

General purchase and trade terms

1 General agreements

These purchase terms refer to withdrawals and purchases of merchandises from the part of the company Zlin Precision s.r.o., residing in Zlín, U Tescomy 247, Postal Code 760 01, Comp.lid. No 26267381 from the third persons with respect to a purchase contract and/or contract for work within the meaning of respective provisions of the Commercial Code. Provided that these purchase terms use the notion of orderer, this means also a buyer, when there is the notion maker used, this means also a seller. The sale terms of the maker (including their changes and amendments), which differ from these purchase terms, may be applied only in case of having been explicitly accepted from the part of the orderer in writing for a concrete commitment relation.

2 Conclusion of a contract

- 2.1 Delivery of merchandises or of work according to these purchase terms may be realized either according to a contract concluded between the orderer and the maker or on the basis of an order from the part of the orderer accepted by the maker. The order may be transmitted personally or sent in a registered letter, by fax or by e-mail and is binding when being confirmed by the maker. Individual deliveries, in what concerns the quantity and the delivery term, may be made more precise in partial orders being sent to the maker by fax or by e-mail, where the partial order accepted is to be confirmed to the orderer within two working days from the day of its having been received, namely by fax or by e-mail.
- 2.2 An order - proposal of a contract, must contain at least the following essential data:
- identification data of the orderer and of the maker
 - name and type of merchandises or specification of a work required
 - quantity of merchandise (unless solved by a partial order)
 - contract price
 - delivery term (unless solved by a partial order)
 - delivery parity
 - signature of person entitled to deal on behalf of the orderer.
- 2.3. A contract arises through an agreement about its whole content (namely by concluding a contract in writing or when confirming an order from the part of the maker). The maker is obliged to confirm the orderer by return in writing that he accepts the order. When the maker will not confirm the orderer the receipt of the order not later than within 2 weeks from the day of its being received, then the orderer is not bound by the order any more.
- 2.4. The confirmation of an order must contain at least the following data :
- name and type of merchandise or specification of the work required
 - quantity of merchandises (unless solved by a partial order)
 - contract price
 - delivery term (unless solved by a partial order)
 - delivery parity
 - signature of person entitled to deal on behalf of the maker.
- 2.5. Any changes proposed or required with regard to the order submitted will be communicated by the maker to the orderer without any useless delay. Changes of a concluded contract may only be made by means of written, mutually agreed amendments.

3 Delivery

- 3.1 The maker is obliged to deliver merchandises or work in accordance with the contract concluded. The agreed quantities, terms and other provisions are binding. The maker is obliged to supply, with the delivery, all necessary documents related to the merchandise or to the work in question, including assembly instructions. Assembly instructions must be intelligible, complete and correct.
- 3.2 In case of delay of the maker in delivery of merchandise or work, the orderer will send the maker a registered letter inviting him to fulfil the contract in a reasonable additional term he will fix for this purpose in drawing also his attention to the possibility of the contract avoidance, when the delivery in question will not be fulfilled in this additional reasonable term. In the event the maker will not fulfil the delivery even in this reasonable additional term, the orderer is entitled to renounce the contract and to ask at the same time the maker to make amends for damage which has arisen the orderer due to not having fulfilled the obligation of the maker. The withdrawal from the contract takes effect at the moment its written delivery to the maker.
- 3.3 For the event of the maker's delay in delivery of merchandises or work, the maker is obliged and undertakes to settle the orderer the conventional fine amounting to 0,1 % from the price of the given delivery for each day of delay. This conventional fine does not affect the claim for compensation of the given damage, namely within the full extent.
- 3.4 If the maker anticipates difficulties in manufacture or in supplies of preliminary material or if circumstances beyond control would arise which probably could hinder the timely delivery in agreed quality, he is obliged to inform , without any delay, the orderer about such reality.

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- 4 Force majeure**
Obstacles, which will arise beyond control of the maker and which will hinder the maker in fulfilling his obligations according to the contract, such as strikes, wars, natural catastrophes, commotions etc., entitle the orderer to withdraw partly or entirely from the contract under the condition, that some of these obstacles will last more than 10 days.
- 5 Fixing of prices and danger of damage**
If no special agreement has been concluded, then the prices are understood DDP Zlín Precision s.r.o. (INCOTERMS 2000) including packing. The value added tax is not included. The maker bears the risk of damage to merchandise or work up to the moment of taking over merchandise by a person entitled from the part of the orderer at the spot, on which merchandise is to be delivered according to the contract.
- 6 Payment conditions**
Unless otherwise agreed, the price agreed for the delivery is due after having effected the given delivery, namely on the basis of an invoice made out by the maker payable within 30 days from the date of issue.
- 7 Responsibility for defects**
- 7.1 When the delivery shows defects, the orderer is entitled according to his own choice :
- to require removal of the given defect by performing of substituted work for the defective work, by delivering a missing part of the work and to require removal of legal defects,
 - to require an appropriate rebate from the price concluded,
 - to withdraw from the contract.
- Individual claims from defects governed by the respective stipulations of the commercial code will not be applied with regard to the relation according to these purchase terms.
- 7.2 The orderer will send the maker his assertion of a claim from defects of work within a reasonable term after having discovered the defect.
- 7.3 In urgent cases, in particular when diverting an immediately menacing damage, the orderer is entitled to remove himself the drawbacks stated on the account of the maker.
- 8 Damage to products**
In the event when a third person will lodge a claim for compensation of damage which has been caused by a defect of merchandise or work of the maker, the maker is obliged and undertakes to satisfy the claims lodged in this way on his own costs.
- 9 Performing of works**
The employees of the maker who will perform the works within the framework of fulfilling this contract in the residence or on other spot of the orderer, are obliged to observe the provisions of the respective service rule, safety and fire-fighting regulations.
- 10 Providing material by the orderer**
Materials, components, vessels and special packings which will be provided the maker by the orderer for the purpose of fulfilling his commitment, are property of the orderer and may be used only for the purpose, for which they have been handed over.
- 11 Secrecy**
Items of any kind, the orderer will provide the maker, such as samples, drawings, models, data etc, as well as any information provided by the orderer, unless they are explicitly destined for public, should not be accessible for the third persons. Products which are made according to confidential information of the orderer or by means of the orderer's tools or by means of tools made according to the orderer's pattern, should neither be used by the supplier nor offered or delivered to third persons.
- 12 Place of performance**
Place of performance is a place, on which merchandise should be delivered according to the given order or written contract.
- 13. Competence of court, governing law**
For the event of a lawsuit, the Czech court is competent, the local competence is governed by the residence of the orderer. Legal relations according to these commercial terms are governed by the Czech legal order, above all, by the provisions of the commercial code, eventually, by other legal regulations.

In Zlín, on January 1, 2010