

GENERAL TERMS AND CONDITIONS

I. GENERAL PROVISIONS

These Terms and Conditions (hereafter referred to as GTC) are in accordance with § 273 of the Commercial Code No. 513/1991 Coll., revised and amended, for the simplification of concluding sales agreements and obligations of two parties, i.e. Suppliers and Buyers, resulting from their mutual business cooperation. The complaints procedure is also part of the GTC.

Definitions

- **Supplier** - AZ TECH Ltd, hereafter referred to as Supplier
- **Buyer** - The person or legal entity who purchases goods or services from AZ TECH Ltd hereafter referred to as Buyer.
- **Scope of supply**: the product or services stipulated in the Buyer's written order approved by the Supplier according to the agreement.
- **Product** - goods produced by AZ TECH, including delivered material.
- **Contractual business relationship**: any relationship between the supplier and customer, limited to the supply of products / goods or services. These relationships stem from actual communication between the supplier and buyer and are thus confirmed by orders or a written contract for the supply of goods.

The contractual business relationship between the Supplier and Buyer is governed by national legislation, in particular Act No. 513/91 Coll. "Commercial Code" (amended) and these General Terms and Conditions, which form an integral part of the relationship.

The Terms and Conditions of AZ TECH take precedence over any other terms and conditions the customer might stipulate.

Agreement between the supplier and customer to conditions other than those specified in these Terms and Conditions are deemed superior to their mutual agreement to these Terms and Conditions. This agreement is valid only if it is formalised by a written order from the customer with an order confirmation from the supplier or a written contract for the supply of goods, signed by authorized representatives of both parties.

These GTC are publicly and freely available on the premises of the supplier and on its internet homepage www.aztech.cz.

II. TERMS AND CONDITIONS

<p>Plant address:</p> <p style="text-align: center;">AZ TECH Co. Nova Ves 132 277 52 Nova Ves u Melnika</p> <p>Production plant and storage, including commercial and technical section. This address is for all order related processes - order receipt, solving commercial and technical issues, complaints etc.</p>	<p>Registered seat:</p> <p style="text-align: center;">AZ TECH Ltd. Stepankova 654/30 150 00 Prague 5</p> <p>Alternative postal address only</p>
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<p>Company management contact</p> <p>+420-602408602</p> <p>+420- 233910078</p> <p>v.hulac@aztech.cz</p> <p>Acting on behalf of the company, contracting, etc.</p>	<p>Secretary</p> <p>+420-724 843141</p> <p>+420-233910078</p> <p>l.vinsova@aztech.cz</p> <p>Providing general information, receipt of offers, handling inquiries, etc.</p>	<p>Customer Services</p> <p>+420-233910077</p> <p>+420- 233910078</p> <p>m.skalova@aztech.c</p> <p>lsterbova@aztech.cz</p> <p>Order handling, issuing delivery notes and invoices, receiving cash payments, shipping orders</p>	<p>Technical Department</p> <p>+420-233910077</p> <p>+420-602790915</p> <p>+420- 233910078</p> <p>f.srom@aztech.cz</p> <p>Production-technical issues, resolution of claim etc.</p>
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<p>Receipt of orders</p> <p>+420- 233910078</p> <p>e-mail:</p> <p>m.skalova@aztech.cz</p> <p>lsterbova@aztech.cz</p> <p>Operating hours</p> <p>Mon-Fri 9.00 to 15.00</p>	<p>Order despatch: ¹</p> <p>Tue, Thu, Personal collection by appointment</p> <p>Mon-Fri 9.00 to 15.00</p> <p>Outside these hours orders can be despatched or collected only by mutual prior agreement.</p>
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Order placement

The order is a unilateral and legally binding act from the Buyer addressed to the Supplier. The order can be delivered to the Buyer by fax, e-mail, mail or in person - see contacts above.

The order must contain:

- identification of the terms of the order, its number and date of issue,
- Business name and registered number / VAT number of the Buyer, authorised Buyer contact person and contact information
- a clear description of the requested delivery in precise and unambiguous terms
- material supplier (supplier, buyer, third parties)
- price details, payment terms
- the required delivery date
- the possibility of partial deliveries
- any requirements for packaging
- method of transport or transport requirements
- other additional information

If the order fails to specify any of the above points, the supplier is entitled to proceed under these Terms and Conditions and their standard procedures. Material used in the production of goods is used under normal market conditions and of meets IEC quality

standards without exception.

