

GENERAL TERMS AND CONDITIONS

Article 1

1. These General terms and conditions applies to General sales contracts, partial orders under the General sales contract and partial orders outside the General sales contract, all between the Seller and the Buyer.
2. Sales contracts are concluded in accordance with these General terms and conditions, United Nations on Contracts for the International Sale of Goods concluded in Vienna in 1980, Incoterms 2000, unless they are in contradiction to this General term and conditions.
3. For the purposes of these General terms and conditions is the firm Xenylla s.r.o., seat: 110 00 Prague, Skolska 694/32, business registration number CZ-27590909, considered being a Seller.

Article 2

1. An order of the Buyer, an acceptance of an order and consent to the acceptance of an order do not have to include all the elements listed below, as far as the elements are included into the General sales contract, except the sales price. In doubt is the order considered to be made outside the General sales contract.
2. For the purposes of every sales contract made under these conditions for all juridical acts the written form is needed, "Written form" includes a letter, telegram, telex, fax or e-mail.

Article 3

1. An order becomes effective when it reaches the Seller. Until a contract is concluded an order may be revoked if the revocation reaches the Seller before he has dispatched an acceptance.
2. An order has to content:
 - Specification if the order is made under the General sales contract or not.
 - Description of goods
 - Specification of packaging
 - Amount of goods
 - Application for sending a sample of goods before the beginning of production or before the shipment, if applied.
 - Choice of the delivery and insurance of goods (Incoterms 2000) (F.O.B., C.I.F., C.F.R., D.D.U.)
 - Place of shipment (a port, an airport etc.), carrier and its agent (in case of F.O.B.).
 - Place of discharge (a port, an airport etc.) in case of C.I.F., C.F.R., D.D.U.
 - Final destination (in case of C.I.F., C.F.R., D.D.U.)
 - Special requirements of the Buyer

3. An order in different to the conditions settled in the General sales contract is to be considered to be made outside the General sales contract.
4. The Seller has to accept the order, otherwise the contract is not concluded. An acceptance of an order becomes effective at the moment the indication of assent reaches the Buyer. An acceptance is not effective if the indication of assent does not reach the Buyer within the time he has fixed or, if no time is fixed, within a reasonable time, due account being taken of the circumstances of the transaction, including the rapidity of the means of communication employed by the Buyer.

Article 4

1. An acceptance of an order contents:

- Specification if the order is made under the General sales contract or not.
- Product number
- Description of goods
- Net weight/1pcs
- Specification of packaging
- Shipping mark
- Delivery, goods and transit insurance in case:
 - a) F.O.B.:
 - port of loading
 - name of the carrier
 - carriers agent
 - b) C.I.F.:
 - place of discharge
 - c) C.F.R.:
 - place of discharge
 - d) D.D.U.:
 - place of discharge

In case of F.O.B. the carrier is always chosen by the Buyer, the insurance is made by the Buyer.

In case of C.I.F. the carrier is always chosen by the Seller, the insurance is made by the Seller.

In case of C.F.R. the carrier is always chosen by the Seller, the insurance is made by the Buyer.

In case of D.D.U. the carrier is always chosen by the Seller, the insurance is made by the Seller

- Consent to a sending a sample of goods before the beginning of production or before the shipment, if applied.
- Expected day of the first consignment of goods
- Quantity of goods/1 delivery within tolerance 10 %
- Parity price/1000 pcs
- Total price
- Expected day of production of the goods.
- Place of shipment (a port, an airport etc.), carrier and its agent (in case of F.O.B.).
- Place of discharge (a port, an airport etc.) in case of C.I.F., C.F.R., D.D.U.
- Final destination (in case of C.I.F., C.F.R., D.D.U.)

- Special requirements of the Buyer
 - Identification of Data needed for the shipment order (identification number of an order, contact person etc.)
 - Conditions of payment
 - Acceptance or non acceptance of special requirements of the Buyer
 - Term for the agreement of the Buyer with the content of the acceptance of the order
 - Provision, that this sales contract is ruled under the provisions of these General terms and conditions
3. Production begins after receiving the advance payment, if agreed. Terms for the performance of the contract by the Seller start to run since the time of setting the payment to the credit.
 4. If agreed, samples of goods are sent to the Buyer before the start of production or approx. 5 days before shipment. If the duality of the sample is not correct, the terms stated in the contract are reasonably postponed.

Article 5

A period of time of acceptance fixed by the Buyer in a telegram or a letter begins to run from the moment the telegram is handed in for dispatch or from the date shown on the letter or, if no such date is shown, from the date shown on the envelope. A period of time of acceptance fixed by the Buyer in a telex, fax or e-mail begins to run from the moment of dispatch. A period of time for acceptance fixed by the Buyer, telex or other means of instantaneous communication begins to run from the moment that the order reaches the Seller.

