

1. GENERAL

Unless otherwise provided in a written agreement between private liability company Ostrov Complete s.r.o., ID: 24166618 (hereinafter the «Seller») and the buyer (hereinafter the «Buyer»), the General Terms and Conditions of Sale (hereinafter the «Conditions») set forth in this document are intended to establish standard terms and conditions of sale for all sales of products (hereinafter the «Goods») and services (hereinafter the «Services») by Seller to Buyer. This document, together with the commercial offers, contracts of sale, designs, drawings, specifications, technical data and all supplements and attachments thereto issued by Seller, shall constitute the entire agreement (hereinafter the «Agreement») between Seller and Buyer for each such sale. In the event of any conflict or inconsistency between Conditions herein and the terms and conditions contained in Buyer's order or in any other form issued by Buyer, whether or not any such form has been acknowledged or accepted by Seller, these Conditions shall prevail. No waiver, alteration or modification of these Conditions shall be binding upon Seller unless made in writing and signed by a duly authorized representative of Seller. Buyer shall be deemed to have full knowledge of Conditions herein and such Conditions shall be binding if either Goods and Services referred to herein are delivered to and accepted by Buyer, or if Buyer does not within five days from the date hereof deliver to Seller written objection to said Conditions or any part thereof.

2. COMMERCIAL OFFERS

Unless otherwise stated, Seller's commercial offer shall be null and void unless accepted by Buyer within thirty (30) days from the date of commercial offer.

3. PRICE/ COST OF TRANSPORTATION

All quoted prices are based on the current exchange rates, tariffs and costs of manufacture. Unless otherwise stated in the commercial offer, quoted prices are subject to change by Seller with or without notice until Buyer's acceptance. Prices are subject to correction for error. Unless otherwise stated, all prices are EXW factory and include packing. Customary methods of transportation will be at Buyer's expense. Special methods of transportation will be used upon Buyer's request and at Buyer's additional expense provided reasonable notice of Buyer's transportations are given by Buyer to Seller prior to shipment. The delivery terms used in such international transactions shall be interpreted in accordance with Incoterms 2010.

4. TAXES

Prices do not include Goods and Services Tax, Provincial or Municipal sales, use, value-added or similar tax. Accordingly, in addition to the price specified herein, the amount of any present or future sales, use, value-added or similar tax applicable to the sale of the Goods hereunder to or the use of such Goods by Buyer shall be paid by Buyer to the entire exoneration by Seller.

5. DELIVERY

Delivery schedules are approximate and are based on prevailing market conditions applicable respectively at the time of Seller's commercial offer and Seller's acceptance of Buyer's order. Delivery shall also depend on the prompt receipt by Seller of the necessary information to allow maintenance of the Seller's engineering and manufacturing schedules. Seller may extend delivery schedules or may, at its option, cancel Buyer's order in full or in part without liability other than to return any deposit or prepayment which is unearned by reason of the cancellation.

6. FORCE MAJEURE

Seller shall not be responsible or liable for any loss or damage incurred by Buyer herein resulting from causes beyond the reasonable control of Seller including, but without limitation, acts of God, war, invasion, insurrection, riot, the order of any civil or military authority, fire, flood, weather, acts of the elements, delays in transportation, unavailability of equipment or materials, breakdown, sabotage, lock-outs, strikes or labor disputes, faulty castings or forgings, or the failure of Seller's suppliers to meet their delivery promises. The acceptance of delivery of the equipment by Buyer shall constitute a waiver of all claims for loss or damage due to any delay whatsoever.

7. SHIPMENT/DAMAGES OR SHORTAGES IN TRANSPORT RISK

Except for obligations stated under «Warranty» herein, Seller's responsibility for Goods ceases upon delivery to the carrier. In the event of loss or damage during shipment, Buyer's claim shall be against the carrier only. Seller will, however, give Buyer any reasonable assistance to secure adjustment of Buyer's claim against the carrier provided immediate notice of such claim is given by Buyer to Seller. Claims for shortages must be made in writing within fourteen (14) days after receipt of Goods by Buyer. If Seller does not receive written notification of such shortages within such fourteen (14) days, it shall be conclusively presumed that Goods were delivered in their entirety. Unless agreed upon otherwise in writing, Seller reserves the right to make partial shipments and to submit invoices for partial shipments.

8. TITLE

Title to Goods or any part of thereof shall not pass from Seller to Buyer until all payments due hereunder have been duly made in cash, except as otherwise expressly stipulated herein. Goods shall be and remain personal or moveable property, notwithstanding their mode of attachment to realty or other property. If default is made in any of the payments herein, Buyer agrees that Seller may retain all payments which have been made on account of the purchase price as liquidated damages, and Seller shall be free to enter the premises where Goods may be located and remove them as Seller's property, without prejudice to Seller's right to recover any further expenses or damages Seller may suffer by reason of such nonpayment.

