

SALES BUSINESS CONDITIONS

No. 2/2014

1. Introductory Provisions

These business conditions (hereinafter the "Conditions"), issued acc. to provision § 1751 and following, of act No. 89/2012 (Civil Code in valid wording) by the firm **ConTree Concept a.s.** (hereinafter the "Supplier"), based in Plzeň, Zborovská 6, postal code: CZ 30100, company registration number: 290 82 269, incorporated in the Companies Register by the regional court in Plzeň, section B, insert 1516, set up rights and duties resulting from all contractual relations (hereinafter also "Contract"), in which the Supplier acts as the seller (in contracts of purchase), or as the Maker (in contracts for work or contracts for provision of diverse performance), and resulting from relations regarding both damages and refund of unjust enrichment incurred within the infringement of rights and duties consequent upon the Contract.

These business conditions take precedence over any prospective business conditions of the Purchaser or over any other references of such conditions contained in the Purchaser's documents.

2. Interpretation of Terms

For these conditions (NOP) and Contract purposes applies:

- a) the "Goods" is any movable asset, service, works made, or any other performance provided by the Supplier to the Purchaser;
- b) the "Price" is the amount, which the Purchaser is obliged to pay the Supplier for supply of the Goods;
- c) the "Delivery date of Goods" is the term agreed on supply of Goods to the Purchaser;
- d) the "Invoice" is the bill or any other tax document, whereby the Supplier charges Price the Purchaser.
- e) the "Contract" is also Purchaser's Order for supply of Goods confirmed by the Supplier, or Supplier's offer for supply of Goods confirmed by the Purchaser;
- f) the "Order" is an order made by the Purchaser in any form and addressed to the Supplier for supply of Goods to the Purchaser;

g) the "Supplier" is the seller in Contract of purchase, the Maker in Contract of work, or any other subject, which is to supply the Goods based on an Order or Contract to the Purchaser;

h) the "Purchaser" is a physical or legal person, to whom the Goods is delivered or for whom is produced by the Supplier based on the concluded Contract;

i) the "Place of Delivery" is a place agreed by the parties for purpose of delivery and acceptance of Goods. In the absence of agreement about the Place of Delivery it is supposed that the Place of Delivery is equal to Supplier's premises or the place, where the Goods is passed on the first common carrier, whereas the right of option pertains the Supplier.

3. Supplier's Rights and Duties

3.1 The Supplier is obliged to supply the Purchaser with agreed Goods in due form in time, i.e. leastwise before the expiration of agreed Delivery date of Goods, and allow the Purchaser to acquire the proprietary rights to such Goods. The Supplier undertakes to deliver the agreed Goods free both of legal and physical defects, in contracted or usual quantities and standard quality, unless agreed otherwise.

3.2 If the Delivery date of Goods has not been agreed explicitly, the Supplier is obliged to supply the Goods to the Purchaser without baseless delay after the conclusion of the Contract with consideration of the kind and quantity of the supplied Goods. If there is a proposed Delivery date of Goods mentioned in the Order and the Supplier accepting the Order has not expressed whether agreed with the proposed Delivery date of Goods, it is understood he agrees the proposed Delivery date of Goods. If by the Order receipt the Supplier states that the Delivery date of Goods proposed by the Purchaser, or by the Supplier in Order receipt stated Delivery date of Goods is not binding or is in any other way vague, then the Delivery date of Goods is maximum ten days later beyond the Delivery date of Goods mentioned in the Order receipt (eventually proposed by the Purchaser in the Order, as far as there is no Delivery date of Goods stated in Order receipt). Unless agreed otherwise, the Supplier's duty to deliver is accomplished once the Supplier enables The Purchaser to handle with the Goods within the Place of Delivery and

the Supplier notifies the Purchaser of such in time.

3.3 The Goods is not delivered properly, as far as it contains serious defects, i.e. defects impeding regular use. The defects not impeding regular use of the things are not considered as the serious defects and the Purchaser is not entitled to refuse the acceptance of such Goods. The Purchaser is not entitled to decline a partial delivery of the Goods. In case the amount of Goods, with regard to its character, is defined in the approximate amount only, the Supplier is entitled to precise the accurate amount. In case the Goods is delivered in bigger amount than previously agreed, the Agreement is stipulated anyway on the surplus Goods, unless the Purchaser declines the surplus immediately.