Article 6

1. A contract is concluded at the moment when the Seller receives consent of the Buyer to the terms and conditions stated in the Sellers acceptance of the order. The consent has to be sent to the Seller in the term of 24 hours. The contract is concluded in accordance to the content of the acceptance of an order, General sales contract (if concluded) and these General terms and conditions.
2. An order, even if it is irrevocable, may be withdrawn if the withdrawal reaches the Seller before or at the same time as the order.
3. The contract can be regardless the reasons withdrawn by any of the parties in the term of 3 days after its conclusion. No party is liable to any damages caused by this withdrawal.

Article 7

The Seller must deliver the goods, hand over any documents relating to them and transfer the property in the goods, as required by the contract and this.

Article 8

1. If the Seller, in accordance with the contract or this, hands the goods over to a carrier and if the goods are not clearly identified to the contract by markings on the goods, by shipping documents or otherwise, the Seller must give the Buyer notice of the consignment

specifying the goods.

2. If the Seller is bound to arrange for carriage of the goods, he must make such contracts as are necessary for carriage to the place fixed by means of transportation appropriate in the circumstances and according to the usual terms for such transportation.
3. If the Seller is not bound to effect insurance in respect of the carriage of the goods, he must, at the Buyer's request, provide him with all available information necessary to enable him to effect such insurance.

Article 9

The Seller must deliver the goods:

- (a) if a date is fixed by or determinable from the contract, on that date;
- (b) if a period of time is fixed by or determinable from the contract, at any time within that period unless circumstances indicate that the Buyer is to choose a date;
- or
- (c) in any other case, within a reasonable time after the conclusion of the contract.

Article 10

1. If the Seller is bound to hand over documents relating to the goods, he must hand the copies of them over at the time of 7 days since the dispatch of goods to the place specified by the Buyer and in the form required by the contract. The Seller is bound to hand over the originals of the documents in the term of 7 days since the time of setting the complete payment of the price and sudden to the credit.
2. Documents relating to the goods:
 - P/L „PACKING LIST“, content: identification of the Buyer, total number of packages, number of cartons according to the commodity of goods, total weight and total volume of goods on the packaging list etc.,
 - B/L „BILL OF LOADING“, content: B/L number, identification of a container (order, number, seal number, vessel name, identification of the carrier, means of transport, stamp and signature of the carrier, name of the captain or carriers agent, date of unloading, final destination etc.,
 - C/I „COMMERCIAL INVOICE“, content: identification of the Seller and the Buyer, specification of goods, total number of packages, price per 1000pcs according to the commodity of goods, total price.
 - Certificate of dispatch of the originals of the documents (DHL etc.)
3. The copy of certificate of dispatch of the originals of the documents is sent to the Buyer by fax at the time of dispatch of the originals of documents relating to the goods.

Article 11

The Seller must deliver goods which are of the quantity, quality and description required by the contract and which are contained or packaged in the manner required by the contract.

Article 12

The Buyer must pay the price for the goods and take delivery of them as required by the contract.

Article 13

The Buyer's obligation to pay the price includes taking such steps and complying with such formalities as may be required under the contract or any laws and regulations to enable payment to be made.

Article 14

1. If the Buyer is not bound to pay the price at any other particular place, he must pay it to the Seller:
 - (a) On the account of the Seller,
 - (b) At the Seller's place of business; or
 - (b) if the payment is to be made against the handing over of the goods or of documents, at the place where the handing over takes place.
2. The Buyer is obliged to pay the price on the basis of a copy of an invoice delivered to him by fax, together with the packing list (P/L) and bill of lading (B/L). The Buyer is bound to pay the price irrespective of he has not had an opportunity to examine the goods, the Buyer accepts, that the procedures for delivery and payment agreed upon by the parties are inconsistent with his having such an opportunity.
3. The time of payment is specified in the General sales contract or acceptance of the order or in the invoice sent to the Buyer.
4. The Seller can set payment in advance in the acceptance of an order.

Article 15

1. The Buyer must pay the price on the date fixed by or determinable from the contract without the need for any request or compliance with any formality on the part of the Seller.
2. If a party fails to pay the price or any other sum that is in arrears, the other party is entitled to interest on it in the volume of 8% of the debt, without prejudice to any claim for damages.

