

Complaints Procedure

of PRINCO International, spol. s r.o., registered office in Prague 4, Panuškova 1299, postcode 140 00, company reg. no.: 45270481, entered in the Commercial Register kept by the Municipal Court in Prague, section C, file no. 8953, compiled in accordance with Act 513/1991 Coll., the Commercial Code, as amended.

1. COMPANY ACTIVITIES AND GUARANTEE

PRINCO International, spol. s r.o. (the "Company") is active in the following areas: the purchase of goods for the purpose of their resale and sales, leasing activities, print production, advertising and marketing, packaging, technical activities in the transport sector, data processing, databank services, network administration, graphic and draftsman services, and publishing activities.

The company provides a statutory guarantee on its goods in the above areas. A customer must lodge a complaint regarding any defects in goods in accordance with the law and this complaints procedure.

2. COMPANY OBLIGATIONS

The company is obliged to supply ordered goods in the quantity, quality and execution agreed in the contract. Goods must be packed or prepared for transport in the manner specified in the contract. If the contract does not specify this information, the Company is obliged to pack or prepare the goods for transport in the manner customary for these goods in commerce and in the manner necessary to preserve and protect these goods.

3. PROPERTIES OF GOODS

Goods must have the properties specified in the contract. If an item has already been used, this fact must also be explicitly specified in the contract. If the contract does not contain any specification of the quality or execution of goods, it will be assumed they meet the rules of average quality. If goods are to be supplied in accordance with a specimen or model, the Company must supply the goods with the properties of the specimen or model submitted by the customer. However, the contracting parties may also agree that the quality and execution of goods will be determined by both the specimen and relevant specifications in the contract. In this case, the goods must have the properties included in both sets of specifications. However, if there is a subsequent discrepancy between the quality and execution of goods specified in the contract and the specimen, the specification given in the contract will take precedence.

4. DEFINITION OF DEFECTIVE GOODS

- a) Actual defects: If the Company breaches its obligation to deliver goods in the quantity, quality and execution specified in the contract, and to pack or prepare them for transport appropriately, the goods are deemed to have an actual defect. The delivery of goods other than those specified in the contract and defects in documents required for the use of goods are also deemed a defect.
- b) Legal defects: Legal defects refer to the rights of third parties to the goods.

5. COMPANY LIABILITY FOR DEFECTIVE GOODS

If the subject of delivery involves goods during the production of which items were used which had been supplied by the customer, the Company is not liable for defects which were caused through the use of such items. However, this only applies on the condition that the Company, despite exercising due professional care, could not have detected the unsuitability of the item submitted by the customer, or detected the defect and warned the customer, who nevertheless insisted on its use.

The Company is also not liable for defects in goods which the customer knew about at the time the contract was concluded or must have known given the circumstances under which the contract was concluded, unless the defects relate to the properties of goods which the goods were expected to have according to the contract. The Company's liability is therefore excluded for those defects in goods which the customer knew about because he was informed of them by the Company prior to signing the contract, or which the customer must have know about (e.g. because it had already used the goods as lessee). If the subject of the contract is used goods or goods from old stock, the Company is obliged to inform the customer of the fact this might reduce the quality of the goods.

If there is no guarantee of the quality of goods provided in the contract, the Company will only be liable for such defects to the goods which they displayed at the moment the risk of damage to the goods was transferred to the customer, which means the moment the goods were delivered to the customer, unless agreed otherwise in the contract. This also applies if the defect only becomes evident after this time. This means that when making a complaint of defective goods, the customer must demonstrate that the goods already had the defect at the time of the transfer of the risk of damage to the item to the customer, unless specified otherwise in the contract. If a guarantee was provided by the Company on the delivered goods, the customer must demonstrate that the defect took place during the course of the agreed term of the guarantee. The Company will always be liable for any defect in goods discovered after the transfer of the risk of damage to the goods, if the defect is the consequence of a breach of its obligations, above all in the case of insufficient packaging of goods.

6. COMPANY GUARANTEE FOR QUALITY OF GOODS

The term of the guarantee for which the Company accepts liability for delivered goods being fit for use for their contractual or customary purpose or will retain their contractual or customary properties is stipulated in the contract. If the term of the guarantee or usability of the delivered goods is indicated on the packaging, the Company's liability will persist for the time indicated. If the contract does not contain any provisions on the term of the guarantee for the quality of goods or this term is not indicated on the packaging, the Company's liability will be 90 days.

7. COMMENCEMENT OF GUARANTEE

Unless the contract indicates otherwise, the term of the guarantee will commence on the day the goods are delivered. If the Company is obliged to send the goods to the customer, the term of the guarantee will commence on the day the goods arrive at the delivery point. The term of the guarantee will not run for the period of time for which the customer cannot use the goods due to defects thereto, for which the Company is liable. However, the Company's liability for defects covered by the guarantee of quality will not apply if these defects were caused after the transfer of the risk of damage to the goods by external events and were not caused by the Company or the party/parties with whose assistance the Company met its obligation under the contract (e.g. subcontractors).

8. CUSTOMER'S OBLIGATIONS

As soon as the risk of damage to the goods is transferred to the customer, i.e. usually at the moment it accepts delivery of the goods, the customer has a duty to examine the goods regardless of whether or for what period the Company has provided a guarantee. If the contract stipulates that the goods must be sent to the customer, the inspection can be postponed until the goods are transported to the delivery point. If the customer does not meet this obligation, it can only make a claim based on defects discovered during this inspection if it can demonstrate the goods already had the defect at the time the risk of damage to the goods was transferred. The customer is obliged to submit a report of defects discovered during inspection to the Company without undue delay following the discovery of these defects, or after it should have discovered them exercising due professional care, and in the case of concealed defects not later than when it could have discovered the defects exercising due professional care, but within two years of the delivery of the goods at the latest, or the arrival of the goods at the delivery point specified in the contract. In the case of goods covered by a quality guarantee, the term of the guarantee applies instead of this deadline.

9. HIDDEN DEFECTS IN GOODS

In the case of hidden defects, i.e. defects which could not be detected even exercising due professional care, the relevant term begins at the moment the defects were discovered or should have been discovered exercising due professional care. However, the duration of the term for discovering concealed defects is restricted to the term of the guarantee; if no guarantee on goods is provided, this term is no more than two years from the delivery of goods to the customer.

10. ENFORCEMENT OF THE GUARANTEE

In order to report defects in goods and make a claim under the guarantee, communication must always be directed to the Company's registered office referred to above. The authorised person is: Tomáš Baloun, tel./fax: 296 114 911, e-mail: sekretariat@princo.cz.

Prague, 1 June 2011

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Tomáš Baloun, Manager