GENERAL TERMS AND CONDITIONS OF SALE
of the private liability company Ostrov Complete s.r.o.
(Continued)**9. LIABILITY**

Seller shall not be liable for and shall be held harmless by Buyer from any damage, losses or claims of whatever kind, contractual or delictual, consequential or incidental, direct or indirect, arising out of, in connection with or resulting from the sale of governed hereby or Goods, including, but without limitation, the manufacture, repair, handling, installation, possession, use, operation or dismantling of Goods and any and all claims, actions, suits, and proceedings which may be instituted in the respect of the foregoing. The maximum liability of Seller shall not exceed the price of respective Goods.

10. WARRANTY

Goods sold hereunder are covered by warranty against defects in material and workmanship provided to Goods and Services are subjected to normal use and service. The applicable warranty period is eighteen (18) months from the date of installation or twenty four (24) months from shipping date to Buyer of any item of Goods, whichever occurs first, or any other warranty period otherwise stipulated in writing by Seller under this sale. For components not supplied by Seller, the original manufacturer's warranty shall apply to the extent assignable by Seller. The obligation under this warranty is limited to the repair or replacement, at Seller's option, of defective parts EXW point of shipment provided that prompt notice of any defect is given by Buyer to Seller in writing within the applicable warranty period and that upon the Buyer's return of the defective parts to Seller or, if designated by Seller, to the location where the works are made, properly packed and with transportation charges prepaid by Buyer, an inspection thereof shall reveal to Seller's satisfaction that Buyer's claim is valid under the terms of this warranty. Buyer shall assume all responsibility and expense for dismantling, removal, re-installation and freight in connection with the foregoing. The same obligations and conditions extend to replacement parts furnished by Seller hereunder. Seller does not assume liability for installation, labour or consequential damages. Seller makes no warranty other than the one set forth herein. All other warranties, legal, expressed or implied warranty of merchantability, of fitness for the intended use thereof or against infringement are here by expressly excluded. The applicable warranty ceases to be effective if Goods are altered or repaired other than by persons authorized or approved by Seller to perform such work. Repairs or replacement deliveries do not interrupt or prolong the term of the warranty. The warranty ceases to be effective if Buyer fails to operate and use Goods sold hereunder in a safe and reasonable manner and in accordance with any written instruction from the manufacturers.

11. INSTALLATION

Unless otherwise expressly stipulated, Goods shall be installed by and at the risk and expense of Buyer. In the event that Seller is requested to supervise such installation, Seller's responsibility shall be limited to exercising that degree of skill customary in the trade in supervising installations of the same type. Buyer shall remain responsible for all other aspects of the work including compliance with local regulations.

12. RETURNED GOODS

No Goods may be returned to Seller without Seller's prior written permission. Seller reserves the right to decline all returns or to accept them subject to a handling/restocking charge. Even after Seller has authorized the return of Goods for credit, Seller reserves the right to adjust the amount of any credit given to Buyer on return of Goods based on the conditions of Goods on arrival at Seller's warehouse. Credit for returned Goods will be issued by Seller only where such Goods are returned by Buyer and not by subsequent owner of Goods.

13. TERMS OF PAYMENT

Unless otherwise stated, invoices on "open account" shipments are payable within thirty (30) days of invoice date. Should payment not be made to Seller when due, Seller reserves the right, until the price has been fully paid, to charge Buyer with interest on such overdue payments at the rate of 0.05 percent per day. The charging of such interest shall not be construed as obligating Seller to grant any extension of time in the terms of payment.

14. CHANGES AND CANCELLATION

Orders accepted by Seller are not subject to changes or cancellation by Buyer, except with Seller's written consent. In such cases where Seller authorizes changes or cancellation, Seller reserves the right to charge Buyer with reasonable costs based upon expenses already incurred and commitments made by Seller, including, without limitation, any labour done, material purchased and also including cancellation charges from Seller's suppliers. Should Buyer choose to refuse the delivery or take over Goods, Seller reserves the right to charge Buyer with interest on such overdue acceptance of Goods at the rate of 0.05 percent per day starting from the fifteenth day of the delay.

15. INTELLECTUAL PROPERTY

All commercial offers, contracts of sale, trademarks, copyrights, trade names, patents, designs, drawings, technical data, trade secrets and any other specifications and information designated as confidential information of Seller are the sole property of Seller and are not to be reproduced or copied in any way.

16. CONFIDENTIALITY

Neither Seller nor Buyer shall disclose, transfer, transmit or otherwise make available to a third party any confidential information submitted in connection with Agreement, unless agreed upon otherwise in writing by both Seller and Buyer.

17. THE AGREEMENT

An acceptance and official confirmation of Buyer's order by Seller shall constitute the purchase agreement (hereinafter the "Purchase Agreement"), subject to Conditions herein set forth, and shall supersede all previous commercial offers, orders and agreements. The law of Czech Republic shall govern the validity, interpretation and enforcement of these Conditions and of any contract of which these Conditions are a part.