Article 16

1. The ownership passes to the Buyer at the time of the payment of the price and accrued interests on late payment.
2. Loss of or damage to the goods after the risk has passed to the Buyer does not discharge him from his obligation to pay the price, unless the loss or damage is due to an act or omission of the Seller.
3. Since the time of passage of the risk of damages from the Seller to the Buyer, the Buyer has to claim the interests accrued from the insurance of the goods by his name and on his account.

Article 17

1. If the contract of sale involves carriage of the goods and the Seller is not bound to hand them over at a particular place, the risk passes to the Buyer when the goods are handed over to the first carrier for transmission to the Buyer in accordance with the contract of sale. If the Seller is bound to hand the goods over to a carrier at a particular place, the risk does not pass to the Buyer until the goods are handed over to the carrier at that place. The fact that the Seller is authorized to retain documents controlling the disposition of the goods does not affect the passage of the risk.
2. Nevertheless, the risk does not pass to the Buyer until the goods are clearly identified to the contract, whether by markings on the goods, by shipping documents, by notice given to the Buyer or otherwise.

Article 18

The risk in respect of goods sold in transit passes to the Buyer from the time of the conclusion of the contract.

Article 19

1. In cases not within articles 19 and 20, the risk passes to the Buyer when he takes over the goods or, if he does not do so in due time, from the time when the goods are placed at his disposal and he commits a breach of contract by failing to take delivery.
2. If the Buyer is in the delay with performing the contract, especially with the receiving the goods, he has to pay all the storages fees.

Article 20

1. The Seller is liable in accordance with the contract for any lack of conformity which exists at the time when the risk passes to the Buyer, even though the lack of conformity becomes apparent only after that time.

2. The Seller is also liable for any lack of conformity which occurs after the time indicated in the preceding paragraph and which is due to a breach of any of his obligations, including a breach of any guarantee that for a period of time the goods will remain fit for their ordinary purpose or for some particular purpose or will retain specified qualities or characteristics.

Article 21

1. The Buyer loses the right to rely on a lack of conformity of the goods if he does not give notice to the Seller specifying the nature of the lack of conformity without the unreasonable delay after he has discovered it or ought to have discovered it.
2. In any event, the Buyer loses the right to rely on a lack of conformity of the goods if he does not give the Seller notice thereof at the latest within a period of 15 days from the date on which the goods were actually handed over to the Buyer, unless this time-limit is inconsistent with a contractual period of guarantee.

Article 22

1. The Seller must deliver goods which are free from any right or claim of a third party, unless the Buyer agreed to take the goods subject to that right or claim.
2. If the goods do not conform to the contract, the Buyer may require delivery of substitute goods only if the lack of conformity constitutes a fundamental breach of contract.
3. If the goods do not conform to the contract, the Buyer may require the Seller to remedy the lack of conformity by repair.

Article 23

1. The Buyer may fix an additional period of time of reasonable length for performance by the Seller of his obligations.
2. Unless the Buyer has received notice from the Seller that he will not perform within the period so fixed, the Buyer may not, during that period, resort to any remedy for breach of contract. However, the Buyer is not deprived thereby of any right he may have to claim damages for delay in performance.

Article 24

A breach of contract committed by one of the parties is fundamental if it results in such detriment to the other party as substantially to deprive him of what he is entitled to expect under the contract, unless the party in breach did not foresee and a reasonable person of the same kind in the same circumstances would not have foreseen such a result.

Article 25

1. The Seller may require the Buyer to pay the price, take delivery or perform his other obligations, unless the Seller has resorted to a remedy which is inconsistent with this

requirement.

2. If the Buyer fails to perform any of his obligations under the contract, the Seller may:
 - (a) Exercise the rights provided in articles 7, 28, 29 and 30, 32 and 33;
 - (b) claim damages
3. The Seller is not deprived of any right he may have to claim damages by exercising his right to other remedies.

Article 26

1. The Seller may fix an additional period of time of reasonable length for performance by the Buyer of his obligations.
2. Unless the Seller has received notice from the Buyer that he will not perform within the period so fixed, the Seller may not, during that period, resort to any remedy for breach of contract. However, the Seller is not deprived thereby of any right he may have to claim damages for delay in performance.

Article 27

1. A party may suspend the performance of his obligations if, after the conclusion of the contract, it becomes apparent that the other party will not perform a substantial part of his obligations as a result of:
 - (a) A serious deficiency in his ability to perform or in his creditworthiness; or
 - (b) his conduct in preparing to perform or in performing the contract.
2. If the Seller has already dispatched the goods before the grounds described in the preceding paragraph become evident, he may prevent the handing over of the goods to the Buyer even though the Buyer holds a document which entitles him to obtain them. The present paragraph relates only to the rights in the goods as between the Buyer and the Seller.
3. A party suspending performance, whether before or after dispatch of the goods, must immediately give notice of the suspension to the other party and must continue with performance if the other party provides adequate assurance of his performance.

