

## **General Delivery Terms and Conditions of FERAD, s.r.o.**

### **Article 1. Introductory provisions**

1.1. These General Delivery Terms and Conditions of FERAD, s.r.o. (hereinafter referred to as "GDTC") constitute an attachment to the Frame Contract, Contract, Order Confirmation or Firm Bid (hereinafter referred to as "Contract") and are an inseparable part of the Contract. Buyer's submission of an Order implies Buyer's complete consent with these GDTC without any reservation. Buyer's alternative terms and conditions shall not apply unless specifically accepted by the Seller in writing. The Buyer's Order requires confirmation by the Seller. No other special terms prevail over the GDTC, unless they are accepted by the Seller in writing.

All quotations and offers issued by Ferad are valid for a period 30 calendar days, unless otherwise specified in writing by Ferad.

1.2. The Parties shall be bound by the following order of precedence:

1.2.1. Provisions in the body of the Contract,

1.2.2. GDTC,

1.2.3. Recommendations for Customers like operating manuals, instructions, etc. (collectively referred to as "Recommendations for Customers"),

1.2.4. Directive 2006/112/EC on the Common System of Value Added Tax,

1.2.5. Law of the Slovak Republic, primarily Slovak Commercial Code.

### **Article 2. Payment and delivery conditions**

2.1. Delivery conditions and price are stated according to Incoterms® 2010 (unless otherwise stated in the Contract) upon agreement of both Parties. No amount shall be deducted from payment of the price of Goods.

2.2. All prices are ex stock Ferad plant. All national, local, value added and other applicable taxes and fees measured in any legal system are not included in the price unless otherwise agreed in writing by Ferad.

2.3. The Seller has no obligation to deliver Goods to the Buyer unless the Buyer shall provide the Seller upon request of the Seller with one or more of the following collateral: an irrevocable bank guarantee; irrevocable documentary letter of credit; promissory note; advance payment; corporate guarantee; or some other form of security required and approved by the Seller in writing or according to Contract.

2.4. If the Buyer is in delay with the payment of any of Seller's receivables (regardless of the cause of its legal origin) against Buyer arising under any contract, the Seller has no obligation to deliver the Goods to the Buyer and the Seller is entitled to stop production of ordered Goods or to declare the Contract avoided and Seller is not in default.

2.5. If the Buyer is in delay with the payment of the price of Goods, the Seller is entitled to unilaterally change the payment conditions and at the same time, the Seller reserves the right to repossess the Goods. The Buyer shall provide to the Seller all reasonable assistance requested by the Seller to repossess Goods.

The cost of repossessing or re-exporting the Goods shall be borne by the Buyer.

2.6. In the event of a claim, the Buyer is not entitled to withhold any payment to the Seller or to withhold the Goods to be returned to the Seller or unilaterally set off its claims towards Seller. Buyer's claim(s) will be solved separately, with no impact on

Buyer's duty to pay the purchase price of the Goods on or before the agreed upon due date.

2.7. Partial deliveries of the Goods are allowed.

2.8. If the Goods are not delivered to the Buyer despite delivery of the dispatch advice for the Goods, the Buyer is obliged to inform the Seller immediately in writing.

2.9. If the Buyer doesn't pick up the goods in agreed time the Seller is entitled to store the Goods on the costs and risk of Buyer in the warehouse of the Seller or in a warehouse of any third party. If the Seller stores the Goods in the Seller's warehouse, the Seller is entitled to charge the Buyer the cost of storage in the amount of EUR 10,00 per each item of Goods for each started day of storage. If the Goods are stored in a third party's warehouse, Seller is entitled to charge the Buyer the cost of storage charged by such third party.

2.10. It is expressly understood and agreed that any credit and payment terms extended to Buyer by Seller are expressly contingent upon periodic credit review of Buyer's overall financial condition and approval by Seller in its sole and absolute discretion. Credit review requires the disclosure of financial information. Buyer shall provide financial information to Seller as reasonably requested that is sufficient to complete the required credit review and approval. If at any time Seller reasonably believes that Buyer is, or may become, unable to perform its obligations hereunder, Seller may alter the payment terms or require that Buyer provide Seller with security for, or other assurance of, performance, in either case acceptable to Seller, acting reasonably. If Buyer fails to provide such security or assurance or fails to make payment in accordance with the payment terms, any such failure will constitute a substantial breach of Contract by Buyer permitting Seller to suspend scheduling, production, shipment or delivery of goods under Contract or any other contract between Buyer and Seller.

