

Terms and conditions of sale and delivery

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I. General

1. Our contracts are exclusively subject to the terms and conditions set forth herein, unless alternative conditions have been explicitly agreed and confirmed in writing by us. The buyer's general business conditions are expressly excluded and they will not form an integral part of the contract. In the case of a continuous business relationship, our General Terms and Conditions of Sale and Delivery shall be deemed to be part of the contractual relationship even though not explicitly referred to. If any of these conditions are not complied with by virtue of an agreement confirmed in writing, this shall not affect the validity of the remaining conditions.
2. Our quotations are submitted without commitment. Our obligations are limited to those set forth in our written order confirmation. Modifications and supplements, oral agreements, agents' engagements, changes to existing agreements must be made in writing. Any obvious mistakes and printing errors which might occur in our quotations, order confirmations and price lists do not put us under an obligation to execute the order in accordance with these.
3. Our quotations are intended exclusively for the company which has submitted the enquiry and for use in connection with its business operations. Passing our quotations to third parties who are not involved in normal business operations of the enquiring company is not permitted and will entitle us to compensation for damages.
4. The buyer shall use any documents (which includes samples, patterns and data) and information received as a result of the business relationship solely for commonly pursued objectives, and he shall not disclose them to third parties and keep them confidential with the same diligence he would apply to his own documents and knowledge, if the other party to the contract declares them to be confidential and obviously wishes to keep them secret.

II. Prices, packaging and quantities supplied

1. Orders which are not subject to firm prices which have been expressly agreed in writing will be invoiced at the prices ruling at the time of despatch, taking account of any applicable surcharges for increased cost of metal (screws made from brass) or for increased cost of alloys (screws made from stainless steel), such surcharges being published in circular letters or may be requested.
2. Our prices are understood to be on the basis of delivery ex works BRNO, CZ, without packaging. Packaging will be charged at cost price and is not returnable.
3. The quoted prices are binding upon us - without prejudice to the reservation in subparagraph 1 above - for 30 days if not stated otherwise in the quotation
4. The quantities stated by us are definitive for the purpose of invoicing.

III. Terms of payment

1. Our invoices are payable net cash within 30 days of the date of invoice if not stated otherwise in the relevant documentation.
2. If the date of payment is exceeded, we are entitled to charge interest at a rate of 5%, or in the case of default in payment, at a rate of 8% above the basic rate of interest.
3. Bills and cheques of any kind are only considered as having satisfied the obligation to make payment when the invoiced amount has been credited to one of our accounts without any reservation. Bills and cheques will only be accepted following prior agreement and in exceptional cases, and we refuse any liability for timely and due presentation and acts of protest. Payment by means of a bill does not give any right to a cash discount. The discountability of bills which are accepted as a means of payment is presumed. Collection and discount charges as well as any taxes are to be borne by the buyer.

4. The buyer is not entitled to withhold or to offset payments against counterclaims, including claims under the warranty, unless the counterclaims are uncontested or confirmed as being legally valid.
5. The credit worthiness of the buyer, which he affirms by placing the order, is a precondition for us to make deliveries. If the buyer is in default of payment of a significant sum for more than one week, or if we learn of circumstances which create doubts as to his credit worthiness, all of our claims will immediately become due for payment net cash, without considering any bills that may have been accepted. In such cases, we are entitled to make further deliveries against cash in advance or against provision of a form of security or to withdraw from the contract, without prejudice to any other rights we may have.

IV. Passing of risks

1. All risks shall pass to the customer when the goods are reported to be ready for despatch or placed at the disposal of the customer. From the time of reporting readiness, storage on our premises or on the premises of a carrier shall be at the buyer's charge. In the event that we have accepted liability to despatch the goods, transport is always carried out at the buyer's risk, even when free delivery has been agreed or is made using our own lorries. Such agreements do not convert into obligations of a debt to be discharged at the creditor's domicile. In the case of transport using our own fleet of vehicles, the liability is limited to gross negligence. If transport is carried out by a third party, our liability is limited to gross negligence in the choice of the carrier. If despatch is delayed for reasons imputable to the buyer or to Acts of God, the risks shall pass to the buyer on the day of readiness for despatch.
2. We do not take out transport insurance.
3. Goods intended for deliveries abroad shall be subject to a legally binding acceptance on our premises at the buyer's charge. Failing this, the ordered goods will be deemed to have been accepted as being free from defects. Subsequent claims with respect to workmanship and material will have no validity.
4. If we lack buyer's instructions on the method of despatch, delivery will be made to the best of our ability at the buyer's risk and without assuming responsibility for selecting the least expensive mode of despatch.

V. Obligations for delivery and acceptance

1. Delivery periods are quoted with the best of intentions, taking account of the actual situation but they are not binding on us.
2. Our delivery obligation is subject to faultless and punctual deliveries by our subcontractors. If delivery becomes continuously or temporarily difficult or even impossible due to extraordinary circumstances, the delivery period shall be reasonably extended unless we avail ourselves of our right to withdraw from the contract in whole or in part without being liable to pay damages. Extraordinary circumstances in this sense are circumstances arising on our premises or on the premises of a subcontractor which are outside our control or that of the subcontractor and which have an appreciable impact on us, e.g. machine breakdown, fire, failure of the power supply, shortage of material, industrial conflicts, government action or regulations or other instances of Acts of God. If the buyer no longer wishes to fulfil the contract as a result of the delay he may withdraw from the contract waiving any further claims.
3. We reserve the right to make delivery in instalments.
4. If we are in default, the buyer is entitled to fix a reasonable period of grace, which is generally 4 weeks. After fruitless expiry of the period of grace the buyer may at his discretion withdraw from the contract.

