

General commercial terms of CHVALIS Ltd. Valid from 1.1.2009

1. Introductory provisions

1.1. General commercial terms of CHVALIS Ltd. (hereinafter „GCT“) are used for all purchase contracts of CHVALIS Ltd. (hereinafter „Contractor“), under which a supplier gives goods to the buyer („the buyer“). If the concluded sales contract contains provisions different from these GCT, the change in the sales contract in set range the priority before the GCT.

1.2 All deliveries are carried out under a contract, it's conclusion is generally confirmed by a written order confirmation of the customer from the supplier and simultaneously under these GCT, which are based on customer orders (which includes the acceptance of these GCT from the customer) and order confirmation from suppliers, i.e. conclusion of the sales contract becomes part of a contractual agreement (the contract).

1.3 Other, i.e. subsequently updated and thus changed, amended by these GCT are for both parties, i.e., including contracting party of the customer if the supplier by its decision changes these GCT and customer expressly declares in writing that it agrees with the respective changes, or change of GCT between supplier and the customer agreed already in the concluded contract.

1.4 Contractor offers, addressed the customer, are non-binding preliminary concept of purchase agreement for the supply of goods with that the contract shall be accepted and therefore the purchase agreement entered into before the time when the customer orders based on supplier customer writing to acknowledge receipt of your order delivery of goods. Orally agreed arrangement contractor personnel during the order realisation, which are different from the contents of the contract or are not included, require a written confirmation of the contractor.

1.5 Data such as descriptions, pictures and drawings, tables of weight and loads, published by the supplier in written or drawn form, such as catalogues, characterizing the nature of the product, however it does not matter of binding reinsurance properties or guarantees, if this is not expressly contractually agreed.

1.6 Changes of technical parameters and constructions by contractor within the technical innovation of the product are reserved.

2. Price and payment

2.1 Prices of goods are set by the supplier at the time of exit from the factory or warehouse of supplier. These prices do not include packaging, haulage, that why the insurance and legal value added tax, which will be billed by the contractor to the customer in excess of the agreed price of goods.

2.2 Price including the cost referred in article 2.1 is paid in the form of the final accounts in the amounts and advances and dates of the contract.

2.3 The recipient is required to conduct the payments due to date of the invoice by bank transfer, and performance bonds shall be the date when the amount is credited to the supplier, unless agreed on cash payment.

2.4 Cheques and bills apply to be paid only on payment.

2.5 The buyer is not entitled to unilaterally offset against any claims the seller claims. Initiation against the claims of the seller can be made only by written agreement of both parties.

3. Transfer of ownership

3. The supplied goods remain in the property of the supplier until full payment, including payment of supplies of other goods, which are associated with this delivery. The buyer is obliged to store the goods properly and properly caring for it properly.

3.2 The Contractor shall be entitled to exercise the right to release the goods in his demesne if there are circumstances that may jeopardize the achievement of its receivables from customers.

4. Date of delivery

4.1 In case that a customer is late in meeting the obligation to pay a deposit on the purchase price, it is automatically extended deadline to supply at least the same number of days for which the buyer takes the delay.

4.2 If the customer gets to delay with the fulfilment of its obligation to deliver materials or finished products, needed to manufacture or supply of goods takes place automatically to the extension of the contractual delivery date, at least the same number of days that it takes customers to delay implementation of the commitment.

4.3 If the customer will be in delay the fulfilment of the commitment to acquire the goods from the supplier, the supplier may apply, for customer to pay a contractual penalty of 0.05% of the purchase price for each day of delay in fulfilling the commitment to accept the goods, the buyer is obliged and committed to the agreed contract fine for its legitimate use to pay suppliers. Supplier has not only to follow the agreed contractual penalty to the customer is entitled to full compensation (all costs), due to contractor misconduct of consumer goods take in time.

4.4 When an infringement on the part of consumers, especially the delay in payment, the supplier is entitled to withdraw from the contract.