2.11. The Buyer's date of payment completion is the date when the due amount is credited to Seller's bank account.

2.12. The Buyer cannot assign or trade in any way any rights, claims or obligations arising from the Contract without Seller's prior written consent.

2.13. In case of reasonable and documented changes in the prices of energy media, raw materials, services, or changes in legislation which affect the price of the Goods, Seller is entitled to unilaterally adjust the price of the Goods by written notice to the other Party.

2.14. All bank charges outside Seller's bank are for Buyer's account.

2.15. All packing and loading costs shall be borne by the buyer.

### **Article 3. Title to and risk of loss of the Goods**

3.1. The risk of loss to the Goods shall pass from the Seller to the Buyer according to agreed delivery conditions.

3.2 Title to the Goods will pass from Ferad to the Buyer at the moment when all invoices for the Goods have been paid in full. Ferad reserves the right that in case of overdue payment Ferad will be allowed to enter the Buyer's or third party's premises to apply its ownership title.

3.2. Title to the unprocessed Goods will pass from the Seller to the Buyer at the moment when the payment of price of Goods is credited to Seller's bank account.

### **Article 4. Liability for defects of Goods**

4.1. Seller manufactures the Goods according to agreed (international, domestic or other) technical specifications for dimensional, mechanical, physical, surface or other agreed characteristics. In order to make them contractually binding, the technical specifications and/or any additional requirements of the Buyer must be set forth clearly in the Contract. Such technical specifications constitute the exclusive and sole representations of the Seller concerning the quality, capabilities and features of the Goods, and there are no other warranties or obligations of the Seller concerning the quality, capabilities and features of the Goods.

4.2. The Buyer must examine the Goods, or cause them to be examined as soon as is practicable after delivery of the Goods.

4.3. If Buyer breaches any of its obligations with respect to the care of Goods during transport, warehousing, examination or inspection as set forth in the Contract, Recommendations for Customers or related regulations, Seller reserves the right to reject any claim for defective Goods caused by or related to breach of such obligation.

4.4. Unless specified otherwise in writing by The Seller, The Seller provides to the Buyer a warranty with respect to the quality of the Goods, workmanship and materials for a period of twelve (12) months from the date of the date of initial use (or placement into storage) or 18 months from the shipment date, whichever expires first. Spare and replacement parts manufactured by Ferad are provided with the warranty of 3 months after shipment date.

No warranty is assumed for used products, unless confirmed otherwise in writing by Ferad.

Resale products and components are provided with original manufacturer warranty only.

4.5. The Buyer is obliged to notify Seller of the nature and specifics of the defects of the Goods as follows:

a) obvious defects of the Goods as well as differences in quantity of the Goods without

undue delay (no later than 10 days) from the day of the Goods examination that Buyer is obliged to perform under section 4.2.,

b) all hidden defects and defects covered by the quality warranty without undue delay after discovery by Buyer, but not later than within the period of time stated by the law or for the defects covered by quality warranty, within the warranty period.

4.6. Each such notice shall be sent by courier, registered letter or other appropriate means that confirm receipt by Seller and shall include copies of the following documents and data:

Duplicate of Bill of freight (CMR, CIM, B/L),

The number of both the relevant Contract and invoice,

Identification data of the allegedly defective Goods (name of the Goods, serial nr., dimensions, claimed amount, etc.),

A description of defects including their accurate and complete photo documentation,

including the photo documentation of the damaged Goods loaded on the relevant transport vehicle, if the defect was detected during transport, and

Buyer's preliminary evaluation of the damage on the allegedly defective Goods.

