GENERAL DELIVERY TERMS OF THE COMPANY BAEST, Inc.

I. General terms

1. These general delivery terms (hereinafter only GDT) are an integral part of all sales agreements concluded with the seller, i.e. the company BAEST Inc., based in Benešov. By signing of each agreement the buyer accepts all the conditions of these GDT, without reserve, unless in the agreement otherwise stipulated. The purchase agreement is according to these GDT also a binding buyer´s order confirmed by the seller.

2. The seller isn´t responsible for any loss or delay of deliveries and claims resulting of them, due to the force majeure i.e. to unusual weather conditions, unusual traffic problems, strikes etc. i.e. conditions of which running the seller couldn´t effectively influence by his activity.

3.Sequences of any changes in deliveries, realized on request of the buyer, especially the extension of scope of delivery go to his expense especially the price increasing, extension of the delivery time, etc.

II. Delivery terms

1. The seller obliges himself to perform properly this agreement within the agreed scope of the delivery object and in agreed delivery time (performance time). The compliance with the execution period depends on the proper and well-timed buyer´s interaction. In case of failure of interaction the delivery time will be automatically extended. In this period the buyer is obliged to accept the delivery of goods.

2. The seller meets his obligation to deliver the goods under this agreement by their consignment to the buyer. The delivery note is the part of goods consignment to the buyer. The consignment of goods to the buyer is understood as consignment of goods at the point of delivery, which is the seller´s place of business or in case of goods delivery it is the place of goods handover to the first forwarding agent for transportation to the buyer. As far as the delivery of goods wasn´t agreed, the buyer will call upon the buyer to the delivery acceptance within a period of at least 10 days before the intended day of the goods handover within the agreed delivery time. If the buyer fails to come to the handover for reasons which are not on the seller´s side, the handover will be fulfilled by this day and the risk of damage of goods will pass to the buyer and the seller is entitled to store goods on buyer´s costs. He will inform the buyer about this fact without delay and communicate to him costs of the storage.

3. Risk of damage to the goods passes to the buyer at the moment of fulfilment of goods delivery to the buyer unless in this agreement otherwise stipulated.

4. If agreed the goods delivery by the seller, the obligation to deliver goods will be fulfilled by handover of the goods to the first forwarding agent at the agreed place, or eventually without place determination of handover for transportation for the buyer in the destination place according to shipment disposals, contained in the purchase agreement, according to usual practices and at expense of the buyer. At the moment of this handover to the first forwarding agent to transportation for he buyer, the risk of damage of goods passes on the buyer. The seller advises the buyer about the goods delivery and isn´t obliged to insure the goods. If the buyer fails to pass shipping instructions to the seller, the seller will choose the mode of transportation according to his consideration and with regards to his possibilities and delivery costs.

5. The explication of delivery terms specified in the purchase agreement is governed by the Commercial Code – Act. No. 513/1991 Coll. as amended and INCOTERMS 2000 (issued by the International Chamber of Commerce in Paris) as amended on the day of purchase agreement.

6. For taking over the goods by buyer will be stipulated a procedure according to § 451 of the Act. No. 513/1991 Coll. – of Commercial Code, as amended, hereinafter referred only as CC.

7. Mode of transportation, lading, shipping instructions:

- Parties agreed, that the obligation to identify the goods according to provisions of § 413 of Commercial Code is met by completing of shipping and delivery documents enclosed to goods.
- Goods will be packed (equipped for the transportation) in a way, usual in commercial relation for the shipping of agreed goods under Central European weather conditions. Package above this standard will pay the buyer separately. (special packaging, containers etc.),

The buyer is obliged to notify in writing the seller about defects within the period and procedure according to CC as amended, including of claims for defects; quantity defects can be claimed within 8 days from the receipt.

8.Small, unsubstantial defects do not result in postponement of the obligation to pay the purchase price. The seller will deliver the goods in the quality, agreed in the purchase agreement.

9. The seller provides the guarantee for the quality of goods in stipulated guarantee period but not longer than for 24 months, starting by the day of obligation fulfilment under this agreement and during this time he guarantees the normal functionality of goods.