3.4 Unless agreed otherwise, the Purchaser is entitled to withdraw from the Contract only, when the Supplier is in delay with the Goods delivery longer than thirty days and the Purchaser had previously notified the Supplier in written form of the right to withdraw. The Purchaser must inform the Supplier about the avoidance of the Contract in writing without needless delay.

3.5 In case the delivered Goods or any of its part has a deficiency during warranty period, the Supplier undertakes, in case of an admitted claim, to rectify the deficiency within thirty days of its announcement by the Purchaser, eventually gives the Purchaser an agreed discount adequately the seriousness of the found deficiency. The Supplier is entitled to make a choice of the form of the rectification. In case the deficiency is rectified by the delivery of new the Goods, the Purchaser is obliged to return the earlier delivered Goods to the Supplier.

3.6 The warranty period lasts 24 months, unless something else is provided by the statutory or other notorious binding instrument.

3.7 The Purchaser gains the proprietary rights of the Goods as late as the day of the payment for Goods in full, unless agreed otherwise. Yet, the danger of the damage on the Goods is passed to the Purchaser in the moment of acceptance of such Goods.

3.8. The Supplier reserves the right to fulfil his obligations towards the Purchaser through the performance of a third person. Although, in such case, the Supplier is responsible for the quality of such Goods as he performed himself.

4. Purchaser's Rights and Duties

4.1 The Purchaser has the right to ask the Supplier for information about the state of the performance of the Contract. If the Supplier does not give such information within thirty working days after obtaining the Purchaser's request, then the Purchaser is entitled to withdraw from the Contract, unless anything else is stipulated in the Contract, and only under the conditions stated in the article 3.4. of these conditions.

4.2 The Purchaser must inspect the Goods with usual attention right after the acceptance of the Goods or, with regard to its character, at least within three days after its takeover. In case the Purchaser finds any defects on the Goods, he is obliged to notify the Supplier about the character and amount of such defects immediately after he finds out, otherwise the defects will not be regarded as warrantable.

4.3 The Purchaser is not entitled to withdraw from Contract, if he has not duly notified the defects to the Supplier according to these conditions, or has sold the Goods or its part, or spent or changed the Goods during its common usage. The Purchaser is neither entitled to withdraw from Contract, when not able to return the Goods in the same condition as received, with the exception of law stipulation. The risk of damage of the Goods passes over to the Purchaser at the day of reception of the Goods, unless agreed otherwise.

4.4 The Purchaser is obliged to adopt and accept the Goods and pay the purchase Price for it, as well as for the additional work, which the Supplier advised before the handover of the Goods and the Purchaser had not expressly declined, including the interest on late payment in case the invoiced value or contractual fine acc. par 5 had been paid late.

4.5 The Purchaser is obliged to describe technically the design of the Goods in the Order or in the Contract. If this is not stated, it is assumed that the Supplier is entitled adjust the design, dimensions and quality according to his own design, which the purchaser was acquainted with and explicitly agreed. In case the Purchaser does not specify the technical, technological design or process or he does not stipulates any specific qualities, the Supplier is not responsible for any defects in connection of such qualities.

4.6 The Purchaser is not entitled to withdraw from issued Order, neither to change it during

realization, under the penalty listed in par 5. In case of change of the Order it is believed that the Order is new. The Purchaser undertakes to meet all relevant Supplier's costs connected with the change of the Order.

4.7 The Purchaser is obliged, along with the Goods takeover, to return all technical documents from the Supplier. The Purchaser has no right to obtain the technical documentation relating to the delivered Goods, unless the documentation is objectively necessary for regular use of the delivered Goods.

4.8 The Purchaser cannot transfer an obligation from the Order to the third party without written approval of the Supplier. Such a transfer is considered ineffective and the Purchaser is obliged to perform anyway as if no transfer was realized.

4.9 The Purchaser is obliged to provide the Supplier, or the third party ensuring the delivery of the Goods, entire assistance which is necessary, so the agreed Goods could be delivered to the Purchaser properly and in time according to the agreed conditions. If the assistance is withheld, the Purchaser is liable for all eventually incurred loss and costs. Provision of no assistance from the Purchaser is considered of his delay.