4.7. If the Goods were damaged during transport, or damage was detected during transport and if according to the Contract Seller will be assumed to be liable for such

damage, then Buyer is obliged to notify Seller of damage to the Goods and enclose with such notice the following documents:

- A damage report including a preliminary evaluation of the damage to the Goods,
- A commercial report confirmed by the forwarder,
- The Bill of freight (CMR, CIM, B/L),
- Any existing survey report,
- The number of both the relevant Contract and invoice,
- Identification data of the allegedly damaged Goods (name of the Goods, serial nr, dimensions, claimed amount, etc.).

4.8. No claim entitles Buyer to refuse to make payment or to refuse to take over the other deliveries from Seller.

4.9. Buyer shall separately store all the Goods on which it is making a claim against Seller separately in their original condition for review by representatives from Seller. Buyer is not entitled to use or sell the Goods on which it is making a claim without Seller's prior written consent - any such use or sale without Seller's prior written consent shall be conclusive evidence that the Goods were delivered without defects and in accordance with the terms of the Contract. Buyer is not entitled to compensation for defective Goods if it has not provided Seller with a reasonable opportunity to inspect them or if the Goods are not available for inspection.

4.10. If Seller recognizes Buyer's claim, Seller is entitled to either (a) replace the defective or missing Goods within a reasonable amount of time, or (b) provide an adequate price discount; repair the nonconforming goods.

In case of repair or replacement the warranty expires within the original warranty period or 30 days, whichever is longer.

In case of proving the failure is not covered by the warranty stated above Ferad reserves the right to recharge the Buyer by all costs and expences incurred to Ferad as a result of arrangements undertaken to solve the claim (inspection, transportation,...).

4.11. Seller is not liable for defects of the Goods caused (a) by a breach of Recommendations for Customers, (b) by non-standard, unqualified or unsuitable storage, use, installation or testing of the Goods, (c) by reasons related to assembly of Goods with other non-authorized Goods, (d) by attempts to modify or repair the Goods without Seller's prior written authorization, (e) by reasons related to unsuitable handling, transport or storage of the Goods, or (f) by any reason other than the standard use of the Goods.

## **Article 5. Order Cancellation**

Cancellation of any order must be done in writting to Ferad s.r.o.. Ferad s.r.o. reserves the right to apply cancellation charges involving all costs incurred to Ferad by the date of cancellation (used materials, materials ordered that cannot be returned, labour costs, transport costs, cancellation process costs, etc).

## **Article 6. Force Majeure**

6.1. Neither Party shall be liable for delay or complete or partial failure to perform its obligations under the Contract, to the extent that its performance has been prevented, delayed or hindered due to an event of extraordinary nature beyond the reasonable control of the affected Party, which could not have been reasonably foreseen or avoided, including but not limited to natural disasters, wars, war

operations of various kinds, rebellions, civil commotion, sabotage, revolutions, acts of piracy, explosions, fires, flooding, general strikes, lockouts, official interventions of legal as well as illegal nature, or other circumstances occurring independently of the will of the Parties, outside of control of the Parties and which could not have been prevented, avoided or overcome (each a "Force Majeure Event").

6.2. The Party affected by complete or partial inability to perform its obligations arising from the Contract due to a Force Majeure Event is obliged to inform the other Party in writing about occurrence/termination of such Event within ten (10) days, with fax/email advice being confirmed by original advice sent within next ten (10) days after occurrence/termination. The affected Party shall, if requested, provide confirmation of such Force Majeure Event from the Chamber of Commerce of the location thereof.

6.3. If a Force Majeure Event lasts for less than sixty (60) consecutive calendar days, the Parties shall retain their rights and obligations under the Contract, and the time for

performance of such obligations, as well as the validity of the Contract, shall be extended by the duration of such Force Majeure Event.

6.4. If a Force Majeure Event lasts for sixty (60) or more consecutive calendar days, any Party shall be entitled to terminate the Contract effective at the moment when such notice is delivered to the other Party, without any further right or obligation for compensation of damages, except for damages which occurred prior to the commencement of, or which are unrelated to the such Force Majeure Event.

6.5. A Party that fails to provide notice to the other Party, as required in section 6.2. herein, shall be obliged to compensate the other Party for all damages caused as a result of such failure.