The warranty expires for reasons, mentioned in CC as amended particularly when

- if supplied goods are stored, installed or used without complying with technical terms or recommendations of the seller, use purpose or by an improper installation or handling.
- in case of interventions, repairs, modifications, disassembly or similar activity, carried out by an inexperienced person or without consent and foreknowledge of the seller.
- if any parts or parts of goods are replaced for other than delivered parts or delivered without the foreknowledge of the seller.

In the event of defects occurrence is the buyer entitled only to the repair or replacement of parts, recognized by responsible representative of the seller. Free of charge can be replaced only parts, of which defect is caused by construction or production defects of the manufacturer. The buyer is entitled to the replacement of all goods if the responsible representative of the seller acknowledges the equipment as irreparable. The seller will not acknowledge the constructional defect of a product, manufactured according to the technical documentation, supplied by the buyer.

The way of settlement of a claim will decide the seller.

The seller reserves the right to modify a part or all the delivery so that it meets guarantee conditions or to replace delivered goods, if he considers this way to be more suitable.

Replacement or repair of a part doesn´t extend the warranty period. It will be extended only in the event of the delivery of new goods.

10. The seller is bound to his proposal of purchase agreement within a period of 60 days of its dispatchment (handover to the buyer), unless in this proposal otherwise stipulated. If within this period the seller won't receive any written buyer´s consent with the proposal, demonstrated by valid confirmation of this agreement, the agreement doesn´t come into existence.

11. The seller reserves the right to partial deliveries.

12. The seller reserves the right to deliver the goods in a modified constructional or workshop construction against ordered construction, if such modifications have no functional effect to use purpose of the goods, if such goods are manufactured according to documentation of his possession.

13. The buyer can neither make changes or modifications nor identify them in another way than realized in the factory. He cannot identify them by labels, which could evoke the impression, that it is a different product than supplied.

III. Prices and payment conditions

1. All prices are contractual prices.

2. Prices are stipulated without taxes, customs fees, insurance and transportation, that will be charged to the buyer separately, usually in a supplier´s invoice, unless by parties otherwise agreed

3. Unless otherwise agreed in this agreement, the buyer is obliged to pay to the seller an advance intended especially for the purchase of necessary material in the amount of 40% of the total value of goods, specified in the agreement, namely within the period of 7 days of coming into force of the contract. .

4. Invoices for delivered goods are payable in a way and time, specified in the purchase agreement. If the agreement doesn´t have such arrangement, invoices are due within 14 days from their dispatch to the buyer, namely on the account of the seller, mentioned in the invoice..

5. By failure of payment of agreed advances or of a previous delivery, the seller has the right to suspend the start of production, purchase of materials or any other preparatory and realization activity, including of fulfilment of other deliveries, without claiming any sanction on the part of the buyer and consequences stipulated by the law or by the agreement for reasons of delay in delivery performance.

6. All deliveries will be charged through supplier invoices, of which contents will be stipulated by the seller.

7. The payment by a bill of exchange, check or another way than bank transfer to the seller´s account is possible only with the written consent of the seller..

8. The claim exercise doesn´t establishes any right of the buyer to suspend payment of any supplies.

9. Payments received by the seller shall be first counted towards next due obligations of the buyer and then to purpose specified in payment documents.

10. To takeover the payment encashment is entitled only a person, authorized by the seller.

11. In the event of buyer´s delay in paying his obligations, the buyer obliges himself to pay to the seller an interest on late payment in the amount of 0,05% of due amount for every day of delay, if the buyer is in a delay until 30 days, in an amount of 1 % of due amount for every day of delay, if the seller is in delay of payment of more than 30 days. In addition to all contractual penalties i.e. also penalties agreed in specific purchase or general agreements, it is possible to apply also the compensation of damage, at which contractual penalties (incurred, accounted and paid) won´t be charged

12. The seller is any time authorized to assign all overdue outstandings against the buyer, or a part of them, to a third party.

13. Exchange rate clause applicable for purchase agreements, concluded in foreign currency (EUR, USD, etc..), hereafter only FC– in the event that at the day of performance of the subject of purchase agreement the exchange rate of CZK/FC, fixed in the purchase agreement or exchange rate applicable at the day of contract settlement will exceed ± 3%, the seller can change the price of goods of the percentage, corresponding to the change of exchange rate, exceeding 3%.

