

## **GENERAL COMMERCIAL TERMS**

In terms of the provisions of the Act no. 513/1991 Coll. (Commercial Code) as applicable within the Slovak territory, the company TTS Martin, s.r.o. with its registered address at Pribovce no. 343, SK-038 42 Pribovce, Slovakia, issues hereby General commercial terms (hereinafter referred to only as "GCT-TTS") that shall regulate the contractual relationships between the company TTS Martin, s.r.o. as the "seller" and other contracting party as the "purchaser". The legal relationships and content of individual commercial relationships shall be governed by these GCT-TTS or respective contract for work, as the case may be, or a sales contract (hereinafter only as "contract") concluded between the seller and purchaser. Alternatively, the legal regulations may be governed by order acknowledgement and unless regulated otherwise by these documents, legal relationships shall be governed by public statutes of the Slovak republic, namely by the Act no. 513/1991 Coll. as amended applicable within the Slovak republic territory. Both the seller and purchaser may regulate the duties and responsibilities differently from the provision of these GCT-TTS in a contract or other agreements, as the case may be. The provisions of a contract or other agreement take precedence over the provisions of these GCT-TTS.

### **Art. 1 Conditions of the subject of performance**

1. Purchase order or contract conclusion  
The seller shall deliver goods or execute work based on a written purchase order issued by the purchaser and acknowledged by the seller or based on a contract signed by both contracting parties. Mutually approved acknowledgement of purchase order becomes a contract entered into by the seller and purchaser, as well.
2. A purchase order or a contract have to contain business name and registered address of the purchaser, name and phone no. of a contact person that is entitled to deal and act on the merit, specification of type and quantity of goods ordered or scope of work, requested delivery date, method and place of goods delivery, the price and method of payment for delivery of goods and work execution.
3. Any and all materials, such as flyers, catalogues, drawings and other data on goods shall be deemed for information only. They are not binding for the seller.
4. The data indicated in written acknowledgement of the purchase order or a contract concluded between the seller and purchaser and signed mutually by both parties shall be binding. Any consequential or other arrangements have to be executed solely in writing and acknowledged by both contracting parties in writing.
5. The purchaser is entitled to ask for an alteration of the contents of delivery in writing and such request is binding for the seller only if acknowledged in writing, whereas the seller may reasonably alter the delivery time in writing, depending on circumstances, namely in acknowledgement of the alteration in delivery in question. The alterations and adjustments on goods and deliveries shall be performed by the seller on at the expense of the purchaser.
6. The seller reserves the right to alterations in structure and execution of work, unless these alterations have substantial impact on function of equipment delivered, whereas the seller shall notify the purchaser on alterations that have been performed in advance.
7. The seller has the right to withdraw from the contract or purchase order at any time. In such case, the purchaser has the right for a compensation of actually incurred costs that have been corroborated in writing. These claims shall relate only to direct costs incurred. In no case shall the seller compensate for indirect claims incurred by lost profit of the purchaser, lost of a contract with a third party etc.
8. The purchase order or contract that has been acknowledged is binding for the purchaser. In the event of cancellation of purchase order or contract withdrawal by the purchaser, the purchaser shall pay all corroborated direct costs incurred with the execution of work to the seller up to the date of cancellation or withdrawal of a purchase order or contract, as the case may be.

### **Art. 2 Delivery terms**

1. The seller shall deliver goods or execute work within the scope, in quantity and quality according to acknowledged purchase order or contract at the time and place agreed by both contracting parties. Unless stated otherwise in the purchase order or contract, the registered address of the seller shall be the place of performance.