## **Article 7. Sanctions, Confidentiality.**

7.1. If Buyer fails to pay the price for the Goods within the agreed upon payment term, the Seller is entitled to charge the Buyer delay interest in the amount of 0.07% of the outstanding sum per each day of delay.

7.2. The Seller shall be entitled to a contractual penalty (in addition to full compensation for damages) to be paid by the for every single violation of the Contract by Buyer with the due date thereof on the day following the day of delivery of the bill for contractual penalty to the Buyer.

7.3. The Seller shall be entitled to compensation for damages against the Buyer in the

fullest extent (in addition to contractual penalty) with the due date thereof on the day following the day of delivery of the bill to the Buyer, if the Buyer has assigned or traded in any way the Contract claims without Seller's prior written consent.

7.4. The Seller considers any data stated in the Contract and any information or documents submitted to Buyer in relation to the Contract confidential and Buyer shall be obliged not to supply them or allow access to them in any form to any third person except as stated by law, required by state authority, court (including arbitration) or Seller's insurance contract

7.5. Seller is not liable for compliance with the law valid in the State of import or transit of the Goods, unless such compliance is stated clearly in the Contract.

## **Article 8. Contract avoidance**

8.1. Either Party is entitled to declare the Contract avoided by written notice to the other Party if:

- a) the other Party repeatedly violates the Contract or,
- b) the other Party commits a substantial breach of the Contract. Substantial breach of the Contract shall mean a violation of payment conditions, Buyer's delay with payment of any of Seller's receivables (regardless of the cause of its legal origin) against Buyer arising from any contract, violation of obligation to secure payment of purchase price of the Goods or non-takeover of stated volumes of the Goods in agreed terms as well as refusal to assist during delivery, or,
- c) upon reasons stated in the Contract.

8.2. The avoidance of the Contract shall be effective on the day of delivery of written notice of avoidance of the Contract to the other Party.

### **Article 9. Liability for damages, Inspections and Audits**

9.1. The liability of the Seller towards Buyer for any damages is at all times limited to the amount of purchase price paid by Buyer according to the respective Contract.

9.2. In no event shall the Seller be liable to the Buyer for indirect damages, including, without limitation, damages related to loss of production, loss of profit or expected profit, loss of expected future sale, good will damages, extra costs, loss of use, attorney's fees and expenses and contractual penalties, other sanctions or any claims imposed on Buyer by third parties, whether based upon breach of Contract, warranty or due to other reasons. The Seller is not liable for damages that could not have been foreseen. This limitation of liability is not applicable if the damage was caused by Seller to Buyer as a result of willful misconduct or gross negligence of Seller.

9.3. Except in the case of Seller's intentional misconduct or Seller's gross negligence, Seller accepts no liability for damage suffered by Buyer's personnel or damage suffered by any third persons participating in the performance of the Contract.

9.4. Buyer is responsible towards Seller for the compliance of any of Buyer's employees or any persons assigned by Buyer who are located within Seller's premises with all valid regulations related to Safety Work, Fire Protection, Seller's Work Order or Seller's Ethical Code. In case of violation of this obligation, Seller is entitled to expel any such noncompliant persons from Seller's premises and confiscate their entrance permits to Seller's premises. Buyer is also liable towards Seller for all damages suffered by Seller due to violation of such obligation of Buyer.

9.5. Buyer shall ensure that all of its employees or other persons assigned by the Buyer

entering the Seller's premises in relation to the loading of the Goods use the personal protection aids in accordance with the applicable legal regulations and Seller's regulations.

### **Article 10. Economic sanctions**

10.1. Buyer represents and warrants that, with respect to its obligations under the Contract and any other agreement with Seller, it is currently in compliance with, and shall remain in compliance with, the laws, regulations and executive orders issued and/or administered by (i) the Slovak Republic or (ii) the European Union and its authorities or (iii) the United Nations Security Council

10.2. Buyer further represents and warrants that none of the goods or services that it is receiving from Seller will involve, require interaction with, concern, or relate to, in whole or in part, any Blocked Person or their assets or products.

