are subject to the laws of the Czech Republic and the Commercial Code of the Czech Republic unless a written agreement with the Buyer specifies otherwise. The Terms and Conditions are the fundamental conditions of the sale of goods of the Seller and in case of any discrepancies from the dispositive legal norms of the applicable legislation of the Czech Republic these Terms and Conditions shall prevail.

Any varying conditions of the Buyer are valid only upon explicit written approval of the Seller.

2. Entering into the Purchase Agreement

All individual business relations are entered into by a written/e-mail/facsimile order of the Buyer. The order of the Buyer shall contain at least the following proprieties:

- a) the Buyer's company name, residence of office or place of business
- b) the Buyer's VAT ID (if registered as a VAT payer)
- c) type of product (goods), which unambiguously specifies the subject of the order
- d) number of required pieces of the product
- e) place and date of delivery
- f) method of delivery and form of payment of the purchase price
- g) name, position and legible signature of an authorized representative of the Buyer

Upon meeting the aforementioned conditions of Section 2, the Seller shall issue confirmation of the order to the Buyer, which shall include confirmation of the type, estimated purchase price, amount of goods which the Seller agrees to deliver, place and date of delivery, method of delivery and form of payment of the purchase price.

In case of written confirmation, the Buyer is entitled to a period of 24 hours upon receipt of the order's confirmation to submit to the Seller a written proposal for amending the order. If not executed within the specified period, the purchase agreement is established between both parties in the form specified in the confirmation of the order. Should the Buyer propose to amend the order, the Seller shall issue another confirmation of the order confirming the type, estimated purchase price, amount of goods which the Seller has agreed to deliver, place and date of delivery, method of delivery and form of payment of the purchase price.

The purchase agreement is established:

- a) upon receipt of the order confirmed between both parties, in the form specified in the confirmation of the order,
- b) upon the actual execution of the order by the Seller which shall be regarded as confirmation of the order.

The Buyer shall accept the subject matter or service of the fulfillment of the agreement and duly pay for such matter or service within the agreed deadlines.

3. Prices

The purchase price is quoted according to the price list of the Seller applicable at the time of the order of the goods, unless agreed upon otherwise by the contractual parties for that particular case. Should the costs regarding fulfillment of the subject matter of the agreement change significantly after entering into the agreement, the contractual parties shall agree in

writing on the price adjustment. The price of the goods does not include shipping costs. Those shall be invoiced according to the agreed terms of delivery.

4. Date of the Fulfillment of the Subject Matter

Date of delivery is the date upon which the Seller dispatches or hands over the goods for shipping; it is the date of receipt of the goods by the Buyer. Goods can be delivered piecewise upon agreement with the Buyer.

Should the Buyer not take delivery of the goods within the agreed date and at the agreed place, the contractual parties have agreed that the Seller may require the Buyer to pay the storage fees and expenses of up to 100% of the agreed price, according to the eligibility of the goods for resale.

5. Dispatch and Transfer of the Risk

Unless the method of packaging has been contractually agreed upon otherwise, the goods shall be shipped in appropriate packaging. The risk of accidental destruction shall be born by one of the parties depending on the agreed terms of delivery according to INCOTERMS 2000.

6. Defective and Late Fulfillment

The Seller is responsible to the Buyer for defective goods in compliance with section 422 of Act No. 513/1991Coll., unless agreed upon otherwise in writing. When taking delivery of the goods in person, the Buyer is obliged to inspect the goods immediately upon receipt. Should there be discovered any defects of the goods by the Buyer, the Seller must be immediately notified by the Buyer of such discovered defects at the place of delivery. The Seller shall recognize and remove the defect free of charge without undue delay, and deliver the missing goods or supply replacements for defective goods. If it is not possible to remove or replace a defect without delay, the Seller shall do so at the earliest time possible. The Seller shall notify the Buyer of this specified date. Should the Seller deliver the goods by means of a carrier, the Buyer is obliged to file any claims regarding the quantity and type of goods no later than 3 working days from the delivery of the goods from the carrier. The Buyer is obliged to file any claims regarding defective goods to the Seller in written form within the stated period, with a description of the defects. Should the Buyer receive the wrong goods, they are entitled to demand delivery of the correct type of goods only on condition that the faulty goods are returned to the Seller in their original packaging. The Seller shall remove the discovered and approved defective goods free of charge without undue delay by either delivering missing goods or replacements for the defective goods. If it is not possible to remove the defects immediately and without delay, the Seller shall do so at the earliest time possible. The Seller shall notify the Buyer of this specific date.

7. Terms of Payment and Retention of Title

Unless payment has been agreed to be processed in cash at the office of the Seller, the Buyer is obliged to pay the invoice in full within the due date specified in the invoice. The Seller shall issue an invoice and other necessary documents when shipping the goods. Upon receipt of the goods, the Buyer is obliged to confirm the delivery note in writing (stamp, signature and date) and send it back to the Seller.