Article 28

If prior to the date for performance of the contract it is clear that one of the parties will commit a fundamental breach of contract, the other party may declare the contract avoided.

Article 29

The Buyer may declare the contract avoided:

- (a) If the failure by the Seller to perform any of his obligations under the contract amounts to a fundamental breach of contract; or

(b) In case of non-delivery, if the Seller does not deliver the goods within the additional period of time fixed by the Buyer in accordance with paragraph (1) of article 25 or declare that he will not deliver within the period so fixed.

(c) in case that the Seller has gone in for bankruptcy before the passage of ownership.

Article 30

1. The Seller may declare the contract avoided:

(a) If the failure by the Buyer to perform any of his obligations under the contract or this amounts to a fundamental breach of contract; or

(b) If the Buyer does not, within the additional period of time fixed by the Seller in accordance with paragraph (1) of article 28, perform his obligation to pay the price or take delivery of the goods, or if he declares that he will not do so within the period so fixed;

(c) In case that the Seller has gone in for bankruptcy before the passage of ownership.

2. However, in cases where the Buyer has paid the price, the Seller loses the right to declare the contract avoided unless he does so:

(a) in respect of late performance by the Buyer, before the Seller has become aware that performance has been rendered; or

(b) in respect of any breach other than late performance by the Buyer, within a reasonable time:

(i) After the Seller knew or ought to have known of the breach; or

(ii) After the expiration of any additional period of time fixed by the Seller in accordance with paragraph (1) of article 28, or after the Buyer has declared that he will not perform his obligations within such an additional period.

(iii) After the expiration of any additional period of time fixed by the Seller in accordance with paragraph (1) of article 28, or after the Buyer has declared that he will not receive the performance of the contract.

Article 31

1. In the case of a contract for delivery of goods by instalments, if the failure of one party to perform any of his obligations in respect of any instalment constitutes a fundamental breach of contract with respect to that instalment, the other party may declare the contract avoided with respect to that instalment.
2. If one party's failure to perform any of his obligations in respect of any instalment gives the other party good grounds to conclude that a fundamental breach of contract will occur with respect to future installments, he may declare the contract avoided for the future, provided that he does so within a reasonable time.
3. A Buyer who declares the contract avoided in respect of any delivery may, at the same time, declare it avoided in respect of deliveries already made or of future deliveries if, by reason of their interdependence, those deliveries could not be used for the purpose contemplated by the parties at the time of the conclusion of the contract.

Article 32

A declaration of avoidance of the contract is effective only if made by notice to the other party.

Article 33

1. Avoidance of the contract releases both parties from their obligations under it, subject to any damages which may be due. Avoidance does not affect any provision of the contract for the settlement of disputes or any other provision of the contract governing the rights and obligations of the parties consequent upon the avoidance of the contract.
2. A party who has performed the contract either wholly or in part may claim restitution from the other party of whatever the first party has supplied or paid under the contract. If both parties are bound to make restitution, they must do so concurrently.

Article 34

1. A contract may be modified or terminated by the mere agreement of the parties.
2. A contract may be terminated by the written revocation without any reasons. A revocation of the contract is effective only if made by notice to the other party.
3. In the case of termination of the contract the parties are obliged to complete a partial delivery of goods, unless the reason of termination of the contract is connected to the partial delivery. This obligation discharges if it is clear that the other party will commit a fundamental breach of contract and the partial delivery.

Article 35

1. Every sales contract between the Seller and the Buyer is ruled by these General terms and conditions.

2. If this contract is breached, the parties are entitled to enforce its claim through legal proceedings can be submitted to The High court(Tribunals) of Hong Kong, the parties shall fist make all due effort to settle all potential disputes through negotiations.
3. In doubt is presumed that the Buyer has been introduced these Generals terms and conditions and the contract are concluded in accordance to it.
4. The Seller can one-sidedly change these Generals terms and conditions by notification to the Buyer. The partial delivery is to be concluded under the wording of these Generals terms and conditions before the latest amendment. In case of disagreement, the Buyer can revoke this contract.
5. Seat of the Seller: Xenylla s.r.o., 110 00 Prague 1, Skolska 694/32, business registration number CZ-27590909
6. Contact addresses and other connections for consensual and business contact:
Xenylla s.r.o., 110 00 Prague 1, Skolska 694/32

Prague, 01.01.2009

The relevant wording up to the day 01.01.2009