10.3. Buyer hereby acknowledges and agrees that Buyer's breach of any of the terms of this Article at any time during the term of the Contract shall be considered a material breach of the Contract.

10.4. Buyer hereby agrees to indemnify, defend, and hold harmless Seller and against any and all claims, demands, damages, costs, penalties, and fines arising in connection with any alleged breach by Buyer or its agents of this representation and warranty. Seller may reject, suspend, or cancel any transaction to a Blocked Person without penalty or payment for the rejected, suspended, or cancelled goods or services, and/or withdraw from or terminate the Contract, or any other agreement with Buyer, in whole or in part, if (i) Buyer or its agent has violated the above representation and warranty, or (ii) Seller has a good faith basis for believing that Buyer or its agent intends to violate the above representation and warranty, and Buyer, in response to Seller's request, does not provide without undue delay an adequate and satisfactory assurance of its full compliance with this Article. Buyer will pay all penalties and damages incurred as a result of its breach of the terms of this Article.

## **Article 11. Anti-bribery commitments**

11.1. Buyer affirms that it, and each of its owners, directors, employees and every other person working on its behalf, has not and will not, in connection with the work or transactions contemplated by the Contract or in connection with any other business transactions involving Seller, give, offer, or promise any money or any other thing of value, directly or indirectly, (i) to any Government Official; (ii) to any political party, official of a political party, or candidate for political office; (iii) to a third party with knowledge or suspicion that all or part of the money or thing of value will be given, offered, or promised to any of the foregoing; or (iv) to any other person or entity, if such payment or transfer would violate the laws of the country in which made or the laws of the Slovak Republic, European Union or the United States. It is the intent of the Parties that no payments or transfers of money or anything of value shall be made which have the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining business. This Article shall not, however, prohibit the giving of business mementos of nominal value, or provision of normal and customary business entertainment, provided that any such business memento or entertainment is lawful in the country in which it is provided, offered for a legitimate business purposes, reasonable under the circumstances, and not provided for any improper or corrupt purpose. For the purposes of the Contract, "Government Official" means any officer or employee of (i) any local, state, provincial, or national government or any department, agency or instrumentality thereof, (ii) wholly or partially state/government-owned or state/government-controlled corporation, or (iii) public international organization, or any other person acting in an official capacity for or on behalf of any such government, department, agency, instrumentality, corporation or public international organization.

11.2. Laws implementing the Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the "OECD Anti-bribery Convention"), including

the anti-bribery laws of the Slovak Republic, European Union and the U.S.A. (collectively the “applicable anti-bribery legislation”), prohibit direct and indirect bribery and attempted bribery of public officials. Both Parties are familiar with, understand, and agree to comply with the applicable anti-bribery legislation and to take no action that might be or cause a violation of the applicable anti-bribery legislation or a violation of the laws of other countries that prohibit the same type of conduct.

## **Article 12. Final provisions**

12.1. Any and all previous agreements, or understandings of any nature whatsoever made between the Parties which relate to these GDTC shall be superseded by these GDTC.

12.2. Each Party shall immediately notify the other Party in writing regarding any changes to its business license or company register data which have a direct impact on terms and performance of the Contract, or any official commencement of liquidation, bankruptcy procedure or other similar procedure

12.3. Amendments to the Contract shall be in writing and signed by duly authorized representatives of both Parties.

12.4. Legal relations arising out of Contract, not treated herein, as well as all out-of-contract claims arising in connection with Contract are fully governed by the law of the Slovak Republic, without respect to its other conflict of law principles. Parties have agreed that the courts of the Slovak Republic have exclusive jurisdiction over the resolution of all disputes arising out of or in connection with Contract, including, without limitation, disputes over the validity, interpretation or termination of Contract, and any dispute, not resolved by the agreement of the Parties, shall be submitted for decision to:

- the District Court Kosice II, as the locally competent court of the Seller in the Slovak Republic, if the Buyer has its home address or seat outside the Slovak Republic, or
- the materially and locally competent court in the Slovak Republic, if the Buyer has its

home address or seat in the Slovak Republic.

12.5. Should any provision of these GDTC be invalid, this shall not affect the other provisions hereof.