Should the Buyer not adhere to the due date of the invoice, the Buyer undertakes to pay a penalty of 0.1% of the outstanding amount for each day of delay and a penalty of 0.5% of the outstanding amount beginning on the 7th day of the delay until the payment of the outstanding amount has been processed in full, unless agreed upon in writing otherwise. The title of the goods shall remain vested in the Seller until the payment of the outstanding

amount including, as the case may be, any contractual penalties have been processed in full. After the payment of the entire amount has been processed, the title of the goods shall pass to the Buyer. Should the invoice not be paid within the due date, the Seller may retake the goods. The Buyer is obliged to allow an employee of the Seller to retake the goods. The obligation of the Buyer to pay any contractual penalty, late payment fee or damage compensation as well as other costs regarding the recollection of the goods and withdrawal of the contract shall not be affected.

8. Withdrawal of the Contract

In the event of withdrawal from the purchase agreement (binding order) from the side of the Buyer, the Seller is entitled to charge the Buyer compensation money at the amount of 50% - 100% of the agreed price. If the goods have already been shipped, the Seller is entitled to claim a contractual penalty according to Article 4 of these Terms and Conditions.

It is possible to withdraw from the contract only in written form and both parties shall mutually agree upon specific conditions regarding the withdrawal.

9. Other Provisions

The contractual parties have agreed in compliance with the Act on Arbitration and Enforcement of Arbitration Awards No. 216/1994 Coll. as amended that any dispute arising out of or in connection with the agreements governed by these General Purchase Terms and Conditions shall be settled in arbitral proceedings before one arbitrator in compliance with the Rules of Procedure of Arbitration Proceedings issued by the Union for Arbitration and Mediation Proceedings of the Czech Republic (Unie pro rozhodčí a mediační řízení ČR, a.s.) ID: 27166147 (hereinafter referred to as "Union") and published on the website www.urmr.cz, whereas the arbitrator shall be registered on the List of Arbitrators kept by the Union on the day of receipt of the arbitration petition. The contractual parties hereby agree to verbally delegate the Union to determine, in compliance with the Rules of Procedure of Arbitration Proceedings, an arbitrator for the arbitral proceedings based on this arbitration clause. The contractual parties hereby agree to delegate an appointed arbitrator to decide all disputes in accordance with the principles of justice. The contractual parties explicitly declare that before signing an arbitration agreement they had and have the opportunity to become acquainted with the Rules of Procedure of Arbitration Proceedings, as well as with the Regulation on the Costs of Arbitration Proceedings and that they have done so and they consider the aforementioned documents as an integral part of this arbitration agreement unless agreed upon in writing otherwise.

The Seller reserves the right to amend or add these Terms and Conditions, particularly in the event of changes regarding amendments of legal norms or changes in the method of business. The Seller shall announce in an appropriate manner any amendments and supplements to these Terms and Conditions and the date they come into effect. The Buyer has the right, in the case of disagreement with the contents of amended or supplemented Terms and Conditions, to notify the Seller of such disagreement within the period of 7 days from the moment the Buyer is informed about the amendments or supplements. If the Buyer does not do so, it is considered that the Buyer has accepted the amendments or supplements. The provisions of the Commercial Code and related legislation shall govern legal relations that are not explicitly regulated by these Terms and Conditions. The Seller shall not be liable or responsible to the Buyer for any damage caused by circumstances beyond their control, such as state intervention, traffic, transportation and energy problems, e-commerce system failures, strikes or lockouts. These circumstances justify the suspension of the performance of contractual obligations on the side of the Seller for the period and scope of such circumstances. The same applies in the event of such occurrence of the aforementioned circumstances at the subcontractor of the Seller. The Buyer shall promptly notify the Seller of any changes regarding their business license, tax liability (particularly

change in VAT), valid bank account and account number and occurrence of insolvency. Should insolvency of the Buyer occur, all outstanding debts of the Seller become due on the day the Seller learns about such insolvency. The Seller is, in this case, entitled to demand immediate return of the goods unpaid for till this time. The written form of legal action is maintained if a legal action is done by telegraph, telex or electronic means that allow capturing the contents of the legal action and determining a person that took the legal action. If the Buyer refuses or causes the failure of delivery of the deed from the Seller, the day of refusal or frustration shall be considered as the date of delivery of the deed. The Buyer hereby grants consent to the Seller to process, as an administrator, all personal data relating to the person of the Buyer provided by the Buyer, including the birth certificate number of physical persons and phone numbers in compliance with Act No. 101/2000 Coll. This consent is given until further written notice. It shall not be considered as personal data if establishing the identity of the subject matter of the data demands inappropriate amount of time, effort or material resources. The provided data will be processed in order to offer services, for marketing purposes and acquisition activities. This consent to the data processing shall also apply to all other acquirers or processors of the data. The Buyer hereby gives the Seller consent to receive promotional materials and offers of the Seller.

These General Purchase Terms and Conditions come into effect on 1st November 2010 and supersede the General Terms & Conditions previously issued.