2. Upon a request, the seller shall enable the purchaser to perform a check of the execution of work in process. However the date and time of such check has to be agreed on with the seller in advance.
3. After the execution of work is complete, the seller is obliged to prompt the purchaser to take it over at the agreed place of performance.
4. Should the registered address of the seller be the place of performance, the purchaser is obliged to appear for the take over of the work not later than in 7 days from the date of receipt of the prompt (either in writing or parole).
5. In the event of the installation of equipment at the agreed place of performance other than the registered address of the seller, the purchaser undertakes to take the work executed over in a due and timely manner as agreed, otherwise the purchaser is obliged to compensate the seller for the costs and damage incurred as a consequence of the work not taken over.
6. The seller shall issue two counterparts of the delivery note along with the subject-matter of the purchase. The contracting parties shall sign the delivery notes reciprocally. Each contracting party obtains one master copy acknowledged on both sides. In the event of installation of the equipment, the seller is obliged to issue the protocol on acceptance of the equipment, record on staff guidance and other relevant documents necessary for proper hand over and use of the work subject and submit those to the purchaser.
7. The purchaser is obliged to check the subject-matter of purchase and related work thoroughly and examine, whether there are any defects, if the subject-matter of purchase was delivered inclusive all accessories and relevant documents as soon as the purchaser is able to dispose of the subject-matter. The purchaser shall communicate the seller on all defects ascertained not later than in 2 business days from the date, when the subject-matter of purchase was taken over.
8. The purchaser undertakes to take over a partial work execution, as well.
9. If the seller and purchaser agree that the seller shall arrange the transport of goods onto the agreed place of delivery, the rights and responsibilities for the transport pass on the purchaser at the moment, when goods are handed over to the first forwarder. The seller is obliged to pack the goods at own charge in a common manner so that any damage or degradation of goods during the transport is avoided. The standard method of packing of the goods is not appropriate for a long-term storage of goods.
10. Should the seller fail to deliver the goods at the date due to force majeure, the delivery date extends reasonably by the duration of force majeure effects. As a matter of principle and as far as possible, the seller is obliged to notify the purchaser of such facts along with a notice on approximate possible date of goods delivery. Should the performance by the seller become impossible due to effects of force majeure, the obligation of the seller to deliver goods to the purchaser becomes null and void without any entitlement of the purchaser to claim damages.
11. The seller retains the ownership rights and copyright to catalogues, drawings, projects and other documents related to sale of goods, namely without reservation. The purchaser is not entitled to translate, copy or reproduce any materials or documentation related to goods delivered.

### **Art. 3 Co-operation by the purchaser**

1. The purchaser is obliged to render all required materials, documentation or projects necessary for the execution of work to the seller, not later than on date of approval of the purchase order or the date, when contract of work is signed. In case of late supply of said documents that are necessary for the execution of the work, the work delivery date shall be postponed by equal period as the number of days the supply being late, whereas the liability for non-meeting the delivery date shall not establish a delay on the side of the seller.
2. The order party undertakes to take over the work executed or goods, pay the agreed price and render agreed cooperation to the seller.
3. At handling complaints, the purchaser undertakes to allow access to goods to the seller or other entitled persons and render full cooperation so that the defects on goods can be rectified by the seller.

4. For the purposes of the contract and purchase order, a breach of the agreed cooperation of the purchaser shall be deemed as substantial breach of contract and/or purchase order.