IV. Other stipulations

1. Delivered goods remain the property of the seller until the payment of the full purchase price (retention of title).

2. The buyer is entitled to dispose of goods, subject to retention of title only for his use. He cannot resell or pledge them to third party. The buyer is entitled to process, modify or put together the object of performance (deliverable) of which price wasn´t fully paid. By processing, adjustment or connection with other things, that are not owned by the seller, the seller will become, until the full payment of the price of object of performance (deliverable), the co-owner of such a new thing in the share value, resulting of proportion of the value of adjusted, processed or connected object of performance (deliverable) to a new value.

3. By signature of every partial purchase agreement the buyer submits to the seller all outstandings, resulting of possible other sale or transfer of goods subject to retention title, namely with all accessories of outstandings. The buyer is obliged to inform his debtors immediately about the assignment of outstandings and at the same time send to the seller, without delay all documents of these facts and provide him with full information so that he could properly set up and collect claims. The buyer is also obliged to pass to the seller all goods subject to retention title, which are located by him..

4. Every information on weight, dimensions, technical characteristics, prices, parameters and other characteristics of products, mentioned in catalogues, leaflets, records, advertising articles, price lists etc. has only informative character and isn´t binding for the seller. This information is mandatory for the seller only if it is explicitly mentioned in the purchase agreement.

5. The seller is and remains the sole owner of all drawings, models and all collections of documents, with which the buyer could get acquainted during the realization of the contract, or eventually which the buyer received, excepting the documentation, supplied by the buyer. These data can be used only by the buyer, namely only in context of realization of purchase agreements. This documentation is confidential and cannot be published, copied or transferred to third party without previous express consent of the seller. At the same time is the buyer obliged to keep discretion about all facts with which he became acquainted during the course of cooperation with the seller, excepting information that the seller has determined for publication.

6. The non performance of stipulations of purchase contracts or of these GDT on the part of the buyer establishes a right of the seller to withdraw from the contract. At the day of immediate rescission of the contract all accounts payable especially financial obligations of the buyer will become due. Effects of immediate rescission occur on the date of its receipt by post, fax or personal handover to the buyer.

7. The buyer has the right to withdraw from the contract only in the event of demonstrable failure of performance of contractual agreements on part of the seller. In other cases he may withdraw from the contract only if he withdraws and pays all produced goods and pays to the seller all arisen costs under this contract. In order to cover these costs the seller will primarily use all from the buyer provided and not accounted advances.

8. Persons signing every partial purchase or other agreement must be authorized to act on behalf of the buyer, eventually they shall be authorized to such an act. By their signature they declare, to have such authorization and acknowledge, that they will bear all sequences, especially damages if such a declaration appears as false.

9 Other questions not resolved by this agreement will be governed by the Commercial Code, as amended.

10. Provisions of partial and general agreements take precedence over these GDT, if some conditions differ from these of GDT.

11. Invalidity of certain provisions of these GDT for reasons of different stipulations in partial and general purchase agreements doesn´t result in an invalidity of other provisions of GDT.

12. Provisions of all contracts and also of these GDT take precedence over statutory provisions, except those which are mandatory.

V. Exploited law

1. Contracting parties agreed, pursuant to the Act on arbitration proceedings and execution of award arbitrations No. 216/1994 Coll. as amended, that all their disputes, arising under this Agreement or in connection with this Agreement will be resolved in arbitration proceedings in face of only one arbitrator according to Rules of Procedure of arbitration issued by the Union for arbitrators and mediation proceedings of the CR Inc., ID: 27166147 (hereinafter " only "Union") and published on the website: www.urmr.cz, the arbitrator must be at the date of the accusation receipt entered on the Register of arbitrators by the Union and contracting parties hereby expressly charge the Union to determine according to Rules of procedure of arbitration proceedings the arbitrator for arbitration proceedings, based on this Arbitration clause. Contracting parties hereby entrust in such way designated arbitrator to decide all disputes according to principles of justice. Contracting parties expressly declare, that before signing the submission, they had and have the possibility to get acquainted with Rules of procedure of arbitration proceedings and Regulation on costs of arbitration proceedings and they have done so and consider therefore mentioned documents to be an integral part of this arbitration proceedings. .