5. Terms of Payment and Sanctions

5.1 The Supplier is entitled to issue Invoice from the moment of handover of the Goods to the Purchaser, on condition the Goods has been delivered properly in the amount according to the Order (see par 3.2 of the Conditions). Invoice due date is stated on the Invoice and is binding with no protest. Unless specified on the invoice of agreed otherwise the due date of the payment is 15 days to the latest. The Purchaser is entitled to return the Invoice back to the Supplier if it is issued in contradiction with the Contract, or with these Conditions or legal regulations, or it contains wrong data. Payment of the new Invoice applies within the same number of days since its issue as it was by the returned Invoice

5.2 In case there is a delay in delivery of the Goods from the Supplier longer than thirty days, the Supplier pledges to pay on Purchaser's call the contractual fine 0.01% of the Price of the Goods for each day on default after stated date. The Supplier is not in delay as long as the Purchaser has not fulfilled his obligation to pay the

advanced payment if agreed, or if the Purchaser has not provided the Supplier within the order with all essential technical terms so the Supplier is able to perform based on such specification without any limitation to fulfil his obligation.

5.3 Observance of confidential data protection (par 7.3 NOP) is assured by the contractual fine amounting to one hundred thousand Czech crowns, which the party breaching the confidential data protection must compulsorily pay to the entitled party.

5.4 The Supplier is entitled to add one-sidedly each contractual fine into payable debt of the Purchaser, or issue separate penalty Invoice towards the Purchaser. The statute of time limitation is considered ineffective in connection with the claim if the limitation became capable for the offset of such claims before the moment the offset could be firstly realized.

5.5 The Supplier is entitled to refuse the Order from the Purchaser, if it contradicts with the Price or agreed Delivery date or when the Purchaser is in delay with actual payable debt more than ten days after due date.

5.6 In case of Purchaser's default in payment of Invoices issued by the Supplier, the contractual fine 0.5% for each day on default is agreed. Responsibility for incurred losses and compensation of damage is not impacted by this provision.

6. Arbitration Clause, Delivery of Mail, Modification of the Contract

6.1 Both the Supplier and the Purchaser explicitly came to terms that all property contentions, which eventually grow up in the future in connection with the Contract (incl. Conditions), as well as contentions which can eventually grow up in connection with the Contract (incl. Conditions), cum its validity, interpretation, implementation or termination and rights directly resulting from the Contract (incl. Conditions), questions of Contract legal validity (incl. Conditions), as well as questions of rights related to this rights, also when the Contract (incl. Conditions) will be invalid, canceled or relinquished (thereinafter "contention" or "contentions" only), will be decided in jurisdiction of courts of justice determined according to the relevant law stipulations which stipulate the subjective and local affiliation of such courts. The initial stipulation in connection to such matter is the

Civil Procedural Act and other common and usual law stipulations.

6.2 Both the Supplier and the Purchaser further came to terms that the delivery of mail and papers within contractual relations based on the Contract and during arbitration acc. par 6.1 is performed towards the Supplier at the address Zborovská 6, Plzeň and towards the Purchaser at the address mentioned in the Contract, if not there, then at any other address of the Purchaser mentioned in the Contract or to any address known as a address from the usual business intrcourse. If the delivered papers are not deposited by the subject performing delivery of mail, it is considered as delivered the day following the day, when the sending was returned back to the sender (contracting party or arbiter), also when the addressee did not know about this delivery. Both the Supplier and the Purchaser explicitly claim to deliver the verdicts and court decisions (a posteriori § 46, section 1.5.6 Civil Procedure Act) at the addresses of parties specified according to the first clause of this paragraph (6.2) for delivery.

New version done:
In Plzeň, 01.01.2014

7. Final Provisions

7.1 These Conditions supersede in extenso all former issued and operative Supplier's business Conditions for purchase of the Goods. These Conditions become operative as of 4-3-2014

7.2 Differing provisions of the Contract enjoy priority over provisions of the Conditions. Issues of law unsolved by the Contract and by these Conditions are governed by the legal order valid in the territory of Czech Republic, primarily by the Civil Code, no. 89/2012 Sb., and the Corporate Code.

7.3 In case the participants will notify to incompatible business conditions, the agreement is still concluded based on the conditions in which the conditions are compatible.

7.4. The Purchaser acknowledges that all data and information mentioned textual in the Conditions or documents referred to the Conditions, but also any information interchanged between The Supplier and the Purchaser, are confidential.

7.5 The Supplier reserves the right to change this business conditions where necessary at any time.

7.6 The Purchaser expressly accepts this version of business conditions without reservations.