**Art. 4 Price of work and payment terms**

1. Pursuant to § 3 of the Act no. 18/1996 Coll. as amended applicable within the Slovak republic territory (Act on prices), the price of the work is set in acknowledgment of the purchase order or in contract. The prices indicated in quotes and pricelists shall always be indicated exclusive of VAT, unless stated otherwise.
2. The seller reserves the right to agree price and payment terms for each contract or purchase order separately.
3. In case additional work deemed as work beyond the scope of work agreed in contract or purchase order results during the execution of work for a particular purchase order, the contracting parties agree on extent of such work and price. Their consent therewith shall be affirmed in writing.
4. Unless indicated otherwise in acknowledgement of the purchase order or contract, the price of work shall not include the costs of transport of the subject-matter of work to the place of performance that is fully arranged and paid by the purchaser.
5. The price of the work is deemed as settled by crediting the bank account of the seller with the funds or payment at the cash register of the seller.
6. The purchase price of the goods is payable in Slovak crowns or other currency, whereas the foreign exchange rate used for the payment by the purchaser valid on the day, when the contract is signed or purchase order is acknowledged shall be crucial. In case the price is settled in foreign currency, the clause on the right of the seller to increase the price unilaterally by the amount equal to percentage change of the exchange rate shall be applied, if there is an appreciation of EUR to SKK according to official foreign exchange table, within the period from the date, when the contract is signed or purchase order is acknowledged to the date, when the purchase price is paid up, namely if such appreciation exceeds 3 per cent.
7. The purchaser is entitled to allow for own receivables towards the seller only upon a written consent of the seller.
8. The purchaser is not entitled to transfer own claim towards the seller to a third party without a written consent of the seller.
9. If the purchaser is obliged to pay an advance prior to delivery and pursuant to the sales contract and the purchaser fails to pay the amount in a proper and timely manner, the seller is entitled to refuse to delivery the goods until the purchaser pays the advance or to withdraw from the contract after a notice and expiration of reasonable period. Besides the late payment interest, the purchaser is obliged to compensate the seller for costs incurred as a result of delay of cancellation of delivery.
10. The seller shall issue a tax document for the purchaser with the purchase price of the goods and work in terms of valid law regulations.
11. If no due date of a tax document is set out in the contract or acknowledgment of the purchase order, due period of 14 days from the date, when the goods or work is taken over shall be applied.

**Art. 5 Penalties**

1. Should the seller fail to meet the date of performance pursuant to acknowledgement of the purchase order or contract, the purchaser has the right to charge a contractual fine to the seller, amounted to 0,05 per cent from the price of respective part of the work for each day of the payment being late, however not more than 5 per cent from respective part of the work.
2. Should the purchaser fail to settle the price of work, the seller has the right to charge late payment interest to the purchaser, amounted to 0,05% from outstanding price of work for each day, including a commenced day.
3. In case the purchaser does not take over the subject-matter of performance within 7 days from the date, when the prompt is received, the work shall be deemed as delivered on the last day of this period. The seller is entitled to charge the compensation for storage to the purchaser, amounted to 0,1 per cent from the purchaser price of goods for each day of goods storage.
4. In the event of cancellation of purchase order or contract withdrawal by the purchaser, the purchaser shall pay all

corroborated direct costs incurred to the seller with the execution of work to the seller up to the date of cancellation or withdrawal of a purchase order or contract, as the case may be.

**Art. 6 Transfer of rights and risk of damage**

1. The purchaser shall acquire ownership rights to goods at the moment of hand-over or delivery of goods provided the purchaser settled fully the purchase price of the work to the seller.
2. The risk of damage on goods shall pass onto the purchaser at the moment, when the seller dispatches the goods from own warehouse for the purposes of delivery to the place indicated in an acknowledged purchase order or contract or at the moment, when the goods is taken over by the purchaser at the seller's registered address.