The customer must provide a copy of their business licence and certificate of tax registration with the first sales order.

Confirmation of orders, contracts and agreements

The technical section of the supplier will initially assess orders.

The supplier reserves the right to refuse an order.

Any technical uncertainties must be resolved. In such cases, the supplier's technical section will assess technical issues. The Buyer must provide details of technical issues. The technical issues will be given the following priority by the Supplier

1. Electronic form.
2. Printed readable drawings
3. Written verbal specifications
4. Others.

In the case of repeated production, the customer is obliged to specify a number of technical documentation, If the customer does not specify any changes since the previous delivery, the product / goods delivered will be of the same design.

Acceptance, that is agreed in writing (by letter, fax, write, e-mail), supplier order as binding, confirming the customer. From this point, Supplier and Buyer are in a contractual business relationship, the Supplier is obliged to deliver the ordered products / goods to the Buyer who in turn will take delivery of ordered products / goods and pay on time.

Order confirmations can only be issued by the Supplier or the Supplier's representatives. Only Supplier Directors can confirm orders whose value exceeds 500,000, - CZK including VAT.

Delivery time

The Buyer is notified of the delivery time/date when the order is confirmed or as specified in the contract for the supply of goods. The Supplier shall promptly notify the customer of any changes in delivery time/date.

Terms of Payment

Product price is negotiated based on Supplier quotes valid on the date when the Buyer orders the product. The Buyer confirms their consent by sending a purchase order or contract for the supply of goods.

Payments for products / goods shall be made by bank transfer or in cash. The customer receives a delivery note and invoice, the supplier reserves the right to determine, unless contractually agreed otherwise in writing, whether to deliver the goods after full payment or in advance of payment (advance payment, verified by bank transfer, cash, etc.) or unpaid (purchase invoice with the addition of a payment due date). The decisive criterion is the customer's payment record.

Invoices are normally due within 14 calendar days. Individually, depending on the payment

record of customers, it is possible to specify a different invoice due date. It is not possible to agree an extension retroactively on an invoice which has already been issued.

Legitimate objections to the invoice may be exercised only in writing within one week from receipt of invoice

Payment is defined as the payment having been credited to the account of the Supplier or the receipt of cash for payment on delivery orders.

Ownership rights of the supplied product / goods pass to the Buyer at the moment of full payment of the purchase price and all other liabilities (penalties, interest on late payments, etc.).

If the Buyer does not pay on time for the goods delivered, the Buyer agrees to pay the supplier a penalty, in the first 30 days from the date of invoice maturity of 0.05% and then 0.1% of the total unpaid amount for each calendar day of delay. If the Buyer fails to pay the entire purchase price when the invoice is due, the Supplier is entitled to cancel the contract. In this case, the Supplier's claims for damages are not affected. The Buyer is obliged to make the payment for the supply of goods in the agreed currency (according to the valid price list) to the bank account specified on the invoice. If invoices are paid in a currency other than the one stated on the invoice, the Supplier is entitled to claim damages for the amount of the exchange rate difference using the exchange rate prevailing on the day payment is credited to the account.

Delivery of the product / goods, the place of acceptance, transportation, storage

Unless otherwise agreed, the delivery of the product / goods is only possible provided that the Buyer has no financial liabilities against the Supplier after the invoice due date relating to previous deliveries.

The Buyer is obliged to check the delivered products / goods in terms of quantity and quality.

In signing the delivery note, the Buyer confirms acceptance of the product / goods and accepting Warranty, and Complaints

Goods can be sent cash on delivery, by mail or commercial courier service. Goods are sent in the pre-agreed manner. If the Buyer requires delivery of the product / goods to another location, it must be stated on the order. Unless otherwise agreed, freight and packing charges (service charges) are paid by the Buyer.