VI. Delivery and execution

As a result of our production methods slight deviations in quantity of the goods delivered (representing not more than 10 per cent of the ordered and confirmed quantity) are possible and such deviations shall not give the buyer any right to reject the goods or to claim damages.

VII. Warranty, notice of defects and liability

1. Our products are deemed to be free from material defects when their quality at the time when the risk is passed on to the buyer corresponds to the quality which has been agreed upon. This also applies in the case of insignificant defects or slight deviations in quantity (see paragraph VI).
2. The buyer must thoroughly inspect our products following receipt and advise us immediately of any defects which may have been detected. In such a case, he must give us the opportunity to check the goods within a reasonable period of time.
3. Incorrect information on the use of goods of our supply does not give any right to claims for material defects with respect to our products. No liability is assumed for any statements in advertisements published by suppliers of raw material.
4. Justified claims for material defects will be satisfied by subsequent fulfilment, which will be performed at our discretion by elimination of the defects or by the supply of goods without any defects. Subsequent fulfilment is limited to performance on the buyer's premises. Claims for damages will only be possible under the conditions described in paragraph VIII (General limitation of liability).
5. Claims for damages due to defects and claims for recourse will not be permissible later than one year after delivery of the goods.
6. Compulsory legal provisions with respect to product liability are not affected.

VIII. General limitation of liability

1. In cases where we are under the obligation to pay damages on the basis of contractual or legal provisions, we will only be liable insofar as the owner of our company, his legal representative, executive employees or vicarious agents can be justifiably accused of intent or gross negligence. In the case of gross negligence our liability is limited to replacement of the damage foreseeable at the time of signing the contract, loss of profit being excluded. For defaults of delegated agents or execution agents not being executive employees our liability is limited to direct damage and to the performance of our public liability insurance, the maximum liability being the value of the order. Our liability under the compulsory legal provisions with respect to product liability is not affected.

IX. Reservation of proprietary rights

1. All goods supplied remain our property until payment of all claims and of the balance of receivables has been made in full. This also applies if the purchase price for deliveries specified by the buyer is paid. Any processing or transformation of the materials supplied under reservation of proprietary rights does not imply any obligation on our part.
2. The buyer is entitled to sell the goods which are subject to proprietary rights in the course of normal business transactions. He shall not be entitled to otherwise dispose of the goods.
3. It is understood that the buyer transfers to us his claims from the use of goods subject to proprietary rights and all ancillary rights. If the buyer resells goods subject to proprietary rights together with other materials, or if he combines them with other materials, he hereby undertakes to transfer to us his full property rights. If a subcontractor is entitled to reservation of proprietary rights, the buyer's transfer shall be limited to the portion of the claim equivalent to our portion of co-ownership. The buyer shall notify us without delay of any seizure or other infringement of goods subject to proprietary rights or of transferred claims by third parties. Any expenses for intervention shall be borne by the buyer.
4. The buyer shall be entitled to collect payment for transferred claims only in the course of orderly business dealings.
5. The buyer's authorization to dispose of the goods subject to proprietary rights and to collect payment for transferred claims will be void if the terms of payment are not adhered to, or in the case of a bill or cheque cancellation or when filing an application for composition or bankruptcy proceedings. In such case, the buyer shall immediately revoke any authorization he may have granted to banking houses etc. for the collection of claims or for setting them off against buyer's bank debts. The buyer shall provide us with any documents and information that may be required for collection.
6. If the buyer processes, combines or mixes our materials with foreign materials to form a new product, we are entitled to co-ownership pro rata to the content of our material in the new product which is defined in terms of the proportion of our material in the invoice value at the time of processing, combining or mixing. In this respect, the new product is considered as being subject to

proprietary rights. If, in an individual case, the new product is considered as the main matter, the property in the new product depends on whether the part of the reseller or of the buyer of the goods subject to proprietary rights should be considered as the essential part. When the reseller's property has been lost in this way, the buyer of the goods subject to proprietary rights shall inform us immediately about such loss of property, pay the pro rata invoice amount or, by special agreement, secure our claim, if he is not willing to assign us his property rights in lieu. If the value of existing securities exceeds the secured claims by more than 20%, we agree to release at the purchaser's request securities at our discretion.

X. Place of performance, place of jurisdiction, applicable law

1. The place of performance for deliveries and payments as well as for any other obligations arising from the contract is Czech Republic (Brno and all other premises). The exclusive place of jurisdiction for all legal disputes resulting from the contract, also for any unlawful acts committed within the framework of the contractual relationship is at our option in the Czech Republic. This also applies to liabilities with respect to bills and cheques. However, we are also entitled to sue the purchaser at his place of jurisdiction.
2. The present contract shall be subject to the laws of the Czech Republic and European Union. The application of the conventions relating to a uniform law on the international sale of goods and the conclusion of international sales contracts is excluded.