**Art. 7 Defects of goods, quality warranty**

1. The warranty on goods and work executed starts to lapse at the moment, when the goods and/or work are handed over pursuant to Art. 6.
2. Unless stated otherwise in contract or purchase order acknowledgement, the producer provides warranty on defects of material or production defects of the product, in terms of the general commercial terms, for the purchaser, for the period of 12 years from the date of purchase or commissioning of the product at the first user, however, not more than 18 months from the date of dispatch from the warehouse of producer or 2000 working hours except for back-up plants (note: back-up plants that operate only in electricity distribution network dropout and their operation time does not exceed 500 hours per year), in case of which, the producer provides warranty for 24 months from the purchase date or commissioning of the product at the first user, however, not more than 30 months from the date of dispatch from the warehouse of producer. In both cases the warranty ends at expiration of the first period of the ones referred to.
3. The purchaser shall notify the seller in writing of the hidden defects, as well as defects of the product, for which, the seller is responsible for within warranty without undue delay (complaint).
4. The seller is obliged to give an opinion to a complaint within 7days from the date of delivery of complaint or if required, the seller shall arrange for a visual inspection of the goods at the end user within the same period.
5. Provided the complaint is justified, the seller shall set out the deadline and method of rectification of damage within the period intended for the decision on justification of the complaint, as well.
6. During the warranty period, the seller's service centre on own or another service centre authorized shall fix or replace the defective detail of the product at own expense. However, this shall be done only provided respective complaint is recognized as justified, the product is located within the Slovak republic territory and it is built in the ground - stationary. In case the product is portable, the purchaser shall deliver the product for the purposes of its repair to the registered address of the producer, whereas the purchaser shall bear the costs related to transport of such product. Should it be necessary, that authorized persons travel abroad, outside the Slovak republic territory, in order to perform the visual inspection, repair or replacement of a defective part of the product, the purchaser shall bear the travelling costs, charges for work and costs related to accommodation of the persons of producer.
7. The remaining warranty period of the original parts or components of the product is carried forward on all replaced or fixed parts or components of the product, on which the warranty is related.
8. The warranty period is extended by the period, during which, the product was under recognized warranty repair and could not be used within the time of warranty.
9. Any liability for other costs, damage, direct or indirect losses of the purchaser resulting from the use of products or their partial or full malfunction shall be hereby excluded.
10. **The warranty shall not be recognized in the event:**
  - the installation of the product has not been performed correctly, as a result of what, it is not compliant with the prescribed specifications of the producer, whereby there is a breach of conditions for its proper function.
  - the installation of the product has been performed by a non-qualified staff that has not been trained by the producer or recommended by the producer,

- it can be proved that the instructions pursuant to "Operating and service manual", "Operating guide" and "Operating instructions" supplied together with the product have not been adhered to,
  - any seal attached in production onto the product is damaged or removed by a party other than the producer or a service centre authorized by the producer,
  - the product has been dismantled, repaired or any parts of the products have been modified by a party other than the service centre of the seller or other service centre authorized for such action in writing,
  - at performance of maintenance and repair, other than original spare parts have been used,
  - other party than the service centre of the producer or a service centre authorized by the producer were charged with the performance of prescribed regular maintenance,
  - individual parts of the fuel supply system have been damaged as a result of supply of non-authorized fuel type or poor quality fuel,
  - there has been a failure of the electric system caused by connection of electric components that exceeded permissible power load of the product,
  - the product has been damaged during the transport, transshipment or unloading,
  - damage due to inevitable event of force majeure (natural hazard).
11. The purchaser is obliged to use the goods only for intended purposes and in compliance with safety regulations and other generally binding statutes.
  12. During the warranty period, the purchaser is obliged to keep the goods in proper and serviceable state and arrange at own expense for warranty inspections by an authorized service centre recommended by the seller.

**Art. 8 Closing provisions**

1. These general commercial terms shall be binding as of January 01, 2008.
2. The seller is entitled to alter the contents of the GCT-TTS, however the GCT-TTS shall be binding for the purchaser until the amended GCT-TTS are delivered to the purchaser.
3. The contracting parties agreed to keep the business secrets of the other contracting party that either contracting party acquired by performance of the subject-matter of the contract or purchase order confidential even after the expiration of the contractual relationship.
4. The purchaser is obliged to communicate the seller on changes relevant to incorporation to Commercial register, changes of the form of the entity, its division, merger or fusion with another entity and the purchaser shall provide for the transfer of rights and duties resulting from the current contractual relationship onto the succession entity.
5. In case of declaration of settlement and/or bankruptcy on the assets of the purchaser and/or the purchaser's property execution, the seller is entitled to terminate the contract with the purchaser, issue an invoice for the work executed to the purchaser and set up a lien on the subject-matter of the work related to the current contractual relationship.
6. Any disputes between the contracting parties shall be resolved preferably by the contracting parties on own. Should they fail to come to an agreement, the dispute shall be resolved by competent court in terms of the Act no. 99/1963 Coll. as amended applicable within the Slovak republic territory (Civil procedure code).

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