5. Risk of damage

5.1 Risk of damage to the goods passes to the purchaser at the moment, when the buyer takes the goods from the supplier. In case that the customer gets into delay with the obligation to accept the goods delivered in accordance with the contract, the risk of damage to the goods passes to the buyer at the moment, when the supplier goods are ready to take over to customer. This moment is considered as the fulfilment of the supplier.

5.2 If the supplier is obliged by contract to send goods to the customer, the risk of damage to goods passes on customer by handing over the goods to the first carrier for transportation to chosen destination.

6. Warranty and liability

6.1 If the length of the warranty period is not set, the contract expressly provides that amounts to 12 months from the undertaking to the supplier to deliver goods to the purchaser.

6.2 The occurrence of defection must be delivered to the supplier in writing without undue delay after the defect is found.

6.3 The Parties shall without undue delay, after written notice of defects by the buyer and the inspection of goods by the contractor to written agreement on how to remove the defect, and the buyer agrees to remove the defect preferably a solutes by repair of the goods made by a supplier.

6.4 The supplier is entitled to decide how they will repair the goods.

6.5 The supplier's liability for defects arises in cases where defects were caused by:

- after the risk of damage of the goods to customer by outside events and were not made by the supplier,
- by Installation, operation and maintenance of goods made by the customer contrary to specifications supplied by the contractor together with supplied items,
- in relation with interventions in the structural design of the goods or the exchange of part of goods made without acknowledging the contractor of the supplier's delivery to customer,
- by change of the specified operating conditions or an unauthorized intervention of persons which are unauthorized by the supplier.

6.6 Within the warranty period cannot be claimed the defects, which have to have been obvious to customer at the time of acceptance of goods and the buyer in time, i.e. at the time of receipt of the goods did not claimed.

6.7. Rights and obligations of supplier and customer resulting from liability for defects are closely regulated in order suppliers complain that the Parties acknowledge and agree to follow him.

6.8 Costs associated with the irregular application of the guarantee must pay purchaser to the supplier.

7. Technical documentation

7.1 All technical documentation, the supplier with the goods supplied to the customer under the contract, is the exclusive property of the contractor.

7.2 Technical documentation may be used by the customer only in connection with the use of goods and it is not entitled to publish or disclose to any third party or to the benefit of any third party use.

7.3 The contractor is entitled to use technical solutions and other solutions and procedures contained in the technical documentation even for supply of goods to another person.

7.4 All technical and other solutions, which are by the contractor in the supply of goods to buyer is newly found, is authorized to make the subject of intellectual property (patent, utility model or industrial, etc.) only the supplier.

8. Superior force

8.1 In case of superior force event during the period, which are exhibiting the effects of superior force, extends the term supply set by contract.

8.2 The contractor is responsible for sales of the superior force event, without undue delay in writing.

8.3 In the event of superior force are deemed events, which cannot be influenced by the parties, if they occur after the conclusion of the sales contract and prevent its implementation, including: strikes and all events defying the will of both parties, such as epidemics, fire, natural disasters, mobilization, war, insurrection, seizure case, an embargo, general lack of means of transport, general shortage of input materials and raw materials, etc.

8.4 If the effects of superior force are continuous for more than 3 months, either party is entitled to withdraw from the contract.

9. Final provisions

9. The legal relations resulting from the sales contracts concluded by relevant Czech legislation, particularly the relevant provisions of the commercial code.

9.2 All disputes from the Parties are undertaking to resolve them amicably.

9.3 In the absence of an agreement under article 9.2, will be responsible for the trial court of contractor.

9.4 When or where is any provision of these GCT invalid or unenforceable, it do not affect other provisions. Invalid or unenforceable provision will be replaced by a provision which legally comes as close as possible to the meaning and purpose of invalid or ineffective regulation.

9.5 Eligibility of persons to act for the side goes from valid entry in the commercial and trade register.

9.6 The Contractor reserves the right to modify these GCT at any time.

CHVALIS Ltd., Velešická čp. 54

CZ - 411 72 Hořtka

IČ: 25433971 OR: KS Ústí nad Labem, C 18176