Upon receipt of shipment from the carrier, the Buyer shall, in the presence of the carrier or its agent, verify the condition and quantity of the delivered goods. In case of loss or damage to goods in transit, the Buyer is bound to request the agent of the carrier to make a record of damage or loss of product / goods in order to claim compensation for damage caused by the transporter. The Buyer shall notify in the Supplier of any claim in writing (submission within 3 days) and send the report prepared by the carrier as an attachment

If the Buyer does not or cannot accept the product / goods for to reasons of their making (non payment of invoices etc.) shall bear all costs associated with an extra delivery. If the Buyer does not accept the product / goods within 30 calendar days after the agreed deadline, the Supplier is entitled to send an invoice for the product / goods. From this date the Buyer is responsible for the product / product and responsibility for any damage caused in connection with the storage is transferred to the customer.

Storage of materials for Buyses on the manufacturing premises of the Supplier is only possible in exceptional cases and upon written agreement as a paid service.

Retention of the product / goods by the supplier

If the Buyer has outstanding financial obligations to the Supplier, the Supplier is entitled to

suspend further deliveries of goods to the Buyer until the obligations are settled. The Buyer will be informed of such retentions by the Supplier by fax, by phone or e-mail. Such retentions of the product / goods can not be treated as a delay in delivery time from the Supplier.

III. COMPLAINTS PROCEDURE

Identification of the product / goods

The Buyer will be responsible for labelling damaged material as agreed with the Supplier.

Guarantees for quality, liability for defects

The supplier provides the customer a guarantee of 12 months from receipt of products / goods.

The Supplier guarantees the quality of their material, meeting the Buyer's technical specifications as referred to in the agreement or order for the supply of product / goods.

The customer may only invoke the warranty against products / goods that exhibit demonstrable defects, are subject to the applicable warranty and have been shown to be delivered by the supplier.

The customer is obliged to provide an opportunity to view the product / goods. If a viewing opportunity is not provided, the Buyer must prove that products / goods were damaged prior to delivery.

The warranty does not cover normal wear and tear or normal operation of a given product, the defects caused by atmospheric disturbances, natural disasters, improper storage, chemical reactions, improper handling and interference by third parties.

If the customer uses the delivered products / goods for further processing, it is then considered that if the products / goods have been thoroughly examined are in good condition. Buyer claims for damages caused by further processing of the delivered product / goods are excluded from the complaints procedure.

In the case of products / goods supplied by a third-party supplier, the third-party Supplier is responsible for the scope of the warranty.

The warranty period for the Buyer is not extended if the product is retained by the Supplier due to Buyer non-payment

The application and review of complaints

The Buyer shall notify the Supplier of any defects immediately, in writing and prove that the material originated from the Supplier. Failure to do so will invalidate the warranty.

A written communication must be sent to the Supplier. The complaint must provide an accurate description of the defect and state whether the defect prevents the use of the product.

To demonstrate the origin of the product / goods from the Supplier, a delivery note shall be submitted.

The Supplier is entitled to make an instant decision on the justifiability of the claim.

Justified complaints

In the event of Supplier liability, the Supplier will offer the Buyer the following options –

1. Correction of defective products.
2. Compensation provided in exchange for defective products.
3. Equivalent alternatives.

The Supplier reserves the right to replace defective and non-repairable products / goods. Defective products which are replaced or reimbursed against are the property of the Supplier and must be returned to the Supplier.

Reimbursement is only possible in exceptional cases, by mutual agreement, in the original currency and to a maximum amount equal to the agreed price of defective products. This process is usually realized by issuing a tax relief document or discounts on the purchase of other products.

The normal price in the Czech Republic will be used by the Supplier to determine the amount of reimbursement.

Unjustified complaints

The Buyer has no right of warranty against defects in product / goods which have been accepted by the supplier by signing a delivery note or if no written communication of the complaint has been made.

If it is established that the complaint is unjustified, the Buyer is obliged to reimburse the Supplier's demonstrable costs incurred due to the investigation of complaints, including travel costs.

IV. CONCLUSION

These GTC were published on February 21st, 2012 and **shall come into effect on March 1st, 2012.**

These GTC replace all previous provisions and practices in handling purchase orders, the purchase of products / goods and services, delivery, billing and claims.

AZ TECH Co. reserves the right to change these Terms and Conditions. Any change will be duly published and applied to orders received after the date of publication and effective date.